Integrated Annual Report 2024

SIPEF

Contents

Contributing to a better tomorrow...

by cultivating sustainable excellence,

bringing
people together,

and nurturing communities.

SIPEF

Doing well by doing good.

Message from the chairman and managing director

> Palm oil continues to be essential for feeding the world's growing population and meeting global demand for vegetable oils across multiple industries, thanks to its high yield per hectare and efficient processing.

2024 was a year of both challenges and progress for SIPEF, marked by strong market dynamics, operational resilience, and continued investment in sustainable growth. Despite the effects of climate variability and geopolitical uncertainties, the Group successfully maintained stable financial performance while strengthening its position as a leading producer of high-quality, traceable, and responsible agricultural products.

Palm oil continues to be essential for feeding the world's growing population and meeting global demand for vegetable oils across multiple industries, thanks to its high yield per hectare and efficient processing. SIPEF remains committed to meeting this demand sustainably by enhancing land use efficiency, investing in high-quality oil palm varieties, and integrating smallholders into a responsible supply chain.

Throughout the year, financial and operational performance remained solid, supported by strong palm oil market fundamentals. Palm oil prices averaged USD 906 per tonne on the Bursa Malaysia Derivatives Exchange (MDEX), reflecting global supply constraints and steady demand. SIPEF achieved an average ex-mill gate selling price of USD 867 per tonne, a 4.4% increase compared to 2023, with particularly strong prices in the second half of the year.

SIPEF recorded a total net profit (share of the Group, after tax) of KUSD 65 838 and continued its investments in operational improvements and growth. Sustainability remained a key priority, with KUSD 86 858 invested while successfully reducing net financial debt to KUSD 18 087.

SIPEF's palm oil operations faced a challenging start to the year, particularly in Papua New Guinea, where the impact of the November 2023 volcanic eruption continued to affect production. However, the team responded with remarkable resilience, collaborating with local government and undertaking an extensive rehabilitation programme that included the pruning and recovery of 3 500 hectares of ash-affected land. Production levels in Papua New Guinea have steadily improved, and further recovery is expected in 2025.

The Group’s banana operations saw further expansion, with a total of 580 hectares of new plantations developed in Côte d’Ivoire. This contributed to a notable 24.6 % production increase.

In Indonesia, production was affected by the cyclical impact of prolonged dry conditions in 2022 and 2023, leading to variable yields across different estates. Despite these challenges, there was an upward trend in palm oil production compared to 2023, increasing by 1.5%, driven by strong performance in South Sumatra. South Sumatra’s palm oil production increased by 19.6% in 2024. SIPEF expanded its planted area to 30 052 hectares, with South Sumatra now contributing nearly a quarter of SIPEF’s total Indonesian palm oil production. The commissioning of the Agro Muara Rupit mill in June 2024, with an initial processing capacity of 45 tonnes per hour, marked a major milestone in strengthening processing infrastructure.

Replanting of the palm plantations remained a strategic priority across Indonesia and Papua New Guinea to ensure long-term productivity. In Bengkulu, the Sei Jerinjing rubber estate was fully converted to oil palm, with 1 298 hectares newly planted.

The Group’s banana operations saw further expansion, with a total of 580 hectares of new plantations developed in Côte d’Ivoire. This contributed to a notable 24.6% production increase. The successful certification of banana operations under Rainforest Alliance and Fairtrade standards reinforced the Group’s commitment to responsible agricultural practices.

In 2024, SIPEF reinforced its commitment to responsible agriculture by improving how it delivers, monitors, and communicates impact. With sustainability firmly embedded in its operations, the focus turned to strengthening traceability, enhancing product quality, and advancing innovation.

The launch of GeoSIPEF, a digital traceability platform, marked a major step towards full supply chain transparency and compliance with the EU Deforestation Regulation (EUDR). Product quality also progressed, with the first shipment of washed crude palm oil from Mukomuko meeting strict mineral oil (MOSH/MOAH) and chloride specifications — the result of ongoing mill upgrades.

Innovation efforts continued with the development of a bio-CNG (compressed natural gas) facility at the Perlabian mill, part of SIPEF’s emissions reduction strategy. At the same time, collaboration with Verdant Bioscience Pte Ltd focused on high-yielding and resilient palm varieties to support long-term productivity.

In 2024, SIPEF reinforced its commitment to responsible agriculture by improving how it delivers, monitors, and communicates impact.

In Papua New Guinea, landscape-level High Conservation Value and High Carbon Stock Approach (HCV-HCSA) assessments supported smallholder integration and regulatory alignment, while the integration of the Citra Sawit Mandiri plantation into the Umbul Mas Wisesa mill reinforced certified volumes. To ensure transparency, SIPEF aligned its reporting with ESRS and CSRD, completed a double materiality assessment, and introduced external assurance for the first time.

These initiatives embody SIPEF's longstanding understanding that doing well and doing good are inherently connected. Progress is not measured by performance alone, but by the ability to innovate with care, act with consistency, and remain deeply attuned to the people and environments that sustain the business. It is in this balance that SIPEF continues to find its purpose - and its strength.

Progress is not measured by performance alone, but by the ability to innovate with care, act with consistency, and remain deeply attuned to the people and environments that sustain the business. It is in this balance that SIPEF continues to find its purpose - and its strength.

Above all, 2024 marked a significant leadership transition. After 45 years of dedicated leadership, François Van Hoydonck handed over the management of the Group to Petra Meekers. Under Petra's guidance, the executive committee remains focused on continuity, the strategic pillars, and responsible growth, fully aligned with the values that define SIPEF.

SIPEF enters 2025 with cautious optimism. With further recovery expected in Papua New Guinea, the maturing of recently planted areas in Indonesia and Côte d'Ivoire, and continued focus on quality, innovation, and traceability, SIPEF is well-positioned to deliver on its strategy and deliver value to its shareholders and stakeholders.

SIPEF extends its sincere thanks to all employees, partners, and shareholders. Their dedication and trust remain the foundation of the Group's continued success. It is through their commitment that SIPEF grows with purpose, innovates with integrity, and upholds the highest standards in sustainable agribusiness. Together, we continue to shape a future of responsible growth and lasting value.

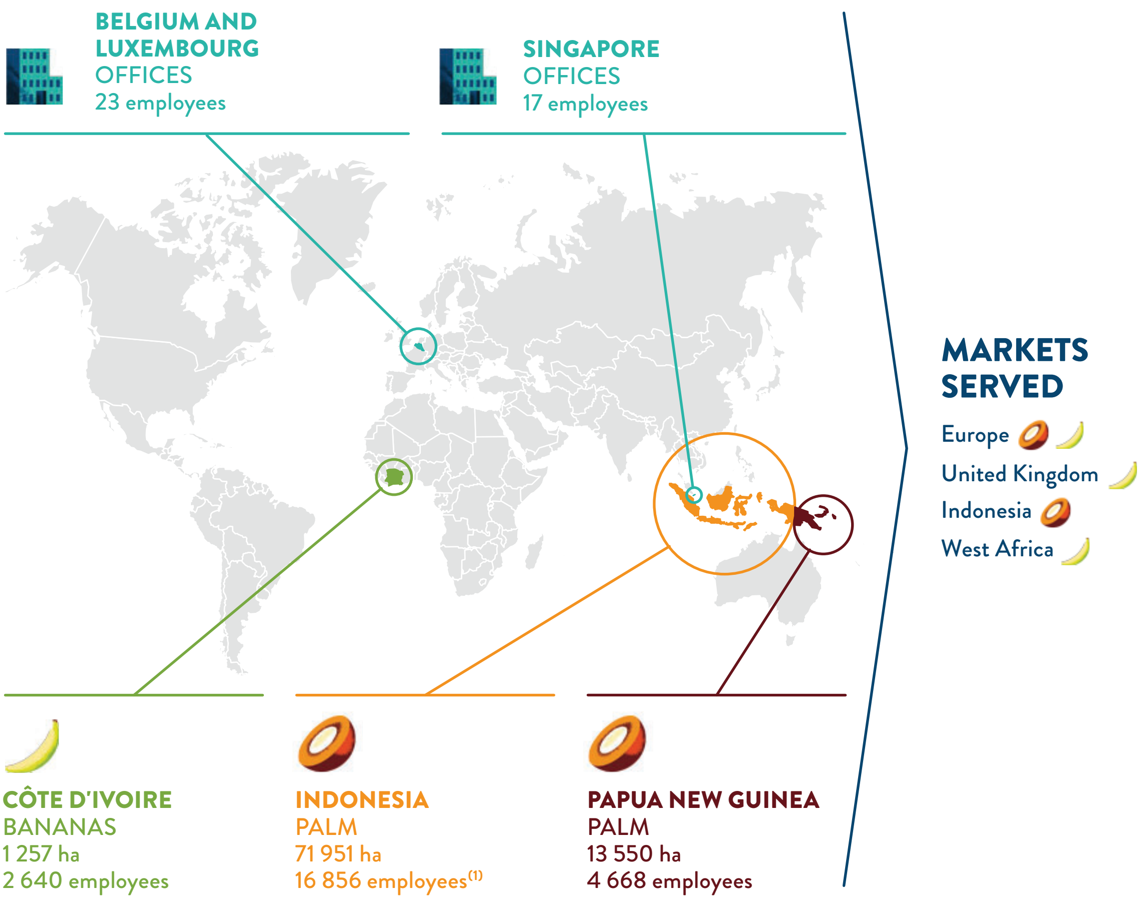
SIPEF at a glance

SIPEF is a Belgian agribusiness group listed on Euronext Brussels, specialised in the production of sustainable palm products and bananas. In Indonesia and Papua New Guinea, the Group produces palm products including fresh fruit bunches (FFB), crude palm oil (CPO), palm kernels (PK), and crude palm kernel oil (CPKO). SIPEF's banana operations are located in Côte d'Ivoire. The Group is in the final stages of phasing out its operations in rubber, tea, and horticulture.

In 2024, SIPEF had 24 204 employees across five countries around the world. The majority are employed or contracted through the Group's subsidiaries in Indonesia, Papua New Guinea and Côte d'Ivoire.

SIPEF manages a total of 86 757 hectares of own production area. In 2024, its total revenue was KUSD 443 810.

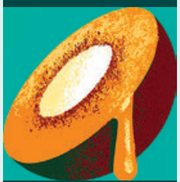
GLOBAL PRESENCE



(1) The figure also includes the total employees in the tea activities (Indonesia).

INDONESIA

32
Oil palm plantations



7
Palm oil mills

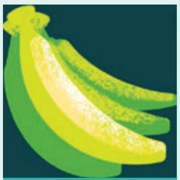
PAPUA NEW GUINEA

6
Oil palm plantations

3
Palm oil mills

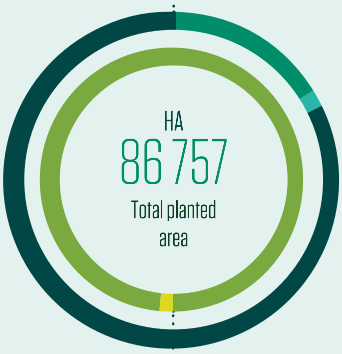
2
Kernel crushing plants (integrated with mills)

CÔTE D'IVOIRE



5
Banana estates

7
Banana packing stations



HA
86 757
Total planted area

Palm oil

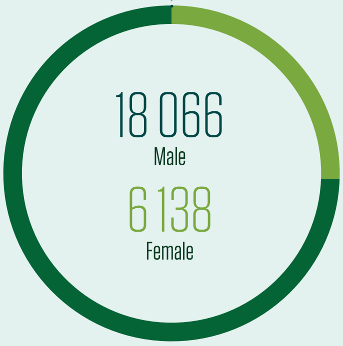
Bananas

PLANTED AREA (IN HECTARES)

	INDONESIA	PAPUA NEW GUINEA	CÔTE D'IVOIRE	TOTAL
Oil palms	71 951	13 550	0	85 500
Bananas	0	0	1 257	1 257
TOTAL	**71 951**	**13 550**	**1 257**	**86 757**

MALE

FEMALE



18 066
Male

6 138
Female

EMPLOYEES BY COUNTRY

Belgium	23
Indonesia	16 856
Papua New Guinea	4 668
Côte d'Ivoire	2 640
Singapore	17
TOTAL	**24 204**

Tonnes
362 404
Palm oil

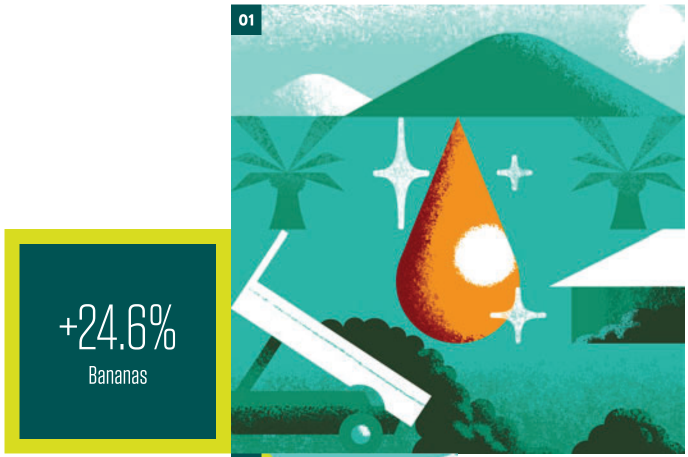
Tonnes
51 038
Bananas

KUSD
443 810
Total revenue

KUSD
65 838
Net profit after tax (share of the Group)

Highlights of 2024

ACTIVITIES



→ SIPEF's **palm oil production** declined by 7.4% in 2024, impacted by the volcanic eruption in Papua New Guinea in November 2023. Additionally, dry weather conditions in late 2023 and a cyclical downturn affected crop levels in Indonesia.

→ The **crude palm oil (CPO) washing plant** at the Mukomuko palm oil mill is now operational with promising results. 01

→ Production of bananas in Côte d'Ivoire increased by 24.6% compared to 2023. The newly developed sites of Lumen and Akoudié, now exceeding 508 hectares, continued to outperform. 02

→ The Papua New Guinea operations showed resilience in 2024, navigating the challenges posed by the November 2023 eruption of Mount Ulawan. Overall production of fresh fruit bunches (FFB) in the fourth quarter declined by 30.1% compared to the previous year, and FFB production from the Group's own estates finished 22.5% lower. **These results aligned with expectations set after rehabilitation.**

→ PT Citra Sawit Mandiri completed its first audit for RSPO certification, an achievement that will add 1 568 certified hectares to SIPEF's certified supply base.

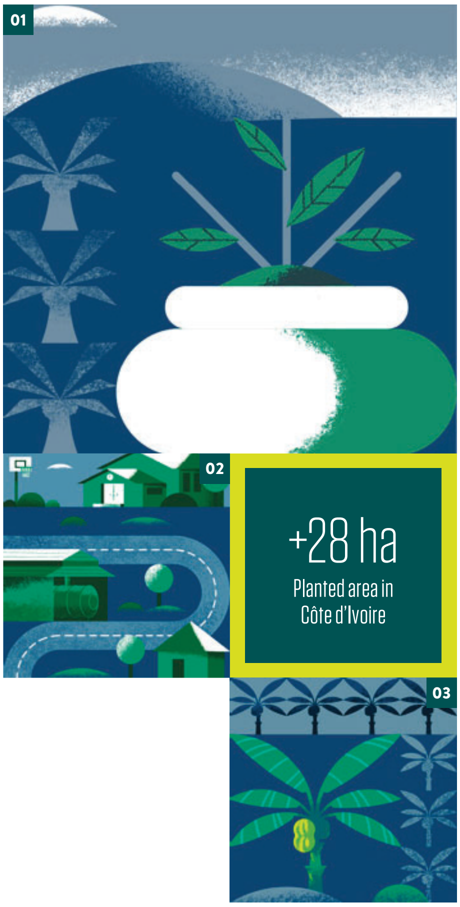
→ All palm oil extraction mills in Papua New Guinea and Indonesia have taken **quality measures to keep MOSH/MOAH levels in palm oil low.** 03

→ The pilot project at the **Barema** palm oil mill in **Papua New Guinea for the separation of 'virgin' oil** and 'technical' oil was halted in 2024. Although the virgin oil showed positive results, the technical oil was considered too acidic, and market interest was low.

→ **SIPEF launched its innovative supply chain traceability tool** at the end of October 2024, strengthening its commitment to compliance with the EU Deforestation Regulation (EUDR). 04

INVESTMENTS AND EXPANSION

→ The Group invested a total of KUSD 86 858 in intangible and tangible assets in 2024. These related to the usual replacement investments in existing developments, as well as new developments in South Sumatra and Côte d'Ivoire.



→ **The expansion in South Sumatra**, Indonesia (excluding Dendymarker Indah Lestari), has been steady, with 19 827 hectares already planted.

→ The **replanting** of the Dendymarker Indah Lestari estate acquired in 2017 has been completed. 10 225 hectares have been replanted. 01

→ The **Agro Muara Rupit palm oil mill in South Sumatra was completed**, SIPEF's seventh mill in Indonesia. The first commissioning took place in April 2024. In its first phase, this palm oil mill has a processing capacity of 45 tonnes of FFB per hour. Other investments in South Sumatra included further expansion of planted areas and associated infrastructure, such as houses and roads. 02

→ The **expansion of hectares planted with bananas in Côte d'Ivoire** continued with another 28 hectares in 2024, bringing the total planted area at the end of 2024 to 1 257 hectares. 03

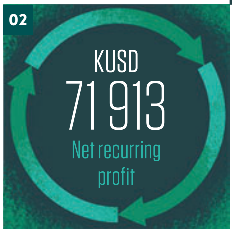
RESULTS

→ In 2024, **palm oil prices remained historically favourable**, averaging USD 906 (MYR 4 128) on the Malaysian Derivatives Exchange (MDEX).

→ Steady prices and enhanced cost control once more guaranteed **outstanding financial performances**, comparable to the 2023 results. 01

→ **The unit production prices of palm oil remained well under control.** The further decrease in fertiliser cost and a positive effect from the strong USD compared to local currencies, however, were offset by the lower total production, leading to a slightly higher unit selling price.

→ The Net Financial Position remains limited to KUSD -18 087, **after investments of KUSD 86 858**, mainly related to the continued expansion in South Sumatra.



→ The board of directors decided to propose to the shareholders meeting of 11 June 2025 a gross dividend of euro 2.00 per share, payable as of 2 July 2025.

→ **Net recurring profit, share of the Group, after taxes, amounted to KUSD 71 913** compared to KUSD 72 735 last year. Total net profit (share of the Group, after tax) amounted to KUSD 65 838. Basic earnings per share were USD 6.33 compared with USD 6.99 per share in 2023. 02

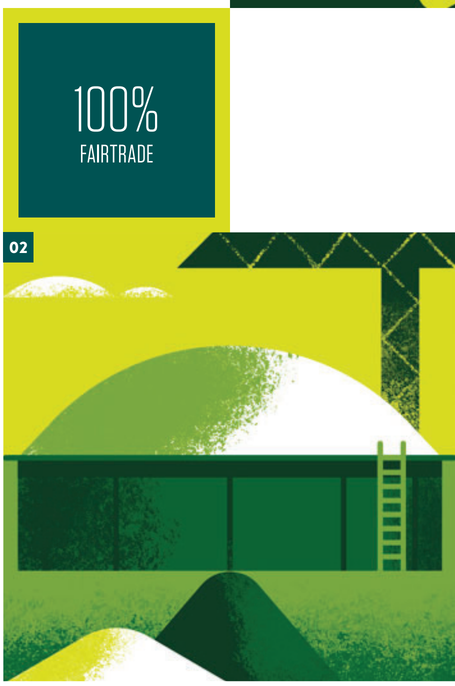
SUSTAINABILITY

→ To prepare for compliance with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), SIPEF completed its **first double materiality assessment in May 2024**. The Group's 2024 Integrated Annual Report presents **its first CSRD- and ESRS-compliant Sustainability Statement,** which successfully underwent limited assurance by an independent third-party. 03

→ SIPEF published its revised **Group-level policies on grievances, and on anti-corruption and anti-bribery**, in addition to the revisions to its Responsible Plantations and Responsible Purchasing Policies.

→ Plantations J. Eglin SA achieved **100% Fairtrade certification** for all SIPEF banana plantations in Côte d'Ivoire in 2024, including the newly certified Akoudié and Lumen sites. All banana operations also remained certified under Rainforest Alliance and GLOBALG.A.P. 01

→ SIPEF managed over 15 000 hectares of conservation areas in 2024. Zero deforestation incidents were recorded across the Group's own operations or supplier areas during the reporting year.



→ **Climate and biodiversity risk and opportunity assessments** were completed in support of the Group's climate and biodiversity transition planning, and **Scope 3 emissions reporting** was initiated in line with CSRD.

→ Construction began on the Group's **first bio-compressed natural gas (bio-CNG) plant** at the Perlabian palm oil mill in North Sumatra, and contracts were signed for the development of similar facilities at Dendymarker Indah Lestari and Agro Muara Rupit in South Sumatra. These efforts will contribute to **progressing SIPEF's GHG reduction strategy.** 02

→ An updated version of SIPEF's **GeoSIPEF** supply chain traceability tool was launched, strengthening **transparency** and alignment with the **EU Deforestation Regulation (EUDR). New features** include a customer portal for shipment-level data and legal documentation.

→ SIPEF launched initiatives to **empower more women in plantation roles**, including training and employing **over 50 women in ablation and harvesting roles** traditionally held by men.

→ A dedicated **community engagement department** was established in Papua New Guinea to address local concerns and strengthen stakeholder relationships.

→ Plantations J. Eglin SA contributed to **advancing social dialogue** in the **Ivorian banana sector** by supporting a major industry event in Abidjan focused on **living wage** and **shared responsibility.**

→ For **SPOTT 2024**, SIPEF scored **88.8%, ranking 14th out of 100 companies**, a slight decrease from 2023 (88.9%). For its **2024 CDP disclosures**, SIPEF retained a **B (Management)** score for Forests and a **C (Awareness)** score for Climate Change.

1. Company Report

SIPEF's mission and strategy

Drawing on the experience developed throughout its more than 100-year history, SIPEF consistently produces high-quality and fully traceable palm products and bananas.

The Group is committed to generating economic value for its shareholders and other stakeholders while operating in an environmentally and socially responsible manner.

Sustainability is at the core of SIPEF's business model, and the Group works hard to make a positive contribution to the communities and economies where it operates.

Fundamental to achieving **SIPEF's mission** are the Group's **Guiding Principles and Balanced Growth Strategy**.

MISSION

SIPEF produces high-quality, sustainable, and traceable agricultural products, with the aim to diversify into targeted markets and foster a harmonious balance between nature, people and growth.

GUIDING PRINCIPLES

- Reliability and stability
- Long-term planning and decision making
- Continuous improvement
- Sustainable economic growth
- Conservation and restoration of the environment
- Supporting employees and communities
- Value creation for all stakeholders

BALANCED GROWTH STRATEGY

- Production efficiency
- Operational excellence
- High-quality, sustainable, traceable, certified products
- Innovation and early adoption
- Environmental stewardship
- Respecting employees and communities
- Responsible supply chain management
- Good business conduct

GUIDING PRINCIPLES

SIPEF's management and employees, as well as all contracting parties, are governed by a set of Guiding Principles, which shape the conduct and culture of the Group:

1. Reliability and stability

To be a reliable and stable partner for all its stakeholders.

2. Long-term planning and decision making

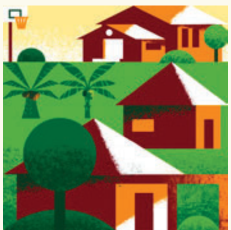
To always plan for, and make decisions, based on its long-term vision.

3. Continuous improvement

To continuously improve all aspects of its business, focusing on quality, productivity and best environmental, social and governance practices.

4. Sustainable economic growth

To generate economic value for its shareholders and other stakeholders, while striving for a controlled level of debt.



5. Conservation and restoration of the environment

To conserve and, where possible, restore the natural environment within its operations by engaging in sustainable agricultural practices and actively managing conservation areas.

6. Supporting employees and communities

To treat all employees and local communities with respect for their rights, while supporting opportunities to improve their well-being and development.

7. Value creation for all stakeholders

To create value for all its stakeholders, fairly and responsibly.

BALANCED GROWTH STRATEGY

SIPEF's Balanced Growth Strategy is designed so that the Group can achieve its commercial objectives while preserving natural ecosystems, engaging in fair labour practices, providing support for local communities in the places where it operates, and practicing good business conduct.

The Balanced Growth Strategy's eight focus areas and their related goals are described below.

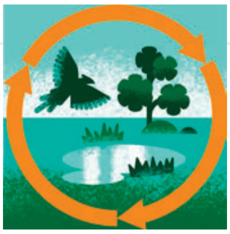
Production efficiency

Respecting the limited availability of agricultural land, whilst continuing to meet growing market demands, is crucial for SIPEF's success as a business, now and in the future.

SIPEF's production efficiency goals are:

- **Optimising land use in production areas and improving production processes**
- **Engaging in practices and solutions focused on improving soil health and boosting yields**

See page 47 for more details



Environmental stewardship

For SIPEF, environmental stewardship means minimising and managing all direct and indirect impacts of its business activities on the natural environment, and on the climate.

SIPEF's environmental stewardship goals are:

- **Sustainable land use and biodiversity conservation, including no deforestation and no new developments on peat (NDP)**
- **Minimise impacts on natural resources and the environment**
- **Greenhouse gas (GHG) emissions reduction and long-term climate resilience**

See page 118 for more details

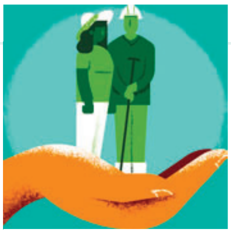
Operational excellence

SIPEF is committed to operational excellence, and continuously strives to improve the efficiency of its processes and the effectiveness of its practices.

SIPEF's operational excellence goals are:

- **Maximising production quantity and quality**
- **Optimising inputs, processes and outputs by re-using by-products, minimising waste, and using smart agriculture and mechanisation**
- **Promoting a culture of continuous improvement**

See page 49 for more details



Respecting employees and communities

SIPEF's Balanced Growth Strategy rests on the premise that growth is not possible without being a responsible employer and neighbour, first.

SIPEF's goals with regards to respecting employees and communities are:

- **Respecting human, labour, and community rights, in accordance with local laws and international frameworks**
- **Contributing to the needs of local communities by providing employment, and health, education, and infrastructural services**
- **Foster long-term relationships, create shared value, and support the well-being and resilience of local communities**

See pages 156 and 227 for more details

High-quality, sustainable, traceable, certified products

Supplying high-quality, sustainable, traceable, and certified products is key for SIPEF to differentiate itself from others and diversify into targeted markets.

SIPEF's high-quality, sustainable, traceable, certified products goals are:

- **Implementing the highest food safety and quality standards**
- **Maintaining 100% traceability for all products**
- **Full compliance with leading sustainability standards and certifications**

See pages 50 and 238 for more details

Responsible supply chain management

SIPEF believes that creating value in a responsible way includes supporting its suppliers to become part of its sustainable supply chain. All of the Group's suppliers are oil palm smallholders, whose locations are known and mapped.

SIPEF's responsible supply chain management goals are to:

- **Support smallholders in their journey towards improved, sustainable, and certified production**
- **Support smallholders to earn higher incomes and have better access to international markets**
- **Screen and monitor suppliers to ensure compliance with SIPEF policies**

See page 196 for more details

Innovation and early adoption

SIPEF recognises the immense potential of being an early adopter of innovations that focus on enhancing the productivity, quality, and resilience of its future crops.

SIPEF's innovation and early adoption goals are:

- **Investing in research and development (R&D) to enable progress towards sustainable and optimal land use, efficient production, higher quality products, improved soil health, and resilient crops**
- **Testing and applying new principles and practices**
- **Remaining agile and adaptable to accommodate strategic and market shifts**

See page 56 for more details

Good business conduct

SIPEF maintains the highest regard for ethical business practices, understanding their critical role in mitigating financial, reputational, and legal risks.

SIPEF's good business conduct goals are to:

- **Foster a culture of ethical conduct amongst management, staff, and contractors**
- **Implementing systems and processes to ensure the practice of ethical conduct**
- **Maintain robust policies, procedures, and measures to address any risks, including those associated with bribery or corruption**

See page 256 for more details

The interactions and connections between SIPEF's four sustainability focus areas and goals and its four business focus areas and goals are discussed on pages 46-47 in the Company Report and pages 90-93 in the Sustainability Statement.

STRATEGY GOVERNANCE AND MANAGEMENT STRUCTURE

SIPEF board of directors

SIPEF's board of directors is ultimately responsible for the design and oversight of the Balanced Growth Strategy.

SIPEF executive committee

The implementation of the Balanced Growth Strategy is led by SIPEF's executive committee, which steers the global teams in Belgium, Singapore, and Luxembourg.

Global teams

Delivery of the Balanced Growth Strategy is coordinated at a Group level by the global teams in Belgium, Singapore, and Luxembourg (finance, legal, marketing, IT, operational management, sustainability, and HR strategy). This includes monitoring and reporting on progress.

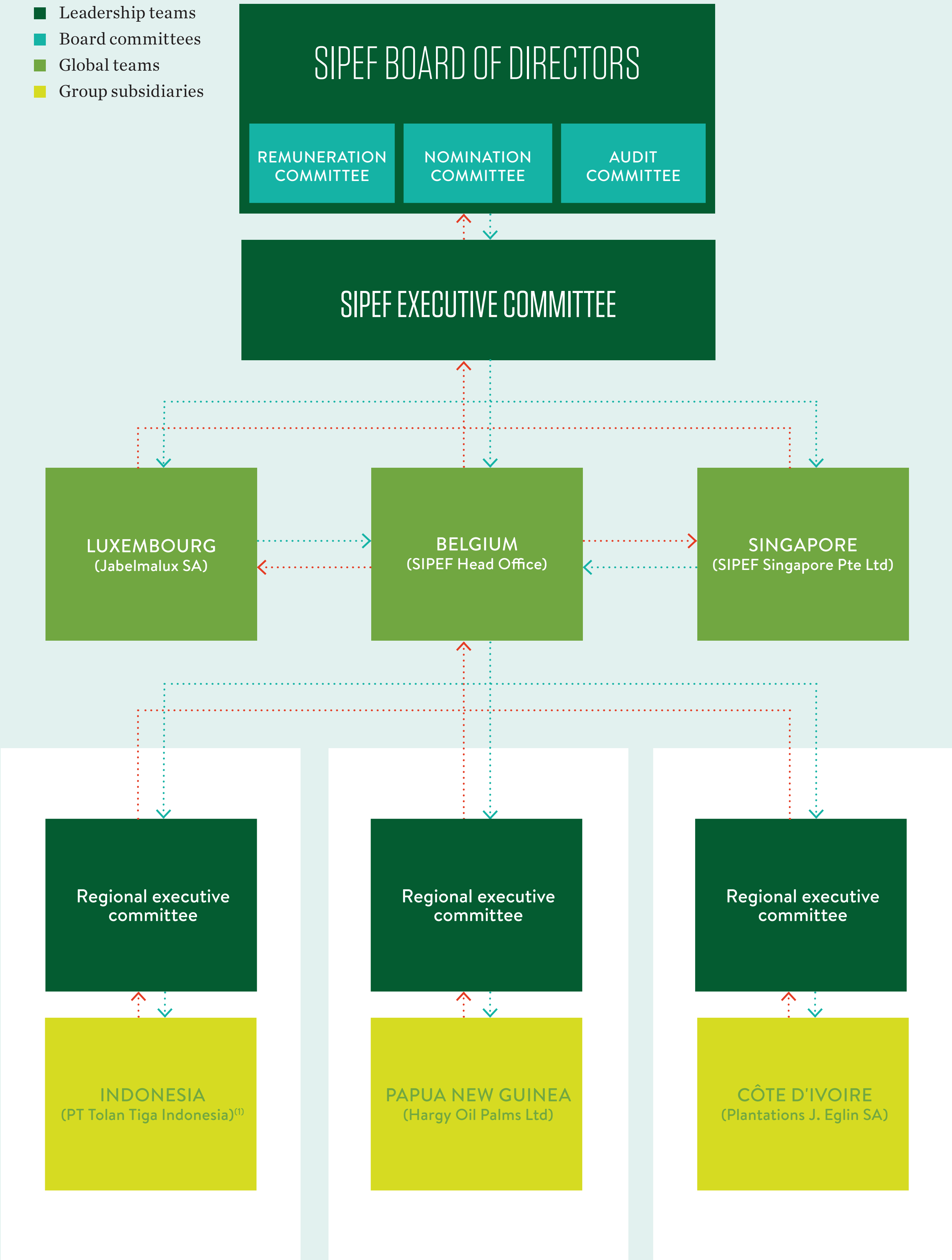
Regional executive committees

There are regional executive committees at SIPEF's operations in Indonesia, Papua New Guinea, and Côte d'Ivoire. These committees oversee the local teams and their operational activities and report directly to SIPEF's executive committee.

Regional teams

Regional teams at SIPEF's subsidiaries are responsible for operational activities. This includes HR matters (for employees and contractors), and the execution of the Balanced Growth Strategy for SIPEF's palm operations (in Indonesia and Papua New Guinea) and banana operations (in Côte d'Ivoire).

→ For a detailed description of **SIPEF'S CORPORATE GOVERNANCE STRUCTURE** - see the Corporate Governance Statement
→ For a detailed description of **SIPEF'S SUSTAINABILITY GOVERNANCE STRUCTURE** - see the Sustainability Statement



(1) SIPEF has 14 subsidiaries in Indonesia. Governance, communications and reporting to the SIPEF executive committee are managed through the regional executive committee of SIPEF's main and largest subsidiary, PT Tolan Tiga Indonesia.

Overview of SIPEF's activities

Palm Oil

SIPEF cultivates oil palms on more than 85 500 hectares of land in Indonesia and Papua New Guinea. Its estates are spread across several locations.

In Indonesia, the Group started cultivation in 1920 at the historical sites of Tolan Tiga in Northern Sumatra. Next, it acquired the sites of Agro Muko, located in Bengkulu province. The sites of Umbul Mas Wisesa group in North Sumatra, were first planted in 2007, with its oil palms reaching the end of their first planting cycle only in 2024.

SIPEF's latest oil palm development is a newer expansion in the province of South Sumatra, which is still mostly in a young mature phase.

To complement its own productions and meet market demand, the Group also sources from partner smallholder producers operating on 6 196 hectares near its own sites across Indonesia.

In Indonesia, SIPEF's commercial activities are managed by the Group's subsidiary PT Tolan Tiga Indonesia.

In Papua New Guinea, SIPEF started cultivating oil palms in 1978 in the province of West New Britain, a region known for its high yielding volcanic soils.

SIPEF's activities In Papua New Guinea are managed by its subsidiary Hargy Oil Palms Ltd.

Oil palm fresh fruit bunches (FFB) are grown and harvested across these areas before being processed into crude palm oil (CPO), palm kernels (PK) and crude palm kernel oil (CPKO). SIPEF owns ten processing mills: seven located at its sites in Indonesia, and three in Papua New Guinea.

CPO is SIPEF's main product, accounting for 98.2% of the Group's gross profit. 100% of the CPO produced in Papua New Guinea is exported to Europe. Of its Indonesian production, 7.6% is exported for sale to European customers, and the remaining 92.4% is sold to customers locally.

→ In 2024, the Group's palm oil related activities accounted for 89.3% of its total revenue.

Bananas

SIPEF started growing the Cavendish variety of bananas in Côte d'Ivoire in 1985.

By the end of 2024 these have become five connected estates, which cover an area of 1 257 hectares in the southern Lagunes Region of the country.

SIPEF's bananas are selected and packed for export at one of SIPEF's seven packing stations, located on its estates. Around 90.0% of the Group's banana production is exported for sale in the United Kingdom and on the European market, with the remainder being sold regionally, in West Africa.

SIPEF's activities in Côte d'Ivoire are managed by its subsidiary Plantations J. Eglin SA, which is one of three major players within the banana export sector in the country.

→ As the Group's second largest activity, banana cultivation accounted for 9.6% of its total revenue in 2024.

Rubber and tea

SIPEF started phasing out its operations in rubber and tea in 2021. Less than 1% of the Group's revenue in 2024 came from its residual production of these crops. The phase out will be completed in 2025.

For more information on the phasing out of rubber, tea, and horticulture see page 85.

Banned products

SIPEF does not produce any products that are banned in certain markets, nor is SIPEF active in fossil fuel sectors, chemicals production, controversial weapons, or the cultivation and production of tobacco.

Planted area and production target

PLANTED AREA BY ACTIVITY IN 2024 (IN HECTARES)

	INDONESIA	PAPUA NEW GUINEA	CÔTE D'IVOIRE	TOTAL	%
Oil palms	71 951	13 550	0	**85 500**	98.6%
Bananas	0	0	1 257	**1 257**	1.4%
Total	71 951	13 550	1 257	**86 756**	100.0%
%	**82.9%**	**15.6%**	**1.4%**	**100.0%**	

By 2031, SIPEF is aiming for a total annual production target of 600 000 tonnes of palm oil (including smallholders), and 55 000 tonnes of bananas. To achieve this, SIPEF is focusing on improving production efficiency by optimising land use, improving production processes and boosting existing oil palm yields. The Group will also continue to seek investment opportunities by exploring the possibilities of developing new hectares with oil palm adjacent to its current operations in order to enlarge its production capacity and, if needed, its infrastructure. Additionally, SIPEF will continue its work to retain existing property and concession rights.

More information on SIPEF's palm and banana operational activities and their results for 2024 can be found on pages 62-79.

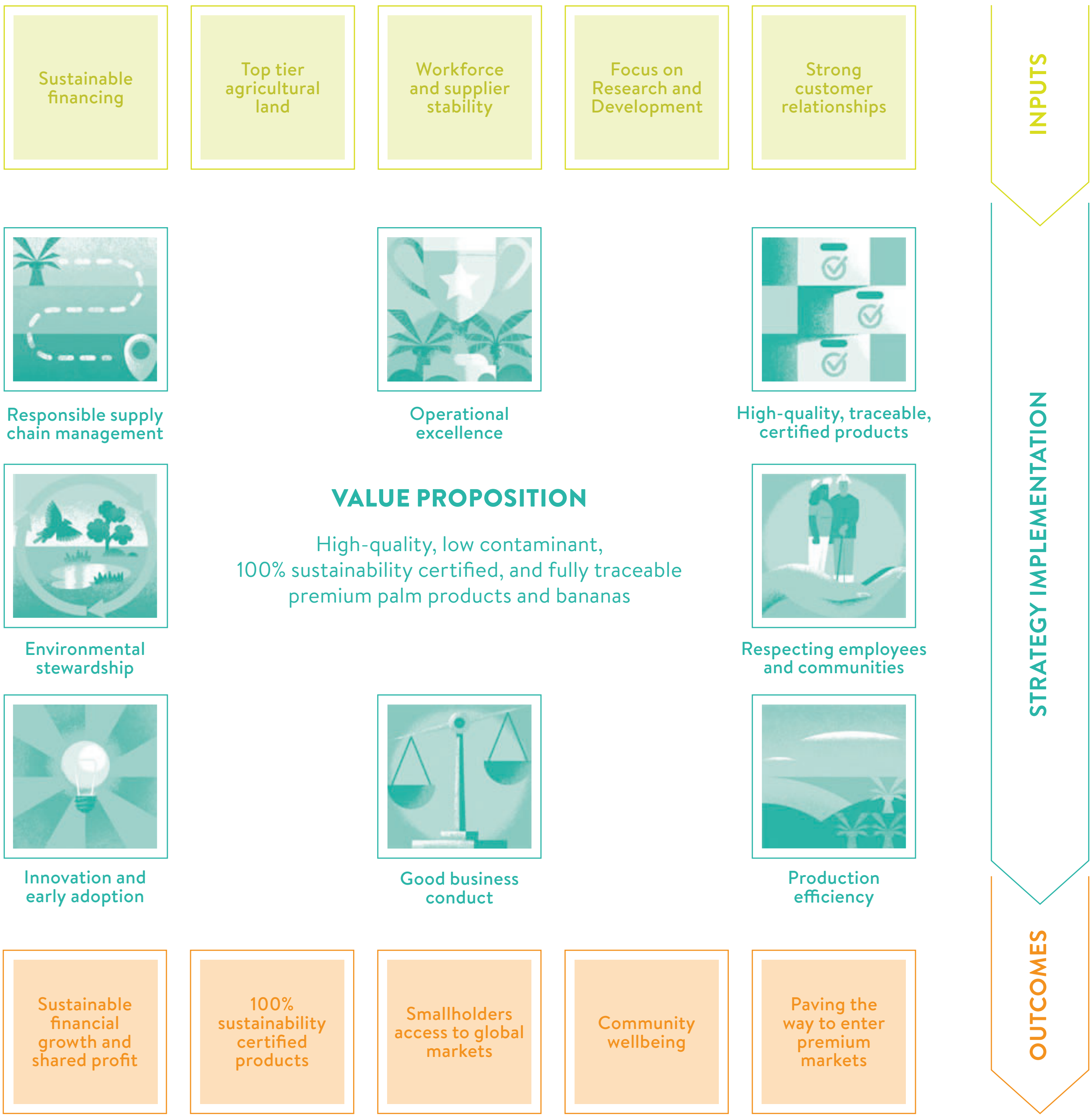
PRODUCTION 2024 (IN TONNES)

	OWN	THIRD PARTIES	YTD Q4/24
Oil palms	301 220	61 185	362 405
Bananas	51 038	0	51 038

Value creation at SIPEF

VALUE CREATION MODEL

SIPEF's value creation model below illustrates the key inputs that allow SIPEF to implement its Balanced Growth Strategy and deliver on its value proposition to **serve customers in niche markets who demand high-quality, low-contaminant, sustainability certified and fully traceable products.**



INPUTS

Sustainable financing
Limited financial risks through controlled debt, protecting SIPEF from the consequences of market volatilities and externalities such as natural disasters.

Top tier agricultural land
Owned land/ long-term leased land in suitable geographical areas with excellent conditions for the long-term cultivation of tropical and agricultural products.

Workforce and supplier stability
Stable retention rates of workers and smallholder suppliers by always meeting RSPO, Rainforest Alliance, and Fairtrade requirements on labour rights and fair wages.

Focus on Research and Development
R&D investments via SIPEF's joint venture Verdant Bioscience Pte Ltd to excel in the production of resilient, high yielding oil palms and the piloting and scaling of climate adaptation measures with a focus on water efficiency and soil health.

Strong customer relationships
Key customers who have long term relationships and consistent contracts with SIPEF for the provision of sustainable palm products and bananas.

STRATEGY IMPLEMENTATION

SIPEF's value proposition towards serving high-end customers in niche markets that demand high-quality, low-contaminant, sustainability certified and fully traceable premium palm products and bananas, is realised through the implementation of its Balanced Growth Strategy, and the delivery of the key goals and related targets under that strategy.

The 8 connected focus areas under the Balanced Growth Strategy are:

- Production efficiency
- Operational excellence
- High-quality, traceable, certified products
- Innovation and early adoption
- Environmental stewardship
- Respecting employees and communities
- Responsible supply chain management
- Good business conduct

OUTCOMES

Sustainable financial growth and shared profit
USD 65.8 million result (share of the Group), or USD 6.33 basic earnings per share.

100% sustainability certified products
As a key market player in certified crude palm oil and bananas, SIPEF is raising the bar to be a frontrunner on certification and traceability.

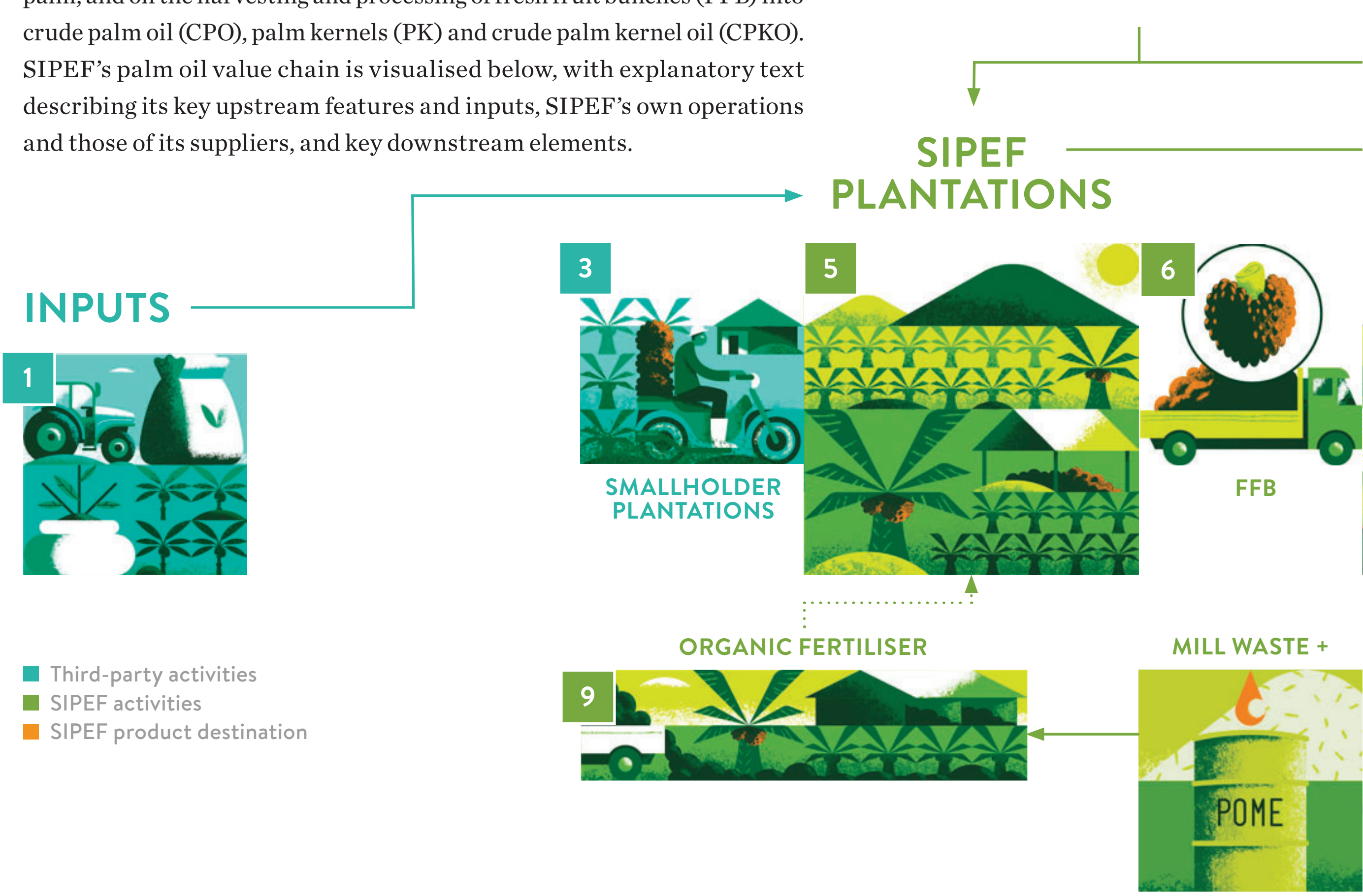
Smallholders access to global markets
SIPEF provides raw materials, best management practices and certification support to enable access to global high-value markets for smallholder suppliers in its supply chain in Indonesia and Papua New Guinea.

Community wellbeing
SIPEF supports employees, their family members and communities through infrastructure development and access to healthcare and education in areas of development.

Paving the way to enter premium markets
SIPEF is prepared ahead of time to capture emerging high-value, niche premium markets and deliver on its unique offering.

SIPEF'S PALM OIL VALUE CHAIN

As an upstream player, SIPEF's core activities focus on the cultivation of oil palm, and on the harvesting and processing of fresh fruit bunches (FFB) into crude palm oil (CPO), palm kernels (PK) and crude palm kernel oil (CPKO). SIPEF's palm oil value chain is visualised below, with explanatory text describing its key upstream features and inputs, SIPEF's own operations and those of its suppliers, and key downstream elements.



1 Raw material inputs and production resources such as seeds, plants, and fertiliser are supplied by third parties as well as by SIPEF's R&D joint venture Verdant Bioscience Pte Ltd. SIPEF imports and purchases production resources locally, including machinery, equipment, and tools, and purchases logistics and infrastructure services for harvesting, transport, and processing. It also provides its smallholder suppliers with the required raw materials and production resources. Other key inputs include long-term leasing of land, securing new land for development, and securing contracts with smallholder suppliers.

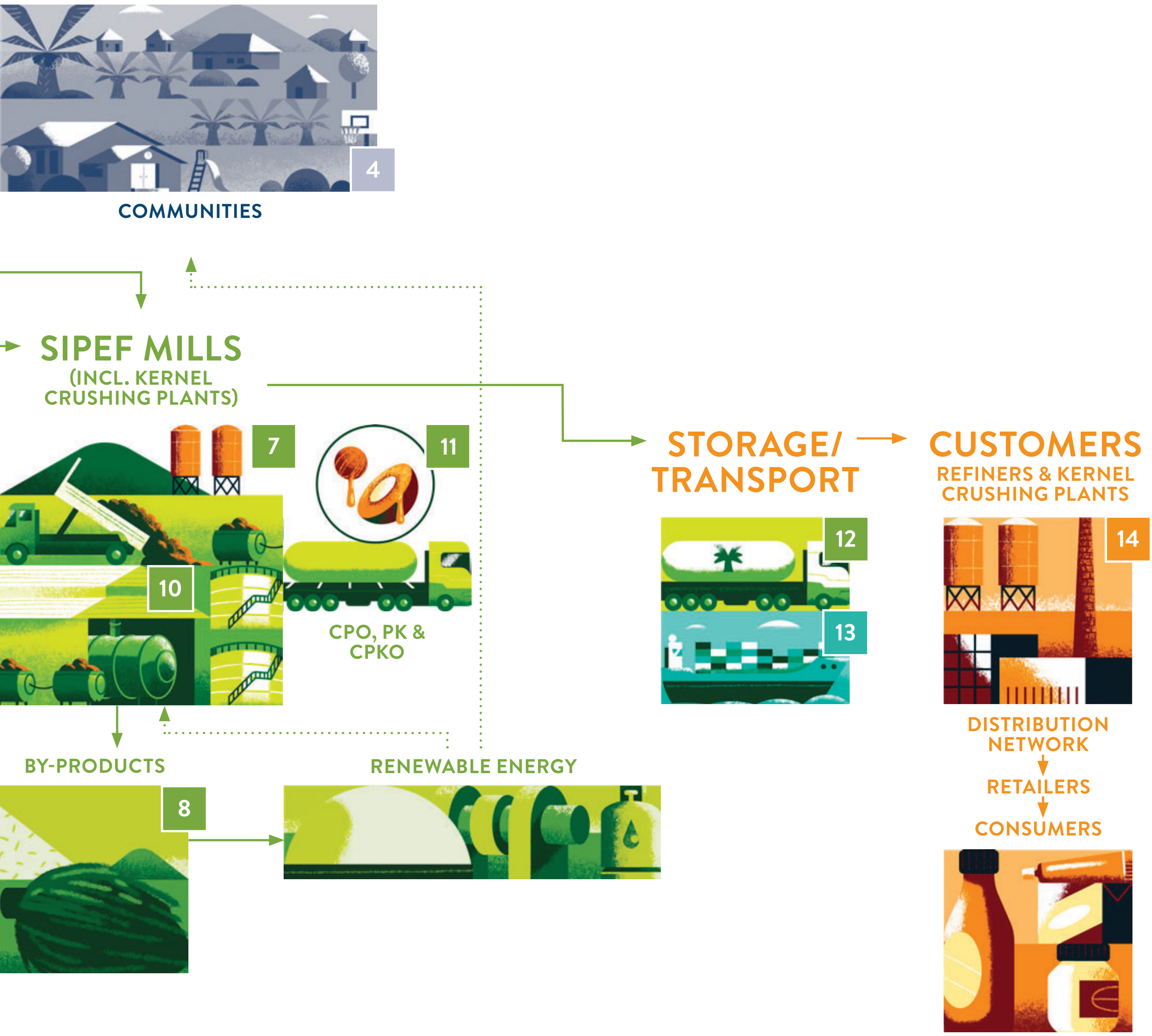
2 More than 24 000 employees work in SIPEF's plantations and mills in Indonesia and Papua New Guinea. They are responsible for the cultivation, harvesting, transportation, and processing of CPO, PK and CPKO.

3 SIPEF also purchases FFB from around 5 540 smallholder suppliers whose production areas are in close proximity to the Group's plantations.

4 In accordance with RSPO certification requirements, SIPEF provides employees and their families, many of whom are members of nearby communities, with social, economic, educational, health, housing, and clean energy support.

5 Oil palms are cultivated on SIPEF's own plantations. Palm oil seeds are germinated in a controlled environment and then transferred to polybags. In the nursery they are cared for until they are large enough to be planted in the field, usually after about one year. An oil palm typically produces its first FFB after about three years. After this, it is considered mature and ready for harvesting.

6 FFB are harvested and transported to SIPEF's mills and crushing plants.



7 At the mills, FFB are stripped and separated. The palm fruits are processed into pulp and pressed to extract CPO. Palm kernels are crushed to extract CPKO.

8 Mill waste and by-products are used to generate clean energy for all of SIPEF's mills and surrounding communities. At some sites, palm nut mesocarp fibres are burnt in boilers connected to steam turbines that generate renewable energy. At other sites, methane is captured from palm oil mill effluent (POME) and used to fuel a biogas generator to produce renewable electricity.

9 Organic waste and biomass, such as empty fruit bunches (EFB) and treated POME, are applied to the fields as organic fertiliser.

10 Some CPO is washed to remove impurities and enhance quality to produce a food grade, premium product for customer refineries. Other CPO is left in its crude form.

11 When ready, the CPO is transported by tanker trucks to nearby ports. In Indonesia, local crushers collect PK at SIPEF mills.

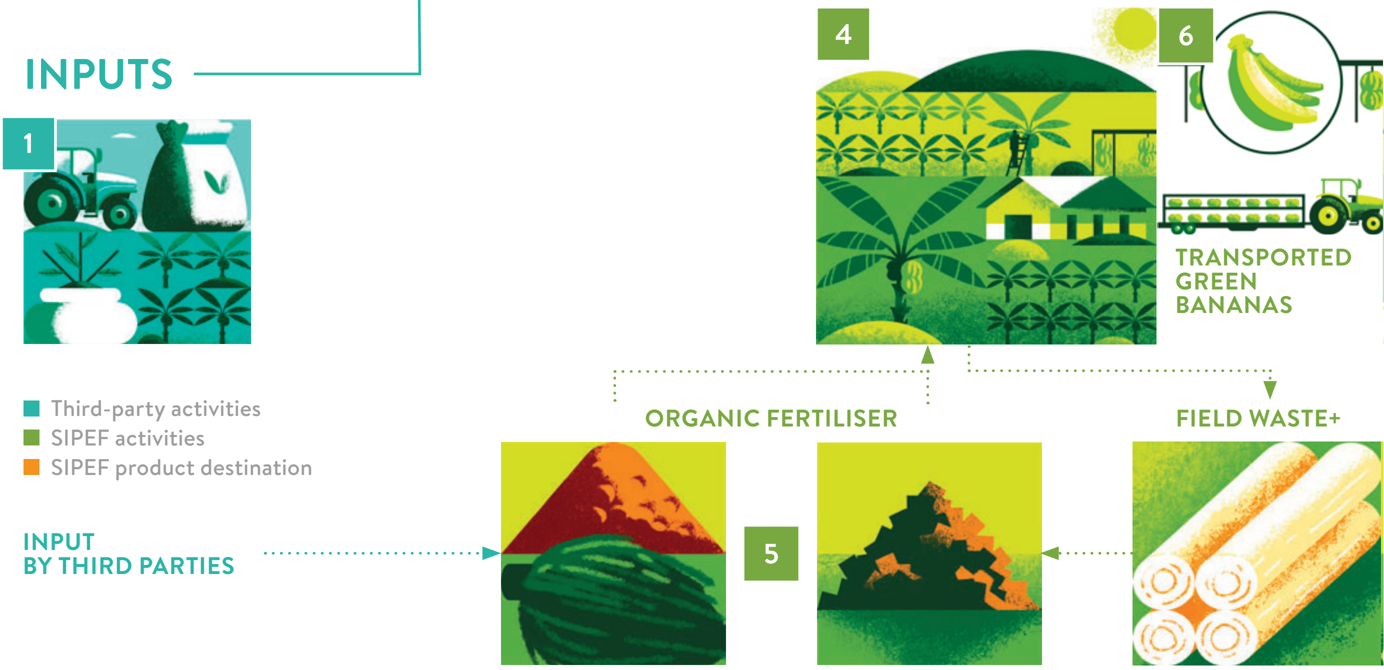
12 In Indonesia: CPO extracted at SIPEF's seven mills is collected and transported by third party partners to tanker terminals for export to Europe. The remaining CPO is transported overland by truck to be processed by local refiners.

13 In Papua New Guinea: SIPEF manages the full storage and transport chain of CPO and CPKO processed at its three mills. One hundred percent of this goes into tankers for export to Europe.

14 SIPEF's key customers are refiners in Europe and local kernel crushing plants. They sell SIPEF's oil on to a network of niche high-end food, chemical, and cosmetic industries that require high-quality, premium CPO and CPKO to produce products for European and American retailers.

SIPEF'S BANANA VALUE CHAIN

SIPEF's activities in banana production focus on the cultivation, harvesting, and transportation of green banana bunches. From packing stations, SIPEF's bananas are sold to ripening and distribution centres in consumer markets. SIPEF's banana value chain is visualised below, with explanatory text describing its key upstream features and inputs, SIPEF's own operations and those of its suppliers, and key downstream features.



1 Raw material inputs, such as in vitro banana plants and fertilisers, are supplied by third parties across three continents to enhance disease resilience and optimise yields. Plants with higher disease tolerance require less frequent chemical spraying. Production resources like machinery, equipment, and tools are locally sourced as well as imported. Electricity for field irrigation and packing stations is purchased from the public grid. Land for cultivation is either owned by SIPEF or secured through long-term leasing from the government.

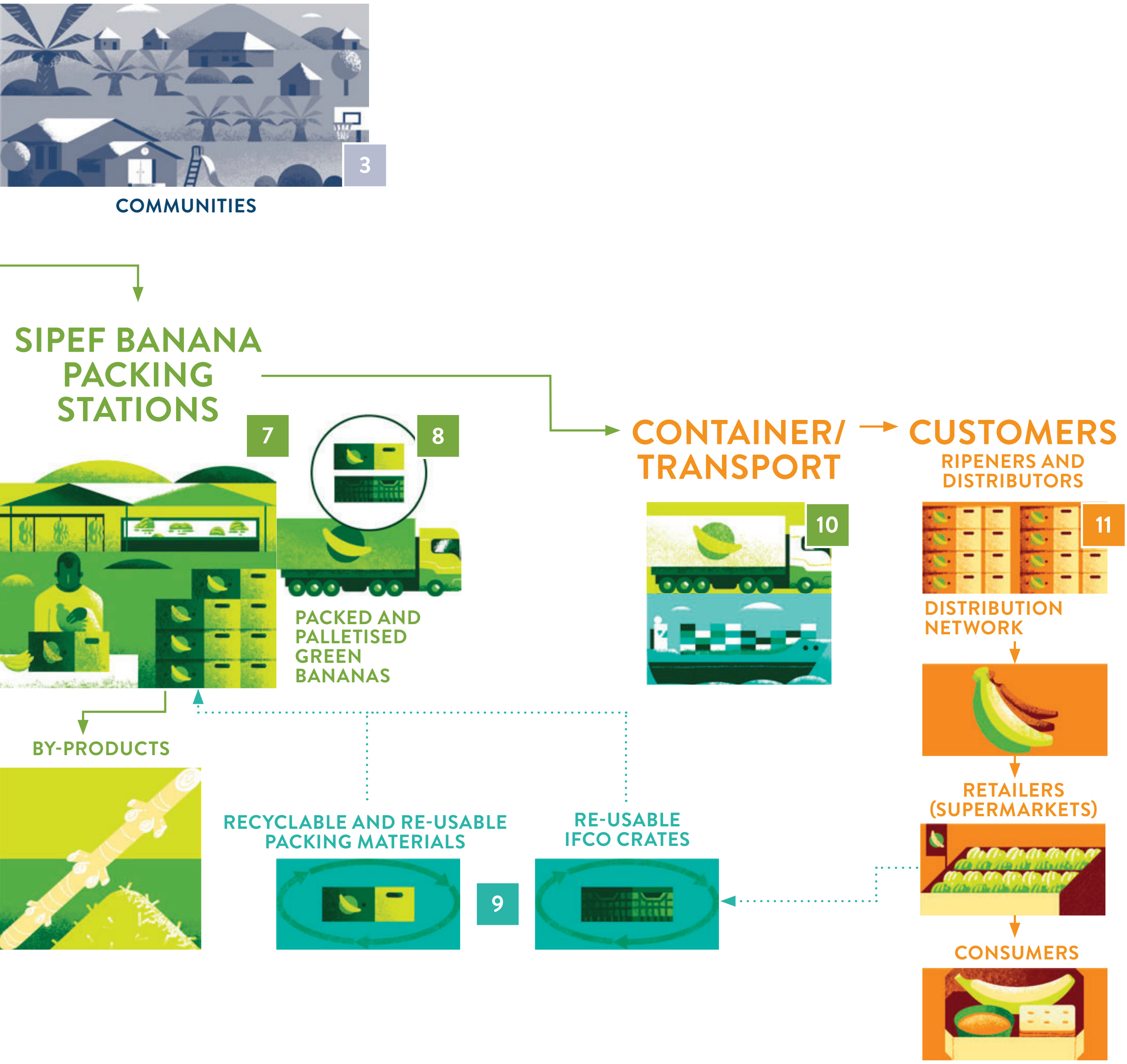
2 More than 2 000 employees carry out the cultivation, harvesting, and transportation of bananas across SIPEF's five estates in Côte d'Ivoire. An additional 400 employees work across the seven packing stations where bananas are selected, packed and palletised.

3 In accordance with Rainforest Alliance and Fairtrade certification requirements, SIPEF provides employees and their families, many of whom are members of nearby communities, with social, economic, educational, health, housing, and clean energy support.

4 During the first three months of cultivation, Cavendish banana in vitro plants are grown in SIPEF's nurseries, before being planted at the plantations. After around nine months the banana bunches are mature.

5 Organic field waste and biomass, such as banana stems and empty bunches from the plantations as well as empty palm fruit bunches and cocoa husks from local suppliers, are applied to the fields as organic fertiliser.

6 Green banana bunches are harvested, collected, and transported by cable car



or tractor to one of SIPEF's seven packing stations.

7 At the packing stations, banana bunches are separated into hands. These are washed, analysed, and sorted by customer classifications. Quality and traceability parameters are checked according to destination market requirements and customer specifications.

8 Green bananas are packed and palleted. Around 90% are prepared for export from the Port of Abidjan to destination ports in the United Kingdom (UK), Europe, and West Africa. The remaining pallets are loaded into reefer trucks for transport overland to neighbouring countries. All transport preparation takes place in SIPEF's packing stations, where the cold chain also begins.

9 Packing materials from banana packing stations are re-used or recycled. Locally purchased cardboard boxes and pallets are recycled by customers at their destination. For some UK customers, re-usable IFCO crates are used for packing and transporting the bananas.

10 At the port of Abidjan SIPEF's containers are controlled and loaded onto vessels belonging to one of two key partner shipping lines. When these vessels arrive at their destination ports, their containers are cleared by customs and discharged.

11 Around 60% of SIPEF's green bananas are destined for ripening depots in the UK, before being sold to retailers. Around 30% of banana go to the European market, where they first go to warehouses, before being distributed to ripening depots, and then retailers. The remaining 10% of SIPEF's bananas are sold on the West African market.

SIPEF's business strategy

COMMERCIAL PRIORITIES AND THE BALANCED GROWTH STRATEGY

SIPEF's Balanced Growth Strategy is made up of four business focus areas and four sustainability focus areas. Each focus area is supported by a set of goals, approaches and targets.

SIPEF's Balanced Growth Strategy has four focus areas that drive its commercial activities

BUSINESS FOCUS AREAS

- Production efficiency
- Operational excellence
- High quality, sustainable, traceable, certified products
- Innovation and early adoption

SUSTAINABILITY FOCUS AREAS

- Environmental stewardship
- Respecting employees and communities
- Responsible supply chain management
- Good business conduct

The Group's commercial strategy is implemented through long-term investments, programmes and projects, that centre around the four focus areas: production efficiency, operational excellence, high-quality, sustainable, traceable, certified products and, innovation and early adoption.

All four focus areas, and their related business goals are closely linked and interrelated with SIPEF's sustainability focus areas and those goals.

Together, they ensure that commercial growth is always balanced with good business practices and commitments to managing plantations, operations and supply chains responsibly, whilst contributing to society and local economies.

The Group's mission to produce high-quality, low contaminant, 100% sustainability certified and fully traceable palm oil products and bananas, is the strongest example where SIPEF's business, and sustainability strategy, focus areas and goals, are strongly interconnected and interdependent.

Other key areas of integration include growth whilst always applying strict social and environmental requirements for new developments and suppliers; implementing best management practices and regards for human rights when making operational improvements for better efficiency; and ensuring fair employment and social development opportunities in the rural in areas where SIPEF operates, when applying new innovative ways of working.

The full set of sustainability and business goals is available under 'Balanced Growth Strategy'.

BUSINESS STRATEGY IMPLEMENTATION

Production efficiency

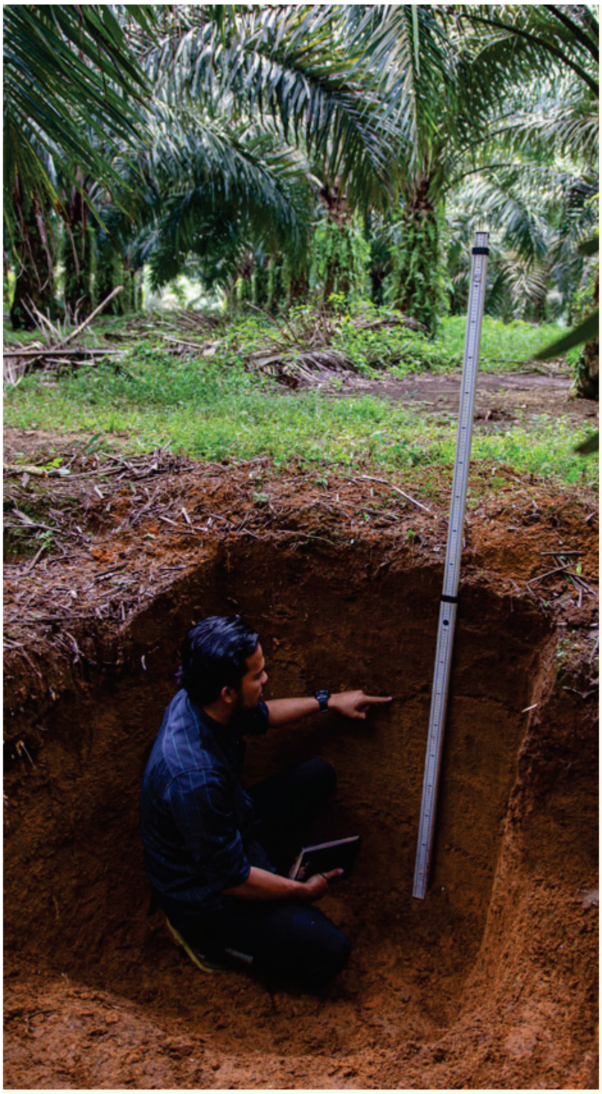
Oil palm and banana plants are naturally highly productive crops but yields and efficiency can be significantly improved through the optimisation of land use and production processes. That's why production efficiency is a core strategic focus area for SIPEF.

The Group is committed to implementing best management practices that aim to improve soil health, optimise inputs to production, and further increase product quality and the yield per planted hectare. Investments in research and development (R&D) and in innovative solutions are also supporting the Group's production efficiency goals. SIPEF also continues to explore new opportunities for development in brownfield areas, in accordance with its no deforestation and no new planting on peat (NDP) policy.

PRODUCTION EFFICIENCY GOALS:

- → Optimising land use in production areas.
- → Improving production processes.
- → Engaging in practices and solutions focused on improving soil health and boosting yields.

In 2024, SIPEF also continued investing in new machinery and refurbishing existing machinery to make production more efficient at its palm oil mills. This included three boilers used to generate renewable energy. The refurbishments reduce oil losses through process efficiencies, while also lowering emissions. Further boiler upgrades, including the installation of CPO washing facilities and biogas/methane capturing plants, are planned for 2025.



Improving soil health to enhance production efficiency

SIPEF is investing in numerous initiatives and activities to improve soil health across its operations. This includes agricultural practices and optimised use of organic materials to sequester carbon in the soil and improve soil structure. Healthier soil requires less inorganic fertiliser, which allows SIPEF to reduce both GHG emissions and costs.

In addition to improving production, decreasing climate impacts, and increasing climate resilience, investing in soil health also improves business resilience. Oil palm production depends on the use of fertilisers and other inputs that are produced in many areas of the world. Supply chain disruptions due to geopolitical events can have a major impact on the price or availability of these inputs. All these initiatives to improve soil health help to reduce reliance on externally sourced inputs, increasing resilience to external impacts.

High-yielding oil palm is part of the solution to land scarcity

Palm oil plays a crucial role in meeting the interlinked challenges of land scarcity and growing global demand for vegetable oils. While the world's population continues to rise, the amount of available arable land is decreasing due to land use competition, soil degradation caused by human-induced erosion and pollution, and the surging global demand for food. In the coming decades, this will be compounded by the risks linked with climate change.

Oil palm is highly productive, yielding as much as two to eight times more per hectare than any other vegetable oil crop.[1] Globally, palm oil supplies 40% of the world's vegetable oil demand on just under 6% of the land used to produce all vegetable oils.[2] It also has the lowest requirements for inputs of fertilisers, pesticides, and fuel per tonne of production. This makes palm oil an important part of the solution to the challenge of land scarcity.

(1) Source: www.wur.nl/en/newsarticle/New-light-on-the-sustainability-of-palm-oil.htm
(2) Source: www.wwf.org.uk/updates/8-things-know-about-palm-oil

Operational excellence

OPERATIONAL EXCELLENCE GOALS:

→ Maximising production quantity and quality.
→ Optimising inputs, processes and outputs by re-using by-products, minimising waste and using smart agriculture and mechanisation.
→ Promoting a culture of continuous improvement.

SIPEF is committed to operational excellence and aims to continuously improve its processes and practices. There is a strong focus at every level on executing the business strategy more efficiently and effectively, with lower operational risk, lower operating costs, and increased revenues. This means maximising the value of the Group's activities and outputs, both in terms of the quantity and quality of its products to meet customer demand, but also in the new or added value that can be generated for the by-products of production processes.

A continuous improvement department was established in 2024, with the aim of optimising all palm oil operations to be more efficient and effective. This department's mandate is to create a culture where management and employees are invested in business outcomes and empowered to implement change across all palm oil business processes and practices. The focus for this department during 2024 was on improving data management and analysis, mapping practices, and identifying opportunities for improvement.

This department will also ensure that success stories and learnings are taken on board and applied across all areas of operations. This applies throughout the business from the ground up and includes the creation of discussion groups among employees on the estates.

Smart agriculture: mechanisation of harvesting processes

An area of focus in 2024 that will continue into 2025 and beyond is investing in the right technology to mechanise harvesting processes and increase efficiency. For example, GPS trackers are being introduced to trucks to optimise logistics within and between locations, reducing staff time and fuel costs. New cranes are being rolled out that can be used to load multiple trucks, reducing the double handling in the field and improve quality of the fruit. Improving harvesting efficiency and introducing further mechanisation is important given growing challenges in recruiting employees in both Indonesia and Papua New Guinea. To incentivise people to join the industry, SIPEF also focuses on improvements that support employees in the fulfilment of their roles. For example, in several areas there has been a shift from manual to electric wheelbarrows with in-house modifications made to adapt to what works best for SIPEF employees. Plantations are also adopting carbon-fibre harvesting poles that are lighter and more agile than traditional poles. These activities aim to improve efficiency in the harvesting and transportation of FFB, to ultimately improve both yields and quality.

High-quality, sustainable, traceable, certified products

SIPEF is committed to producing high-quality, sustainable, traceable, and certified palm oil and bananas. This contributes to the Group's mission to foster a harmonious balance between nature, people, and growth, while also differentiating the Group from other players on the market and providing a competitive advantage.

GOALS FOR THIS FOCUS AREA ARE:

- → Implementing the highest food safety and quality standards.
- → Maintaining 100% traceability for all products.
- → Full compliance with leading sustainability standards and certifications.

High-quality, low contaminant products

SIPEF's commitment to high-quality starts from the initial stages of production and extends throughout its supply chain. This is an important commitment that differentiates SIPEF from its competitors while meeting growing demand for high-end, premium products.

For its palm oil operations, the Group has established comprehensive quality assurance protocols and conducts regular inspections and tests to ensure that its palm oil meets the strictest industry standards for food safety.

SIPEF aims to significantly minimise contaminants, such as Mineral Oil Saturated Hydrocarbons (MOSH), Mineral Oil Aromatic Hydrocarbons (MOAH), and Chloride (the precursor that can lead to a higher formation of 3-monochloropropane-1,2-diol (3-MCPD) and Glycidyl Esters (GE) in the refining process). These contaminants can lead to health concerns if consumed in large quantities.

Taking a leading role in significantly minimising these contaminants positions SIPEF well to respond to growing concerns in consumer countries over additives and specific contaminants in vegetable oils, alongside the requirements of European food safety regulations.

During the course of 2023 – 2024 a series of targeted programmes were successfully implemented, aimed at producing low contaminant crude palm oil (CPO), and thereby unlocking new supply chain opportunities in premium markets.

Stringent safety controls across SIPEF's banana value chain

Effective procedures and controls are in place to uphold the quality and food safety of the Group's banana production. Strict maximum residue levels (MRL) regulations apply for the United Kingdom and the European Union (EU), SIPEF's destination markets.

To ensure consistent compliance with these regulations, and maintain high GLOBALG.A.P. certification standards, year-round assessments across all of the farms of Plantations J. Eglin SA (Plantations J. Eglin) are conducted. These tests assure the readiness and effectiveness of SIPEF's traceability protocols and process, in the unlikely event of a food safety incident.

Should a risk or incident be identified or reported, SIPEF's traceability system enables full tracking of the affected banana, back to its field of origin including harvest details, applied treatments, personnel involved, and processes at packing stations and during transportation.

Further information on SIPEF's approach to consumer and end-user health and safety, including 2024 initiatives, is available in 'S4: Consumers and end-users' in the Sustainability Statement.

Control and reduction of MOSH and MOAH

MOSH and MOAH can enter palm oil at different stages of food production including cultivation, processing, storage or transportation.

A Group wide strategy was launched in 2023 underpinned by significant investments in resource capacities, machinery and equipment. Under 'Engineering 2.0' the transition to H1 food grade lubricants was realised for all mills in 2023. Over the course of 2024, the Group progressed to refurbish, upgrade, do maintenance on, or replace all machinery and presses across its mills. New engineering controls and procedures were developed, and the necessary change management and cultural shifts were implemented. As such, across SIPEF's entire operations, state of the art processes, machinery and facilities now significantly reduce the risk of lubrication leaks.

During 2024, all CPO mills and PKO crushers were using only H1 food grade lubricants. Regular and strict sampling was carried out by SIPEF as well as by customers themselves, confirming a clear and consistent reduction in MOSH and MOAH, significantly lower than the European Food Safety Authority, or current customer requirements.

With the success of this programme, SIPEF has firmly placed itself on the market as the provider of low contaminant, high-quality premium CPO.

Prevention of 3-MCPD formation through CPO washing

CPO washing is an effective way to eliminate chloride and ensure a premium product.

In 2024, a pilot CPO washing plant was installed at one of SIPEF's mills in Indonesia. Standard operating procedures were implemented, and in-house testing capabilities and protocols were developed. The first batch of washed CPO was delivered with promising results, placing SIPEF in a leading position to produce CPO with significantly lower chloride levels than those recommended by European food safety standards.

In 2025, SIPEF will continue to invest in developing its state-of-the-art CPO washing capacities in response to customer demands for CPO with significantly lower chloride levels that what is currently available on the market.

As such SIPEF is able, ahead of its peers, to respond to the requests of its customers and are taking the lead in raising the bar and setting new standards with regards to producing premium CPO.

Full traceability for palm oil and bananas

SIPEF is a market leader in traceability, with all its products being fully traceable to their production location, either an estate managed by SIPEF or a supplier smallholder plot.

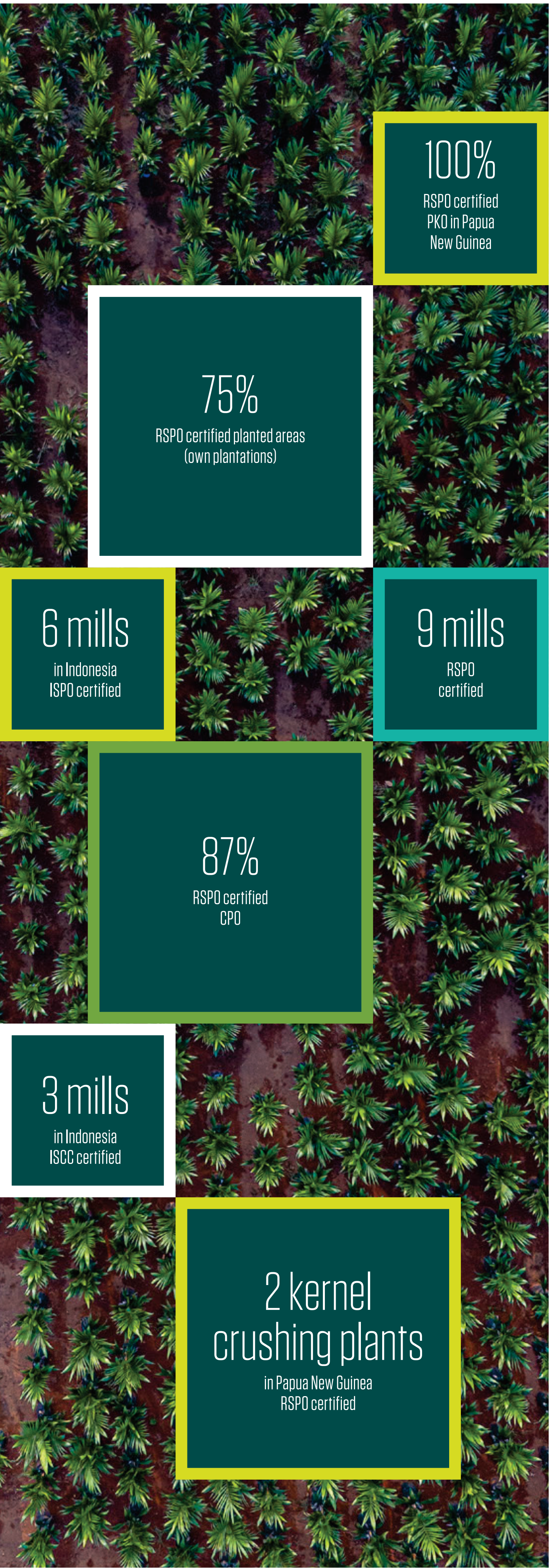
Traceability goes hand in hand with sustainability, and all the sustainability certification schemes SIPEF complies with require full traceability on sourcing to claim full sustainability of a product. This is important because it enables customers and consumers to ascertain that the products they buy are indeed sourced from certified estates and smallholders, and therefore contribute to environmental, social and economic sustainability.

Traceability is also crucial for ensuring food safety, meeting consumer demands for transparency, complying with regulations, and improving supply chain management and efficiency. SIPEF's traceability capabilities prepare the Group for compliance with the European Union Deforestation Regulation (EUDR), which mandates stringent traceability requirements to ensure that commodities placed on the EU market do not come from deforested land.

SIPEF uses an advanced interactive mapping application called GeoSIPEF to give its palm customers traceability insights and provide comprehensive tracking and verification of product origins. The application makes it possible to view all locations of cultivation and processing, either a block within an estate managed by SIPEF or a smallholder supplier block.

Further information on SIPEF's approach and progress for traceability is available in 'S4: Consumers and end-users' in the Sustainability Statement.

→ In 2024, SIPEF maintained 100% traceability for its palm oil products and bananas.



Sustainability standards and certification

SIPEF produces palm oil and bananas while preserving natural ecosystems, engaging in fair labour practices, and providing support for local communities in the places where it operates.

One of the ways that the Group demonstrates this commitment to positive impact is through sustainability certification. SIPEF consistently meets the leading sustainability standards in the palm oil and banana industries.

All sustainability certification standards that SIPEF complies with are developed by independent organisations and credible industry bodies, with third-party auditing that includes rigorous audit procedures at sites of operation. This gives SIPEF's customers and end-users the confidence that SIPEF's sustainability claims are verifiable, credible, and trustworthy. Supplying sustainability certified products to its customers also helps them to perform better on their own sustainability related supply chain objectives.

Palm oil certification

SIPEF is working towards a target of 100% Roundtable on Sustainable Palm Oil (RSPO) certification across all its palm oil operations, including its smallholder supply base. A structured, time-bound plan is in place to ensure that all mills and supply bases achieve 100% certification by 2030.

As of 31 December, 75.3% of SIPEF's own planted area is RSPO certified. The nine mills and two kernel crushing facilities previously certified have maintained their RSPO certification, with eight mills under the Identity Preserved (IP) model and one mill under the Mass Balance (MB) model. SIPEF's tenth and newest mill, Agro Muara Rupit, became operational in July 2024 and has begun preparations for certification. Additionally, six of the Group's mills in Indonesia are certified under the Indonesian Sustainable Palm Oil (ISPO), with preparations underway for the seventh mill, Agro Muara Rupit.

Currently, the planted area in Musi Rawas is still in the process of acquiring its cultivation licence (*Hak Guna Usaha* – HGU). Until all HGUs are obtained, the RSPO certification process cannot begin, and all fruit production remains uncertified. This uncertified fruit is delivered to the MB RSPO-certified Dendymarker palm oil mill, where it is mixed with RSPO-certified production from PT Dendymarker. As a result, all palm oil production from South Sumatra is certified under the MB model.

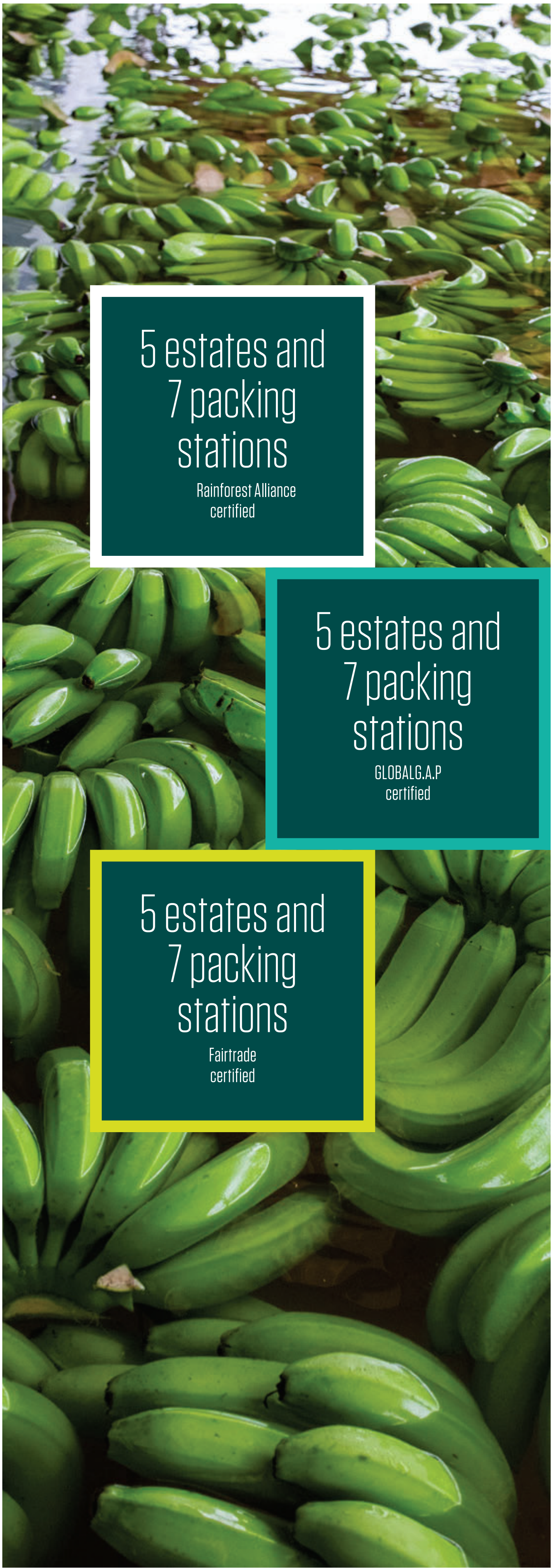
Banana certification

As of 2024, the Group's entire banana operations – all five estates and seven packing stations of Plantations J. Eglin - are 100% Rainforest Alliance, Fairtrade and GLOBALG.A.P. certified.

During the course of the year, SIPEF completed the certification process of its newest sites, Akoudié and Lumen, which the Group had acquired in Cote d'Ivoire, in 2021.

The Group's headquarters in Belgium remained certified under the GLOBALG.A.P. Chain of Custody Standard and the Rainforest Alliance supply chain certification standard (2020 Sustainable Agriculture Standard: Supply Chain Requirements). Additionally, it maintained its Fairtrade Trader Standard certification.

More information about the implementation of specific environmental, social and governance-certification requirements is available in the sustainability statement of this report.



Innovation and early adoption

SIPEF places great importance on innovation and the early adoption of new practices and technologies. The Group's innovation focus is leading to higher quality products, optimised land use, and reduced carbon impacts.

Much of SIPEF's innovation is focused on production efficiency. Local teams across all areas of operations continue to test and apply new principles in production. This is also the driving force behind SIPEF's strategic investment in Verdant Bioscience Pte Ltd (VBS). VBS is working on several innovation areas that have the potential to enhance palm oil production, such as the development of higher-yielding oil palm varieties that have improved resilience to pests, diseases and climate-related challenges.

The Group also continues to invest in digitalisation, geographic information system (GIS) mapping, and other advanced technologies with the aim of developing predictive modelling capabilities that can be used to determine yield and climate impacts in the future. For example, SIPEF is using GPS data, high-resolution imagery and drone technology that has enormous potential to optimise production efficiency. Drones can be used to identify diseases or lack of nutrients, allowing for earlier intervention. Fertiliser application can also be carried out by drone, allowing for greater efficiency while reducing risks associated with manual application.

Crucially, SIPEF is investing in the granularity of the data it collects and the analysis of this data, enabling better informed business decisions across all areas of its operations.

GOALS UNDER INNOVATION AND EARLY ADOPTION:

- → Investing in research and development (R&D) to enable progress towards sustainable and optimal land use, efficient production, higher quality products, improved soil health and resilient crops.
- → Testing and applying new principles and practices.
- → Remaining agile and adaptable to accommodate strategic and market shifts.

Piloting technology for climate resilience

During 2024, several pilot projects were initiated to utilise new technologies to improve production efficiency and resilience to the impacts of climate change. If successful, these initiatives will be developed and scaled up further in 2025.

DIGITAL MAPPING

Drone and satellite technology is being used to produce digital maps of production areas that will generate improved yield projections. Historical data is combined with current analysis of soil health, weather patterns, the genetic potential of the palm varieties, and nutrient analysis. This improves accuracy of projections while reducing investment in analogue monitoring.

MEASURING AND REPORTING CARBON EMISSIONS

Better monitoring is being introduced to measure changes in carbon emissions and identify which activities and conditions impact emissions.

SOIL HEALTH

A research programme on soil health is investigating climate change resilience and how to reduce the use of inorganic fertilisers.

REDUCED EMISSION ORGANIC FERTILISERS

SIPEF already uses empty fruit bunches (EFB) as organic fertiliser. However, the Group is now working with a partner to explore additional potential applications, including carbonising biomass. This process reduces the emissions produced from EFB breaking down in the fields, while sequestering carbon in the soil, improving soil structure, and enhancing water-holding capacity.

Verdant Bioscience Pte Ltd

SIPEF is committed to driving innovation, embracing continuous improvement, and championing the early adoption of advanced technologies, including new genetic varieties. For this reason, SIPEF made a strategic investment in Verdant Bioscience Pte Ltd (VBS) in 2013. Having access to a research and development (R&D) source provides a great deal of value to the Group's operations.

Currently, VBS is focused on three critical areas of R&D, each poised to significantly enhance the profitability, sustainability and climate resilience of palm oil production:

- Development of genetically improved oil palm varieties with higher yields and enhanced adaptability to SIPEF's plantation environments, including resilience to the effects of climate variability;
- Strengthening pest and disease genetic tolerance while building resilience to environmental, biological and climate-related challenges;
- Advancing agronomic practices, with an emphasis on innovative approaches that improve soil health, support regenerative agriculture and mitigate the impacts of climate change.

By committing to these areas of innovation, SIPEF is laying a sustainable foundation for long-term productivity and environmental stewardship, ensuring that resources are utilised effectively while preserving the integrity of its ecosystems.

Oil Palm F_1 Hybrids

VBS is working to develop and deliver the world's first high-yielding, trial-proven F_1 Hybrid varieties for the oil palm industry. Oil palm F_1 Hybrids have the potential to double yield per hectare, thereby helping to meet demand while mitigating risks of deforestation and biodiversity loss.

VBS is making significant progress with its F_1 Hybrid trial testing programme and each year more genetically diverse and potentially higher yielding F_1 Hybrid crosses are trial tested. In 2021, the programme began with the planting of 31 genetically different F_1 Hybrid crosses. This was followed by an additional 42 crosses in 2022, 161 crosses in 2023 and 140 crosses in 2024. The trials aim to rigorously evaluate the yield performance and adaptability of these hybrids, ensuring they meet VBS' high standards before the potential commercial release of the first oil palm F_1 Hybrids in 2029.

A major milestone was achieved in January 2024, when VBS commenced harvesting and yield recording its first F_1 Hybrid trial. It is too early to conclude which F_1 Hybrid crosses will be selected for commercialisation, but early yield performance is promising.

Disease tolerance

Another major objective is to ensure that VBS' F_1 Hybrids that are eventually commercially released are tolerant to the *Ganoderma* disease. This disease often causes serious commercial losses in terms of palms per hectare and yield reduction after first generation oil palms are replanted. F_1 Hybrid crosses are screened in the nursery for disease tolerance, drought tolerance and variation in nutrient uptake. The crosses are then field tested in a range of environments in different geographic locations and in areas with higher *Ganoderma* disease inoculum to accelerate selection progress.

Climate resilience

VBS is developing commercial F_1 Hybrid crosses that will deliver high yields despite the changing rainfall patterns caused by climate change and in more marginal environments in terms of soil fertility.

These efforts reflect a commitment to enhancing the adaptability and resilience of oil palm varieties in response to evolving environmental conditions.

Each year, more batches of genetically diverse F_1 Hybrid crosses are trialled across SIPEF's plantations to ensure optimal selection for the Company's estates and tailored alignment with SIPEF's management practices.

Improvements in agronomic practices

VBS provides tailored agronomic recommendations for each SIPEF estate block and field, aiming to maximise return on investment while restoring and maintaining soil regenerative health. To achieve this, ongoing fertiliser field trials are being conducted to evaluate the effects of various treatments, including major and minor nutrients, across diverse environments. The objective results gained from these trials will make it possible to refine fertiliser recommendations tailored specifically to the needs of SIPEF estates.

Inorganic fertiliser expenses account for over 50% of a plantation's direct costs, which makes it crucial to optimise fertiliser application rates. VBS research has intensified its focus on regenerative agricultural practices, emphasising the management of legume cover crops, shrubs and trees to enhance nitrogen fixation and overall soil health. These practices are designed to extract greater value from both organic and inorganic fertilisers, resulting in higher yields per nutrient unit applied.

Further efforts are directed at utilising organic fertilisers, such as compost derived from a combination of palm oil mill empty fruit bunches (EFB) and palm oil mill effluent (POME), or EFB alone where composting facilities are unavailable. These organic fertilisers act as efficient slow-release nutrient sources, improving soil health and reducing the risk of soil-borne diseases by increasing microbial diversity and activity.

Improvements in crop protection practices

SIPEF and VBS promote integrated pest and disease management strategies, prioritising biological control methods and preventative measures, with minimal reliance on pesticides. In cases where biological control proves ineffective, VBS will only recommend the use of targeted pesticides specifically tailored to control the pest, using precise application techniques. Broad-spectrum pesticides are avoided whenever possible.

VBS introduced and manages a SIPEF facility to produce a fungus (Trichoderma) that is antagonistic to the *Ganoderma* disease to be used on SIPEF's Indonesian estates. Research continues to investigate and improve application methods and to select the optimal Trichoderma isolates for each environment.

Crude palm oil quality

VBS has been actively supporting SIPEF's Indonesian estates by providing services to investigate the variation between their palm oil mills of levels of Mineral Oil Saturated Hydrocarbons (MOSH), Mineral Oil Aromatic Hydrocarbons (MOAH), and chloride in crude palm oil (CPO). The objective is to eliminate contaminants and ensure compliance with stringent European Union food safety standards.

To address these challenges, VBS has investigated where contamination happens in the palm oil production process. This allows SIPEF to demonstrate high standards of quality and safety across its palm oil supply chain.

SIPEF's operational activities and results

PALM OIL: OPERATIONAL ACTIVITIES IN 2024

In 2024, SIPEF's operational activities highlighted many opportunities for growth, despite climatic impacts that were felt across Indonesia.

Despite these pressures, Indonesia demonstrated resilience, achieving a 2.1% increase in fresh fruit bunch (FFB) production, underscoring the effectiveness of the Group's strategic investments in sustainability and operational efficiency.

North Sumatra saw a mixed performance, with production challenges due to previous water deficits. However, infrastructure upgrades, including mill enhancements and pest control measures, supported operational stability. Citra Sawit Mandiri's RSPO certified crop was successfully integrated into the Umbul Mas Wisesa mill, and replanting efforts resulted in the immature hectare count increasing to 3 850 hectares.

In Bengkulu, production was influenced by adverse weather patterns, with a dry spell between September and December 2023 delaying fruit development and affecting crop availability in early 2024. While full year FFB production decreased by 5.2%, ongoing operational enhancements, including 1 298 hectares of newly planted oil palm and 2 256 hectares of replanting, have positioned the region for future growth. The average age of oil palms across the estates now stands at 10.5 years, reflecting the continued replanting of the region's plantations.

South Sumatra emerged as a major growth driver, recording a 20.9% increase in FFB production and a 19.6% rise in crude palm oil (CPO) output. These results were supported by the contribution of 8 184 hectares of young palms, favourable rainfall, improved fruit ripening in younger mature areas, and the operational launch of the Agro Muara Rupit mill. With 18 876 own mature hectares and 2 991 smallholders' mature hectares, and a total area of 30 052 hectares planted, own and smallholders' plantations, South Sumatra remains pivotal to SIPEF's long-term growth strategy as newly matured areas progressively contribute to production.

In Papua New Guinea, SIPEF demonstrated resilience in recovering from the November 2023 eruption of Mount Ulawan. Rehabilitation efforts progressed efficiently, with 3 500 hectares of ash-affected areas fully pruned by May 2024, preparing the estates for future production. Despite these efforts, SIPEF's own FFB production ended the year 22.5% lower than 2023, while the total palm oil production saw a 22.1 % decline, in line with expectations following the eruption.

Smallholder production was less affected by the eruption and only experienced a 13.2% decline, although recovery is already underway. Favourable rainfall in the second half of 2024 further supported the region's gradual rebound.

As part of its commitment to sustainability, SIPEF finalised an integrated High Conservation Value (HCV) and High Carbon Stock Approach (HCSA) assessment, identifying opportunities for conservation as well as for new developments in collaboration with smallholders. These initiatives reinforce SIPEF's dedication to environmental stewardship and community engagement.

Across all operations, 2024 reinforced the importance of adapting and investing in the long-term growth of the business. While Indonesia and Papua New Guinea experienced overall declines in production due to climatic and volcano impacts, SIPEF's targeted efforts, particularly in South Sumatra, showcased the potential for continued growth. With strategic replanting programmes, infrastructure upgrades, and sustainability initiatives, SIPEF remains well-positioned to drive sustainable performance in the years ahead.

Operational activities in Indonesia

Together with its subsidiary, PT Tolan Tiga Indonesia, SIPEF controls and manages its operational activities in Indonesia through the head office in Medan and three regional management offices in the provinces of North Sumatra, Bengkulu, and South Sumatra, where its plantations and mills are located.

* see GeoSIPEF for further details

Estates

INDONESIA, NORTH SUMATRA	MATURE (IN HECTARES)	IMMATURE (IN HECTARES)	AVERAGE OIL PALM AGE	FFB PRODUCED 2024 (IN TONNES)	FFB PRODUCED 2023 (IN TONNES)	YIELD 2024 FFB/HA (IN TONNES)
Tolan Tiga group	10 915	3 193	11.8	282 262	282 821	25.9
Umbul Mas Wisesa group	9 242	658	14.6	180 246	186 328	19.5
Subtotal own plantations	**20 157**	**3 851**	**13.0**	**462 508**	**469 149**	**22.9**
Smallholders	4 295	0	N/A	8 888	11 116	N/A
TOTAL	**24 452**	**3 851**	**-**	**471 397**	**480 265**	**-**

The **NORTH SUMATRA** business unit comprises the Tolan Tiga and Umbul Mas Wisesa groups. These groups work as one established operation and include seven estates and three mills. The Tolan Tiga group covers 10 915 hectares of mature estates and 3 193 hectares of immature estates, and the Umbul Mas Wisesa group covers 9 242 hectares of mature estates and 658 hectares of immature estates.

Throughout 2024, operations in the North Sumatra region continued to experience the effects of the droughts in 2021, 2022, and 2023, which impacted both mineral and organic soil estates. This ongoing challenge had a negative impact on fresh fruit bunch (FFB) yields. Total FFB production on mineral soil estates amounted to 282 262 tonnes, representing a slight decline of 0.2% compared to the previous year. Meanwhile, FFB production on organic soil estates was 180 246 tonnes, reflecting a decline of 3.3% year-on-year.

Citra Sawit Mandiri estate achieved an 8% increase in production compared to 2023. This was driven by improvements in the organisation and efficiency of harvesting, aimed at improving crop quality and ripeness, in preparation for supplying Umbul Mas Wisesa mill from August 2024. In contrast, production at the Umbul Mas Wisesa estates declined, mainly due to the start of the replanting cycle for the organic soil estates, with a total of 658 hectares replanted at the southern estates of Umbul Mas Wisesa.

With the successful achievement of RSPO certification at the Citra Sawit Mandiri estate in August 2024, certified FFB are now being supplied to the Umbul Mas Wisesa palm oil mill for processing, despite some logistical challenges due to the condition of external access roads.

The organic soil estates in North Sumatra in 2024 made significant efforts to maintain operations despite encountering some weather-related challenges. Heavy rainfall and high tides in January temporarily affected nearly 70% of the area, with additional localised flooding impacting access roads in October and December. Nevertheless, the estates focused on innovative techniques including drone-applied and biological controls, to address periodic outbreaks of leaf-eating pests effectively.

The North Sumatra region saw continued progress and development in 2024. Significant milestones were achieved at the Bandar Pinang estate, part of the Tolan Tiga group, where the conversion from rubber to oil palm was successfully completed. A total of 527 hectares of oil palm were planted in 2024, bringing the total converted area to 1 016 hectares. Additionally, 50 hectares have been allocated

INDONESIA, BENGKULU	MATURE (IN HECTARES)	IMMATURE (IN HECTARES)	AVERAGE OIL PALM AGE	FFB PRODUCED 2024 (IN TONNES)	FFB PRODUCED 2023 (IN TONNES)	YIELD 2024 FFB/HA (IN TONNES)
Agro Muko	15 022	4 670	11.8	310 701	323 895	20.7
Mukomuko Agro Sejahtera	2 379	939	8.6	32 994	38 481	13.9
Subtotal own plantations	**17 401**	**5 609**	**10.5**	**343 695**	**362 376**	**19.7**
Smallholders	1 038	13	N/A	14 693	17 356	14.2
TOTAL	**18 439**	**5 622**	**-**	**358 388**	**379 732**	**19.4**

for Verdant Bioscience Pte Ltd further supporting innovations and progress on the F1 hybrid programme (see page 58 for more information).

In January 2024, harvesting began at the first significant area planted with the new commercial Verdant Select material, which are selected crosses reproduced in commercial quantity as semi-clonal seeds. This area delivered the highest commercial first year yields achieved to date, with 25.5 tonnes of FFB per hectare over an area of 83.6 hectares. This marks an important milestone and underscores the high potential of Verdant Select material, demonstrating SIPEF's commitment to innovation and yield optimisation.

The replanting program within the Tolan Tiga group made steady progress, with 753 hectares replanted and another 440 hectares prepared for planting in 2025. The organic soil estates also contributed to this progress, with 658 hectares successfully replanted in 2024. These efforts collectively increased the total immature area from 2 496 hectares in 2023 to 3 850 hectares in 2024, contributing to a reduction in the average oil palm age for the North Sumatra region to 13.1 years.
The North Sumatra mineral soil estates Bukit Maradja and Kerasaan implemented proactive pest management measures in 2024 to address periodic outbreaks of leaf-eating pests. Targeted treatments, including drone spraying and biological controls, were effectively applied across the impacted area throughout the year, ensuring the health and productivity of the estates.

The regional business unit of **BENGKULU** is made up of Agro Muko and the Mukomuko Agro Sejahtera groups, consisting of thirteen plantations and two mills, which are located over two sub-regions, each delivering to its own mill. The area consists of 17 401 hectares of mature estates and 5 542 hectares of immature estates.

In 2024, the harvested FFB decreased by 5.2% compared with the previous year, from 362 376 tonnes in 2023 to 343 695 tonnes in 2024. Multiple drought periods in the years 2022 and 2023 continued to have an impact on crop production for 2024. The weather conditions in 2024 were more favourable, with monthly rainfall distribution closely aligning with historical 10-year averages across all estates, contributing to improved growing conditions.

The Batu Kuda estate successfully replanted 465 hectares in 2024, bringing the total replanted hectarage at 939. The remaining 431 hectares will be replanted in 2025 with the total hectares targeted at 1 370. Harvesting activities continued across the remaining 431 hectares of old plantings, which produced 1 881 tonnes of FFB. With the successful completion of the new main access bridge in December 2024, the improved accessibility into the

INDONESIA, SOUTH SUMATRA	MATURE (IN HECTARES)	IMMATURE (IN HECTARES)	AVERAGE OIL PALM AGE	FFB PRODUCED 2024 (IN TONNES)	FFB PRODUCED 2023 (IN TONNES)	YIELD 2024 FFB/HA (IN TONNES)
Agro Kati Lama	4 270	962	7.2	65 962	64 387	15.4
Agro Rawas Ulu	2 534	218	7.1	35 232	35 397	13.9
Agro Muara Rupit	5 395	4 079	4.4	69 793	57 566	12.9
Dendymarker Indah Lestari	6 677	799	4.5	92 794	60 815	13.9
Subtotal own plantations	**18 876**	**6 058**	**4.8**	**263 781**	**218 165**	**14.0**
Smallholders	2 991	2 127	-	40 260	32 377	13.5
TOTAL	**21 867**	**8 185**	**-**	**304 041**	**250 542**	**13.9**

estate will promote further operational efficiencies. Most of the required infrastructure to support the rehabilitation of the estate will be completed by 2025 (bridges and roads).

The conversion of Sei Jerinjing rubber estate was completed in 2024 with 1 298 hectares being successfully planted with oil palm. A total of 2 256 hectares of oil palm was successfully replanted across the Bengkulu estates in 2024 (inclusive of Sei Jerinjing). The average age of the palms across the estates now stands at 10.8 years.

The developments in **SOUTH SUMATRA** are organised into four groups of estates: Agro Kati Lama, Agro Rawas Ulu, Agro Muara Rupit, and Dendymarker Indah Lestari. In 2024 the cultivated areas in South Sumatra increased by 1 742 hectares to 19 827 hectares, all in compliance with RSPO criteria. In South Sumatra the Group now has 30 052 hectares of newly planted, maturing oil palms, of which 5 118 are plasma hectares. During the year the tonnage of harvested FFB increased by 20.9% compared to the previous year, from 218 165 tonnes in 2023 to with 263 781 tonnes in 2024.

Throughout 2024, the South Sumatra estates experienced variable weather conditions with very wet weather in the first quarter causing widespread flooding in late January as well as prolonged dry weather in the third quarter. Very low rainfall during July and August resulted in the suspension of planting and manuring activities until rainfall returned from September onwards enabling all field activities to recommence and shortfalls to be recovered. The overall rainfall for 2024 was on par with the 10-year average for most of the estates.

Dendymarker Indah Lestari has now achieved RSPO certification for 7 457 hectares, including 2 749 plasma hectares. The average age of palms across the estates now stands at 4.8 years.

The potential for further development, of over 3 000 hectares, remains under management review, contingent on the performance and viability of existing projects as well as the exploration of opportunities in adjacent areas.

Mills*

INDONESIA, NORTH SUMATRA	BUKIT MARADJA		PERLABIAN		UMBUL MAS WISESA	
	2024	2023	2024	2023	2024	2023
Capacity (tonnes FFB/h)	30	30	55	55	40	40
Actual throughput	29.8	29.0	43.8	50.7	38.9	40.2
FFB processed (tonnes)	113 030	114 090	177 331	176 404	155 656	152 673
Crude palm oil produced (tonnes)	27 185	26 952	38 180	38 865	33 999	34 985
Oil extraction rate (%)	24.05	23.62	21.53	22.03	21.84	22.91
Kernel extraction rate (%)	5.17	5.20	5.80	5.87	4.37	4.20
Free fatty acids (%)	2.61	2.59	2.86	2.76	3.41	3.44

INDONESIA, BENGKULU	MUKOMUKO		BUNGA TANJUNG	
	2024	2023	2024	2023
Capacity (tonnes FFB/h)	60	60	30	30
Actual throughput	59.4	59.7	32.8	32.1
FFB processed (tonnes)	262 829	266 301	94 679	107 941
Crude palm oil produced (tonnes)	59 485	62 574	20 189	23 610
Oil extraction rate (%)	22.63	23.50	21.32	21.87
Kernel extraction rate (%)	4.28	4.12	5.21	5.17
Free fatty acids (%)	2.71	2.95	2.78	3.3

INDONESIA, SOUTH SUMATRA	DENDYMARKER INDAH LESTARI		AGRO MUARA RUPIT	
	2024	2023	2024	2023
Capacity (tonnes FFB/h)	60	60	45	N/A
Actual throughput	58.9	50.9	45.7	N/A
FFB processed (tonnes)	226 880	250 542	77 161	N/A
Crude palm oil produced (tonnes)	50 844	57 465	18 162	N/A
Oil extraction rate (%)	22.41	22.94	23.54	N/A
Kernel extraction rate (%)	3.85	3.86	3.30	N/A
Free fatty acids (%)	3.24	3.20	3.51	N/A

In **INDONESIA**, there are currently seven operational mills with a combined hourly processing capacity of 320 tonnes of FFB per hour, an increase from 275 tonnes per hour in 2023. The newly commissioned mill in South Sumatra, Agro Muara Rupit, has been operational since June 2024. The total crop processed across all Indonesian mills in 2024 amounted to 1 107 566 tonnes, reflecting an increase of 39 615 tonnes or 3.6% compared to 2023. Consequently, total palm product production also rose by 5 104 tonnes or 1.7% to 298 488 tonnes, up from 293 384 tonnes in 2023.

The Group's average oil extraction rate (OER) stood at 22.40%, a decrease from the previous year's 22.89%.

* See GeoSIPEF for further details

In North Sumatra, Bukit Maradja mill achieved an OER of 24.05%, exceeding the target, while Perlabian mill, and Umbul Mas Wisesa mill recorded lower OERs compared to the previous year. The OER at Umbul Mas Wisesa declined by 4.67%, primarily due to exceptionally wet weather and flooding in January and October 2024. Despite these challenges, the kernel extraction rate improved at Bukit Maradja and Umbul Mas Wisesa, whereas Perlabian experienced a slight decrease of 1.19%. Free fatty acid (FFA) levels in crude palm oil (CPO) increased slightly at Bukit Maradja and Perlabian, driven by higher rainfall, though all mills remained within the ceiling limit of 3.50%.

In Agro Muko, spanning two mills, the average OER dropped from 23.03% in 2023 to 22.29% in 2024, coinciding with a 4.47% reduction in processed FFB. Boiler refurbishment at both mills is ongoing and expected to enhance performance in 2025. However, the implementation of a kernel recovery programme at Agro Muko in 2024 resulted in notable improvements, with FFA levels at Mukomuko mill and Bunga Tanjung mill remaining well controlled.

In South Sumatra, the Dendymarker Indah Lestari mill recorded an average OER of 22.41%, marking a 2.31% decrease compared to 2023. This reduction is attributed to extended wet seasons and flooding, coupled with a high proportion of small bunches from young plantings processed at the Dendymarker Indah Lestari mill. Crops from newly replanted areas (2020–2022 plantings) accounted for 33.4% of the crop processed, with internal lab analysis indicating potential OERs ranging from 15.91% to 22.23%. Encouragingly, the OER at Agro Muara Rupit mill remained stable at 23.54%, with internal lab analysis showing potential OERs between 17.93% and 24.69% for crops from the 2017–2018 plantings at Agro Muara Rupit and Agro Rawas Ulu estates.

Despite fluctuations in OER and challenges posed by adverse weather conditions, CPO production in South Sumatra increased significantly. Total CPO production from the Dendymarker Indah Lestari and Agro Muara Rupit mills reached 69 006 tonnes in 2024, representing a 20.1% increase from the 57 465 tonnes produced in 2023, driven by more planted areas reaching maturity. However, FFA levels at both mills increased slightly due to higher regional rainfall.

In alignment with SIPEF's strategic focus on improving CPO quality, a comprehensive quality enhancement programme was initiated in 2023. Several initiatives aimed at reducing contaminants such as chloride, Mineral Oil Saturated Hydrocarbons (MOSH), and Mineral Oil Aromatic Hydrocarbons (MOAH) in CPO were implemented. Notably, a washing plant was installed at Mukomuko mill in 2023, consistently achieving chloride levels below 2.5 ppm.

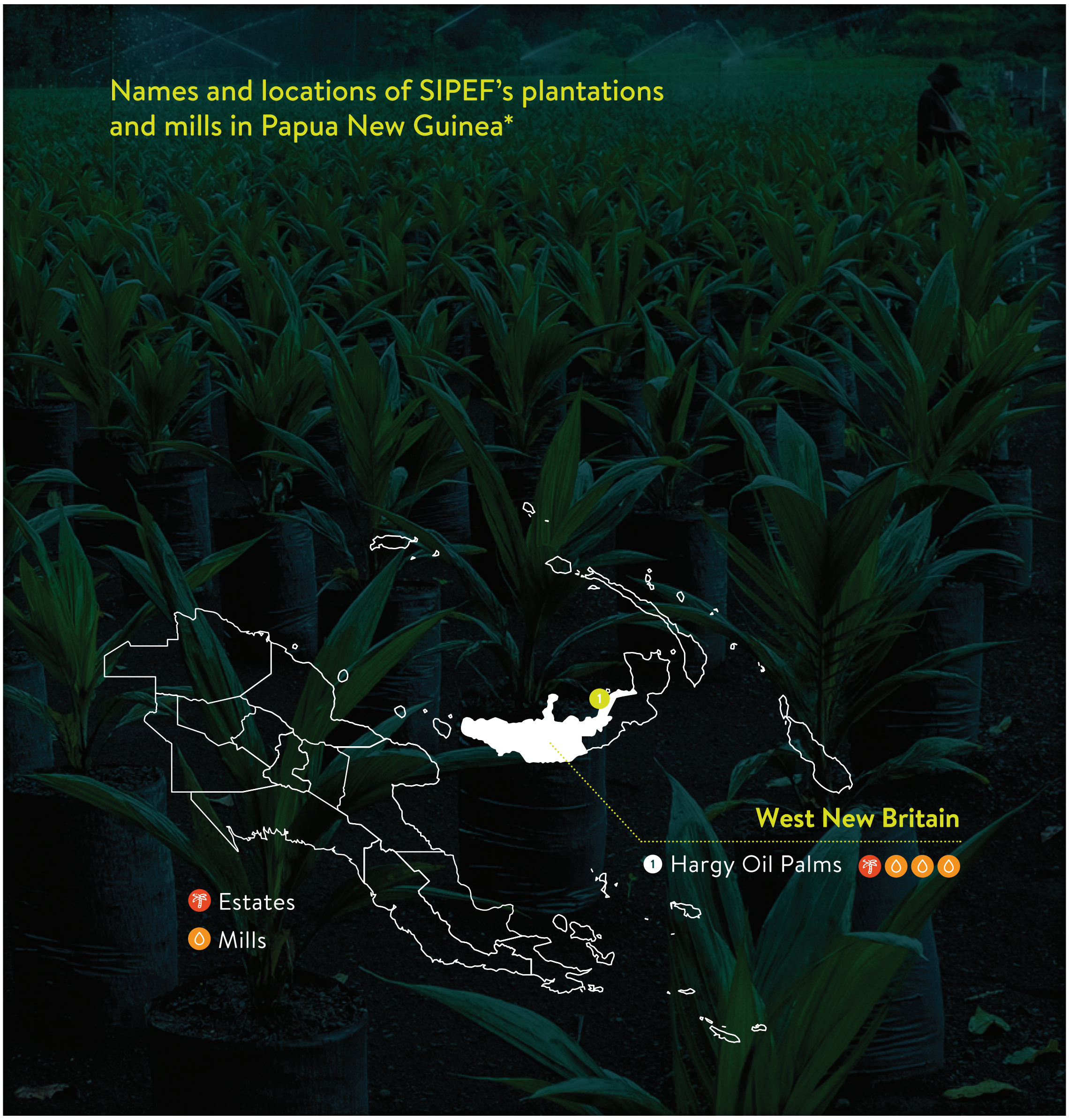
By the end of 2024, SIPEF committed to installing additional washing plants at the Bukit Maradja, Perlabian and Bunga Tanjung mills, with completion expected by early 2026. In parallel, the Group transitioned all mineral lubricants to food-grade lubricants, resulting in significant improvements in MOSH and MOAH values, further reinforcing SIPEF's commitment to quality and safety. Additionally, an overarching quality programme focusing on housekeeping standards and critical point control was established to prevent foreign element contamination in palm products.

As part of SIPEF's emissions reduction strategy, both Dendymarker Indah Lestari and Agro Muara Rupit mills have initiated the installation of biogas plants. The lagoon-type biogas plant at Agro Muara Rupit and the tank-type biogas plant at Dendymarker Indah Lestari are projected to be operational by the end of 2025. Additionally, a Bio-CNG plant project is set to commence at Perlabian mill and Umbul Mas Wisesa mill in collaboration with the KIS Group, with expected completion by end of 2025 and 2026 respectively. These plants aim to capture methane emissions and convert the gas into bottled Bio-CNG for sale to external off-takers, contributing to SIPEF's sustainability and emissions goals.

Looking ahead, SIPEF remains committed to enhancing operational efficiency and sustainability across its mills. The ongoing investments in infrastructure, quality improvement programmes, and emissions reduction initiatives underscore the Group's dedication to responsible and sustainable palm oil production. As more planted areas reach maturity and additional enhancements come online, SIPEF Indonesia is well positioned to achieve further growth, ensuring long-term value creation for its stakeholders.

Operational activities in Papua New Guinea

Hargy Oil Palms Ltd (HOPL) in Papua New Guinea operates six oil palm plantations, structured under three estate groups (Hargy, Navo and Pandi), along with 3 646 certified smallholders, the six estates form their specific supply base for each mill.



* see GeoSIPEF for further details

Estates

PAPUA NEW GUINEA, WEST NEW BRITAIN	MATURE (IN HECTARES)	IMMATURE (IN HECTARES)	AVERAGE OIL PALM AGE	FFB PRODUCED 2024 (IN TONNES)	FFB PRODUCED 2023 (IN TONNES)	YIELD 2024 FFB/HA (IN TONNES)
Hargy estate	4 161	253	10.8	125 147	134 558	30.1
Navo estate	5 700	852	9.4	86 221	157 216	15.1
Pandi estate	2 584	0	11.5	73 416	75 565	28.4
Subtotal own plantations	**12 445**	**1 105**	**10.2**	**284 785**	**367 339**	**22.9**
Smallholders	13 745	1 180	16.9	201 965	232 414	14.7
TOTAL	**26 190**	**2 285**	**-**	**486 750**	**599 753**	**18.6**

HOPL's operations in **PAPUA NEW GUINEA** cover 26 190 hectares of mature estates and 2 285 hectares of immature estates. These operations demonstrated resilience and steady progress in 2024, despite the challenges posed by the November 2023 eruption of the Mount Ulawan volcano.

In the first quarter of 2024, fresh fruit bunches (FFB) that remained on affected palms were successfully harvested before heavy pruning was carried out. As a result, production levels were initially maintained. However, the necessary pruning of damaged palms led to a decline in FFB production during the second quarter, which continued until late in the year. By November and December, there were signs of recovery in rehabilitated areas. This suggests that production will continue to recover in 2025, despite some remaining impact expected until at least mid-year. HOPL's own estates recorded 284 785 tonnes of FFB production for the year, 22.5% lower than 2023, aligning with post-eruption damage assessments. Smallholder FFB production reached 201 965 tonnes, a 13.2% decline from the previous year. While smallholders were less affected by the volcanic eruption, lower fertiliser acceptance in recent years contributed to the decline in yields. To address this, SIPEF will continue its extension support for smallholders by promoting fertiliser application practices and focusing on yield optimisation.

Rainfall in 2024 was above the five-year average at all sites. The wet season in the first quarter was more intense than in recent years, slightly affecting FFB recovery and oil quality. However, from April onwards, monthly rainfall exceeded 150mm at most sites, ensuring stable growing conditions without major disruptions. This weather pattern is expected to support favourable production conditions in the coming years.

Replanting activities were successfully completed, with 582 hectares replanted, accounting for 4.3% of total planted areas, maintaining an optimal 10.2-year average palm age across the estates. Smallholder replanting faced some challenges, with 323 of the planned 500 hectares replanted, mainly due to grower acceptance issues. Addressing these obstacles remains a priority for 2025 and beyond.

A key milestone was the completion and approval of the High Conservation Value (HCV) and High Carbon Stock Approach (HCSA) assessment, which identified areas for potential smallholder expansion. In 2025, the RSPO New Planting Procedure will be finalised, enabling new planting in these designated areas and reinforcing SIPEF's commitment to sustainable development.

Mills*

PAPUA NEW GUINEA, WEST NEW BRITAIN	HARGY		NAVO		BAREMA		TOTAL	
	2024	2023	2024	2023	2024	2023	2024	2023
Capacity (tonnes FFB/h)	45	45	60	50	45	45	150	140
Actual throughput	44.9	44.6	54.9	49.8	43.8	45.0	143.6	139.4
FFB processed (tonnes)	71 881	78 607	139 056	181 666	73 848	107 067	284 785	367 340
FFB processed smallholders (tonnes)	80 508	91 214	33 138	44 037	88 320	97 162	201 965	232 413
Crude palm oil produced (tonnes)	34 041	40 561	41 346	55 598	38 975	50 604	114 362	146 763
Oil extraction rate (%)	22.32	23.88	24.00	24.64	24.03	24.74	23.49	24.46
Free fatty acids (%)	3.20	3.40	3.53	4.16	3.53	4.18	3.44	3.96
Crude palm kernel oil produced (tonnes)	7 147	8 337	8 777	12 493	8 219	10 400	24 143	31 230
Palm kernels produced (tonnes)	2 809	3 318	N/A	N/A	6 669	9 094	9 478	12 412
Kernel extraction rate (%)	4.69	4.91	5.09	5.54	5.07	5.09	4.96	5.21
Kernel oil extraction rate (%)	1.84	1.95	N/A	N/A	2.09	2.11	1.95	2.07

Milling operations in **PAPUA NEW GUINEA** continued to advance in 2024, with steady improvements observed throughout the year. Early challenges with the oil extraction rate (OER) due to a particularly heavy wet season in West New Britain were progressively overcome from April onwards. Both Navo and Barema mills saw gradual improvements, with December OER levels aligning with those achieved in 2022. At Hargy mill, steam production issues temporarily impacted sterilisation processes; however, these have since been resolved, with further efficiency gains anticipated in 2025.

The Navo mill expansion project reached significant milestones in 2024 with the commissioning of a new boiler and turbine, increasing throughput capacity to 60 tonnes per hour. The addition of a high-capacity turbine has also improved energy efficiency, now supplying power to all four residential compounds at the Navo estate during processing hours, reducing reliance on diesel generators. The final phase of the expansion, which includes upsizing the FFB loading ramp from 80 tonnes to 500 tonnes, is well underway and set for completion by the second quarter of 2025, further enhancing operational efficiency and oil quality.

Throughout 2024, operations in Papua New Guinea upheld a strong commitment to product quality. Efforts to manage mineral oil contaminant (MOSH/MOAH) levels remained highly effective, ensuring compliance with acceptable thresholds. Additionally, baseline chloride testing was conducted for the first time, laying the foundation for further initiatives to reduce these already low levels. These efforts reinforce HOPL's strong reputation for providing high-quality oil.

* see GeoSIPEF for further details


Saturated
Steam

BANANAS: OPERATIONAL ACTIVITIES

2024 was a strong year for SIPEF's banana production. Despite the agronomical challenges on the historical sites of Azaguié and Motobé, there was a 24.6% increase in banana production as well as an increase in yield from 33.3 to 40.6 tonnes per hectare. The newly developed sites of Lumen and Akoudié continued to outperform, and production at the Agboville site returned to a good performance level. 45 942 tonnes were exported to the European Union (EU) and the United Kingdom (UK), and 5 093 tonnes were exported to the regional markets of Senegal and Mauritania.

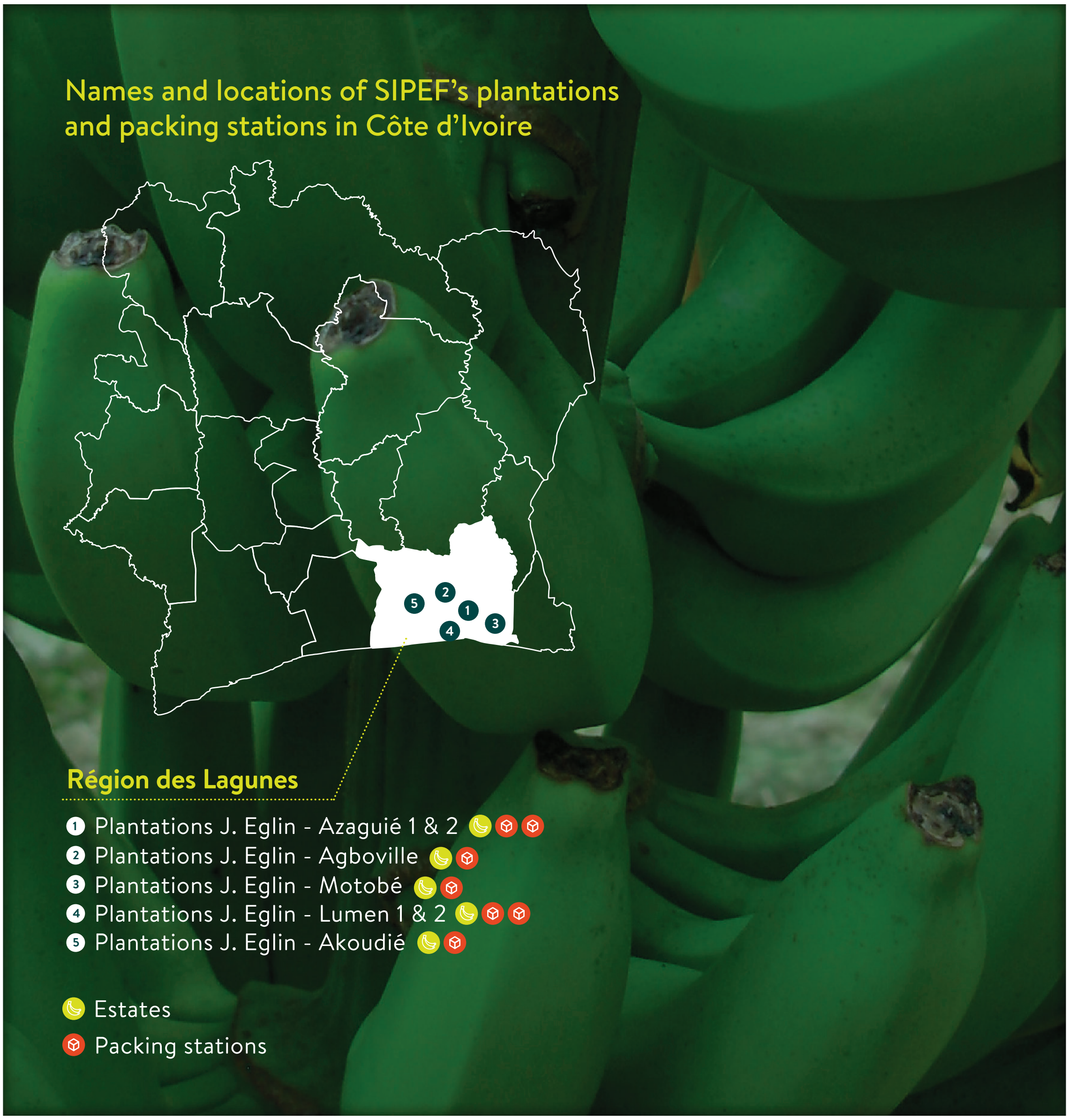
Quality was also high, with low rates of damage. This reflects SIPEF's ongoing investment in innovation, operational excellence, and production efficiency.

However, production did suffer from climate impacts, with 2024 being a particularly hot year. This meant more irrigation was required. The very hot dry season had an impact on production across the whole of Côte d'Ivoire and beyond. In 2024, the global banana market encountered several challenges that affected production, trade, and pricing. The overall banana trade contracted by approximately 1%, driven by adverse weather conditions and the spread of plant pests and diseases. Thanks to the continuation of the usual marketing policy of fixed-price annual contracts with reputable European customers in 2024, the Group is not subject to the volatility of international banana markets. Thus, Plantations J. Eglin SA (Plantations J. Eglin) could provide a stable contribution to gross profit throughout the year.

Côte d'Ivoire remains the top banana exporting country from Africa to Europe, ahead of Cameroon and Ghana.

Operational activities in Côte d’Ivoire

SIPEF's subsidiary, Plantations J. Eglin, controls and manages the Group's operational activities in Côte d’Ivoire. The plantations and packing stations are all located in the southern Lagunes region of the country.



Estates

ESTATES

	PLANTED AREA 2024 (IN HECTARES)	PLANTED AREA 2023 (IN HECTARES)	EXPORTED PRODUCTION 2024 (IN TONNES)	EXPORTED PRODUCTION 2023 (IN TONNES)	YIELD 2024 (TONNES/HA)	YIELD 2023 (TONNES/HA)
Azaguié	314	340	9 922	11 702	31.7	34.4
Agboville	231	246	8 938	8 003	38.6	32.5
Motobé	204	221	6 165	6 424	30.2	29.1
Lumen	292	291	19 389	12 676	66.4	43.6
Akoudié	216	130	6 624	2 171	30.7	16.7
TOTAL	**1 257**	**1 229**	**51 038**	**40 976**	**40.6**	**33.3**

SIPEF's banana estates are located across five locations within the southern Lagunes region of Côte d'Ivoire. Together, the plantations cover 1 229 hectares. All of the plantations are situated between 45 and 100km from the port of Abidjan. From here, the bananas are exported in refrigerated containers to Europe and the regional market (Senegal and Mauritania). Land transport serves other regional markets.

Founded in 1959, Plantations J. Eglin is one of the three main operators in the Cavendish banana export sector in Côte d'Ivoire.

The five estates are numbered by historical acquisition order. The company acquired in 1985 by SIPEF only included the Azaguié site (1). In 1989, the Agboville plantation (2) was purchased, followed by the Motobé site (3) in 2009. In 2021, the Lumen (4) and Akoudié (5) sites were acquired to complete the current production areas. All of these sites were used to grow crops (bananas, pineapples, flowers, cocoa or coffee) for several decades before their acquisition by SIPEF.

By the end of 2024, all the estates were fully planted, with the exception of the Akoudié site, which was acquired in 2021. This site fell behind schedule due to part of the area of the acquired site being unavailable, meaning that an alternative area had to be found. The remainder will be planted in early 2025.

Overall marketed production increased by 24.6% compared to 2023. Yields were very strong at the Lumen and Akoudié estates. Lumen saw an increase of 53% on 2023, and for Akoudié the increase was 205%.

In terms of quality, 2024 will also be considered a very good year compared to previous years. Damage rates were very low, particularly in the second half of the year. This resulted in a better recovery of processed bunches, which in turn reduced sorting discrepancies.

The climate continued to have an impact on production in 2024. 2024 was a particularly hot year, and the higher temperatures during the dry season in March, April, and May had a severe impact on the banana plants, which required more irrigation. The estates were less affected by the harmattan in comparison with previous years, with only a few days with low night and morning temperatures.

2024 also saw 200-400mm less rainfall than 2023. Neither the heavy rainy season nor the short rainy season was excessively wet. Only the Motobé

plantation suffered flooding when the Comoé River burst its banks following torrential rain in the north of the country and in Burkina Faso. As a result, a 25-hectare area was lost to flooding over a period of over three weeks.

Across all sites, the expected number of flowers was on track, but there was a lack of unit weight in the bunches. The excessive temperatures disrupted the growing cycle. At some sites this led to falls in production.

In 2024 SIPEF hired a new employee dedicated to managing trade within Senegal and Mauritania. While this is a smaller area of the business than European and British exports, it is very important as it provides a market for bananas that may not meet the demanding specifications of Europe and the UK. The reduced transport time also means that riper fruit can be transported.

Yields at historic sites, particularly Motobé and Azaguié, continued to be less favourable than the expected average. The Agboville site made better progress, and the second half of the year showed clear improvement.

Extensive analysis work is under way on Motobé and Azaguié, and a strategy for technical and agronomic improvements is being implemented. Areas with particularly low yields, as well as the 25-hectare area that was flooded, will be eliminated and allowed a longer fallow period. Soils will be fed with more organic matter, the drainage network will be revised, and there will be a focus on agro-ecological practices to prevent weeds and pests. It is expected that these activities will lead to stronger results for these areas from 2027.

Aside from the climate, the risk to the production of banana plants continues to be Black sigatoka. SIPEF ensures that this disease is kept under control through integrated pest management and practices and when required the use of drone spraying, which limits any disruption and enables more precise targeting of the areas being treated.

Another risk is Panama disease, also known as Tropical Race 4 (TR4), the introduction of which would decimate the banana plantation. However, the entire industry is taking preventative measures against it. More generally, growers are collaborating with national research institutions to identify new products to combat banana pests such as insects, weeds, or fungi.

Packing stations

PACKING STATIONS	CAPACITY (TONNES/DAY)	EU 2024	EU 2023	REGIONAL 2024	REGIONAL 2023	LOCAL 2024	LOCAL 2023	TOTAL 2024	TOTAL 2023
Azaguié	60	8 845	9 904	1 077	1 798	1 276	1 100	11 198	12 802
Agboville	40	8 032	6 926	906	1 078	1 010	815	9 948	8 819
Motobé	40	5 403	5 726	762	699	992	1 080	7 157	7 505
Lumen	60	17 601	10 783	1 788	1 893	1 560	719	20 949	13 395
Akoudié	40	6 062	1 994	562	178	751	409	7 375	2 581
TOTAL		**45 943**	**35 332**	**5 095**	**5 644**	**5 589**	**4 122**	**56 627**	**45 098**

There are seven packing stations in Côte d'Ivoire, spread across the same locations as the five plantations. The total crop processed across the packing stations in 2024 was 56 627 tonnes, reflecting an increase of 11 529 tonnes or 25.6% compared to 2023.

The packing stations prepare bananas according to the specific requirements of European and British customers, using a variety of packaging methods. This includes different materials such as biodegradable tapes, recyclable bags, or bulk packaging to minimize plastic use. Additionally, pricing labels and other necessary customizations are applied as needed, ensuring both compliance and sustainability in the packaging process. The Group's seven packing stations are fully equipped to handle up to 60 000 tonnes per year, with all necessary investments completed to enhance efficiency and streamline operations. With production volumes continuing to grow beyond 2024, the packing stations are well prepared to meet future demand. We still have to invest to upgrade the two oldest ones and need to extend the Akoudié packing station.

SIPEF's markets

MARKETS SERVED: PALM OIL

Palm oil

SIPEF's commitment to sustainability is reflected in the way it markets its oil palm products, which are sold entirely on the local market in Indonesia and across Europe. The primary customers are refineries, which process the oil for various end uses, including the food industry, the oleochemical sector, and the production of green energy such as biodiesel.

SIPEF partners with customers that prioritise a sustainable supply chain and responsible sourcing policies. These customers value high-quality, certified, and fully traceable products, and are prepared to reflect this in their price setting.

2024 marked a pivotal moment in the vegetable oil industry. For decades, palm oil was widely regarded as the world's most affordable vegetable oil. However, expansion was curtailed by the introduction of consumer facing companies no-deforestation policy in 2015 as well as the Indonesian government regulations on expansion, and the industry is now facing a new reality. Palm oil was priced higher than soybean, rapeseed, and sunflower oils for more than half of 2024.

Palm oil production continued to grow modestly in Malaysia, driven by an increase in the availability of labour following the post-covid-19 period. In contrast, production in Indonesia saw a sharp decline. The country has not added significant new planting areas, and years of inadequate replanting have resulted in an aging tree profile, leading to reduced yields. This trend is expected to persist in the coming years.

Vegetable oil prices surged despite strong soybean harvests in Brazil and Argentina early in the year, as well as a record crop in the United States. Lower global palm oil production, coupled with diminished rapeseed and sunflower crops, contributed to rising prices. In 2024, the reduced availability of palm oil became the key price driver.

Global demand for vegetable oils grew at its usual pace, but biodiesel demand remained a strong growth factor. With Indonesia, the United States, and Brazil leading the way, many major producing countries increased their biodiesel blending mandates. By the fourth quarter, however, some hesitation emerged as the price gap between vegetable oils and gasoil reached record levels. Nevertheless, Indonesia's newly elected government remained committed to increasing its biodiesel blending target for 2025, from B35 (35% biodiesel) to B40.

The European Union's new Deforestation Regulation (EUDR), originally set to take effect on 1 January 2025, began to make waves in the palm oil industry. Although the regulation's details remained unclear, many industry players were already preparing for its implementation. At the same time, consumer-facing companies have shown a growing interest in EUDR-compliant oil, recognising its potential to complement existing RSPO certification as part of the evolving landscape of industry standards. The EUDR is emerging as an additional requirement rather than a replacement for RSPO certification but is contributing to temporary adjustments in the premium for certified oils in 2024 as the market adapts to these new benchmarks.

The delayed introduction of the EUDR has prolonged market indecision, but most European consumer-facing companies are preparing for the regulation to take effect by 2026, aligning with both EUDR compliance and RSPO segregated certification.

The average price for crude palm oil (CPO) quoted at the Malaysian Derivatives Exchange (MDEX)* in 2024 was 4 128 Malaysian Ringit (MYR - USD 903) against an average of 3 796 MYR (USD 833) in 2023, an increase of 8.4%. However, the last semester was significantly higher.

Palm kernel oil

The lauric oil market, encompassing both palm kernel oil (PKO) and coconut oil, regained its strength in 2024. After a period of price parity with palm oil, both lauric oils commanded a significant premium once again. The average price of PKO CIF Rotterdam in 2024 was USD 1 310, compared to USD 950 in 2023, representing a 37.5% increase. The fourth quarter saw an even sharper rally, with prices reaching a substantial premium over palm oil.

A reduction in palm fruit production led to the rapid depletion of stocks, with tightness in supply affecting PKO faster than palm oil itself. On the demand side, particularly in the oleochemical sector, there was some growth especially after higher energy costs were factored in. Additionally, the lower coconut supply in 2024 compounded the tightness in lauric oil, resulting in a robust demand environment that contributed to the price surge.

* The Palm oil quote at the Malaysian Derivatives Exchange (MDEX) is the global leader in price discovery for palm oil. This will be the leading pricing mechanism to determine prices locally as well as overseas. To convert a MDEX quote to a CIF European port one will add the prevailing export tax as well as the corresponding sea freight cost. The previously used CIF Rotterdam market has lost its relevance and liquidity dried up over the recent years, as palm oil as a pure commodity has changed into a supply chain commodity where certification, traceability, and quality parameters can be customer specific.

MARKETS SERVED: BANANAS

Global banana markets

A. Global production and marketing

2024 was marked by two major phenomena which had an impact on the banana trade.

Climate anomalies had a major impact on the banana trade in 2024. Yields were lower in several countries across Central America and Africa due to extreme heat, presumably linked to the El Niño phenomenon which ended in April 2024. Box-to-bunch ratios were abnormally low, which created occasional production shortfalls. This was notably the case in Central America (Guatemala, Honduras, Mexico), in certain regions of Ecuador, and in Côte d'Ivoire. As a result of the shortfall in supply from Central American suppliers, there was more active demand in the market in the United States of America (US), leading to a 34% increase in Ecuadorian banana shipments to the US. As a result, Ecuadorian spot prices remained strong throughout the year and a lower volume was available for Europe. This phenomenon was exacerbated by the Euro/US Dollar exchange rate, which remained low, making the American market more attractive than the European market.

Logistical challenges also impacted the banana trade in 2024. Global maritime trade was slowed by drought-induced low water levels in the Panama Canal early in the year, the closure of the Suez Canal due to geopolitical tensions in the Middle East, industrial actions in US ports, and limited maritime space availability. These issues reduced container movement flexibility and complicated access to shipping routes.

B. European banana consumption[1]

The banana consumption in the European Union (EU) increased. In October 2024, European supply was 8.5% higher than in October 2023. Both imports and European production contributed to this upward trend. European producers supplied 4% more bananas to the market than in the previous 12 months. Imports from non-EU countries also increased by 4.9%. Dollar zone origins, such as Latin America, experienced 6.4% growth, while the origins Africa, Caribbean and Pacific (ACP) remained stable. Among Dollar origins, Colombia, Panama, and Ecuador saw the most significant volume increases. In contrast, within the ACP zone, Cameroon, Ghana, and Belize experienced growth rates between 18% and 40%, whereas Côte d'Ivoire and the Dominican Republic faced declines of 11% to 14%.

C. Consumption in other countries: United States of America[2]

In the first 10 months of 2024, U.S. banana consumption rose to 3 518 000 tonnes, a 1% increase from the previous year. October was among the 6 months in 2024 that saw higher consumption levels compared to 2023, reaching figures unseen since 2018. Over the twelve months ending in October 2024, consumption grew by 1.6%, totalling 4 149 000 tonnes. Supply dynamics shifted, with Ecuador strengthening its position as the second-largest supplier to the US market, achieving nearly a 30% increase. Guatemala, the leading supplier, experienced a 3.8% decline. The organic banana segment also expanded, capturing a 13.3% market share.

(1) Source: CIRAD
(2) Source: CIRAD

SIPEF's market strategy for bananas

SIPEF's strategic focus for bananas is in line with the Group's overarching strategy: the production of high-quality, traceable, and certified products. This approach requires a focus on controlled and sustainable growth, maintaining a controlled debt structure, and building strong partnerships across supply chains. Banana operations are managed by SIPEF's subsidiary, Plantations J. Eglin in Côte d'Ivoire.

SIPEF collaborates with a panel of ripener customers that share a commitment to sustainability and high-quality. These ripeners maintain a close connection to the market and work collaboratively with their suppliers to align with evolving customer needs. This cooperative model strengthens the supply chain while ensuring consistent product quality and market responsiveness.

→ All SIPEF's banana production is Fairtrade and Rainforest Alliance certified.

By working together in this way, pricing structures can be established that support longer-term contracts, offering stability for all parties involved. At the same time, SIPEF and Plantations J. Eglin retain the ability to set prices that reflect both market conditions and operational factors, including control over logistics and the destination port. This approach not only safeguards reliable FOB income but also maximizes value through enhanced supply chain efficiency and quality assurance, supported by secure maritime logistics, palletised deliveries, and quality checks upon unloading at European ports.

The strategic focus remains on sustainable production, in alignment with evolving consumer demands. Key initiatives emphasise reducing waste, optimising packaging, and meeting the requirements of sustainability conscious consumers.

Examples include the introduction of products such as bananas pre-packaged in bags or with tape, which significantly reduces plastic usage. The transition to reusable plastic crates for fruit packaging has also replaced traditional 18.5 kg cardboard boxes, further reducing environmental impact.

A notable trend is the growing demand for pre-weighed, single-unit sales in supermarkets. By offering bananas in convenient, pre-packaged formats, this approach aligns with consumer preferences for efficiency.

In 2024, the volume of bananas imported and sold in Europe and the UK increased by 30% compared to the previous year. This growth resulted in a total of 44 343 tonnes distributed across these markets. A significant portion, 25 968 tonnes (62%), was sold in the UK, while the remaining 18 375 tonnes (38%) were primarily distributed across continental Europe, with France being a key destination.

All SIPEF's banana production is Fairtrade and Rainforest Alliance certified. When bananas are sold as Fairtrade certified, SIPEF receives a guaranteed selling price, and a premium is paid to a workers' association. When bananas are sold as Rainforest Alliance certified, an additional amount (a Sustainability Investment and Sustainability Differential) is paid on top of the market price. However, only 3 362 tonnes (8% of production) were sold as Fairtrade certified, while 19 529 tonnes carried the Rainforest Alliance label. Inflation in Europe has placed significant pressure on purchasing power, which is likely to have negatively impacted sales of products with sustainability labels. Despite these challenges, the UK market remains a stronghold for securing the commercial, social, and environmental added value associated with these certifications.

The comprehensive range of certifications, including Fairtrade and Rainforest Alliance, continues to align with market requirements and meet the expectations of the current customer base, reinforcing a commitment to sustainability and ethical practices.

Throughout 2024, SIPEF maintained exceptionally high-quality standards, reflecting seamless coordination and communication between the production quality team and their counterparts in Europe. This collaborative effort ensured that the standards of the fruit met the stringent demands of the market.

Export logistics were managed well, encompassing sea transport from the port of Abidjan to European destinations and overland transport from packing stations to the port. There were minimal losses attributable to the logistics chain, transit times, or interruptions in the cold chain.

Import regulations for bananas from the ACP region, including Côte d'Ivoire, remain stable, ensuring continued free access under the ACP quota. In contrast, bananas from the Central and South American countries such as Costa Rica, Ecuador and Colombia are still subject to a customs duty of EUR 75.00 per tonne when imported into Europe. Following Brexit, the UK continues to adhere to European import regulations. These regulatory frameworks play a key role in maintaining competitiveness and market accessibility, highlighting their strategic importance.

Trade volumes within Africa, however, remained steady in 2024 compared to the previous year, without reflecting the upward trend seen in European markets. The sub-region markets, particularly Senegal and Mauritania, demonstrate strong growth potential, driven by rising consumption in major cities. These markets are increasingly adopting the European retail model, with large and medium-sized retailers expanding their presence.

SIPEF's efforts have been concentrated on strengthening commercial and contractual relationships with existing customers, while establishing a foothold with new customers in Senegal, where demand is on the rise. Market access is facilitated through refrigerated logistics, including containerised sea transport and refrigerated lorries, ensuring quality and reliability throughout the supply chain.

PHASING OUT OF RUBBER, TEA AND HORTICULTURE

Since 2021, SIPEF has been in the process of phasing out its operations in natural rubber and tea.

SIPEF's rubber production stopped at the end of the second quarter of 2024 and all rubber assets have now been converted or sold. Two of the three rubber plantations have been converted into oil palm plantations and are expected to be mature by 2027.

In May 2021, PT Tolan Tiga Indonesia signed a sale and purchase agreement related to the conditional sale of PT Melania, which owns the SIPEF's third rubber plantation (MAS Palembang) and its tea plantation (Cibuni estate), to the Shamrock Group. PT Tolan Tiga Indonesia is currently working towards the renewal of the cultivation licenses, Hak Guna Usaha (HGU) to definitively complete the sale. In the interim period, Cibuni estate has continued to be managed by PT Tolan Tiga and the management of the rubber activities has shifted to the Shamrock Group.

The phasing out process will continue in 2025. In 2024, less than 1% of SIPEF's revenue came from its residual production volumes of rubber and tea in Indonesia. Due to the conditional sale to the Shamrock Group, the results of the rubber and tea activities of MAS Palembang and Cibuni have not been incorporated in SIPEF's consolidated accounts since 2021. Post balance sheet, the purchaser sent a termination letter regarding the sale and purchase agreement. SIPEF group has contested the legal validity of this termination letter.

By the end of the second quarter of 2024, SIPEF's subsidiary Plantations J. Eglin SA in Côte d'Ivoire had stopped all remaining production of tropical flowers. This area of 29 hectares will be replanted with bananas in the course of 2026.

2. Sustainability Statement

General information

ABOUT THIS STATEMENT

This Sustainability Statement has been produced in accordance with the Corporate Sustainability Reporting Directive (CSRD) and has followed the requirements of the European Sustainability Reporting Standards (ESRS). The report has been prepared on a consolidated basis with the scope of consolidation aligned with the financial statements of the SIPEF group. It also complies with the EU Taxonomy disclosure requirements set out in Article 8 of Regulation 2020/852 (the EU Taxonomy Regulation).

Scope and coverage of own operations

The statement includes SIPEF's palm and banana operations, as well as key actors and activities in its palm oil and banana value chains, focusing exclusively on the sustainability matters and impacts, risks, and opportunities (IROs) identified as material through the Group's double materiality assessment. All of SIPEF's subsidiaries are included in the scope of consolidated reporting, and are exempt from producing individual sustainability reporting, pursuant to Article 19a(9) of Directive 2013/34/EU. The consolidated report does not extend to PT. Melania (rubber and tea), as these are classified as assets held for sale in accordance with IFRS, as outlined in the financial statements.

In general, activities related to tea and rubber are excluded, as these operations are being phased out and represent less than 1% of the Group's revenue.[1] For further details, see the Company Report.

(1) Exception: Workforce data for the Cibuni tea estate (under PT. Melania) is included in the reporting scope, as SIPEF continues to manage employees at that location.

Scope and coverage of upstream and downstream value chain

In alignment with the parameters of the double materiality assessment, the statement focuses solely on value chain activities directly linked to supplying SIPEF (upstream) or producing, transporting, and selling its products (downstream).

An overview of SIPEF's value chains can be found in the Company report. For an overview of the material sustainability matters identified for SIPEF's value chains, see page 93.

Definitions of medium- and long-term time horizons

The definitions of medium- and long-term time horizons applied for reporting purposes in this statement are consistent with the principles outlined in ESRS 1, Section 6.4. An exception is for the assessments of IROs linked to climate change, which have utilised the following definitions:

- **Short-term horizon:** 1–3 years
- **Medium-term horizon:** 4–10 years
- **Long-term horizon:** 11–25 years

The alternative definitions for time horizons applied in the context of climate change have been adopted to align with the unique nature of SIPEF's operations, particularly the production of palm oil. Given the 25-year lifecycle of a palm, these definitions provide a more accurate representation of the long-term impacts, risks, and opportunities related to climate change on the group's operations and strategies.

Other disclosures on basis for preparation

The format of SIPEF's management report is an integrated annual report, and the Company has therefore utilised incorporation by reference to address many of the disclosures required by the ESRS.

A list of the ESRS disclosure requirements, including those that have been incorporated by reference, can be found in Annex 5.

Further details on the basis for preparation of the report, including methodologies and assumptions used for the data presented in this statement can be found in Annex 4.

SUSTAINABILITY STRATEGY

SIPEF's sustainability strategy is driven by the Company's commitment to managing its plantations, operations, and supply chain responsibly while contributing to society and local economies. This includes strict requirements for new developments and suppliers, the implementation of best management practices, respect for human rights, and efforts to generate employment and development opportunities in the rural and remote areas where SIPEF operates.

SIPEF integrates sustainability into its business by balancing commercial growth with responsible practices. The Company's sustainability strategy is structured around four key focus areas, each supported by specific goals, approaches, and targets that align with SIPEF's material sustainability matters. These focus areas are closely linked to the Company's business priorities, forming the foundation of SIPEF's Balanced Growth Strategy.

Under SIPEF's Balanced Growth Strategy, four focus areas frame the Group's sustainability approach, which drives its environmental, social and governance activities.

BUSINESS FOCUS AREAS

- Production efficiency
- Operational excellence
- High quality, sustainable, traceable, certified products
- Innovation and early adoption

SUSTAINABILITY FOCUS AREAS

- Environmental stewardship
- Respecting employees and communities
- Good business conduct
- Responsible supply chain management

The following section presents SIPEF's four sustainability focus areas and the related sustainability matters, identified as material in 2024 for both SIPEF's own operations and value chain. It also highlights the linked sustainability and business goals.

For SIPEF's own operations, all goals apply universally across product groups and geographical areas. Where relevant, stakeholder relationships are referenced in the goals. For SIPEF's value chain, key product groups and customer segments are specified, providing an indication of region, with palm oil operations in Indonesia and Papua New Guinea and banana operations in Côte d'Ivoire. Further details are related alongside the ESG topic disclosures.

An overview of SIPEF's operational locations and markets served, as well as the full set of sustainability and business goals can be found in the Company Report.

Material sustainability matters

Own operations

FOCUS AREA	MATERIAL SUSTAINABILITY MATTERS	GOALS
Environmental Stewardship (Environmental information)	**E1: CLIMATE CHANGE (PG. 119)** • Climate change mitigation • Climate change adaptation • Energy **E2: POLLUTION (PG. 131)** • Pollution of air • Pollution of water **E3: WATER (PG. 136)** • Water consumption • Water withdrawals • Water discharges **E4: BIODIVERSITY AND ECOSYSTEMS (PG. 141)** • Land-use change • Land degradation • Species population size • Species global extinction risk	**Sustainability goals:** • Greenhouse gas (GHG) emissions reduction and long-term climate resilience • Minimise impacts on natural resources and the environment • Sustainable land use and biodiversity conservation, including no deforestation and no new developments on peat (NDP) **Connected business goals:** • Full compliance with leading sustainability standards and certifications • Optimising land use in production areas and improving production processes • Engaging in practices and solutions focused on improving soil health and boosting yields • Optimising inputs, processes and outputs by re-using by-products, minimising waste, and applying smart agriculture and mechanisation • Investing in research and development (R&D) to enable progress towards sustainable and optimal land use, efficient production, higher quality products, improved soil health, and resilient crops

FOCUS AREA	MATERIAL SUSTAINABILITY MATTERS	GOALS
Respecting employees and communities (Social Information)	**S1: OWN WORKFORCE (PG. 157)** • Secure employment • Child labour • Forced labour • Working time • Adequate wages • Freedom of association • Collective bargaining • Work-life balance • Health and safety • Training and skills development • Diversity • Gender equality and equal pay for work of equal value • Measures against violence and harassment in the workplace **S3: AFFECTED COMMUNITIES (PG. 227)** • Security-related impacts • Free, prior, and informed consent • Adequate Food	**Sustainability goals:** • Respecting human, labour, and community rights, in accordance with local laws and international frameworks • Foster long-term relationships, create shared value and support the well-being and resilience of local communities **Connected business goals:** • Full compliance with leading sustainability standards and certifications • Promoting a culture of continuous improvement
Good business conduct (Governance Information)	**G1: BUSINESS CONDUCT (PG. 257)** • Corporate culture • Corruption and bribery: Prevention and detection including training, Incidents • Protection of whistle-blowers	**Sustainability goals:** • Foster a culture of ethical conduct amongst management, staff, and contractors • Implementing systems and processes to ensure the practice of ethical conduct • Maintain robust policies, procedures, and measures to address any risks, including those associated with bribery or corruption **Connected business goals:** • Promoting a culture of continuous improvement

Value chain

FOCUS AREA	MATERIAL SUSTAINABILITY MATTERS	VALUE CHAIN LOCATIONS	GOALS
Responsible supply chain management (Social information, Environmental information)	**E1: CLIMATE CHANGE (PG. 119)**		**Sustainability goals:** • Support smallholders in their journey towards improved, sustainable, and certified production • Support smallholders to earn higher incomes and have better access to international markets • Screen and monitor suppliers to ensure compliance with SIPEF policies • GHG emissions reduction and long-term climate resilience • Minimise impacts on natural resources and the environment • Sustainable land use and biodiversity conservation, including NDP • Respecting human, labour, and community rights, in accordance with local laws and international frameworks **Connected business goals:** • Full compliance with leading sustainability standards and certifications • Maintain 100% traceability for all products • Engaging in practices and solutions focused on improving soil health and boosting yields • Implement the highest food safety and quality standards
	• Climate change mitigation	• Smallholders • Machinery, equipment and tools suppliers • Agrochemicals suppliers • Logistics - Land transportation • Logistics – Shipping • Logistics - Storage facilities	
	• Climate change adaptation	• R&D partner / Seedling Supplier	
	E2: POLLUTION (PG. 131)		
	• Pollution of water	• Smallholders	
	E4: BIODIVERSITY AND ECOSYSTEMS (PG. 141)		
	• Land-use change • Land degradation	• Smallholders • R&D partner / Seedling Supplier	
	S2: WORKERS IN THE VALUE CHAIN (PG. 196)		
	• Secure employment • Working time • Adequate wages • Training and skills development • Child labour • Diversity • Gender equality and equal pay for work of equal value • Measures against violence and harassment in the workplace • Privacy	• Smallholders	
	• Health and safety	• Smallholders • Logistics – Shipping • Logistics - Land transportation	
	S4: CONSUMERS AND END-USERS (PG. 238)		
	• Access to (quality) information • Health and safety	• Customers • Consumers and end-users	

DOUBLE MATERIALITY ASSESSMENT

Assessing materiality plays a vital role in shaping the sustainability focus areas and goals under SIPEF's Balanced Growth Strategy. This process enables SIPEF to identify and prioritise key environmental, social, and governance (ESG) issues, which form the foundation for the Group's evolving sustainability programmes and reporting activities.

In 2024, SIPEF completed its first Group-wide double materiality assessment, marking a significant milestone in its compliance journey with the CSRD. The materiality assessments from the last two reporting periods focused primarily on impact materiality and were guided by the requirements of the Global Reporting Initiative (GRI).

The 2024 assessment identified sustainability matters that are material from both impact and financial perspectives, evaluating the ESG impacts of the Group and its value chain, as well as ESG-related financial risks and opportunities. This comprehensive process was a collaborative effort involving SIPEF's sustainability teams, finance department, and an external consultant, and it was fully integrated into SIPEF's business impacts, risks, and opportunities assessment framework.

For more details on the broader business impacts, risks, and opportunities (IROs) framework, see Section 5 on SIPEF's internal control and risk management systems in the Corporate Governance Statement.

Overview of SIPEF's double materiality process

In line with requirements of the ESRS, the assessment considered 10 topics and 93 sustainability matters. It was conducted in three main phases over the period from the third quarter of 2023 to the third quarter of 2024.

1. MAPPING AND UNDERSTANDING
(Q3 - Q4 2023)

1. Stakeholder mapping and engagement plan
3. Value chain mapping
4. Relevance mapping
5. Benchmarking exercise

2. IDENTIFICATION AND ASSESSMENT OF IMPACTS, RISKS & OPPORTUNITIES (IROs)
(Q1 - Q2 2024)

1. Identification of IROs
3. Impact materiality assessment
4. Financial materiality assessment
5. Value chain materiality assessment

3. CONSOLIDATION, VALIDATION, AND NEXT STEPS
(Q2 - Q3 2024)

1. Compiling and consolidating results
2. Validation and approval of results
3. Identification of material information for disclosure
4. Review and alignment of policies, actions, and targets

PHASE 1: Mapping and understanding

- **Stakeholder mapping and engagement plan:** SIPEF's key stakeholders were mapped, and existing engagement frameworks reviewed. Additionally, a plan was developed for any additional stakeholder and expert engagement that would be needed for the materiality process.

- **Value chain mapping:** A high-level mapping of SIPEF's value chain was conducted and the various stakeholders at each step researched.

- **Relevance mapping:** An initial relevance assessment was performed using the topics listed in Appendix A of ESRS 1, which included inputs from some of SIPEF's regional sustainability teams.

- **Benchmarking exercise:** Material and reported topics of peers and customers were reviewed and compared in a benchmarking exercise, the results of which would inform SIPEF's process at a later phase.

PHASE 2: Identification and assessment of IROs across SIPEF's operations and value chain

Identification of IROs

- **Long-list of impacts:** Based on desktop research, findings from previous workshops and stakeholder consultations, and in-house expertise, two long-lists of actual, potential, positive, and negative impacts of SIPEF's operations were created—one for its palm operations and one for its banana operations. These lists were developed using the list of relevant ESRS sustainability matters identified in Phase 1. Additionally, each impact was categorised as short-, medium-, or long-term.

- **Long-list of risks and opportunities:** A long-list of risks and opportunities was developed for SIPEF's operations using the list of Business Risks approved by the SIPEF audit committee and board of directors, in conjunction with the list of relevant sustainability matters identified in Phase 1. In the case of biodiversity- and climate-related topics, the results of expert and internal impacts, dependencies, risks, and opportunities assessments were incorporated in the list. Links between the risks and opportunities and impacts and dependencies were reviewed and recorded during this exercise.

Impact materiality assessment

- **Scoring mechanism:** A consultant was engaged to support SIPEF on the overall methodology of the process, and in the development of specific elements, including the scoring mechanism for impact materiality. As per the ESRS requirements, the mechanism was developed to assess:
  - severity (scale, scope, and irremediability) of actual negative impacts
  - severity and likelihood of potential negative impacts
  - scale and scope of actual positive impacts
  - scale, scope, and likelihood of potential positive impacts

  The scoring criteria used a scale from 1 to 5, with separate criteria for environmental impacts and for social and governance-related impacts.

- **Impacts assessment process:** The long-lists of impacts associated with SIPEF's operations, tailored separately for palm and banana operations, were incorporated into feedback and assessment templates, which integrated the aforementioned scoring mechanism. These templates were distributed to sustainability teams in Indonesia, Papua New Guinea, and Côte d'Ivoire, to gather input on impact descriptions and scoring. Certain impacts were centrally scored by the global sustainability team (GST) and external experts when appropriate. Where available, data from monitoring or due diligence processes informed decision-making on the actual versus potential status of the impact and its scoring. This included past grievances, certification non-conformances, and monitoring results. Rationales for scoring were documented, and all scores and inputs were consolidated.

- **Threshold:** A threshold for impact materiality had been set at 3.5 and above. Scores from the different countries of operation, GST, and experts were compared side by side. Any impact with a score exceeding 3.5 was flagged as potentially material, with its materiality to be reviewed further during validation.

Financial materiality assessment

- **Scoring mechanism:** The scoring mechanism used for financial materiality was adapted from the Group's previous business risk assessment methodology. Under the existing methodology, each identified business risk was scored based on its likelihood of occurrence, using categories ranging from "Remote" to "Certain", as well as the magnitude of the financial impact (low, medium, high). For the 2024 evaluation of financial materiality, the likelihood categories were translated into percentage ranges (for example, "Certain" = 80–100%, and "Remote" = 0–5%). Size of financial effects were calculated in USD for each risk and opportunity, and thresholds established for determining financial materiality.
- **Risks and opportunities assessment process:** The finance team conducted the assessment process for sustainability-related business risks and opportunities, alongside the assessment for the other business risks, using actual amounts from consolidated Profit & Loss (P&L) accounts where available, and reference figures from desktop research to calculate financial effects. Likelihood was assessed in alignment with the 2023 Audit Committee evaluation, but updated as required, and the GST and other departments were consulted as needed. For sustainability matters scored as material during the impact materiality assessment, financial impacts were also determined. Topics without identified risks or opportunities from the Audit Committee or internal or external experts, and not scored as material for impact materiality, were deemed immaterial for financial materiality.
- **Threshold determination:** SIPEF selected benchmarks for financial effect thresholds based on the nature of impacts. Recurring impacts were based on average net profit over three years with a 10% factor, while one-off impacts used average equity over three years with the same 10% factor.

Value chain materiality assessment

- **Detailed mapping:** The Phase 1 high-level value chain map was refined in consultation with relevant departments to identify key actors, locations, and activities (upstream, downstream, business partners) in SIPEF's palm oil and banana value chains.

- **Impact materiality:** Each key actor and their business activities were qualitatively evaluated against ESRS topics for impact materiality. This involved identifying significant impacts in SIPEF's value chain, focusing on activities related to supply, production, transportation, and sales. Using desktop research and in-house expertise, impacts were categorised as actual, potential, positive, or negative, and classified as short-, medium-, or long-term. These impacts were then assessed using the same scoring mechanism applied to SIPEF's own operations.

- **Financial materiality:** The financial impact of the value chain was assessed by reviewing consolidated P&L accounts, the top 10 suppliers in terms of Opex and Capex in Indonesia and Papua New Guinea, and the P&L of Plantations J. Eglin SA in Côte d'Ivoire. A value chain category was deemed material if expenditures exceeded the predefined financial threshold. As the value chain impacts are recurring, the threshold for recurring impacts was applied.

PHASE 3: Consolidation, validation, and next steps

- **Compiling and consolidating results:** Impact materiality scores and financial materiality results were compiled and consolidated into a single overview. Sustainability matters exceeding the set thresholds for either impact or financial materiality were identified. A sustainability matter was deemed material if it surpassed the threshold for either impact or financial materiality.

- **Validation and approval of results:** Validation and approval at the executive management level was carried out through workshops where members of the SIPEF executive committee, along with the GST, reviewed the final scores for each sustainability matter. The process considered benchmarking results, scoring inputs from the different teams and experts, and previously reported material topics. Final decisions and their rationales were clearly documented.

- **Identification of material information for disclosure:** To assess SIPEF's current sustainability management and reporting maturity against the ESRS disclosure requirements, a gap analysis and mapping exercise was conducted. This exercise identified gaps, and the action plans needed to address them. Disclosure requirements linked to sustainability matters not deemed material through the double materiality assessment were also filtered out during this process.

- **Review and alignment of policies, actions, and targets:** A mapping of policies, actions, targets, and KPIs has been carried out at Group level and at country level to ensure alignment with the results of the double materiality assessment.

Scope and parameters of assessment

SIPEF's double materiality assessment evaluated its own operations and value chain to identify material IROs, considering all sustainability matters required under ESRS 1 Appendix A. The analysis covered all of the Group's palm activities in Indonesia and Papua New Guinea, and banana production activities in Côte d'Ivoire, recognising that all of these activities in these locations carry some risk of adverse impacts. Tea and rubber activities were excluded, as these activities are being phased out, and their associated risks are considered limited. For more details on the phase-out process, see the Company Report.

Activities and actors from both upstream and downstream in SIPEF's value chains, segmented by crop (oil palm and banana), were assessed for IROs. The assessment began with a qualitative evaluation to identify the most significant impacts likely to occur, considering the nature and geographies of each key actor's business, and the associated risk of adverse impacts. The focus was on activities directly relevant to supplying SIPEF (upstream) or producing, transporting, or selling SIPEF's products (downstream), with all other activities deemed out of scope.

Sustainability matters related to value chain actors were excluded from scope if:

- the sustainability matters were not deemed relevant
- risk of significant IROs was limited to none

SIPEF's smallholder suppliers are among the most important actors in SIPEF's palm value chain and were assessed as part of the main materiality process, specifically in relation to sustainability matters under ESRS S2, 'Workers in the Value Chain'. Environmental and business conduct impacts for smallholders were evaluated alongside the broader value chain as detailed in this subsection.

Stakeholder and expert consultation

Stakeholder and expert consultation played a vital role in SIPEF's materiality process. The identification of IROs was informed by comprehensive desktop research, as well as materiality workshops conducted in 2022 and 2023 in the countries of operation. These workshops provided a platform for regional sustainability teams, employees, and internal experts from relevant departments to discuss key sustainability matters. Moreover, regional sustainability teams provided their scoring assessments of the IROs.

The desktop research was conducted using a list of key stakeholder organisations as a guide to review relevant online and offline materials. During its stakeholder mapping exercise, SIPEF evaluated that these organisations and their associated published materials would serve as appropriate proxies for affected stakeholders, particularly workers in the agricultural sector, local communities, consumers, and nature.

Relevant information from existing stakeholder engagement materials was also reviewed. This included social impact assessments conducted with communities surrounding SIPEF's operations, as well as criteria from previous customer and investor ESG questionnaires, and sustainability ratings and benchmarks.

Lastly, SIPEF engaged with internal and external experts on very specific sustainability matters through interviews and, for climate and biodiversity-related topics, assessments of impacts, dependencies, risks, and opportunities. Read more about the climate-related assessments in 'E1: Climate change' and the biodiversity-related assessment in 'E4: Biodiversity and ecosystems'.

Results of double materiality assessment

SIPEF's double materiality process identified nine topics, and 45 sustainability matters as material at the group level. Circular economy was the only topic assessed as not material, as SIPEF neither manufactures products nor engages in services relevant to this topic.

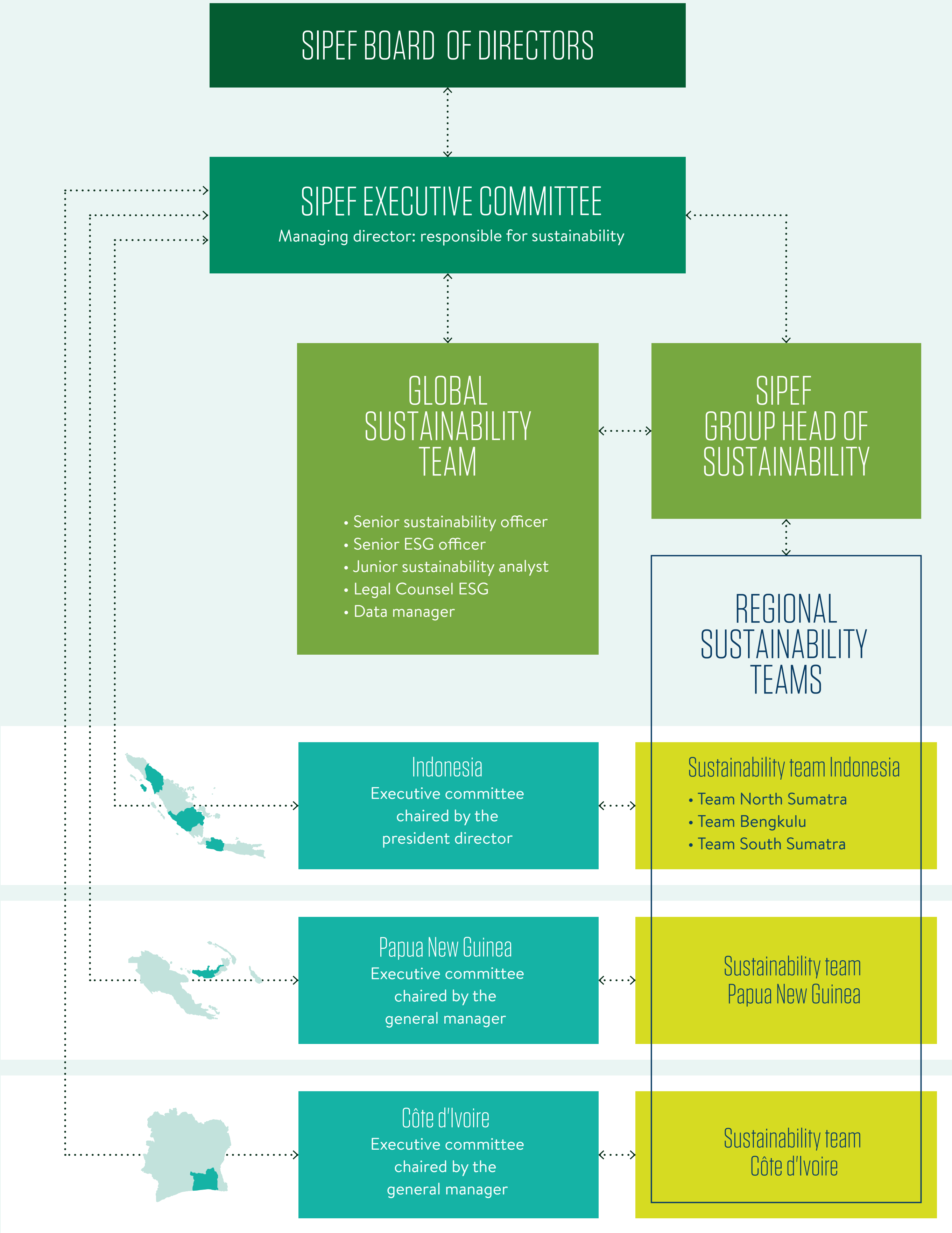
The results of the assessment were presented as part of SIPEF's business IROs assessment, which is reviewed annually by the board through the audit committee. The full scope of results was subsequently approved by the board.

The approved results will inform the review of SIPEF's policies, targets, and KPIs, as well as the further development of its sustainability programmes and management procedures. This ensures that SIPEF effectively addresses and monitors the management of the identified IROs.

An overview of the topics and sustainability matters found to be material is disclosed on pages 91 - 93 of this 'General information' section.

A full overview of the material IROs is provided in Section 5 on SIPEF's internal control and risk management systems in the Corporate Governance Statement.

Detailed descriptions of specific material IROs, along with all information required under the ESRS 2 disclosure requirement SBM-3, are provided within the disclosures under the corresponding topical ESRS for each relevant sustainability matter.


SIPEF BOARD OF DIRECTORS
SIPEF EXECUTIVE COMMITTEE
Managing director: responsible for sustainability
GLOBAL SUSTAINABILITY TEAM
• Senior sustainability officer
• Senior ESG officer
• Junior sustainability analyst
• Legal Counsel ESG
• Data manager
SIPEF GROUP HEAD OF SUSTAINABILITY
REGIONAL SUSTAINABILITY TEAMS
Indonesia
Executive committee chaired by the president director
Sustainability team Indonesia
• Team North Sumatra
• Team Bengkulu
• Team South Sumatra
Papua New Guinea
Executive committee chaired by the general manager
Sustainability team Papua New Guinea
Côte d'Ivoire
Executive committee chaired by the general manager
Sustainability team Côte d'Ivoire

SUSTAINABILITY GOVERNANCE

SIPEF board of directors

Key responsibilities: ultimate oversight

Ultimate responsibility for the sustainability strategy, including oversight of SIPEF's material sustainability matters and their associated impacts, risks, and opportunities (IROs), is collectively held by the SIPEF board of directors. The full board of directors is responsible for the final approval of new or revised sustainability policies, as well as the results of the annually conducted IROs assessment (formerly the business risk assessment). The board is supported in its oversight responsibilities by the audit committee, which monitors sustainability reporting, with matters discussed in committee meetings subsequently reported to the full board.

The responsibilities of the board and the audit committee are described in the Corporate Governance Statement and SIPEF's Corporate Governance Charter.

Monitoring and reporting

The board evaluates SIPEF's sustainability performance using rankings, ratings, certification progress, impact and risk assessments, and reports from the executive committee. Sustainability briefing papers, covering critical sustainability topics, are included in the Managing Director's reports, and a safety report is provided to the board on a regular basis. Material ESG topics are also discussed during the board's annual strategic meeting.

SIPEF began developing a cohesive impact and risk assessment approach aligned with CSRD and ESRS in 2023, completing its group-wide double materiality and limited assurance readiness assessment in 2024. The targets and KPIs established to monitor progress in managing material IROs were approved by the board of directors, following the audit committee's recommendation, in February 2025. As of 2025, the board will conduct a structural review of progress against these targets and KPIs through quarterly data updates and reports.

More information on the board meetings held in 2024, including sustainability matters covered, can be found in the Corporate Governance Statement.

Expertise and qualifications

The board of directors benefits from the significant sustainability-related expertise of three directors:

- **Yu-Leng Khor:** a senior economist specialising in ESG and sustainable supply chains in Southeast Asia, appointed in June 2021.
- **Giulia Stellari:** brings extensive expertise in sustainable supply chains, agricultural technology, and climate-related risks and solutions, appointed in June 2023.
- **Petra Meekers:** over 20 years of experience in sustainability within the palm oil industry, including management and directorship roles at leading palm oil and consumer goods companies. Petra has also been with SIPEF in both board and executive roles and rejoined the board as managing director in September 2024.

Together, their expertise extensively covers SIPEF's material environmental, social, and governance sustainability matters and IROs.

Additionally, through the regular briefing papers the board receives on critical sustainability topics, it ensures access to the necessary information for overseeing sustainability matters and assessing related material. The board further leverages sustainability-related expertise by inviting internal experts to present their findings in more detail, and by engaging external experts for specialised advice when necessary.

Detailed information on the composition of the board of directors can be found in the Corporate Governance Statement, which also provides information on remuneration.

SIPEF executive committee

Key responsibilities: oversight of strategy implementation and progress

The SIPEF executive committee collectively oversees the implementation of the Group's sustainability strategy and the preparation of sustainability reporting.

Within the executive committee:

- **The managing director** leads and provides expertise on all sustainability-related matters.
- **The chief financial officer (CFO)** is responsible for financial materiality, including monitoring financial effects from sustainability-related risks and opportunities.
- **The chief commercial officer (CCO)** oversees customer, consumer, and end-user-related IROs for SIPEF's palm operations.
- **The fruits department manager** is responsible for IROs linked to SIPEF's banana operations.

The responsibilities of the executive committee are described in the Corporate Governance Statement and SIPEF's Corporate Governance Charter.

Monitoring and reporting

The executive committee regularly reviews SIPEF's sustainability progress and performance, receiving ongoing reports from the group head of sustainability. These reports cover various ESG topics and updates, including certification progress, SIPEF's GHG calculations, fire and tree cover loss monitoring, and health and safety metrics. Starting in 2025, this process will also aim to include quarterly monitoring of the Group's performance against all KPIs and targets approved by the board of directors in February 2025.

The executive committee also holds weekly meetings with regional executive committees, which can include updates on sustainability performance. In addition, the managing director and the manager of the fruits department visit operations at least annually, receiving presentations and updates directly from regional sustainability teams. To address grievances, the managing director is kept informed of any grievances escalated to the Group-level. The managing director also serves as a member of the Group's grievance committee.

More information on the executive committee meetings held in 2024, including sustainability matters covered, can be found in the Corporate Governance Statement.

Expertise and qualifications

As the lead on sustainability within the executive committee, managing director Petra Meekers brings extensive experience in ESG matters within the palm oil industry and provides strategic guidance in these areas. The other executive committee members contribute their specific expertise across various fields, applying their knowledge in line with their defined responsibilities.

The executive committee jointly reviews progress on CSRD-compliant reporting and sustainability implementation, including KPI and target setting. It also routinely conducts in-depth analyses of key sustainability topics, ensuring it has access to the necessary expertise to oversee sustainability matters and assess related IROs. This includes leveraging sustainability-related expertise from the global and regional sustainability teams, via reporting from the group head of sustainability.

Further details on the composition of the executive committee, its members' professional backgrounds, and information on remuneration and linked incentive schemes are available in the Corporate Governance Statement.

SIPEF group head of sustainability and global sustainability team

Key responsibilities: aligning strategy with execution

The group head of sustainability is the key senior executive responsible for developing and driving the Group's sustainability focus areas and goals under the Balanced Growth Strategy. In this dual role of managing the global sustainability team and guiding the activities of regional sustainability teams, the group head of sustainability ensures effective alignment between SIPEF's sustainability strategy and its execution.

The global sustainability team works to align SIPEF's sustainability strategy, policies, and communications with the evolving expectations of key stakeholders and regulatory requirements. They are responsible for coordinating the integration of the strategy and group-level policies with operational activities and stakeholder priorities, including designing and coordinating the Group's double materiality assessment. The team also manages internal and external reporting on the Group's sustainability performance. The group head of sustainability and the global sustainability team operate under the oversight of SIPEF's managing director.

Monitoring and reporting

Responsibilities under monitoring and reporting include consolidating key information and data from all three regional teams to regularly inform the executive committee on the status of sustainability matters. This includes performance monitoring against SIPEF's group-level commitments, certification progress, and the management of material IROs.

In 2024, significant efforts were made to expand and improve data collection, aligning it with the material IROs identified through the double materiality assessment. Starting in 2025, this work will evolve into a reporting structure that tracks the Group's performance against all KPIs, and targets set in 2024, enabling quarterly updates to the executive committee and the board of directors.

Regional sustainability teams

Key responsibilities: strategy implementation

The three regional sustainability teams in Indonesia, Papua New Guinea, and Côte d'Ivoire coordinate and implement SIPEF's sustainability strategy and policies at the operational level. These teams work with all relevant departments to achieve targets set, as well as ensure legal and certification compliance.

- **The Indonesian team** is led by the regional manager sustainability of PT Tolan Tiga Indonesia, and comprises 21 team members, spread across four locations: the Medan Head Office, North Sumatra, Bengkulu and South Sumatra.
- **The team in Papua New Guinea** is managed by the sustainability head of department and has six members focused on different areas of sustainability at Hargy Oil Palms Ltd (HOPL). The team is supported by nine RSPO officers from the plantations and mills department. The sustainability head of department is also a member of the HOPL executive committee.
- **The team in Côte d'Ivoire** is led by the director of operations, managed by the sustainability manager, and consists of three additional members. Five sustainability assistants support the team at the operations (one at each site).

Monitoring and reporting

The regional sustainability teams collate information and data and provide it to the global sustainability team. Data is submitted on at least a quarterly basis, while qualitative updates and data alignment discussions are conducted through regular meetings between the regional and global sustainability teams.

Both the global and regional sustainability teams report to the board of directors via the group head of sustainability and the managing director on specific sustainability matters. The respective regional executive committees oversee the regional teams, together with the group head of sustainability.

Risk management and internal controls

SIPEF's sustainability monitoring and reporting rely on internal controls tailored to specific reporting areas, with multiple internal functions contributing based on their expertise. To ensure accurate and complete ESG metric reporting, control measures were implemented at the consolidated level.

An overview of these control measures is provided on page 110 of this 'General information' section.

A more detailed description of SIPEF's internal control and risk management systems is provided in the Corporate Governance Statement.

SUSTAINABILITY POLICIES

Sustainability at SIPEF is underpinned by the Group's two main sustainability policies: the SIPEF Responsible Plantations Policy (RPP), and the Responsible Purchasing Policy (RPuP).

Complementing these policies are various other sustainability-related policies addressing specific issues, established at both Group and country levels. Together, they form the foundation of a comprehensive framework for sustainable and ethical business practices.

ENVIRONMENTAL	FOR FURTHER DETAILS:
• Environmental Policy	• Environmental information: page 118
SOCIAL	**FOR FURTHER DETAILS:**
• Occupational Health and Safety Policy • Human Rights Policy • Forced or Trafficked Labour Policy • Child Labour Policy • Equal Employment Opportunity Policy • Protection of Reproductive Rights Policy • Freedom of Association Policy • Sexual Harassment Policy	• Social information: page 156
GOVERNANCE	**FOR FURTHER DETAILS:**
• Corporate Governance Charter • Code of Conduct • Anti-corruption and Anti-bribery Policy • Grievance Policy	• Governance information: page 256

This section focuses on the RPP and RPuP, while other policies are discussed in the context of relevant sustainability matters and IROs in the Environmental, Social, and Governance sections. Specific commitments from the RPP or RPuP that apply to managing sustainability matters and IROs will also be disclosed alongside the corresponding topic disclosures within those sections.

Responsible Plantations Policy

First established in 2014, SIPEF's Responsible Plantations Policy (RPP) embodies the Group's core environmental and social commitments for sustainable production and processing. This policy is applicable to all SIPEF-managed plantations and smallholders supplying products to SIPEF mills and integrated kernel crushing plants.

Key commitments and requirements:
- 100% certification and traceability of products
- No deforestation, no new developments on peat, and no exploitation (NDPE)
- Free, Prior, and Informed Consent (FPIC) prior to any new development
- GHG emissions reduction
- Continuous improvement, emphasising the prompt adoption of best management practices for optimising land use, while minimising adverse impacts

One of the driving commitments of the RPP is achieving a 100% Roundtable on Sustainable Palm Oil (RSPO) certified supply base for its palm oil production, and for the smallholders delivering to its mills. It also commits the Group to upholding the 100% certification of its banana operations to the Rainforest Alliance Sustainable Agriculture Standard, as well as the GLOBALG.A.P. and Fairtrade standards.

Responsible Purchasing Policy

Formalised in 2020, SIPEF's Responsible Purchasing Policy (RPuP) outlines the Group's responsible sourcing requirements for engaging with third-party suppliers of fresh fruit bunches (FFB), who are exclusively smallholders. It sets out criteria for supporting smallholders on their journey towards sustainability certification, with a focus on RSPO certification. The policy also provides a framework for SIPEF to select, monitor, and, if necessary, suspend or exclude smallholders from the Company's supply base.

Key commitments and requirements:

- Sourcing from RSPO certified smallholders, or those with potential for certification under the Group's RSPO Time Bound Plan
- Criteria for collaborating with smallholders linked with respecting human and labour rights, FPIC, no deforestation and no new developments on peat (NDP), and other environmental and social considerations

Development and dissemination

SIPEF believes that stakeholder interests are central to policy development, including ensuring that the needs and concerns of smallholders, local communities, and other affected parties are addressed. Since their inception, the RPP and RPuP have aligned with the principles of leading sustainability standards, developed through multi-stakeholder engagement, as well as international frameworks such as the Universal Declaration of Human Rights. SIPEF also regularly reviews industry benchmarks, such as the Sustainability Policy Transparency Toolkit (SPOTT), and consults with country-level departments, including sustainability and smallholders' teams, to continuously refine and enhance these policies.

The RPP and RPuP were last updated in August 2024 to reflect stakeholder views and align with the Group's strategy. Updates to both policies included revising the NDP cut-off date to 31 December 2015 to align with the wider industry and ensuring compliance with the EU Regulation on Deforestation-free Products (EUDR). Additionally, for the RPP, the updates included aligning the policy's pillars with the Balanced Growth Strategy and adding a commitment to restore natural ecosystems affected by deforestation.

Sustainability teams in each country play a vital role in effectively disseminating the policies across SIPEF's operations. Methods include emails, announcement boards, worker briefing sessions, standard operating procedures, training sessions, signed contracts with contractors, and other socialisation initiatives to ensure the policies reach all stakeholders critical to their implementation. The group head of sustainability holds the highest level of accountability for implementing the RPP and RPuP.

Both policies are accessible to all stakeholders on SIPEF's website.

→ www.sipef.com/hq/sustainability/sipef-corporate-policies

DUE DILIGENCE STATEMENT

SIPEF's due diligence system integrates policies, processes, and tools to ensure the Group is in compliance with international sustainability standards, ethical practices, and human rights frameworks. It is designed to identify, assess, mitigate, and monitor ESG impacts and risks throughout the Company's operations and supply chain.

Key components of due diligence at SIPEF:

KEY COMPONENTS	RELEVANT DISCLOSURE REQUIREMENTS
Integration of due diligence in governance, strategy, and business model The integration of due diligence in governance is essential for effective implementation and long-term success. Cornerstone policies such as the RPP, RPuP, and Grievance Policy outline commitments to certification, traceability, risk assessment, monitoring, reporting, accountability, and engaging with stakeholders to address concerns. SIPEF's governance structure ensures these, and other commitments are upheld, with leadership and management teams collaboratively managing risks and mitigating impacts. Regular reviews and reporting mechanisms further drive accountability and continuous improvement. By aligning operations with sustainability standards and addressing ESG risks, due diligence directly supports SIPEF's business model and strategy to deliver sustainable, traceable, and certified products.	**ESRS 2 GOV-2** See pages 101-102, 292-293, 298 **ESRS 2 GOV-3** See pages 308-309, 315 **ESRS 2 MDR-P** Disclosed throughout topical ESRS sections **ESRS 2 SBM-3** Disclosed throughout topical ESRS sections

KEY COMPONENTS	RELEVANT DISCLOSURE REQUIREMENTS
Impacts and risks identification and assessment At the highest level, the double materiality assessment is a foundational component of SIPEF's framework for identifying and prioritising ESG impacts and risks across operations and the supply chain. This process is supported by inputs from teams in each country of operation, as well as external risk assessments. At the operational level, each subsidiary employs tailored mechanisms to identify ESG impacts and risks, reflecting their local contexts, systems, and processes. A unifying element across these efforts is adherence to the sustainability standards and audit frameworks SIPEF has committed to: RSPO for palm operations, and Rainforest Alliance, Fairtrade, GLOBALG.A.P., and SMETA for banana operations.	**ESRS 2 IRO-1** See pages 94-99 **ESRS 2 SBM-3** Disclosed throughout topical ESRS sections
Mitigation measures and continuous improvement Where impacts and risks are identified, SIPEF implements mitigation measures and action plans to address these. Training programmes, capacity-building initiatives, research development and innovation, and the adoption of best practices are employed to foster a culture of continuous improvement across the organisation.	**ESRS 2 MDR-A** Disclosed throughout topical ESRS sections
Monitoring, evaluation, and reporting SIPEF employs a myriad of mechanisms and tools to monitor, evaluate, and report ESG impacts, risks, and the progress of actions across its operations. Internal measures include on-the-ground surveys, audits, and grievance channels. External efforts involve impact assessments, stakeholder engagement, and third-party monitoring and certification. Findings are shared from the country-level to the Group-level through internal reporting mechanisms, while data on impacts and risks are communicated via structured data collection processes. Key results are transparently published in the Integrated Annual Report and the Grievance Dashboard. Increasingly, SIPEF is developing its use of digital tools and technology to support monitoring and reporting efforts on a continuous basis, including satellite surveillance for deforestation and fires, and the SIPEF Grievance Solutions platform.	**ESRS 2 MDR-M** Disclosed throughout topical ESRS sections **ESRS 2 MDR-T** Disclosed throughout topical ESRS sections
Engaging with affected stakeholders Stakeholder engagement is integral to SIPEF's due diligence process, supporting all stages of identifying, addressing, and mitigating ESG risks and impacts. This includes a grievance mechanism that allows internal and external stakeholders to raise concerns directly at any time, with whistleblower protection ensuring a confidential and retaliation-free channel for reporting unethical behaviour. Proactive community engagement further helps SIPEF address issues early and integrate stakeholder insights into impacts and risks identification and mitigation measures.	**ESRS 2 GOV-2** See pages 101-102 **ESRS 2 SBM-2** See pages 111-117 **ESRS 2 IRO-1** See pages 98-99
Addressing actual adverse impacts When actual adverse impacts are identified whether through monitoring and evaluation or through direct stakeholder feedback, SIPEF develops action plans to address non-conformities or ineffective actions.	**ESRS 2 MDR-A** Disclosed throughout topical ESRS sections

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

SIPEF has established a sustainability reporting system that involves cross-departmental collaboration and continuous refinement based on identified risks. The Group implements both internal and external controls to enhance the accuracy, reliability, and transparency of its sustainability reporting. These controls are designed to minimise risks of errors, improve data quality, and ensure compliance with evolving sustainability disclosure requirements.

Risk identification and management

As part of SIPEF's risk assessment approach for sustainability reporting, the GST works closely with regional sustainability teams and internal data owners to identify risks and maintain a reliable reporting framework. The team includes a global data manager, who joined in April 2024, as well as a legal counsel ESG. This collaboration ensures continuous monitoring and updates to the framework to align with evolving reporting requirements and maintain compliance with relevant regulatory disclosures.

As part of this process in 2024:

1. **SIPEF's sustainability data collection template** was updated to align with the material sustainability matters identified in its double materiality assessment. The template ensures that data reporting under each matter complies with the ESRS.
2. **Data has been collected monthly or quarterly**, depending on the data point, by the regional sustainability teams and submitted to the GST.
3. **Submitted data has been reviewed and analysed**, with historical data trends used to identify potential gaps. Regular calibration meetings were held to ensure alignment on data definitions and collection procedures.

Through this process, SIPEF has identified manual data handling as a key risk in its sustainability reporting, as it increases the potential for errors and inconsistencies. To mitigate this risk, SIPEF is transitioning to a more structured and automated data collection system. In the interim, several internal controls have been implemented to improve data accuracy and consistency.

Internal controls

With the expansion of sustainability data reporting in 2024, SIPEF has strengthened its internal controls through the development of a formalised data procedure. This procedure outlines roles and responsibilities at both the country and group levels and establishes a structured submission process.

An approval workflow ensures that regional management reviews and validates the data before submission to group level. For all data and information reported to the board or published in the annual report, SIPEF's executive committee provides final approval prior to reporting finalisation.

External controls

In preparation for SIPEF's 2024 integrated annual report, the Group worked closely with its external auditor who during 2024 performed a limited assurance of its double materiality assessment and compliance with the overall ESRS disclosure requirements.

In addition, certain environmental and social performance data continues to be reviewed through certification audits to ensure compliance with standards such as the RSPO and Rainforest Alliance.

The outcome of the limited assurance process of this report can be found in the Auditors Statement.

Stakeholder engagement

SIPEF places great importance on understanding the needs, expectations, and evolving concerns of its key stakeholders. Regular dialogue and partnerships are critical to the successful implementation of SIPEF's Balanced Growth Strategy, ensuring that the perspectives of those impacted by and influencing SIPEF's decisions are considered.

In the following table, a list of key stakeholders and SIPEF's approach to engagement is described.

STAKEHOLDER	ENGAGEMENT PURPOSE AND RELEVANCE	ENGAGEMENT APPROACH	RESPONSE TO ENGAGEMENT OUTCOMES
AFFECTED STAKEHOLDERS			
NATURE	**Relevance:** Nature provides essential resources for cultivation, ecosystem services, and influences the health and productivity of plantations. Environmental impacts linked to SIPEF's activities could also affect the Company's reputation. **Purpose:** • Assessing actual and potential impact on the natural environment • Improving environmental practices towards responsible production	Engagement with environmental experts/organisations, who serve as proxies for nature as a key stakeholder. • **Climate and biodiversity experts,** to conduct physical climate and biodiversity impact, dependencies, risks and opportunities assessments, and review SIPEF's climate-related targets • **Technical consultants,** who carry out integrated HCV-HCSA assessments, Environmental Impact Assessments, and deforestation and fire monitoring • **Science-based conservation organisations,** such as the Zoological Society of London (ZSL) and SINTAS Indonesia, who have provided technical support and training on tiger monitoring under the SIPEF Biodiversity Indonesia programme (SBI) • **Environmental NGOs,** to gather information on the latest sustainable agricultural practices, through participation in RSPO working groups, meetings at RSPO annual conferences, and desktop research	• Climate and biodiversity assessment results have informed SIPEF's double materiality analysis and the development of the Group's climate transition plan. • Assessment and monitoring findings by technical consultants inform SIPEF's due diligence on its NDP commitment, as well as management plans for conservation areas. • Training and support from ZSL and SINTAS have been utilised to improve tiger monitoring at SBI. • Key publications and studies by NGOs help inform the materiality of sustainability matters.
EMPLOYEES	**Relevance:** With over 24 000 employees, SIPEF's workforce is the driving force behind its success and central to its operations and the successful implementation of its strategy. **Purpose:** • Ensure compliance with human and labour rights policies • Address employee needs and grievances through structured mechanisms • Engage staff on workplace rights, well-being, and fair treatment • Provide essential services such as housing, healthcare, and education • Promote sustainability awareness and responsible workplace practices	Direct engagement with employees, or via trade unions and social experts/organisations, who serve as proxies. • **Risk assessments and training programmes,** covering health and safety, sustainability, best management practices, and policy implementation to ensure compliance and continuous improvement • **Trade unions,** through annual, quarterly and ad-hoc meetings to discuss collective bargaining agreements, wages, and working conditions • **Annual appraisals,** to provide employees with performance evaluations, feedback, and development opportunities to support career growth • **Social experts,** for assistance in addressing grievances, evaluating gaps in labour practices, and improving relevant policies • **Social NGOs and academic institutions,** engaged to gather insights on leading frameworks and best practices through desktop research • **SIPEF's grievance mechanism,** which employees can engage directly through accessible channels to raise grievances or provide feedback	• Health and safety risk assessments inform management plans, as well as training content and frequency. • Feedback from trade union meetings is reviewed by HR departments in each country of operation, with actions taken to align agreements and workplace conditions as needed. • Grievances, and any corresponding recommendations from social experts, shape action plans. Past and ongoing grievances have also contributed to SIPEF's double materiality analysis. • Desktop research findings help determine the materiality of sustainability matters.

<table>
<tr><th>STAKEHOLDER</th><th>ENGAGEMENT PURPOSE AND RELEVANCE</th><th>ENGAGEMENT APPROACH</th><th>RESPONSE TO ENGAGEMENT OUTCOMES</th></tr>
<tr><td>SMALL-HOLDER SUPPLIERS</td><td>Relevance: Smallholders contribute significantly to SIPEF's FFB supply and global palm oil production. They ensure a stable supply chain and have the potential to enhance the overall social, environmental, and economic sustainability of the palm oil sector.

Purpose:
• Support smallholders to improve their production and livelihoods, and integrate sustainability practices with the aim to achieve RSPO certification
• Engage smallholder suppliers in best management practices around optimising yields, soil health, correct pesticide use and biodiversity protection</td><td>Engagement with smallholders, primarily through SIPEF's smallholder departments and sustainability teams in Indonesia and Papua New Guinea.

• Smallholder programmes, through which SIPEF conducts training, shares best management practices, supplies seedlings, fertiliser and equipment, supports smallholders with RSPO certification, and offers agronomic and logistical assistance
• Monitoring and audits, carried out internally and by third parties, ensure compliance with supplier requirements, including no deforestation and RSPO certification.
• A Local Planning Committee (LPC), comprising of HOPL, a local government body, and research and smallholder representative organisations, coordinates R&D, agronomic services, training, and community development support for smallholders</td><td>• Assessment and monitoring findings support SIPEF's due diligence on Responsible Purchasing Policy implementation, including smallholder compliance with RSPO certification and NDP. This process involves ongoing dialogue, with outcomes communicated back to smallholders through the smallholders' departments.
• LPC meetings facilitate stakeholder engagement and collaboration between key stakeholders within the industry, leading to initiatives such as streamlining land title transfers, improving law and order, and implementing community-focused social programmes to support sustainable development and livelihoods.</td></tr>
<tr><td>AFFECTED COMMUNI-TIES</td><td>Relevance: Local communities can be directly impacted by operations through land use, environmental changes, employment opportunities, and social dynamics. Engagement strengthens social licence to operate, reduces conflicts, and enables targeted support.

Purpose:
• Understand and address community grievances and concerns
• Understand and support needs related to employment and community development</td><td>Direct engagement with communities through community engagement departments, or via social experts and organisations, who serve as proxies.

• Social experts and licenced assessors, engaged to guide SIPEF's FPIC processes with communities, ensuring transparent and inclusive decision-making prior to any new land development
• Internal and external social experts, who carry out social impact assessments (SIAs) to evaluate and address the effects of operations on communities
• Community programmes, supporting local development, well-being, and economic empowerment
• Social NGOs and academic institutions, engaged to gather insights on leading frameworks and best practices through desktop research
• SIPEF's grievance mechanism, which communities can engage directly through accessible channels to raise grievances or provide feedback</td><td>• Management plans are developed based on the results of SIAs.
• Integrated Conservation Land Use Plans are informed by FPIC results, and no new land is developed without the consent of affected communities.
• Confirmed grievances are followed up by action plans to address them. Past and ongoing grievances have also contributed to SIPEF's double materiality analysis.
• Desktop research findings help determine the materiality of sustainability matters.</td></tr>
</table>

STAKEHOLDER	ENGAGEMENT PURPOSE AND RELEVANCE	ENGAGEMENT APPROACH	RESPONSE TO ENGAGEMENT OUTCOMES
CONSUMERS	**Relevance:** Consumers shape demand, particularly in SIPEF's key markets, the EU and UK, where quality and sustainability expectations are high. **Purpose:** • Understand evolving market expectations on food safety, quality, and sustainability standards	Insights on consumer concerns are gathered through customers who act as proxies, as SIPEF operates upstream and does not produce consumer goods, or market directly to consumers.	Since 2022, SIPEF has increased its focus on quality, particularly food safety, as part of its broader business strategy. This shift addresses various industry priorities, including consumer health concerns about contaminants in palm oil.
USERS OF ANNUAL REPORT AND OTHER KEY STAKEHOLDERS			
CUSTOMERS	**Relevance:** Customers are critical to SIPEF's business as they purchase its products and set requirements for certification and purchasing policies. **Purpose:** • Understand customer needs and expectations. • Communicate developments in quality and sustainability across SIPEF's production practices and products • Collaborate on pilot projects to test innovative solutions to shared challenges	Direct engagement with customers through marketing department, fruits department, and sustainability teams. • **Customer meetings,** to align on expectations, requirements, and sustainability commitments • **ESG questionnaires,** that assess SIPEF's compliance with customer policies • **Knowledge exchange,** through meetings with customers' sustainability teams, to share best practices and industry developments • **Desktop research,** including policy reviews, sustainability reports, and websites, to gather insights and benchmark customer priorities	• Customer requirements and priorities have contributed to SIPEF's strategy to focus on high quality, traceable, and sustainable certified palm oil. • Engagement and feedback from customers prepares SIPEF for new and emerging market trends. • Desktop research and benchmark results have informed the validation process of SIPEF's double materiality assessment.
PEERS	**Relevance:** Peers can indicate the benchmarks for sustainability already being set for the industry. **Purpose:** • Benchmark sustainability performance to align with industry standards • Exchange knowledge and best practices to drive continuous improvement	Direct and indirect engagement through: • **Knowledge exchange,** via meetings with customers' sustainability teams, to share best practices and industry developments • **Desktop research,** including policy reviews, sustainability reports, and websites, to gather insights and benchmark priorities	Desktop research findings and benchmark results have supported the identification and prioritisation of the materiality of sustainability matters.

STAKEHOLDER	ENGAGEMENT PURPOSE AND RELEVANCE	ENGAGEMENT APPROACH	RESPONSE TO ENGAGEMENT OUTCOMES
SHARE-HOLDERS AND INVESTORS	**Relevance:** Shareholder and investors Contribute to the financial foundation for SIPEF's business and set key requirements that shape its policies and strategic decisions. **Purpose:** • Share updates on SIPEF's strategy, business, financial and sustainability performance • Build trust through open dialogue, disclosure and transparency • Understand expectations on financial and sustainability performance	Direct engagement with SIPEF's main shareholder, Ackermans & van Haaren (AvH) including: • **Regular meetings and workshops,** organised by AvH and involving the sustainability team and their other participations, featuring ESG retrospective and forward-looking sessions, as well as ESG workshops • **ESG questionnaire and annual ESG meeting,** to review SIPEF's sustainability progress in relation to shareholder expectations and requirements • **Board representation,** providing SIPEF with strategic direction Engagement with other shareholders and banks: • **Financial and sustainability reporting,** including interim reports, and the integrated annual report • **ESG questionnaires,** from banks to assess SIPEF's performance and compliance with their requirements • **Roadshows and analyst meetings,** to engage with investors and provide financial and strategic updates • **Website,** as a resource for financial and ESG-related disclosures	• Requirements and feedback have influenced policy development, reporting, and strategic direction. • Knowledge sharing and workshops have contributed to the development of SIPEF's double materiality methodology. • Discussions and ESG questionnaires have informed the materiality assessment of sustainability matters.
GOVERN-MENTS AND REGULATO-RY BODIES	**Relevance:** Governments and regulatory bodies set legal requirements that SIPEF must comply with. **Purpose:** • Compliance with international, national and local regulations • Collaborate on infrastructure, service development, smallholder capacity-building initiatives, and conservation efforts	• SIPEF prepares for site inspections by authorities and submits reports in compliance with government regulations in the jurisdictions where it operates and supplies its products • SIPEF engages with local authorities and ministries to contribute to public service projects	• SIPEF consistently ensures compliance with all applicable laws and regulations while proactively incorporating feedback from relevant government representatives when provided. • SIPEF regularly reports compliance to the relevant authorities.

STAKEHOLDER	ENGAGEMENT PURPOSE AND RELEVANCE	ENGAGEMENT APPROACH	RESPONSE TO ENGAGEMENT OUTCOMES
MULTI-STAKEHOLDER INITIATIVES AND STANDARDS	**Relevance:** Multi-stakeholder initiatives and certification schemes bring stakeholders together, and define suastainability standards and requirements for responsible management practices. They also play a key role in providing access to the markets served by SIPEF, and facilitate multi-stakeholder knowledge exchange and best practice sharing. **Purpose:** • Understand and contribute to the development of sustainability standards • Share best practices and collaborate to improve industry-wide adherence • Ensure compliance through certification audits • Promote the production and use of certified sustainable palm oil	SIPEF engages directly through: • **RSPO membership,** including participation in the Biodiversity and High Conservation Values Working Group, Standard Setting Committee, Jurisdictional Approach Working Group, Compensation Task Force, and 'No Deforestation' Joint Steering Group • **Representation on the RSPO Board of Governors,** holding a seat on behalf of 'Rest-of-the-World' growers • **RSPO Annual Communication of Progress (ACOP),** reporting on sustainability commitments and progress • **Compliance audits,** both internal and external, for RSPO, Rainforest Alliance, Fairtrade, GLOBALG.A.P (Good Agricultural Practices), International Sustainability and Carbon Certification (ISCC), ISO14001, ISO 14064-1, and Indonesian Sustainable Palm Oil (ISPO) • **Membership of other multi-stakeholder initiatives,** such as the Tropical Forest Alliance and Belgian Alliance for Sustainable Palm Oil	• SIPEF staff with representation roles within RSPO inform internal decision-makers about best practices, solutions, and amendments or new certification requirements that the group must implement or prepare for. • SIPEF staff participating in working groups or committees are responsible for representing the Company's views and expectations. • The criteria of the standards SIPEF complies with shape its sustainability management system, policies, due diligence processes, and environmental, social, and governance practices.
RESEARCH AND DEVELOPMENT (R&D)	**Relevance:** Research and development drive innovation, validate best practices, and shape industry standards, and can support SIPEF's ambitions for sustainability, quality, production efficiency, and long-term resilience. **Purpose:** • Access to the latest innovative solutions that contribute to improving productivity and quality • Collecting information on best industry practices and upcoming trends	SIPEF engages directly through: • **Investment in R&D partner,** Verdant Bioscience Pte Ltd, developing F1 Hybrid crosses designed for high yields in changing rainfall patterns and marginal soils impacted by climate change • **Engagement of innovation and technology solution providers,** to identify, set up, and help implement carbon sequestration and SMART agriculture solutions	Trial results and scientific research informs the feasibility of SIPEF's long-term strategy and plans, which includes a focus on production efficiency, operational excellence, and resilience to changing environmental conditions.

STAKEHOLDER	ENGAGEMENT PURPOSE AND RELEVANCE	ENGAGEMENT APPROACH	RESPONSE TO ENGAGEMENT OUTCOMES
BENCH-MARKS AND RATINGS	**Relevance:** These organisations conduct sustainability benchmark assessments or ratings that evaluate company transparency and sustainability practices. The results could have potential impacts on reputation and investor appeal for SIPEF. **Purpose:** • Understand and align with stakeholder expectations on sustainability performance	SIPEF is evaluated by, and responds to, rating agencies and benchmark organisations on an annual basis, based on publicly available information and SIPEF's submissions. These include: • **SPOTT (Sustainability Policy Transparency Toolkit)** • **Forest 500** • **CDP: Forests and Climate Change**	• Gap analyses identify sustainability, policy, and reporting gaps. Updates to reporting, policies, and action plans are made based on feasibility. • Assessment results are also reviewed by management alongside past performance and industry peer comparisons.

Amendments to strategy and business model

SIPEF's first group-wide double materiality assessment in 2024, which has been informed by the engagement and views of various key stakeholders, has identified key impacts, risks, opportunities, and material sustainability matters for the Company. Following the assessment, SIPEF has refined its focus areas, priorities, and sustainability goals under the Balanced Growth Strategy to align with the results. The Company has also initiated a comprehensive review of its sustainability targets, KPIs, and policies, with the process set to continue in 2025 and 2026. This review exercise has the potential to modify the views of key stakeholders.

Stakeholder engagement and governance

SIPEF's executive committee and board of directors remain informed about stakeholder views on material sustainability matters through regular reporting and briefings. These include findings from risk assessments, certification audits, and sustainability ratings and benchmark results, which support strategic decision-making.

Additionally, the executive committee played a key role in the validation of SIPEF's double materiality assessment, while the board was responsible for its approval. The assessment incorporated stakeholder views and included benchmarking insights to support the validation process.

Through these reporting mechanisms and processes, SIPEF ensures that its management and supervisory bodies remain well-informed and responsive to stakeholder concerns, aligning sustainability priorities with the company's long-term direction.

Environmental information

SIPEF's approach to environmental stewardship focuses on minimising and managing both direct and indirect impacts of its business activities on the natural environment, and on the climate. Sustainable land use and conservation are integral to this approach, as reflected in the Company's biodiversity and conservation initiatives, and in its group-wide commitment to no deforestation and no new developments on peat, applicable to both its own operations and its smallholder suppliers. The Group is dedicated to reducing the environmental footprint of its operations, from plantations to processing, through the implementation of best management practices and risk-based impact mitigation strategies, including reducing greenhouse gas (GHG) emissions.

Focus area and sustainability goals

ENVIRONMENTAL STEWARDSHIP

- → GHG emissions reduction and long-term climate resilience
- → Minimise impacts on natural resources and the environment
- → Sustainable land use and biodiversity conservation, including no deforestation and no new developments on peat

E1: Climate change

The global agricultural sector is a contributor to climate change, with agriculture, forestry, and other land uses collectively representing about one-fifth (22%) of worldwide anthropogenic GHG emissions.[1] At the same time, the sector is also vulnerable to climate-related risks and impacts, including unpredictable weather patterns, more extreme weather events, heat stress, and increased incidence of pests and diseases.

As an agriculture company, SIPEF has a goal to reduce its GHG emissions and build long-term climate resilience. This goal falls under the Group's environmental stewardship focus area, which is part of SIPEF's Balanced Growth Strategy. To achieve this goal, the Group will implement a comprehensive climate transition plan that integrates sustainable energy practices, circular economy principles, optimised land use, and water resource management, while protecting biodiversity. This approach contributes to fostering a sustainable, low-carbon future for the oil palm industry.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Climate change mitigation • Energy	• Responsible Purchasing Policy (RPuP) • Responsible Plantations Policy (RPP)	• Methane capture: install methane capture at all mills by FY2030. • Site based monitoring of GHG emissions through direct measurements at all the organic soil estates by 2028. • 28% reduction in net emissions intensity from 2021 baseline by 2030 (Scope 1 & Scope 2) for oil palm operations, which will be revised to align with ESRS requirements as a next step.[2]	• Gross GHG emissions, including Scope 3, were reported for the first time in 2024. • Physical and transition climate risk assessments were carried out in support of the Group's climate transition planning
• Climate change adaptation	• RPP	• Protection of coastal shorelines and prevention of flooding through buffer restoration of 41.5 hectares by 2027 in oil palm operations. • Regenerative agriculture pilots with a model to scale up at five sites by 2026 in oil palm operations. • Installation of rainwater harvesting system in all palm oil mills by 2030. • Installation of water recycling basin at one banana packing station by 2025.	

(1) Source : www.epa.gov/ghgemissions/global-greenhouse-gas-overview

(2) The target was set prior to this reporting period and is not included in the scope of the CSRD limited assurance conducted for this Sustainability Statement. It will be revised in 2025 to align with the requirements of the ESRS.

CLIMATE CHANGE AND ENERGY

A double materiality assessment carried out on SIPEF's operations and upstream and downstream value chain identified climate change mitigation, climate change adaptation and energy as material sustainability matters. The assessment was carried out in consultation with internal and external experts utilising the best information available.

Impacts[3]

GHG EMISSIONS

ACTUAL NEGATIVE, LONG-TERM

SIPEF's operations generate GHG emissions mainly from land use change including cultivation in organic soils, palm oil mill effluent (POME), and inputs for the operations such as fuel and fertilisers. Approximately 98% of SIPEF's GHG emissions come from the cultivation and processing of oil palm products. Banana production does not make a big contribution, accounting for just 2% of SIPEF's overall gross GHG emissions.

NON-RENEWABLE ENERGY SOURCES

ACTUAL NEGATIVE, LONG -TERM

In Papua New Guinea and Côte d'Ivoire, SIPEF's operations remain heavily reliant on non-renewable energy sources.

SIPEF's GHG emissions

METHODOLOGY AND ASSUMPTIONS

SIPEF has been calculating its Scope 1 and Scope 2 emissions since 2019 and included Scope 3 emissions in 2024. Since 2022, SIPEF has used the ISO 14064-1 standard-specific principles and requirements at the organisational level for the quantification and reporting of GHG emissions and removals. For 2024, the GHG Protocol was used as a reference to justify the inclusion of Scope 3 categories included in emissions calculations.

SIPEF reports its emissions and removals based on an organisational boundary that covers all its operations listed in the consolidated financial statements in the following locations: Belgium, Indonesia, Côte d'Ivoire, Papua New Guinea, and Singapore. The scope includes all activities in the processing and cultivation of palm oil and bananas. This comprises:

- **Scope 1 and Scope 2:** plantations, mills and packing stations that are owned and managed by SIPEF.
- **Scope 3:** indirect upstream and downstream emissions associated with value chain activities relevant to SIPEF.

The scope of the Company will be expanded or reviewed if there are additional processing activities reported under the consolidated assets.

SIPEF's GHG calculation procedure and calculators were developed by external experts. Conversion and emission factors are based on peer reviewed sources such as those provided in the databases of the Intergovernmental Panel on Climate Change (IPCC), the US Environmental Protection Agency, and peer reviewed scientific studies.

(3) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Significant assumptions in the calculations include:
- the methodology results in an accurate estimate of real annual emissions and removals.
- there is no catastrophic impact to the biological growth of plantations and conservation areas.

GHGs considered in the calculation include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Final emissions are converted to carbon dioxide equivalent using the global warming potential (GWP) coefficients from the IPCC.

The impacts of SIPEF's operations on climate change are listed below:

- **Scope 1:** Direct emissions from plantations, mills, and packing stations, and offices that are owned and managed by SIPEF. Emissions result from land use change, POME, and inputs such as fertilisers, fuels, chemicals, lubricant, and refrigerants.
- **Scope 2:** Indirect emissions from the energy purchased externally from the national grid according to the Group's location-based approach. While the Group currently reports Scope 2 emissions using the location-based method, it uses this as a proxy to estimate market-based emissions. Steps will be taken to implement the market-based approach as data quality and availability improve.
- **Scope 3:** Indirect emissions from upstream and downstream operations in SIPEF's value chain. These are reported under the following categories:
  - Category 1: Purchased goods and services. For SIPEF's own operations, this includes extraction, production, and transportation of goods and services purchased or acquired, not otherwise included in other Scope 3 categories. SIPEF also includes the emissions from independent smallholders' land use change including organic soils emissions, and inputs for operations such as chemicals and fertilisers.
  - Category 2: Capital goods. For SIPEF's own operations, this includes extraction, production, and transportation of capital goods purchased or acquired.
  - Category 3: Fuel and energy-related activities: For SIPEF's own operations, this includes production and delivery of fuels and energy consumed, which are not directly accounted for in Scope 1 or Scope 2 emissions.
  - Category 4: Upstream transportation and distribution. For SIPEF's own operations, this includes emissions from the transportation of seeds, fresh fruit bunches (FFBs), fertilisers, pesticides, and chemicals carried out by third parties, including fuel used by contractors.
  - Category 6: Business travelling. For SIPEF's own operations, this includes air travel of employees for business-related activities.
  - Category 9: Downstream transportation. For SIPEF's own operations, this includes downstream emissions from shipping activities and transportation from ports to warehouses for banana operations in Côte d'Ivoire.

As part of SIPEF's Scope 3 GHG inventory assessment, the following categories have been excluded from current reporting. These exclusions are based on an evaluation of materiality, data availability, operational control, and business relevance.

- Excluded due to immaterial impact on total emissions: Category 5 - Waste generated in operations, Category 7 - Employee commuting and Category 15 – Investments.
- Excluded due to lack of visibility and control over product use. These categories relate to emissions from downstream activities, where SIPEF has no visibility or influence over how sold intermediate products are processed, used, or disposed of. Given the wide range of potential applications, each with different emissions profiles, accurate estimation is currently unfeasible: Category 10 - Processing of sold products, Category 11- Use of sold products and Category 12 - End-of-life treatment of sold products.
- Excluded due to non-relevance to SIPEF's business activities: Category 8 - Upstream leased assets, Category 13 - Downstream leased assets, Category 14 – Franchises.

While SIPEF has no operational control or influence over these downstream processes, it is assumed that the Company's customer base is likewise engaging in efforts to reduce their own GHG emissions, in line with broader industry and regulatory trends. As part of the Group's commitment to transparency and continual improvement, SIPEF will periodically revisit the relevance of these categories and assess opportunities to enhance data availability and estimation methodologies in future reporting cycles.

Scope 1 and Scope 2 emissions are calculated using primary data. Scope 3 emissions are calculated using a combination of primary data and spend-based calculations as per the GHG Protocol. Approximately 65% of total Scope 3 emissions are estimated using the spend-based approach.

GROSS GHG EMISSIONS ACCOUNTING

In 2024, most of SIPEF's gross emissions were Scope 1 (91%), followed by Scope 3 (8%), and then Scope 2 (1%). Of the total emissions, 98% came from oil palm operations in Indonesia and Papua New Guinea. As oil palm operations are considered SIPEF's core business, this includes emissions from head offices in Belgium and Singapore. The main sources of emissions from the production of palm oil were POME and land use change, including cultivation in organic soils.

The remaining 2% of emissions came from banana operations in Côte d'Ivoire. Scope 3 emissions accounted for 57% of the emissions from banana operations, followed by Scope 1 (25%), and then Scope 2 (18%). The main sources of emissions from production of bananas were purchased goods and services, downstream transportation, electricity use, and fertilisers.

The gross GHG emissions intensity for CPO is 3.24 tonnes of CO_2 equivalent (tCO_2e) per tonne of crude palm oil and 0.47 tonne tCO_2e per tonne of bananas produced.

GROSS GHG EMISSIONS	2024
SCOPE 1 GHG EMISSIONS (tCO_2e)	**1 090 257**
Gross Scope 1 GHG emissions	1 090 257
Percentage of Scope 1 emissions from regulated emissions trading schemes	0
SCOPE 2 GHG EMISSIONS (tCO_2e)	**10 758**
Gross location-based Scope 2 GHG emissions	10 758
Gross market-based Scope 2 GHG emissions	10 758
SCOPE 3 GHG EMISSIONS (tCO_2e)	**97 160**
1: Purchased goods and services	58 889
2: Capital goods	18 884
3. Fuel and energy-related activities	6 822
4: Upstream transportation and distribution	5 857
6: Business travelling	1 876
9: Downstream transportation	4 832
TOTAL GHG EMISSIONS (tCO_2e)	**1 198 175**
Total GHG emissions (location-based)	1 198 175
Total GHG emissions (market-based)	1 198 175
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass (tCO_2e)	529 807
SIPEF net revenue (KUSD) [1]	443 810
TOTAL GROSS GHG EMISSIONS INTENSITY BASED ON NET REVENUE (tCO_2e/KUSD)	
Total gross GHG emissions intensity based on net revenue (location-based)	2.7
Total gross GHG emissions intensity based on net revenue (market-based)	2.7
TOTAL GROSS GHG EMISSIONS BY CROP (tCO_2e/T PRODUCT)	
Oil Palm (tCO_2e/t CPO)	3.24
Bananas (tCO_2e/t bananas)	0.47

NOTE:
(1) Please refer to note 7: OPERATIONAL RESULT AND SEGMENT INFORMATION for the basis of calculation

GHG REMOVALS

SIPEF actively manages 35 336 hectares of conservation and reserve areas within its production and management areas. This includes the 12 656 hectares of conservation area in SIPEF Biodiversity Indonesia (SBI) in the Bengkulu region managed by the Group. These areas, some of which are designated as High Conservation Value and/or High Carbon Stock (HCV-HCSA) sequester carbon while also contributing to promoting biodiversity.

SIPEF accounts for removals stemming from carbon sequestration based on the biological growth of plants within its conservation land management units, owned or managed by SIPEF according to a consistent land management plan. The calculation is based on how much carbon is sequestered per hectare per year from the growth of these conservation areas. This results in a total of 324 019 tCO_2e sequestered in 2024. This calculation methodology is in line with the ISO 14064-1 standard and has been externally audited.

The GHG emissions associated with carbon removal activities, such as fuel for transportation, are included when calculating Scope 1 emissions. There have been no reversals in 2024, and the removal activity was not converted into carbon credits nor sold on to other parties on voluntary market.

Energy

SIPEF's energy consumption for its own operations is mainly from non-renewable sources (78%), which reflects the fossil fuels used in plantation operations. Renewable energy, primarily from biomass combustion in palm oil processing, accounts for 22% of total energy use. SIPEF did not use nuclear energy in 2024. Under the Regulation (EC) No 1893/2006 of the European Parliament and of the Council, agriculture is identified as a high climate impact sector. Accordingly, SIPEF reports its energy consumption intensity, which amounted to 0.33 MWh per thousand USD of revenue in 2024.

ENERGY CONSUMPTION AND MIX (MWh)	2024
A. NON-RENEWABLE SOURCES	
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	98 999
Fuel consumption from natural gas	647
Fuel consumption from other fossil fuel sources	1 876
Purchased electricity, heat, steam, and cooling from fossil fuel sources	13 172
TOTAL FOSSIL ENERGY CONSUMPTION	**114 694**
B. RENEWABLE SOURCES	
Fuel consumption from renewable sources, including biomass	32 787
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	0
Consumption of self-generated non-fuel renewable energy	0
TOTAL RENEWABLE ENERGY CONSUMPTION	**32 787**
9. Consumption from nuclear sources	0
TOTAL ENERGY CONSUMPTION (MWh)	**147 481**
Share of fossil sources in total energy consumption (%)	78%
Share of renewable sources in total energy consumption (%)	22%
Share of consumption from nuclear sources in total energy consumption (%)	0%
SIPEF net revenue (KUSD) (1)	443 810
Energy intensity based on net revenue (MWh/KUSD)	0.33

NOTE:
(1) Please refer to note 7: OPERATIONAL RESULT AND SEGMENT INFORMATION for the basis of calculation

Risks and opportunities

Climate change related risks and opportunities have been identified as part of SIPEF's double materiality assessment. This incorporated the outcomes from separate climate physical risk and climate transition risk assessments carried out during 2024, including a qualitative assessment of the Group's resilience to different potential scenarios for a changing climate.

Climate physical risks

The detailed climate physical risk assessment considered SIPEF's assets across three regions: North, West and South Sumatra, Indonesia; West New Britain, Papua New Guinea; and Lagunes, Côte d'Ivoire. The report considers short-term (1-3 years), medium-term (4-10 years), and long-term (11-25 years) impacts from 2024.

To address variability among earth system models, the study utilised two well-established models that are widely used in climate change reports and several climate studies: GFDL-ESM4, developed in the United States, and MRI-ESM2-0, developed in Japan.

These models were utilised under two distinct future climate change scenarios with high and low levels of warming developed by the IPCC, namely Shared Socioeconomic Pathways (SSP)1-2.6 and SSP5-8.5. The chosen future climate scenarios depict potential future trajectories of socio-economic development GHG emissions, influencing climate change.

SSP1-2.6 (sustainable development scenario) envisions a path towards sustainable development, aiming for zero emissions post-2050. It involves substantial investments in education and health, rapid economic growth, and functional institutions, stabilising the temperature increase at approximately 1.8°C by the century's end. SSP1 reflects a future that prioritises sustainable practices and reduces reliance on fossil fuels.

Whereas SSP5-8.5 (high emission scenario) portrays an undesirable future where GHG emissions double by 2050, driving rapid global economic growth through fossil fuel exploitation and energy-intensive lifestyles. In this scenario, the average global temperature is expected to rise by 4.4°C by 2100. SSP5 depicts an economy heavily reliant on fossil fuels with limited sustainability focus.

The study quantified various climate-related risks based on input from SIPEF expert growers working in the field. These risks are categorised as follows:

- **Temperature-related:** plant heat stress, human heat stress, heatwaves, or wildfires.
- **Wind-related:** changing wind patterns, cyclones, or storms.
- **Water-related:** interannual variability of precipitation, seasonal variability of precipitation, water stress, sea level rise, drought, or heavy precipitation.
- **Soil-related:** coastal erosion, soil degradation, or soil erosion.

The study predicted the likelihood that thresholds for the above hazards would be exceeded under both scenarios in the short-, medium-, and long-term. The likelihoods were divided into low, medium, and high with high being considered significant.

The assessment indicates that coastal flooding is a climate-related physical risk that may potentially affect some operations in Papua New Guinea in the near-term, while river flooding is a risk in the medium-term. In Côte d'Ivoire, heatwaves are predicted to potentially affect all operations in the long term, and river flooding is a risk in the medium term.

Climate transition risks

A qualitative assessment of risks and opportunities related to the climate transition was carried out using an analysis of published reports that detail how actions by governments, consumers, and the oil palm sector could address the climate crisis. This assessment examined how these factors could impact SIPEF's investments in oil palm and banana operations.

Three climate transition scenarios were analysed for their potential effects on SIPEF's business in the short-term (0-3 years), medium-term (by 2030), and long-term (by 2050). These scenarios were implemented using the open-source Model of Agricultural Production and its Impact on the Environment (MAgPIE) (Dietrich et al., 2019) developed at the Potsdam Institute for Climate Change (PIK).

The assessment considered three different levels of ambition and their corresponding expected impact on temperature increase:

- **Historical ambition:** assumes past practices and laws continue, with temperatures rising over 4°C by 2100, including a moratorium on new palm oil concessions in designated forest or organic soil areas in Indonesia.
- **Modest ambition:** assumes greater global action and ambition but still inadequate, leading to warming of around 3°C by 2100, with the imposition of modest GHG emissions costs on palm oil producers.
- **Aggressive ambition:** assumes the greatest global effort, limiting warming to 1.5°C by 2100, in line with the Paris Agreement. This includes strong government action in Indonesia, such as industry-wide NDPE restrictions, peatland reclamation, and aggressive costs on GHG emissions imposed.

SIPEF has considered climate-related risks in the preparation of its financial statements, and through the financial reporting process, no critical climate-related assumptions were identified. As a result, the climate scenarios used in the broader climate risk assessment are not directly connected to specific assumptions in the financial statements.

Key medium- and long-term risks and opportunities for SIPEF include land use restrictions, growth constraints due to land availability, and carbon pricing set by external parties, which must be considered in future business planning for oil palm and banana operations. Principal opportunities identified include increased demand for palm oil, increased land valuation, and emerging carbon markets to support afforestation, forest restoration, and conservation, all of which would represent significant potential financial gains to SIPEF.

Both the physical and climate transition risk assessments have highlighted important opportunities for SIPEF to enhance its business planning for both oil palm and banana operations. By conducting these assessments, SIPEF is proactively strengthening its operations and building resilience across diverse geographical locations and timeframes. The valuable insights gained are driving strategic decision-making and adaptation efforts, positioning SIPEF to effectively navigate future challenges while securing its assets and supply chain for long-term success.

Locked-in emissions from assets

SIPEF has committed to no deforestation or new plantings on peatland (NDPE) since 2015 in order to reduce emissions from land use change. The Group is also investing in GHG emissions reduction programmes, through a variety of strategies including initiatives focused on promoting a circular economy and protecting biodiversity and ecosystems. All new oil palm projects are developed only after integrated HCV-HCSA assessments have been conducted, and areas identified for conservation are monitored and maintained in accordance with the management plan agreed with relevant stakeholders. Best management practices will continue to be implemented on existing cultivated areas and any new developments will be following SIPEF's NDPE policy.

SIPEF acknowledges that GHG emissions associated with existing assets may present challenges in meeting its long-term emission reduction targets. However, by proactively addressing these potential risks by implementing its policy on no deforestation or new plantings on peatland NDPE and applying best practices of managing these areas identified within its operations, SIPEF is better positioned to manage transition risks and align with evolving regulatory and investor expectations.

Current and anticipated effects

In line with its double materiality assessment, SIPEF has assessed the likelihood of the identified impacts and risks occurring, together with their potential financial impacts. SIPEF has assessed that these impacts and risks are not expected to have a material financial impact on the Group, including its financial position, financial performance and cash flows. Nevertheless, the Group has implemented effective measures to mitigate these risks.

Resilience of strategy and business model

SIPEF's climate risk assessments confirm the resilience of agriculture rather than compromise its feasibility, despite the fact that certain climate challenges may occur. These findings highlight the importance of integrating climate considerations into SIPEF's operations. With proactive adaptation strategies in place, any challenges can effectively be managed while maintaining robust production. SIPEF's commitment to reducing GHG emissions and enhancing long-term climate resilience through research and development on climate mitigation and adaptation ensures the resilience of its strategy and business model.

Policies and commitments

SIPEF has enacted various policies, initiatives, and measures that aim to effectively anticipate risks and opportunities related to climate change and in doing so adequately plan for a possible future impacted by climate change. Some key commitments under SIPEF's RPP related to climate change include:

1. **Climate change mitigation and energy:**[4] continue and build on existing initiatives to reduce GHG emissions; and design all new SIPEF operations (plantations and processing facilities) to minimise net GHG emissions.
2. **Climate change adaptation:** regularly assess the risks and impacts linked with climate change, to identify concrete solutions that will enable the Group to manage and adapt to these risks and impacts. Boost the resilience of future crops, as a key step in strengthening the capacity for adaptation to climate change.

To read more information on the development, governance, and communication of the RPP, please see 'General information'.

Integration of sustainability-related performance in incentive schemes

For information on the climate-related considerations related to remuneration of members of administrative, management, and supervisory bodies, please see 'the 'Corporate Governance Statement'.

(4) No specific reference is made to energy as it is understood to be part of the overall climate change mitigation topic.

Actions, targets, and monitoring

Climate Change Mitigation and Energy

To address impacts identified in relation to climate change, SIPEF is actively adopting innovation and good management practices in cultivation and processing to avoid or reduce GHG emissions. These practices include the following:

Land use: SIPEF has completed HCV-HCSA assessments to identify areas that can be developed within its own operations, while continuing to protect and conserve high carbon stock areas including organic soils identified within SIPEF's operations. The Group has also implemented fire prevention and management measures in its oil palm operations. In certain instances where land that communities might otherwise develop is designated for conservation, SIPEF may mitigate the impact by purchasing or leasing the property from local landowners, ensuring they receive financial benefits.

Methane reduction: Methane capture equipment will be installed in all SIPEF palm oil mills by 2030. Looking ahead, SIPEF is also exploring the possibility of harnessing biogas from the methane capture facilities for the production of bio compressed natural gas (bioCNG), with construction of the Group's first bio-CNG plant at Perlabian palm oil mill in North Sumatra, Indonesia starting in 2025. Comprehensive safety protocols have been implemented to safeguard the wellbeing of employees operating biogas plants.

Renewable energy: SIPEF generates renewable energy from the by-products of milling operations (fibres and shells) to power operations and employee compounds using steam turbines. Additionally, at one of its mills, the Group uses methane capture from POME and a biogas generator to produce electricity.

In 2024, SIPEF initiated comprehensive emissions reporting, including Scope 3 emissions, in accordance with the CSRD. As this is its first year of full data collection, direct comparisons with previous years are not yet available, and GHG emissions reductions for each category have not been quantified.

Although some legacy projects under the Clean Development Mechanism protocol generate carbon credits, these are not incorporated into SIPEF's offset or carbon costing framework. SIPEF does not produce or purchase carbon credits, nor does it implement an internal carbon pricing mechanism as part of its climate change mitigation strategy.

For more information on target setting, please see Annex 1.

Climate change adaptation

SIPEF proactively prepares for a range of weather events, including heatwaves, river flooding, and coastal flooding, to effectively mitigate risks to its operations.

- **Best management and water regulation practices:** SIPEF employs best management practices and robust water regulation measures to minimise the risks of waterlogging, flooding, and fire during drought conditions. In coastal regions, SIPEF actively safeguards shorelines to help prevent flooding. Additionally, SIPEF continuously enhances water management and strives to reduce water usage intensity to effectively address potential water stress across its operations.

- **Enhancing crop yield and resilience:** through the work of Verdant Bioscience Pte Ltd, trials are also being conducted to enhance crop yield, resistance, and resilience in varying environmental conditions. This includes looking at the impacts of rainfall amount and distribution, soil fertility, microbial diversity, and moisture holding capacity, as well as exploring ways to increase the potential of regenerative agricultural landscapes.

SIPEF is committed to effectively managing the material impacts and risks identified and has allocated resources across various functions within the organisation. No significant monetary amounts of Capex and Opex were required to implement the actions taken or planned. Please refer to 'EU Taxonomy disclosures' for more information.

Targets and monitoring

SIPEF has been actively working to reduce its climate impact and adapt to identified climate risks, and is further strengthening these efforts by setting the following targets in alignment with its RPP commitments:

- Installation of methane capture at all palm oil mills by 2030.
- Site based monitoring of GHG emissions through direct measurements at all the organic soil estates by 2028.
- Protection of coastal shorelines and prevention of flooding through mangrove planting and coastal buffer restoration of 41.5 hectares by 2027 in oil palm operations.
- Regenerative agriculture pilots to be started with a model to scale up at five sites by 2026 in oil palm operations.
- Installation of rainwater harvesting system at all palm oil mills by 2030.
- Installation of water recycling basin at one banana packing station by 2025.

SIPEF has previously set a target to reduce its Scope 1 and Scope 2 net GHG emissions by 28% by 2030 compared to base year 2021. In 2025, a process will begin to align this target with the ESRS on a gross emissions basis and with an updated baseline calculation using the ISO 14061-1 as a framework and aligning with the GHG Protocol methodology. This updated target will be used in the development of a climate change mitigation transition plan.

In the meantime, SIPEF actively monitors GHG emissions across its operations. By tracking key emission sources, the Group is able to assess progress, identify areas for improvement, and prepare for future target-setting in line with evolving regulatory requirements and stakeholder expectations. This demonstrates SIPEF's ongoing commitment to responsible management of climate-related risks and impacts.

For more information, please see Annexes 1, 2 and 4.

Please refer to 'EU Taxonomy disclosures' for disclosures on EU Taxonomy.

E2: Pollution

SIPEF is committed to minimising its impact on natural resources and the environment. The Group's Responsible Plantations Policy (RPP) and Environmental Policy outline this commitment, which is implemented through a variety of measures aimed at reducing waste and pollution, and recycling operational by-products. In the plantation operations, the Group has a focus on soil health and integrated pest management (IPM) to keep use of fertilisers and pesticides to a minimum, and buffer zones are used to protect waterways. For processing, wastewater treatment facilities and regular testing mitigate the chance of water pollution, while careful management of biomass combustion in palm oil mills ensure that air pollution stays within the required limits. These measures ensure that the Group meets the relevant local environmental laws and regulations.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Pollution of air • Pollution of water	• Responsible Plantations Policy (RPP) • Environmental Policy	• Zero non-conformance against local regulations and industry regulations on smoke density in palm oil mills. • Zero non-conformance against local regulations and industry regulations on effluent limits in palm oil mills and packing stations.	• Pollution of air was identified as a new material topic in the Group's 2024 double materiality assessment. All the Group's palm oil mills are in compliance with the set limits • All palm oil mills in Indonesia met the 2024 targets for palm oil mill effluent (POME) discharge. In Papua New Guinea and Côte d'Ivoire, SIPEF took corrective actions to address cases where pollution in wastewater temporarily exceeded limits, ensuring compliance with legal and certification standards

POLLUTION OF AIR AND WATER

The double materiality assessment carried out in 2024 identified air and water pollution as material topics for the Group. The assessment process involved consultation with internal operational experts and was based on the best information available, such as environmental impact assessments and requirements from licensing requirements. SIPEF conducts regular consultations with affected communities as part of its licensing and certification processes, to address concerns about pollution.

Impacts[1]

BLACK SMOKE FROM MILLING OPERATIONS

ACTUAL NEGATIVE, SHORT-TERM

The combustion of palm oil mill by-products, such as fibres and shells, is a reliable source of renewable energy for the Group's operations. However, inadequate management can lead to excessive smoke emissions and the release of particulate matter, which may pose environmental and health risks.

FRESH WATER POLLUTION AND WATER SOURCE CONTAMINATION

ACTUAL NEGATIVE, SHORT-TERM

In oil palm and banana plantation operations, agrochemical usage on both Company and smallholder estates can contribute to pollution in natural watercourses and water bodies. Similarly, in palm oil and banana processing, wastewater discharge can lead to point-source pollution in these water bodies. Banana packing stations use water to wash the fruit before packing for shipment. Palm oil mill effluent (POME) is generated during the oil extraction process. POME contains suspended organic matter that may affect water quality if released into natural waterbodies without treatment.

Risks and opportunities

SIPEF's double materiality assessment did not identify any material risks or opportunities related to pollution of air and water. As a result, there are no risks or opportunities disclosed in this section, nor reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no effects are reported on the Company's financial position, performance, or cash flows.

Operating and Capital expenditures

None of the actions reported in this section to manage the impacts previously described required significant Capex or Opex. Additionally, there were no major incidents or spills in 2024, and consequently, no related Capex or Opex was incurred during the reporting period.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Resilience of strategy and business model

The resilience of SIPEF's strategy and business model is demonstrated through proactive compliance with local regulations and international standards such as RSPO and Rainforest Alliance. Continuous monitoring, effective implementation of corrective actions, and ongoing improvement initiatives ensure the Group can manage environmental risks effectively, maintaining operational continuity and stakeholder confidence.

Policies and commitments

SIPEF is guided by its Responsible Plantations Policy (RPP) and Environmental Policy in addressing and managing impacts related to air pollution and water pollution. These policies set the framework for a broad range of measures related to minimising pollutants to the environment, maintaining riparian buffer zones to protect waterways, and meeting relevant environmental legal requirements.

The Group is committed to allocating adequate resources for environmental management. To ensure this is the case, the Group identifies environmental impacts related to its operations and ensures effective mitigation is implemented for normal, abnormal, and emergency situations.

SIPEF's Environmental Policy applies to all companies under SIPEF's management. Implementation of the Policy is overseen by the group head of sustainability, supported by the heads of each regional sustainability team, and other relevant departments at the Group's operations. While stakeholder input and socialisation during and following the Policy's initial development in 2015 were not documented, these aspects will be reviewed and documented as part of SIPEF's upcoming groupwide policy revision.

Both the Environmental Policy and RPP are available to all stakeholders on SIPEF's website. To view more information on the development, governance, and communication of the RPP, please see 'General information'.

Actions, targets, and monitoring

Pollution of air

Biomass combustion contributes to the generation of renewable energy at SIPEF's palm oil mills. Incomplete combustion and suboptimal oxidation processes can lead to a higher load of particulates being released. To mitigate this, SIPEF ensures that biomass combustion is maintained at an optimal level to minimise the release of particulates.

Engineering controls are implemented to minimise smoke density and particulate emissions, including the installation of cyclones in smokestacks. These devices use centrifugal force to separate solid particles from the gas stream, thereby reducing the amount of particulates released into the atmosphere.

SIPEF's palm oil mills are consistently monitored by environmental agencies to ensure they meet legal requirements including Indonesia's Public Disclosure Programme for Environmental Compliance (PROPER) and industry standards including the Environmental Code of Practice in Papua New Guinea. This is in addition to the third-party sustainability certification audits carried out annually.

SIPEF follows mandatory requirements in Indonesia and Papua New Guinea and has set a target for zero non-conformance with local and industry regulations on smoke density across all its palm oil mills to control the pollutants emitted.

In Indonesia, smoke opacity is measured using monitors that assess the light absorption, reflection, or scattering caused by particulate matter in a gas stream. The measurement, expressed as a percentage (0%, clear, to 100%, opaque), must remain below 30% during normal mill operations, with external testing conducted twice a year.

In Papua New Guinea, smoke density is measured using the Ringelmann Index, which compares smoke density to standardised grey shades. The Environmental Code of Practice requires smoke density to remain below Ringelmann 2 (40%) for no more than 20% of operating time and is reported to the environmental authority. There are annual inspections by the government authority to ensure all relevant permit conditions are met. During 2024, all mills measured met the required limits.

More information on the target set and related data is available in Annexes 1 and 2.

Pollution of water

PLANTATION OPERATIONS

Across all its operations, SIPEF applies organic fertilisers such as compost and empty fruit bunches (EFB) as alternatives to inorganic fertilisers wherever possible. Integrated pest management (IPM) techniques are applied to minimise the use of pesticides. These measures help to mitigate water pollution.

SIPEF's best practices in agrochemical management align with the requirements of both the Roundtable on Sustainable Palm Oil (RSPO) and Rainforest Alliance certification programmes. These programmes emphasise the sustainable and responsible use of pesticides and agrochemicals in agricultural practices, prioritising minimal impact on human health, the environment, and biodiversity. Their core principles include the promotion of IPM, reducing reliance on harmful chemicals, and the prohibition or restriction of highly hazardous pesticides, including those classified by the World Health Organisation as Class 1A or 1B, or listed under the Stockholm or Rotterdam Conventions. SIPEF adheres to these standards, ensuring safer and more sustainable practices throughout its operations.

SIPEF's banana plantations have buffer zones composed of natural vegetation along natural watercourses. These buffer zones reduce runoff and spray drift, helping to mitigate the risk of water pollution.

For banana and oil palm cultivation, fallow periods with leguminous crops are used to help manage soil health. These periods allow the soil to recover organic matter and replenish nutrients, while helping to control pests and diseases. This practice reduces the need for agrochemicals and leads to healthier plants, improved sustainability, and a reduced environmental impact.

SIPEF has not set a specific target to address the potential material impact identified in relation to plantation operations, but is consistently applying best practices, as previously described.

PALM OIL MILLS AND PACKING STATIONS

SIPEF mitigates environmental impacts by ensuring that all facilities have suitable wastewater treatment facilities. SIPEF's palm oil mills and packing stations monitor the quality of wastewater discharged through periodic wastewater analysis conducted by external parties. Results are shared with the relevant environmental authorities to prove that wastewater discharged is within the permissible legal limits. Some palm oil mills apply POME to the land as an organic fertiliser. This reduces the risk of water contamination and the use of inorganic fertiliser.

SIPEF has set a target of zero non-conformance against local legal requirements for wastewater discharge in all of its operations. In all cases, certification requirements are applied when these are stricter. The key parameters identified and monitored for reporting are biological oxygen demand (BOD), chemical oxygen demand (COD) and total suspended solids (TSS), measured in milligrams per litre. For palm oil mills, monthly sampling was conducted, while for banana packing stations, sampling is carried out twice a year.

In 2024, all palm oil mills in Indonesia met the set targets. However, in Papua New Guinea, there were six cases where the TSS level exceeded the required limits, mainly due to high rainfall and the volcanic eruption in November 2023. The high rainfall washed volcanic ash into wastewater ponds, increasing the TSS levels. SIPEF took immediate action to desilt the ponds when discharge is not required and continues to maintain a regular desilting programme to ensure that the quality of the discharged wastewater remains within the legal limits.

In Côte d'Ivoire, banana packing stations exceeded the limits for BOD in three cases, COD in two cases, and TSS in one case. The levels were affected by a temporary maintenance issue with the water purification system. Corrective actions were implemented to improve the maintenance schedule, to ensure discharged wastewater remained within legal limits.

	2024		
PALM OIL MILL/PACKING STATIONS (NUMBER OF CASES EXCEEDED LIMIT)	BOD EXCEEDED LIMITS	COD EXCEEDED LIMITS	TSS EXCEEDED LIMITS
Indonesia	0	0	0
Papua New Guinea	0	0	6
Côte d' Ivoire	3	2	1

E3: Water

Water is essential to agriculture, supporting crop growth, processing, and overall productivity. As agriculture continues to underpin global food security, responsible water stewardship presents a valuable opportunity to enhance resilience, protect natural resources, and support sustainable development. By improving efficiency of water use and safeguarding water quality, the sector can play a leading role in shaping a more sustainable future. SIPEF recognises the vital importance of responsible water management and is committed to minimising its impact on local ecosystems and communities.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES

• Water consumption
• Water withdrawals
• Water discharges
	• Responsible Plantations Policy (RPP)
	• Environmental Policy
		• Annual average water usage intensity per tonne of fresh fruit bunches (FFB) processed in palm oil mills meets efficiency targets set for each location.
		• Related targets linked to the climate change chapter:
		  • Rainwater harvesting installation at all mills by 2030.
		  • Water recycling basin at one packing station by 2025.
			• 2024 marks the first disclosure of SIPEF's water consumption aligned with the ESRS, complementing the existing calculation methodology
			• Water usage intensity targets have been updated based on the dominant soil types at each location, covering all palm oil mills in Papua New Guinea and the Dendymarker Indah Lestari palm oil mill in Musi Rawas
			• The recently commissioned Agro Muara Rupit palm oil mill has been incorporated into the water consumption monitoring framework

WATER CONSUMPTION, WITHDRAWALS AND DISCHARGES

SIPEF's operations are not located in areas that WWF's Water Risk Filter identifies as high risk. However, given the importance of water resources to its operations, SIPEF's double materiality assessment identified water consumption, including withdrawal and discharge, as material.

Impacts[1]

WATER CONSUMPTION

ACTUAL NEGATIVE, SHORT-TERM

Oil palm is a rainfed crop, requiring no irrigation, which naturally reduces pressure on local water resources. Water is primarily used in palm oil milling processes, with withdrawals sourced from ground water and rivers. Banana cultivation involves greater direct water usage, in both irrigation at plantations and packing stations.

To view information on SIPEF's engagement with local communities to map key natural resources, including water, see the dependencies assessment in 'E4: Biodiversity and ecosystems'.

Risks and opportunities

SIPEF's double materiality assessment did not identify any material risks or opportunities related to water. As a result, there are no risks or opportunities disclosed in this section, nor reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no effects are reported on the Company's financial position, performance, or cash flows.

Operating and capital expenditures

None of the actions reported in this section to manage the impacts previously described required significant Capex or Opex.

Resilience of strategy and business model

The resilience of SIPEF's strategy and business model is demonstrated by the Group's proactive compliance with local regulations and international standards such as the Roundtable on Sustainable Palm Oil (RSPO) and the Rainforest Alliance. Continuous monitoring, effective implementation of corrective actions, and ongoing improvement initiatives ensure the Group can manage environmental risks effectively, maintaining operational continuity and stakeholder confidence.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

SIPEF's approach to water management is grounded in its Environmental Policy and Responsible Plantations Policy (RPP). The Environmental Policy commits the Group to preventing pollution and improving environmental performance by using resources efficiently, including water. It also emphasises compliance with relevant environmental regulations and the continuous improvement of environmental practices.

The RPP further reinforces these principles with specific commitments to improve water management and reduce water usage intensity across operations. It also supports water-related goals through sustainable land preparation and management, minimising the use of agrichemicals, reducing waste and pollution, and maintaining riparian buffer zones to protect waterways.

These commitments guide SIPEF's actions to ensure that water resources are used efficiently and responsibly, in support of both operational sustainability and the protection of surrounding ecosystems.

Further information regarding SIPEF's efforts to prevent water pollution is detailed in 'E2: Pollution'. To view more information on the development, governance, and communication of the RPP, please see 'General information'.

Actions, targets, and monitoring

The Group's approach to water management prioritises the preservation of water availability and quality, not only to support its operations but also to safeguard the needs of local communities and ecosystems. Across all plantations and processing sites, water usage is closely monitored, with continuous efforts to improve efficiency and reduce water usage intensity. Efforts continue to optimise usage by integrating efficiency measures in both field and processing operations.

Within the Group's operations, banana cultivation remains the most water-intensive activity, mainly due a reliance on irrigation, whereas oil palm is predominantly a rainfed crop. In Côte d'Ivoire, irrigation water is sourced from a combination of rainwater, treated discharge from banana packing stations stored in on-site dams, and adjacent rivers. For the packing stations, water is extracted from wells in accordance with food safety regulations. After use, 100% of water from the packing process is either recycled through decantation tanks and redirected to dams for future irrigation or safely discharged into rivers.

For SIPEF's palm oil mills, water is sourced from rivers, water bores, or other on-site water storage facilities. Some mills recycle treated Palm Oil Mill Effluent (POME) for land application within the plantations, while others discharge the treated effluent into rivers or other water bodies in compliance with regulatory standards.

Water consumption

In 2024, the SIPEF Group's total water consumption reached 11 237 154 m^3 across its palm oil mills, banana plantations, and packing stations, equivalent to 27 341 m^3 per million EUR of net revenue. Of this total, approximately 92% was attributed to banana cultivation and processing activities, while the remaining 8% was related to palm oil processing. Total water consumption was calculated by subtracting the volume of water discharged from palm oil mills and packing stations from the total water withdrawn across palm oil mills, banana plantations, and packing stations.

WATER MANAGEMENT	2024
PALM OIL PROCESSING (M³)	
1. Water consumption	914 966
2. Water recycled and re-used	504 545
3. Water stored	566 972
BANANA PLANTATIONS AND PACKING STATIONS (M³)	
1. Water consumption	10 322 188
2. Water recycled and re-used	46 524
3. Water stored	0
SIPEF GROUP (M³)	
Water consumption	11 237 154
Water intensity/net revenue (m^3/million EUR)	27 341

In Côte d'Ivoire, accurately quantifying water uptake by banana plants is challenging as discharge of excess irrigation water is not measurable; therefore, it is assumed that 100% of the water withdrawn for irrigation is fully consumed within the plantations, resulting in no discharge from these areas. All other reported volumes were directly measured using flowmeters installed at the respective operational sites.

For palm oil processing, a total of 504 545 m^3 of water was recycled and reused through the land application of treated POME. This is based on direct measurement using flowmeters at palm oil mills. Additionally, 566 972 m^3 of water was stored, based on the annual capacity of on-site water storage facilities.

For banana operations, a total of 46 524 m^3 of water was recycled and reused across the packing stations and for irrigation within the plantations. The recycled volume used in the packing stations was estimated based on the capacity of the recycling tanks and the number of operational days. The volume redirected for irrigation corresponds to 100% of the treated discharge from the relevant packing stations and is equivalent to the water withdrawal volume, as measured directly using flowmeters. No on-site water storage is required for these activities.

Water usage intensity by crop

SIPEF monitors and reports crop-specific water usage intensity for both banana and palm oil production based on water withdrawal.

For palm oil, water usage intensity targets are measured per tonne of FFB processed at each mill. These targets are designed to ensure that water efficiency is continuously monitored and maintained. To reflect varying environmental conditions and operational contexts, SIPEF has set water usage intensity targets for its palm oil mills based on the predominant soil type at each site. This tailored approach ensures that water efficiency targets are both practical and environmentally appropriate. The targets disclosed are voluntary in nature and are not required by any existing legislation.

Water usage intensity targets will be set for banana operations once an accurate baseline has been assessed, particularly in relation to water uptake within the plantations.

In 2024, the Agro Muara Rupit mill in Indonesia recorded a water usage intensity of 1.24 m^3 per tonne of FFB, exceeding its target of $\leq$1.0 m^3 per tonne. This was primarily due to the mill commencing operations in June 2024, and further calibration is needed before its water usage stabilises within the target range. All other mills in Indonesia remained

WATER USAGE INTENSITY	TARGET	2024	2023
INDONESIA (M³/TONNE FFB PROCESSED)			
Agro Muara Rupit palm oil mill	≤1	1.24	-
Bukit Maradja palm oil mill	≤1	0.90	0.89
Bunga Tanjung palm oil mill	≤1	0.81	0.50
Dendymarker Indah Lestari palm oil mill	≤1.5	0.95	0.99
Mukomuko palm oil mill	≤1	0.81	0.84
Perlabian palm oil mill	≤1	0.77	0.92
Umbul Mas Wisesa palm oil mill	≤1.5	1.35	1.35
PAPUA NEW GUINEA (M³/TONNE FFB PROCESSED)			
Barema palm oil mill	≤1.3	1.06	0.94
Hargy palm oil mill	≤1.3	1.00	0.90
Navo palm oil mill	≤1.3	1.23	1.56
CÔTE D I'VOIRE (M³/TONNE BANANA PRODUCTION)			
Estates and packing stations	No target	212.85	178.12

within target, demonstrating either improved or consistent efficiency. In Papua New Guinea, all mills operated within their respective water intensity targets, with values ranging from 1.00 to 1.23 m³ per tonne of FFB processed. Most showed slight improvements compared to 2023, notably the Navo mill, which reduced its water intensity from 1.56 to 1.23 m³ per tonne.

In Côte d'Ivoire, water usage intensity for banana production increased by around 19% in 2024, reaching 212.85 m³ per tonne compared to 178.12 m³ per tonne in 2023. This increase is primarily attributed to reduced rainfall, drier weather conditions leading to higher evaporation, and the continuation of the new planting programme underway at the Akoudié site.

Additional water-related targets have been set, including the installation of rainwater harvesting systems at all palm oil mills and the implementation of a water recycling basin at one packing station. These initiatives aim to improve water efficiency and reduce reliance on raw water sources across the Group's operations. While the targets set are not mandatory regulatory requirements, they are aligned with industry best practices and reflect SIPEF's commitment to continuous improvement and responsible water stewardship.

Through the implementation of targeted water management programmes, the Group continues to monitor, assess, and optimise water use across its plantations and processing operations. By setting site-specific intensity targets, investing in rainwater harvesting and recycling initiatives, and aligning practices with industry best standards, SIPEF aims to minimise its reliance on freshwater resources while supporting long-term environmental and operational resilience.

E4: Biodiversity and ecosystems

SIPEF operates in regions rich with tropical forests. This gives the Group a unique position of responsibility for mitigating biodiversity loss and significantly reducing climate-related impacts by decoupling deforestation from agricultural production. The Group's commitment to protecting biodiversity is clearly articulated in its Responsible Plantations Policy (RPP), which includes a strict no deforestation and no new development on peat (NDP) commitment that has been implemented Group-wide since 2015. SIPEF identifies and avoids converting high conservation value habitats during new developments and carefully manages existing plantations to minimise land degradation, invasive weed proliferation, and negative impacts on watersheds. These targeted measures help safeguard critical ecosystems in the landscapes where the Group operates, while ensuring compliance with applicable environmental standards and regulations.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Land-use change • Land degradation • Species population size • Species global extinction risk	• Responsible Plantations Policy (RPP) • Environmental Policy	• Zero incidents of tree cover loss in own concessions under the Company's management control and supplier areas. • Zero incidents of fire in own concessions under the Company's management control and supplier areas. • By 2030, establish one landscape level approach to nature positive oil palm cultivation and community engagement in Papua New Guinea. • Restore 256 hectares of degraded land within the Sipef Biodiversity Indonesia (SBI) conservation area by 2024, from baseline year 2021. • Restore 1 123 hectares of degraded land within SBI by 2033, from baseline year 2024.	• No incidents of deforestation were recorded in SIPEF's own concessions under the Company's management control and supplier areas in 2024 • As of December 2024, SIPEF manages 15 320 hectares of designated conservation areas across its operations in Indonesia, Papua New Guinea, and Côte d'Ivoire • SIPEF set a 2030 target to establish a landscape-level example of nature-positive oil palm cultivation and community engagement in Papua New Guinea • SIPEF updated its restoration target for the SBI programme to 1 123 hectares of degraded land by 2033, building on the 2024 goal of 256 hectares

Impacts assessment

The double materiality assessment carried out in 2024 identified land-use change,[1] land degradation, species population size, and species global extinction risk as material sustainability matters for the Group from the impact materiality perspective. The assessment was conducted in consultation with internal operational experts and informed by the best available data, including a Group-wide analysis of biodiversity impacts, dependencies, risks, and opportunities. This analysis incorporated the results of integrated High Conservation Value and High Carbon Stock Approach (HCV-HCSA) assessments, as well as social and environmental impact assessments conducted across SIPEF's operations and supply base to meet licensing and certification obligations.

The analyses confirm that SIPEF's operational sites are not located in or near biodiversity-sensitive areas. As such, no direct negative impacts on such areas have been identified. However, the Group has proactively designated conservation areas based on HCV-HCSA assessments. These areas are protected under SIPEF's NDP commitment and are managed as part of the Group's broader efforts to conserve ecosystems with high biodiversity or carbon value.

Impacts[2]

SIPEF has identified three potential impacts as material, which are described in this section. These were determined with reference to historical and industry-wide developments in palm oil production in Indonesia and Papua New Guinea, providing a broader context for understanding the ecological pressures linked to the sector.

For SIPEF's banana operations managed by Plantations J. Eglin SA, land acquisitions have only involved previously cultivated plantation areas under historically established lease agreements.

LAND-USE CHANGE AND LAND DEGRADATION
POTENTIAL NEGATIVE, SHORT-TERM

Expanding agricultural activities without proper conservation and land-use planning measures leads to deforestation, habitat loss, and fragmentation, directly and negatively impacting biodiversity and ecosystems. These changes contribute to climate change, water pollution, and soil erosion, and can also result in the loss of traditional hunting grounds and sacred sites for local and indigenous communities. In some areas, they may increase the risk of landslides and reduce land productivity.

This potential impact is relevant to both SIPEF's own operations and the smallholders in its supply base.

HABITAT LOSS FROM HISTORICAL LAND-USE CHANGE
POTENTIAL NEGATIVE, SHORT-TERM

Historical land conversion has contributed to loss of habitat for numerous important species, with resulting pressures on population sizes and local biodiversity. Much of this habitat change occurred in the past, and many of the remaining ecosystems

(1) Freshwater-use change and sea-use change are not applicable to SIPEF operations.
(2) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

are now fragmented, isolated, and increasingly vulnerable. These areas continue to face pressure from population growth and rising demand for land and natural resources. While the full ecological consequences remain uncertain, there is a possibility that further degradation could lead to cascading biodiversity effects. For this reason, the impact is considered potential.

IMPACT ON KEYSTONE SPECIES

POTENTIAL NEGATIVE, LONG-TERM

The loss and fragmentation of natural habitats can have long-term consequences for keystone species, which play a vital role in ecosystem stability.

Risks, dependencies, and opportunities analysis

SIPEF has taken a structured and proactive approach to identifying and managing biodiversity and ecosystem-related risks, dependencies, and opportunities across its operations and those of its smallholders. This has been primarily achieved by conducting HCV-HCSA assessments at each estate. Carried out by a third party, these assessments follow internationally recognised, peer-reviewed methodologies that are widely accepted as robust frameworks for identifying and protecting HCV areas in industrial agricultural landscapes.

In 2024, SIPEF engaged an external expert to consolidate the results of its HCV-HCSA assessments into a comprehensive Group-wide analysis. A core component of this was the threat and dependency analysis, which mapped potential impacts of land use on ecosystem services, evaluating both direct effects of SIPEF's operations and pressures from surrounding land uses and industries.

The analysis considered how key ecosystem services, such as water supply, soil health, pollination, and cultural values, are affected, and how these changes may impact local communities who depend on them. This analysis was informed by participatory mapping conducted during consultations with affected communities as part of the HCV-HCSA assessment process. This mapping identified the ecosystem services most important to communities, including the specific locations of resources they rely upon.

Another key component of the analysis was a qualitative review of transition and physical risks, referencing frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD):

- **Transition risks** assessed include policy and legal changes, market developments, technology shifts, and reputational risks.
- **Physical risks** assessed include drought, pest and disease outbreaks, fires, and land and soil degradation.

The assessment was based on a set of forward-looking assumptions, including the potential introduction of additional tariffs or environmental levies, a shift in customer preferences towards more sustainable and traceable supply chains, and the continued market demand for deforestation-free commodities. These were considered across

SIPEF's strategic business planning horizon (ten years) as well as a full oil palm crop cycle (20 years).

The results of the Group-wide assessment, including identified dependencies, risks, and opportunities, provide the context for assessing the resilience of SIPEF's business. While no immediate material transition, physical, or systemic risks were identified, the assessment highlighted long-term operational dependencies on ecosystem services such as pollination, water regulation, and soil fertility. These ecosystem services are essential to the resilience of SIPEF's operations, as well as the broader agricultural sector.

An overview of SIPEF's business model and strategy can be found in the Company Report.

Risks and opportunities

The following risks and opportunities[3] were identified by the broader business risks and opportunities assessment, and under the financial materiality lens of the 2024 double materiality assessment.

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
LAND-USE CHANGE (deforestation)	Palm oil is a low-cost, vegetable-based oil that, in the absence of viable large-scale substitutes, continues to meet growing global demand for affordable food. However, its potential and actual association with deforestation and biodiversity loss presents a material risk to SIPEF, as rising expectations for deforestation-free supply chains among regulators, buyers, and financial institutions may affect the Group.	With limited scope for new land developments, companies will need to increase productivity on existing plantations by adopting improved technologies. Advancements in the development of F_1 hybrid varieties, nutrition and soil management, and pest control will be key to achieving higher yields per hectare. This transition will require increased investment, including continued development of seed technology, but offers long-term gains in efficiency and output.
	SIPEF'S APPROACH: SIPEF addresses deforestation risks by implementing its NDP commitment, robust land use assessments, monitoring across its operations and supply chain, and targeted conservation practices. The Group addresses both the risk and opportunity by focusing on yield improvements on existing plantations through enhanced seed technology, soil management, and pest control. This strategy supports sustainable production without expanding into new land.	

(3) The material risk and opportunity were newly identified in 2024 and were not included in SIPEF's 2023 business risk assessment in their current form. Their identification reflects the alignment of the assessment with the material sustainability matters listed in Appendix A of ESRS 1.

Current and anticipated effects

In line with its double materiality assessment, SIPEF has assessed the likelihood of the identified impacts and risks occurring, together with their potential financial impacts. SIPEF has assessed that these impacts and risks are not expected to have a material financial impact on the Group, including its financial position, financial performance, and cash flows. Nevertheless, the Group has implemented effective measures to mitigate these risks.

Resilience of strategy and business model

SIPEF's NDP and broader environmental stewardship commitments are embedded within its strategy and business model, providing a robust framework to manage sustainable land-use impacts, risks, and opportunities, particularly in oil palm operations. This is operationalised through comprehensive HCV-HCSA assessments, stakeholder-informed conservation planning, and targeted site-specific biodiversity management practices.

The qualitative assessment described previously identified no immediate material biodiversity-related physical, transition, or systemic risks to SIPEF's business. However, potential future risks and impacts require continuous monitoring, with relevant mitigation measures integrated into the Group's business plan. The assessment also highlighted long-term operational dependencies on ecosystem services, such as pollination, water regulation, and soil fertility, which are critical for maintaining business resilience. Addressing these dependencies aligns with SIPEF's ongoing implementation of sustainable land-use and best management practices, as described throughout the environmental information section.

Policies and commitments

SIPEF's biodiversity and ecosystem-related commitments are anchored in two cornerstone policies: the RPP and RPuP. They define the strategic direction and minimum standards for responsible land use, biodiversity conservation, and sustainable sourcing across all operations and supplier relationships. Together, these policies comprehensively address the material impacts, dependencies, and risks outlined in this section.

The RPP applies to all plantations and operations managed by SIPEF, regardless of ownership share, including those located in or near protected or biodiversity-sensitive areas. It sets out SIPEF's Group-wide no deforestation commitment, effective since 31 December 2015, which prohibits new developments in HCV areas, HCS forests, peatlands, and fragile or marginal soils. The policy also affirms SIPEF's commitment to restoring ecosystems affected by historical non-compliant land conversion, in line with the RSPO Remediation and Compensation Procedure (RaCP).

In addition, the RPP outlines SIPEF's commitment to responsible land-use planning based on integrated HCV-HCSA assessments and environmental and social impact evaluations; the protection of ecological and social HCV areas across its operations; respect for customary land rights through robust Free, Prior and Informed Consent (FPIC) processes; the implementation of best management practices to optimise productivity while minimising environmental impacts; and a strict prohibition on hunting and other activities harmful to biodiversity.

The RPuP extends these principles to all smallholder suppliers. It requires legal proof of land rights, recognition of legitimate community claims, adherence to NDP commitments, and a ban on the use of fire for land clearing. Smallholders must also align with SIPEF's environmental and social policies and demonstrate potential for achieving RSPO certification in line with the Group's time-bound plan.

Together, the RPP and RPuP form the foundation of SIPEF's biodiversity governance framework, supporting its commitment to RSPO certification, full traceability, and responsible sourcing across its supply chain. In its non-oil palm operations, the Group adheres to recognised certification programmes such as Rainforest Alliance, Fairtrade, and GLOBALG.A.P., ensuring consistent sustainability standards are applied across its operations.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

Actions, targets, and monitoring

SIPEF takes a proactive approach to managing biodiversity and ecosystem-related impacts, adopting a range of measures to address deforestation and promote biodiversity and habitat conservation. The Company implements a strict NDP policy across all operations, supported by integrated HCV-HCSA assessments to guide responsible land-use planning. It also applies best management practices, including sustainable land preparation, soil conservation measures, and integrated pest management (IPM) to reduce chemical inputs.

These actions have not required significant Capex or Opex during the financial year.

Sustainable land use

Prior to any new land development, SIPEF conducts integrated HCV-HCSA assessments, supported by social and environmental impact assessments (SEIAs). These are performed by independent, licensed experts using internationally recognised methodologies that combine spatial analysis with field verification to identify areas of high biodiversity, ecosystem service value, cultural significance, and high carbon stock. As part of this process, the Company also upholds customary land rights and applies FPIC to ensure inclusive and sustainable development.

In previously developed organic soil areas, SIPEF applies best management practices in line with RSPO peatland management guidance and local regulations. This includes RSPO-compliant drainability assessments to evaluate long-term land use suitability and prevent further degradation.

Community engagement and nature-based solutions

SIPEF engages local and indigenous communities in its HCV-HCSA and environmental assessments, ensuring traditional knowledge informs land-use planning and conservation strategies. This inclusive approach ensures that traditional knowledge and cultural practices inform conservation strategies and that community-identified areas are incorporated into land-use planning through consultation and shared decision-making.

The HCV-HCSA approach also promotes nature-based solutions such as ecosystem restoration, habitat protection, and the enhancement of key ecosystem services like carbon sequestration and water regulation. These efforts contribute to building more resilient landscapes that can adapt to environmental change. SIPEF does not use biodiversity offsets to manage the impacts identified.

Conservation areas within SIPEF's concessions

As of 2024, SIPEF manages 15 320 hectares of conservation areas across its operations in Indonesia, Papua New Guinea, and Côte d'Ivoire, as identified through integrated HCV-HCSA assessments. These areas encompass identified HCV and HCS areas within the Group's concessions, and exclude the area managed under the SIPEF Biodiversity Indonesia (SBI) programme. In Indonesia, a net reduction of 259 hectares was recorded, primarily due to boundary realignments of land titles in oil palm estates and former tea operations.

CONSERVATION AREAS WITHIN SIPEF CONCESSIONS BY COUNTRY (HECTARES)	2024	2023
CONSERVATION AREAS (HCV / HCS)		
Indonesia	9 478	9 737
Papua New Guinea	5 626	5 626
Côte d'Ivoire	216	216
TOTAL	**15 320**	**15 577**

SIPEF continues to strengthen the monitoring and management of HCV areas and HCS forests across its concessions. Dedicated monitoring teams implement HCV-HCS management plans on the ground and receive ongoing training in conservation practices. They also engage employees and local communities, raising awareness of biodiversity and the importance of protecting HCV and HCS areas. This approach promotes shared environmental responsibility and supports the long-term protection of critical ecosystems.

Following an additional internal GIS-led assessment carried out in 2024, SIPEF can confirm it has not identified any owned, leased, or managed sites within its operations in Papua New Guinea, Indonesia, and Côte d'Ivoire that are located in or near[4] biodiversity-sensitive areas, such as protected areas[5] or key biodiversity areas (KBAs).

(4) Near is defined as within a 500-meter radius.
(5) Based on internal assessment using World Database on Protected Areas and UNESCO World Heritage Sites data.

Monitoring of SIPEF's NDP commitment

Since 2021, SIPEF has implemented a structured system to monitor compliance with its NDP policy across its supply base. In 2022, the approach was enhanced through the engagement of an independent third-party specialist to oversee monitoring activities across SIPEF's own operations and those of its suppliers in Indonesia and Papua New Guinea. The system focuses on detecting and verifying land-use changes within and around concession areas. This monitoring system integrates historical and near real-time satellite imagery to detect land cover changes. The third-party partner issues quarterly reports detailing any incidents that may contravene the NDP. Each alert undergoes a verification process to ensure accuracy and guide appropriate follow-up actions. In 2024, the system covered more than 157 791 hectares: 84% within SIPEF's own concessions and areas under the SBI programme, and 16% within supplier areas.

TARGET AND PROGRESS

SIPEF has set a target to achieve zero deforestation across both its directly managed concessions and supplier areas.

The target is in line in line with the Company's NDP commitment and reflects and supports sustainable land-use practices while helping to prevent land degradation. Importantly, the NDP extends beyond SIPEF's own operations, requiring active engagement with upstream suppliers to uphold the commitment and implement best practices.

According to the 2024 monitoring results, no incidents of deforestation or peatland conversion were recorded within SIPEF's own estates or among its smallholders.

Read more about the target and progress made in Annex 1.

AREAS MONITORED (IN HECTARES)	2024		
	SIPEF OWN CONCESSION	SUPPLIERS' AREAS	TOTAL AREAS MONITORED
Total	133 305	24 486	157 791

Historical assessment of NDP compliance

In addition to regular tree cover loss monitoring, a historical assessment of NDP compliance was conducted by Earthqualizer, evaluating SIPEF's operations against industry-wide NDP benchmarks for the period from 31 December 2015 to 31 December 2023. The review covered land within all of SIPEF's estates and smallholder areas. One instance of liability was identified: 24 hectares of historical deforestation in Papua New Guinea. SIPEF is proactively engaging in the remediation process for this area and applying appropriate mechanisms, reinforcing its commitment to responsible land stewardship and long-term sustainability.

Fire prevention and management

SIPEF strictly prohibits the use of fire for land development across all its estates and supplier operations. Fire prevention is a key priority to protect employees, local communities, and Company assets. The Group has established fire risk monitoring systems in Indonesia and Papua New Guinea, where fire risks are most prevalent. Each estate is equipped with trained firefighting teams, water tank-equipped vehicles, and high-pressure pumps. Effective water management in organic soils is also a critical component of SIPEF's fire prevention strategy, helping to reduce the risk of hotspots in sensitive areas.

TARGET AND PROGRESS

SIPEF has set a target of ensuring there are no fires on either its directly managed concessions or supplier areas. It reflects the Company's NDP commitment and contributes to sustainable land-use practices and the prevention of land degradation. Crucially, the NDP extends beyond SIPEF's direct operations, requiring active engagement with upstream suppliers to ensure that they also uphold NDP commitments and implement best practices.

FIRE MONITORING WITHIN OWN CONCESSIONS

	2024 WITHIN OWN CONCESSIONS		2023 WITHIN OWN CONCESSIONS	
COUNTRY / PROVINCE	HOTSPOTS VERIFIED WITHIN COMPANY'S CONTROL	AREAS IMPACTED (HECTARES)	HOTSPOTS VERIFIED WITHIN COMPANY'S CONTROL	AREAS IMPACTED (HECTARES)
INDONESIA	**6**	**10.7**	**39**	**160.5**
North Sumatra	0	0	0	0
Bengkulu	0	0	0	0
South Sumatra	6	10.7	39	160.5
PAPUA NEW GUINEA	1	0.01	**0**	**0**
TOTAL	**7**	**10.71**	**39**	**160.5**

In 2024, fire incidents within SIPEF's own concessions declined significantly, largely due to milder climatic conditions and a less severe dry season compared to 2023. The total affected area dropped sharply from 160.5 hectares in 2023 to just 10.71 hectares in 2024. Most 2024 hotspots were recorded in South Sumatra (10.7 hectares), with a minor incident in Papua New Guinea (0.01 hectares) caused by a house fire. In Indonesia, the majority of fire events were triggered by fires originating on adjacent community lands that subsequently spread into SIPEF-managed areas.

In supplier areas, the number of verified fire incidents also fell, from 18 in 2023 to 2 in 2024. However, the total area affected increased from 2.2 to 11 hectares, suggesting greater intensity or spread per incident. Both incidents occurred within smallholder-managed areas, with the largest fire reported in Indonesia. The affected areas are in the process of rehabilitation.

To support its commitment to sustainable land use, SIPEF continues to engage with suppliers through awareness campaigns and capacity-building initiatives, reinforcing best practices in fire prevention and responsible land management.

Sustainable landscape approach and biodiversity conservation

Beyond site-level measures, SIPEF is advancing an integrated landscape approach, with a strong emphasis on restoring and enhancing biodiversity across its production landscapes. In addition to protecting HCV and HCS areas identified within its operations, SIPEF has established dedicated initiatives like the SBI programme, which supports forest restoration and community-led stewardship.

Integrated land-use planning in Papua New Guinea

SIPEF is committed to promoting regenerative landscapes that combine conservation, restoration, and sustainable land use, guided by respect for land and community rights and strengthened through stakeholder collaboration. In line with this vision, SIPEF is advancing integrated land-use planning in Papua New Guinea to balance conservation and responsible development. Based on a detailed HCV-HCSA assessment completed in 2023, the Group has identified areas for long-term conservation and others suitable for sustainable development near existing smallholder plantations.

As part of this strategy, SIPEF has set a 2024 target to establish at least one landscape-level example of nature-positive oil palm cultivation and community engagement in Papua New Guinea by 2030.

SIPEF Biodiversity Indonesia (SBI)

The SBI programme is a 12 672-hectare ecosystem restoration initiative located next to *Kerinci Seblat* National Park. It focuses on biodiversity protection and monitoring, including the presence of critically endangered species such as the Sumatran tiger. The project also supports active reforestation and agroforestry.

As of 2024, 286.44 hectares have been restored, and agroforestry programmes have exceeded engagement targets by supporting 376 farmers to protect and manage conservation areas. In collaboration with the Zoological Society of London (ZSL) and SINTAS, a local NGO in Indonesia, SBI also aims to strengthen science-based conservation and monitoring efforts.

SBI BIODIVERSITY MONITORING	TARGET BY 2024	2024	2023
Degraded area restored (hectares)	256	286.44	224
Number of agroforestry growers engaged	369	376	376

In line with SIPEF's broader commitments to protect and monitor biodiversity, SIPEF has set a target to restore a cumulative 1 123 hectares of degraded land within SBI by 2033.

Application of ecological thresholds in target setting

SIPEF has not yet applied ecological thresholds or allocated environmental impacts in setting its conservation and biodiversity targets. Current goals are internally defined and focus on implementing sustainable land-use management, maintaining conservation areas, and advancing biodiversity projects. These targets are not currently informed by or aligned with the Kunming-Montreal Global Biodiversity Framework, the EU Biodiversity Strategy for 2030, or national biodiversity policies. Biodiversity offsets have also not been used in the target setting process.

As relevant methodologies and frameworks continue to evolve, SIPEF will consider aligning with them where appropriate to support the further development of its approach to sustainable land use, landscape management, and biodiversity conservation.

Relevance of mitigation hierarchy level of the actions above:

- Targets for zero tree cover loss and zero fire incidents: Avoidance
- Targets for SBI and Landscape approach: Avoidance, Restoration, and Rehabilitation

Read more about the targets and progress made in Annex 1.

EU Taxonomy disclosures

The EU Taxonomy Regulation (EU 2020/852) is a classification system for environmentally sustainable economic activities. Developed by the European Commission, it aims to facilitate sustainable investment and support the implementation of the European Green Deal. The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards sustainable projects and activities. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals, as it establishes clear definitions and criteria for what is considered to be sustainable.

Article 8(2) of the EU Taxonomy Regulation requires non-financial undertakings to disclose Key Performance Indicators (KPIs) that reflect the proportion of their turnover derived from environmentally sustainable economic activities, as well as the proportion of capital (Capex) and operating expenditure (Opex) linked to assets or processes associated with such activities, relating to six environmental objectives:

SIX ENVIRONMENTAL OBJECTIVES OF THE TAXONOMY REGULATION

- → Climate change mitigation
- → Climate change adaptation
- → The sustainable use and protection of water and marine resources
- → The transition to a circular economy
- → Pollution prevention and control
- → The protection and restoration of biodiversity and ecosystems

For more information: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

SIPEF's eligibility and alignment

As a non-financial parent undertaking, SIPEF has assessed the Group's activities as an agro-industrial entity for the 2024 reporting period, evaluating them against all Taxonomy-eligible economic activities outlined in the EU Taxonomy Regulation and its Delegated Acts[1] Based on the eligibility screening utilising NACE codes and a review of an economic activity description, SIPEF's main business activities, tropical agriculture (A1.2) and manufacture of palm oil (C10.4), are considered taxonomy-non-eligible economic activities. Throughout the process, SIPEF has taken into account the following considerations:

- → If a NACE-code is broader than the activity description, the activity description prevails over the scope of the NACE code.
- → If an economic activity doesn't have a NACE code but does meet the activity description, it can qualify as an eligible activity.
- → If the NACE code of an economic activity is not mentioned in the Climate Delegated Act, but the economic activity corresponds to the description of the activity, it can qualify as an eligible activity.

(1) Regulation (EU) 2020/852 as supplemented with Commission Delegated Regulation (EU) 2021/2139, Commission Delegated Regulation (EU) 2021/2178, Commission Delegated Regulation (EU) 2022/1214, Commission Delegated Regulation (EU) 2023/2485 and Commission Delegated Regulation (EU) 2023/2486.

A limited portion of the reported capital expenditures, operating expenditures, and revenues relates to planned improvements intended to meet EU Taxonomy criteria within the prescribed timeframe (type (c) Capex). These expenditures are part of SIPEF's transition strategy and represent climate mitigation investments in biogas plants (D35.11) and biodiversity conservation (A2). For 2024, the total type (c) Capex for the construction of the biogas plants amounted to KUSD 2 513, with KUSD 86 of the Group's total turnover linked to the sale of electricity from the biogas plants. The total type (c) Opex related to the biodiversity programme amounts to KUSD 180. Given the immateriality of these amounts relative to total Capex, Opex, and turnover they do not materially affect SIPEF's overall Taxonomy alignment KPIs. Nevertheless, they are included to demonstrate the Group's commitment to progressive alignment with the Taxonomy framework.

SIPEF remains committed to reducing greenhouse gas emissions and managing climate-related risks and impacts. An overview of the Group's existing initiatives with respect to climate change mitigation and adaptation has been provided in section E1: Climate change of this report. The complete Taxonomy tables are available in the Annex 3, which is an integral part of the Integrated Annual Report.

PROPORTION OF TAXONOMY-ELIGIBLE AND TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN TOTAL TURNOVER, CAPEX, AND OPEX

	TOTAL (KUSD)	PROPORTION OF TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES (%)	PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES (%)
Turnover	443 810	0%	100%
Capital expenditure (Capex)	86 858	2.9%	97.1%
Operating expenditure (Opex)	48 450	0%	100%

Nuclear and fossil gas-related activities

SIPEF has evaluated its operations across the Group and declares that it does not engage in, fund, or have exposure to any nuclear or fossil gas-related activities as defined in the following tables. Please see SIPEF's statements on nuclear energy-related activities and fossil-gas related activities in the template 1 as introduced by the Complementary Delegated Act below. Since SIPEF is not performing activities related to nuclear energy and fossil gas, it does not include templates 2-5 of the Complementary Delegated Act.

NUCLEAR ENERGY-RELATED ACTIVITIES	
The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	no
The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	no

FOSSIL GAS-RELATED ACTIVITIES	
The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

Minimum safeguards

SIPEF confirms that it respects the minimum safeguards, as elaborated further in the Environmental, Social, and Governance information sections of this Sustainability Statement.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Social information

Millions of people worldwide rely on agriculture for their livelihoods, while the sector sustains a growing global population of eight billion. Despite driving significant socio-economic development, agriculture has also been linked to human rights and land-related impacts, particularly in tropical commodity-producing regions.

SIPEF's Balanced Growth Strategy emphasises that sustainable growth depends on being a responsible employer and good community partner. It also requires responsible practices in sourcing and production, including fair labour conditions, respect for human rights, and the delivery of safe, traceable products to consumers.

Focus area and sustainability goals

RESPECTING EMPLOYEES AND COMMUNITIES

- Respecting human, labour, and community rights, in accordance with local laws and international frameworks
- Foster long-term relationships, create shared value, and support the well-being and resilience of local communities

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

- Support smallholders in their journey towards improved, sustainable, and certified production
- Support smallholders to earn higher incomes and have better access to international markets
- Screen and monitor suppliers to ensure compliance with SIPEF policies
- Full compliance with leading sustainability standards and certifications
- Maintain 100% traceability for all products
- Implement the highest food safety and quality standards

S1: Own workforce

As an employer of thousands of people, SIPEF recognises its responsibility to uphold human and labour rights across its workforce. The Group is committed to ensuring fair working conditions in accordance with local laws and international standards. Beyond compliance, this commitment extends to enhancing the well-being of its employees across operations in Indonesia, Papua New Guinea, and Côte d'Ivoire. By providing stable employment and access to healthcare, education, and infrastructure, SIPEF underscores its support for the agricultural community and its contribution to sustainable development.

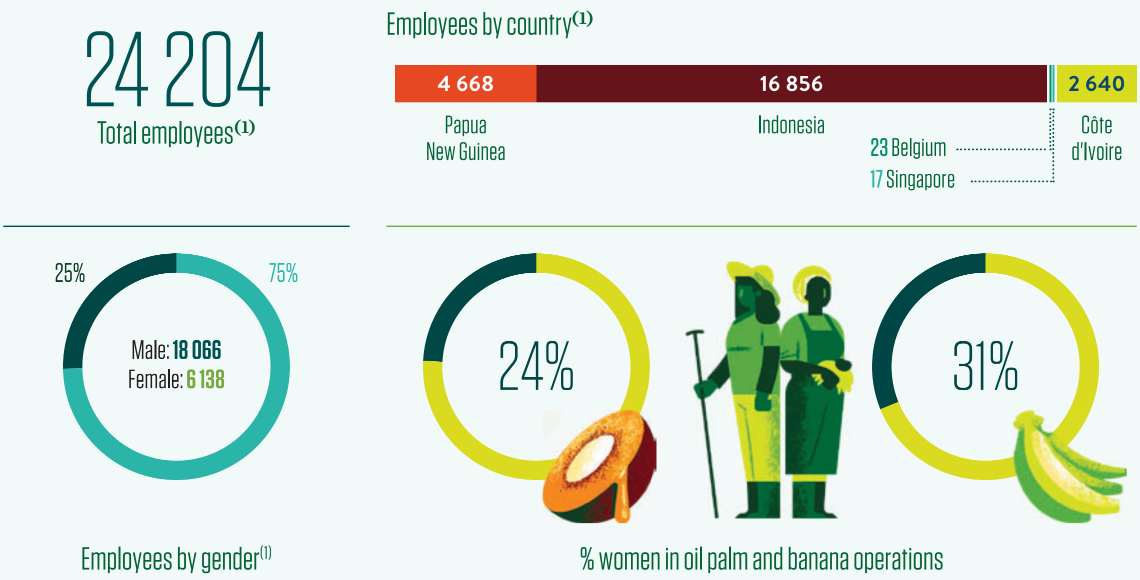
SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Secure employment • Child labour • Forced labour • Adequate wages • Freedom of association • Collective bargaining • Working time • Work-life balance • Health and safety • Training and skills development • Gender equality and equal pay for work of equal value • Diversity • Measures against violence and harassment in the workplace	• Responsible Plantations Policy (RPP) • Human Rights Policy • Child Labour Policy • Forced or Trafficked Labour Policy • Freedom of Association Policy • Occupational Health and Safety Policy • Equal Employment Opportunity Policy • Protection of Reproductive Rights Policy • Sexual Harassment Policy	• Submit ten early childhood schools for registration with local authorities in Papua New Guinea by 2025. • No work-related fatalities • Reduce LTIFR by 8.5% in Indonesia, Papua New Guinea, and Côte d'Ivoire by 2027.	• In 2024, SIPEF employed 24 204 people across six countries, with 68% on permanent contracts • Women made up 25% of SIPEF's total workforce in 2024, with efforts underway to expand their participation in technical and field roles • LTIFR improved in Papua New Guinea and Indonesia, but increased slightly in Cote d'Ivoire • Over 50 female employees were trained and employed in ablation and harvesting roles in North Sumatra and Bengkulu, roles traditionally held by men • 2024 marked SIPEF's first year of reporting on gender pay gap, annual remuneration ratio, and employee turnover, strengthening transparency on workforce data

SIPEF'S WORKFORCE

In 2024, SIPEF employed a total of 24 204 people, including both permanent and temporary employees, across Indonesia, Papua New Guinea, Côte d'Ivoire, Belgium, Singapore, and Luxembourg. The majority of the workforce is based in Indonesia (70%), followed by Papua New Guinea (19%) and Côte d'Ivoire (11%), while the remainder work in Belgium, Luxembourg, and Singapore. Women make up 25% of SIPEF's total workforce.

EMPLOYEES OVERVIEW



(1) Total employee count is based on headcount and includes employees from the Cibuni Tea Estate.

Scope of own workforce covered in this section

This section covers all employees in SIPEF's own workforce who can be materially impacted by the Company and its operations. It does not cover non-employees.

Employees include those on permanent and temporary contracts.

- **Permanent:** Hired on a contract for an indefinite period
- **Temporary:** Employed on a fixed-term contract that ends upon completion of a specified duration, task, or event

Non-employees, including contractors, are referenced where applicable in policies or monitoring procedures but are not included in the scope of the data. Where material impacts differ between temporary and permanent employees, this is noted alongside the impact disclosures.

RESPECTING HUMAN RIGHTS

SIPEF is committed to treating all employees fairly, protecting their rights, and upholding labour standards across its operations. The Group complies with all applicable local laws and aligns with international frameworks, including the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the United Nations' Universal Declaration of Human Rights.

This commitment is reflected in SIPEF's Responsible Plantations Policy (RPP) and Human Rights Policy, as well as in dedicated policies on child labour, forced or trafficked labour, freedom of association, occupational health and safety, equal employment opportunity, protection of reproductive rights, and the prevention of sexual harassment.

A key element of SIPEF's RPP is the commitment to achieving 100% certification across its palm and banana operations, ensuring compliance with labour standards, occupational health and safety requirements, and fair employment practices. The RSPO Principles and Criteria (P&C) reinforce SIPEF's dedication to ethical labour practices by encompassing the protection of human rights, fair labour conditions, and the provision of grievance mechanisms. Additionally, SIPEF complies with Indonesian Sustainable Palm Oil (ISPO) standards and, for its banana operations, holds Rainforest Alliance and Fairtrade certifications, and undergoes SMETA audits.

To further safeguard human rights, SIPEF provides a grievance mechanism accessible to all stakeholders, including employees, their families, and non-employees.

Read more about SIPEF's grievance mechanism and approach to human rights remediation on page 194.

Policies dedicated to respecting human rights in own workforce

SIPEF's Human Rights Policy and all other aforementioned workforce-related policies apply to all companies under SIPEF's management. Depending on the policy, implementation is overseen by the human resources heads in each country, or the regional sustainability team leads, who report to the executive committee in each country of operation.

To ensure compliance with local regulations, RSPO standards for palm oil operations, and Rainforest Alliance, Fairtrade and SMETA for banana operations, these policies have been transposed into country-level policies. While stakeholder input during their initial development in 2015 was not documented, they will be reviewed as part of SIPEF's upcoming group-wide policy revision, which will incorporate stakeholder feedback.

Group-level policies are publicly accessible on SIPEF's website, while locally adapted versions are displayed on notice boards at operational sites and communicated to employees during training and awareness sessions.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

SIPEF's business model is built on ensuring a stable, well-supported workforce while maintaining 100% RSPO certification across its operations and supply base. Compliance with RSPO labour standards, occupational health and safety requirements, and fair employment policies strengthen both workforce resilience and long-term operational stability. Investments in training, health and safety, and labour rights protections contribute to productivity, worker retention, and risk mitigation across SIPEF's operations in Indonesia, Papua New Guinea, and Côte d'Ivoire.

Workforce impacts and management approach

Actions, along with policies and relevant commitments related to managing material workforce impacts, are disclosed alongside the sustainability matters presented in this section. In general, actions taken or planned to manage the impacts described in this section are based on the results of internal and external audits, risk assessments, and grievance mechanisms to ensure appropriate responses. Dedicated financial and human resources are allocated to managing these issues.

While this section addresses key material impacts on the Group's own workforce, SIPEF's double materiality assessment did not identify any material risks or opportunities. As a result, there are no risks or opportunities disclosed in this section, nor reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no effects are reported on the Company's financial position, performance, or cash flows.

Furthermore, no material negative impacts on workers were identified in relation to transition plans for reducing environmental impacts. Consequently, no specific mitigation measures were required to address such impacts.

SECURE EMPLOYMENT

SIPEF recognises that stable employment is essential not only for its own workforce but also for the well-being of the communities surrounding its operations, particularly in regions where access to reliable job opportunities is limited. By providing long-term employment and ensuring benefits and protections for its temporary employees, SIPEF can contribute to economic resilience and sustainable development in the rural or remote areas where it operates in Indonesia, Papua New Guinea, and Côte d'Ivoire.

As a driving force behind the company's activities, SIPEF's workforce is also integral to its operations and success, with their stability and well-being closely tied to the company's long-term strategy and sustainable business model.

Impacts[1]

STABILITY AND SECURITY OF INCOME
ACTUAL POSITIVE, MEDIUM-TERM

SIPEF provides employment to over 24 000 employees in countries and areas with higher unemployment and poverty rates. Employees hired under permanent contracts make up a significant portion of SIPEF's own workforce. Permanent employees have more stable and secure incomes, increasing their and their families' socio-economic well-being. This also provides more resilience against external shocks.

Policies and commitments

The RPP aligns with SIPEF's Balanced Growth Strategy, committing the company to responsible plantation management, employment creation, and local development. The policy outlines specific commitments to respecting employees' rights and human rights, including adherence to international labour standards and the implementation of fair and ethical employment practices across all operations.

A key pillar of the RPP is achieving 100% RSPO certification, which sets clear requirements for fair wages, safe working conditions, non-discrimination, grievance mechanisms, freedom of association, and collective bargaining rights, while also mandating employment benefits that promote workforce well-being and job security. Similarly, Rainforest Alliance and Fairtrade certification uphold internationally recognised standards for ethical employment practices, fair treatment of workers, and responsible labour conditions. Together, these certification programmes ensure that SIPEF's palm oil and banana operations meet rigorous social and labour standards.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

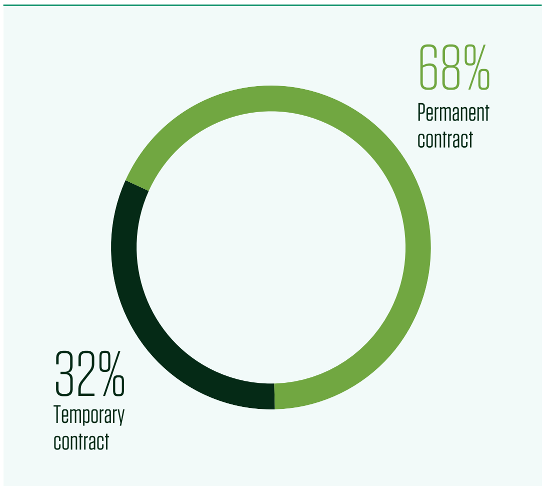
(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Employee contract types

SIPEF employs 68% of its workforce under contracts of indeterminate duration (permanent contracts) and 32% under temporary contracts across its oil palm and banana operations.

The structures of temporary employment vary across different countries of operation in accordance with the local labour context. However, in most cases, temporary employees are seasonal workers in plantations, supporting short-term activities and peak season demands.

EMPLOYEES BY CONTRACT TYPE



EMPLOYEES BY CONTRACT TYPE BY GENDER 2024

TYPE	FEMALE	MALE	TOTAL
Permanent	2 872	13 696	16 568
Temporary	3 266	4 370	7 636
TOTAL	**6 138**	**18 066**	**24 204**

Employee turnover

In 2024, a total of 5 162 employees left the organisation, resulting in an overall employee turnover rate of 21%, including both permanent and temporary employees. In Indonesia, the majority of employees who left did so voluntarily. Since Indonesia has the largest workforce, this makes voluntary departures the leading reason at the Group level.

Actions, targets and monitoring

SIPEF ensures that permanent employees across its operations receive a comprehensive benefits package, which typically includes social security, pension, housing, medical coverage, and allowances for transport, childcare, and education. The specific benefits vary based on local regulations, company policies in each country, and the employee's work location, whether at an administrative office or an operational site.

The Group also implements measures to provide fair working conditions and benefits for temporary employees. Where feasible, SIPEF also strives to transition temporary employees to permanent positions.

To ensure fair employment conditions and worker protections, SIPEF complies with RSPO, Rainforest Alliance, Fairtrade, and SMETA, all of which set requirements for employment conditions, written contracts, and fair treatment of workers. Compliance is verified by internal and external audits conducted throughout the year.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

At PT Tolan Tiga Indonesia, temporary employees account for 38% of the workforce. They are hired under either *Perjanjian Kerja Waktu Tertentu* (PKWT), a fixed-term employment contract for seasonal work, projects, or jobs with a defined duration, or *Buruh Harian Lepas* (BHL), a daily work agreement for non-permanent or seasonal roles within the Company. All temporary contracts are covered under Indonesia's social security system, *Badan Penyelenggara Jaminan Sosial* (BPJS), which provides health and employment insurance in line with national regulations. PKWT employees also receive compensation upon contract completion.

PKWT contracts can be renewed for up to five years before requiring conversion to permanent status, which grants indefinite-term employment. SIPEF is actively working to transition high-performing temporary employees, particularly in plantations nearing full development, into permanent roles. This effort aligns with RSPO requirements and streamlines workforce administration.

Papua New Guinea

At Hargy Oil Palms Ltd (HOPL), only 1% of employees are on temporary contracts, primarily for plantation tasks such as fertiliser application. Temporary employment fluctuates throughout the year based on operational needs, with all temporary workers locally hired. With the exception of superannuation and housing, temporary employees receive the same benefits as permanent employees, including medical coverage and transport support.

In accordance with national regulations, any temporary worker who exceeds three months of continuous employment must be offered a permanent position. While multiple short-term contracts can be issued, HOPL aims to limit this to a maximum of two renewals.

Côte d'Ivoire

At Plantations J. Eglin SA (Plantations J. Eglin), temporary contracts accounted for 47% of the total workforce in 2024, marking a significant increase from 2023. This rise was driven by new developments in Akoudié and Lumen, where a higher number of workers were needed for a fixed term. Temporary employees receive the same benefits as permanent employees during their employment, including medical coverage, company-funded private health insurance covering 80% of healthcare costs, and social security through the national social security system, *"Caisse Nationale de Prévoyance Sociale"* (CNPS). The CNPS provides benefits such as family allowances, retirement pensions, maternity and paternity leave, and coverage for work-related accidents and disability.

Temporary contracts are typically issued for three months, with a maximum extension of up to two years. Efforts to transition temporary employees to permanent contracts are ongoing.

Targets and monitoring

SIPEF has not set a specific target to enhance the actual material impact identified in relation to secure employment for its own workforce. However, it has set a target to achieve 100% RSPO certification for SIPEF's own oil palm estates by the financial year 2030. SIPEF's banana operations are already fully certified.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability Standards and Certification' in the Company Report.

NO EXPLOITATION

SIPEF has a zero-tolerance policy for all forms of exploitation, including forced labour, human trafficking, and child labour, across its operations and supply chain. The Group enforces strict labour policies and due diligence measures to prevent exploitative practices, including among temporary employees and subcontracted labour, where risks may be higher. Through compliance monitoring, industry engagement, and responsible employment practices, SIPEF safeguards the rights, safety, and dignity of all workers.

Impacts[2]

Child labour

PHYSICAL, PSYCHOLOGICAL, AND SOCIOECONOMIC IMPACTS OF CHILD LABOUR

POTENTIAL NEGATIVE, LONG-TERM

Child labour can significantly impact children's physical and psychological health, exposing them to hazardous work that impedes their education and leads to lower academic and career achievement. This can perpetuate a cycle of poverty, limiting economic opportunities and contributing to broader social and economic challenges.

Forced labour

HUMAN RIGHTS VIOLATIONS COMPROMISING WELL-BEING, SAFETY, FREEDOM AND DIGNITY OF WORKERS

POTENTIAL NEGATIVE, MEDIUM-TERM

Forced labour is a severe human rights violation that compromises the well-being, safety, freedom, and dignity of workers. It has been widely recognised that forced labour can be a risk in the palm oil industry, although the risk tends to be lower in countries like Indonesia and Papua New Guinea than other locations like Malaysia. Temporary employees contracted by third parties are more exposed to these issues, if due diligence is not in place.

Given the labour-intensive nature of agriculture and the palm oil industry, SIPEF recognises that certain contexts in the countries where it operates may present heightened risks of child labour or forced labour, particularly where social and economic factors can increase workforce vulnerability. To mitigate these risks, SIPEF implements monitoring efforts and ensures compliance with national and international labour standards to prevent exploitation and uphold fair working conditions.

(2) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

SIPEF is committed to no child labour and forced labour across its operations and supply chain, in line with international human rights frameworks and national regulations. These commitments are embedded in SIPEF's RPP, Child Labour Policy, and Forced or Trafficked Labour Policy.

A key pillar of the RPP is achieving 100% RSPO certification for palm oil operations, and Rainforest Alliance, Fairtrade, and GLOBALG.A.P. certifications for banana operations. These standards explicitly prohibit child and forced labour.

The Group's Child Labour Policy ensures that no individual under 18 is employed, mandating age verification during hiring, aligning with national laws and international agreements such as the ILO Convention No. 182 on the Worst Forms of Child Labour (1999), enforcing immediate corrective actions if violations are identified, and applying disciplinary measures against policy breaches.

SIPEF's Forced or Trafficked Labour Policy prohibits all forms of slavery, forced, or compulsory labour. Employees involved in such practices face disciplinary actions, including dismissal and potential legal consequences. Business partners must comply with this policy, with non-compliance leading to contract termination and possible legal action.

These policies apply to all companies under the management of SIPEF.

To view more information on the development, governance, and communication of the RPP, please see 'General information'.

Actions, targets, and monitoring

SIPEF enforces strict labour policies, conducts training and audits, mandates age verification, and applies due diligence for its own workforce and subcontracted workers to prevent child and forced labour risks. These actions are carried out throughout the year to ensure continuous compliance. In case of violations, immediate corrective actions, such as contract termination and disciplinary measures, are applied, while support is also provided for affected workers.

The effectiveness of these actions is tracked by annual external audits, including RSPO certification audits for palm oil operations, and Rainforest Alliance, Fairtrade, and SMETA audits for banana operations. Additionally, SIPEF's grievance mechanism serves as a key tool for monitoring and addressing compliance issues. The absence of reported cases from both audit results and the grievance mechanism demonstrates the effectiveness of these measures.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Targets and monitoring

SIPEF has not set specific targets, as it adopts a zero-incidence approach to child and forced labour. Its focus remains on strict monitoring and enforcement, as previously described.

Corrective action protocols are also in place in case incidents are detected. When this occurs, immediate remedial actions are taken, including:

- Immediate contract termination of wrongfully employed children
- Disciplinary action against company employees who wilfully breach the policy
- Termination of agreements with contractors for non-compliance with SIPEF's forced labour policy

SIPEF has set a broader target to achieve 100% RSPO certification for the Group's own oil palm estates by the financial year 2030, reinforcing adherence to labour standards, including child labour prevention. SIPEF's banana operations are fully certified.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability Standards and Certification' in the Company Report.

ADEQUATE WAGES

Agriculture is a primary source of employment in many rural areas, making fair wages and decent working conditions essential for sustaining livelihoods and economic security. SIPEF recognises that adequate compensation is key to the well-being of employees and their families. Wages that meet basic financial needs provide access to food, housing, healthcare, and education, ultimately improving quality of life.

Impacts[3]

INADEQUATE WAGES LOWER ABILITY TO MEET BASIC NEEDS
POTENTIAL NEGATIVE, MEDIUM-TERM

In the rural or remote areas where SIPEF operates, access to stable employment and reliable incomes may be limited. When wages are inadequate, people may struggle to meet their financial needs and maintain an acceptable standard of living. This also affects their ability to support their families, including expenses for children's education, clothing, food, medical bills, and housing.

SIPEF's employees are a driving force behind its success, so the Group is committed to ensuring wages align with legal requirements and industry standards, supporting financial stability and sustainable livelihoods. The Group also provides access to essential services to further support employees and their families.

Policies and commitments

The RPP outlines SIPEF's commitment to compliance with RSPO, Rainforest Alliance, and Fairtrade standards on living wage.

To support industry-wide progress, the RSPO has established a Living Wage Task Force to develop decent living wage benchmarks for palm oil-producing countries, particularly in regions where no existing benchmarks are available from the Global Living Wage Coalition (GLWC). Rainforest Alliance standards require ongoing wage assessments and structured improvements, while Fairtrade certification mandates fair wages, collective bargaining rights, and a commitment to closing living wage gaps where applicable.

Additionally, the RPP outlines SIPEF's commitment to implementing the Free and Fair Labour in Palm Oil Production: Principles and Implementation Guidance, developed by Humanity United in collaboration with industry stakeholders, which require that a living wage be paid to all workers based on living costs, commodity prices, and worker consultations.

To view more information on the development, governance and communication of the RPP, please see 'General information'.

(3) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

SIPEF meets all local regulations for minimum wages and complies with RSPO, Rainforest Alliance, and Fairtrade standards on living wage requirements and calculations. These standards follow the GLWC definition and use salary matrices to identify gaps where no approved benchmark exists. Related implementation guidance supports the development of improvement plans to ensure that existing gaps are closed.

Annual third-party audits are conducted to verify compliance with the RSPO standard for its palm oil operations and Rainforest Alliance and Fairtrade standards for its banana business. As part of its internal control processes, SIPEF utilises a documented salary grading system, which is reviewed annually. SIPEF also audits third party labour suppliers to assess compliance with minimum wage laws and relevant regulations.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Employee housing, education, and medical services

Many of SIPEF's employees live in rural and remote areas near its oil palm and banana plantations, where access to basic services and infrastructure may be limited. To support its workforce, SIPEF provides housing, clean water, medical care, and education access for employees' children. In Indonesia, free childcare has been offered since 2017, helping working families and promoting equal opportunities for women.

SIPEF's infrastructure and facilities are also accessible to local communities, with additional location-specific initiatives such as food accessibility programmes. These efforts align with RSPO, Rainforest Alliance, and Fairtrade standards, as well as the GLWC's definition of a living wage, which includes decent living conditions, housing, clean water, education, and healthcare.

EMPLOYEE HOUSING, CLINICS, SCHOOLS AND CHILDCARE FACILITIES AS OF DECEMBER 2024[1]

12 135
Housing units

47
Clinics

50
Schools

43
Day care facilities

(1) Data is not covered in the scope of CSRD limited assurance carried out for this Sustainability Statement.

Advancing living wage and shared responsibility in Côte d’Ivoire

In September 2024, Plantations J. Eglin participated in a major industry event in Abidjan on living wage and shared responsibility in Côte d’Ivoire’s banana sector. Organised by Afruibana, a pan-African network of fruit producers and exporters, the event aimed to establish sector-wide commitments on living wage. It brought together unions, producers, retailers, government officials, and organisations such as COLEAD, Banana Link, the ILO, CGECI, and the World Banana Forum. Plantations J. Eglin’s Azaguié site hosted one of the field visits, showcasing its operations and social initiatives supporting workers.

Key outcomes included the signing of a Joint Working Group Charter with FETBAC, the national banana workers’ union, to negotiate a sector agreement, and a Declaration of Intent supporting fair wages, pricing, and shared responsibility across the value chain. As part of its Fairtrade and Rainforest Alliance certifications, Plantations J. Eglin has also developed an internal action plan to proactively align with both standards’ principles.

Targets and monitoring

SIPEF has not set a specific target for adequate wages, as it already meets its established benchmarks, including minimum wage requirements in all operating locations, as well as compliance with certification and industry standards on providing a decent living wage.

SIPEF has set a broader target to achieve 100% RSPO certification for its own oil palm estates by the financial year 2030, while its banana operations are already fully certified.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

Annual remuneration ratio

In alignment with ESRS requirements, SIPEF discloses the annual total remuneration ratio of the highest paid individual to the median annual total remuneration of all employees in each country of operation for the financial year 2024.

The highest paid individual in each country has been excluded from each median calculation. Additionally, the data has been calculated without adjustments for job grades or specific roles and does not distinguish between administrative and field functions.

ANNUAL REMUNERATION RATIO BY COUNTRY

COUNTRY	CURRENCY	2024 ANNUAL TOTAL REMUNERATION RATIO
Belgium	EUR	8.80
Singapore	SGD	5.26
Indonesia	IDR	187.21
Papua New Guinea	PGK	145.27
Côte d'Ivoire	XOF	189.74

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

SIPEF believes that social dialogue is important for creating a constructive working environment for its employees. The Group respects the right to freedom of association and collective bargaining.

All workers and contractors across SIPEF's operations, permanent or temporary, have the right to join unions and organise themselves following the respective legislation of the country of operation.

Impacts[4]

Freedom of association

LIMITING EMPOWERMENT OF WORKERS

POTENTIAL NEGATIVE, MEDIUM-TERM

Freedom of association allows employees to form trade unions, join existing unions, or engage in collective bargaining to advocate for their rights and interests. Without freedom of association, employees may not have adequate access to avenues where they can voice their concerns, negotiate better working conditions, or participate in decision-making processes that affect their livelihoods.

As a labour-intensive agricultural business, SIPEF's plantations and mills rely on strong worker-employer relationships to maintain productivity and operational continuity. By upholding the right to freedom of association and collective bargaining, SIPEF helps foster open dialogue with its workforce and empowers employees to advocate for their rights, supporting fair employment practices, workforce stability, and long-term business resilience.

Collective bargaining

IMPROVED WAGES AND BENEFITS FOR WORKERS

ACTUAL POSITIVE, MEDIUM-TERM

Collective bargaining agreements often lead to improved wages and benefits for workers. Collective bargaining agreements can also facilitate negotiations between employers and trade unions or workers' representatives, helping to establish fair and competitive compensation packages that reflect the contributions and needs of employees.

(4) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

SIPEF has a Freedom of Association Policy and a Human Rights Policy, which commit the Group to compliance with applicable national regulations, the ILO Core Conventions, and the International Bill of Human Rights.

Under the RPP, SIPEF commits to 100% certification across its operations, ensuring compliance with RSPO, Rainforest Alliance and Fairtrade standards. All four certification standards protect workers' rights to unionise, bargain collectively, and engage in social dialogue, requiring certificate holders to respect these rights and actively engage with worker representatives.

Additionally, the RPP outlines SIPEF's commitment to implementing the Free and Fair Labour in Palm Oil Production: Principles and Implementation Guidance, which explicitly protects freedom of association and collective bargaining.
Together, these policies and commitments ensure that all employees can freely associate, join trade unions, and engage in collective bargaining without discrimination or retaliation.

To view more information on the development, governance, and communication of the RPP, please see 'General information'.

Actions, targets, and monitoring

SIPEF upholds the right to freedom of association and collective bargaining by implementing its policies and commitments. The Group ensures that its labour practices do not contribute to negative impacts by maintaining non-interference policies in trade union activities, adhering to fair labour standards, and providing adequate resources and protections for worker representatives. Compliance is verified through internal and external audits conducted throughout the year, ensuring adherence to national laws, regulations, and certification standards.

In locations where unions are present, SIPEF engages with union representatives through structured meetings and open communication channels to support social dialogue and address workplace concerns. While not all engagements result in formal collective bargaining agreements, they provide a platform for discussing working conditions, employee rights, and labour policies.

COLLECTIVE BARGAINING AGREEMENT COVERAGE 2024

TYPE OF EMPLOYEES	COVERED	TOTAL EMPLOYEES PER COUNTRY	COVERED (%)
Indonesia	9 657	16 856	57%
Côte d'Ivoire	2 640	2 640	100%
Belgium	19	23	83%
Singapore	0	17	0%
Papua New Guinea	0	4 668	0%
SIPEF GROUP	**12 316**	**24 204**	**51%**

As of 31 December 2023, 51% of SIPEF's employees are covered by collective bargaining agreements, with full coverage in Côte d'Ivoire, 83% in Belgium, 57% in Indonesia, and 0% in Singapore and Papua New Guinea. Employees not covered by collective bargaining agreements are instead covered by contractual agreements.

To further enhance employee participation and representation, SIPEF is exploring ways to incorporate sustainability issues in collective bargaining discussions and increase resources for worker representatives and social dialogue mechanisms. The Group also works to identify barriers to union participation and, where possible, address them. In Papua New Guinea, for example, while a union is available to employees, participation remains low due to the perceived limited advantages of joining.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Targets and monitoring

SIPEF has not set specific targets for freedom of association or collective bargaining, as participation in these arrangements is voluntary for employees. Instead, the Group monitors its performance by tracking the percentage of employees who have joined unions and are covered by collective bargaining agreements. SIPEF also plans to review and update its Freedom of Association Policy to explicitly address collective bargaining and ensure alignment with best practices.

SIPEF has set a broader target to achieve 100% RSPO certification for its own oil palm estates by the financial year 2030, while its banana operations are already fully certified.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

WORKING TIME AND WORK-LIFE BALANCE

Fair working hours and a healthy work-life balance are essential for fostering a productive and supportive work environment. Effective scheduling and workload management ensure that employees can engage in their professional responsibilities while also having sufficient time for rest, personal well-being, and family life. SIPEF is committed to implementing structured work schedules and responsible overtime practices that align with legal requirements and industry standards, supporting both employee well-being and operational efficiency.

Impacts[5]

Working time

MENTAL AND PHYSICAL HEALTH IMPACTS FROM EXCESSIVE WORKING HOURS

POTENTIAL NEGATIVE, SHORT-TERM

Excessive working hours can have negative impacts on mental and physical health, and on the family lives of employees. Prolonged periods of excessive working time can also result in burnouts. Any resulting exhaustion could also leave employees more vulnerable to occupational health and safety risks.

Work-life balance

FATIGUE, STRESS, AND LACK OF QUALITY TIME WITH FAMILY

POTENTIAL NEGATIVE, MEDIUM-TERM

Excessive working hours can leave employees with limited time for family and personal activities or social interactions outside of work. This can contribute to feelings of dissatisfaction, and negative mental health impacts. Fatigue and stress from work-life imbalance can also compromise the health and safety of workers. Tired and overworked employees may be more prone to accidents, injuries, and errors in the workplace, posing risks to themselves and others.

SIPEF's plantation, mill, and packing station operations require structured workforce planning to maintain productivity while ensuring employee well-being. The Group's business model involves both direct employment and contracted labour, making responsible working time management essential to ensuring fair labour conditions.

(5) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

By implementing its RPP, SIPEF ensures compliance with RSPO, Rainforest Alliance, and Fairtrade, all of which set requirements for working hours, overtime, and employment conditions.

The RSPO P&C require that working hours and employment conditions comply with national legal regulations. Employers must ensure that contracts clearly define working hours, overtime conditions, and rest periods in a language workers understand. RSPO also prohibits involuntary overtime and mandates legal compliance on leave entitlements and other labour rights.

Similarly, Rainforest Alliance and Fairtrade, standards limit excessive working hours, regulate overtime, and mandate adequate rest periods. The Rainforest Alliance specifically restricts regular working hours to eight per day and 48 per week, while all three standards require voluntary and properly compensated overtime. Employers must also maintain accurate working hour records and provide paid leave, including annual leave, sick leave, and maternity leave, with additional protections for nursing mothers.

The RPP also outlines SIPEF's commitment to implementing the Free and Fair Labour in Palm Oil Production: Principles and Implementation Guidance, which requires that production targets or quotas be based on what can be fairly achieved within standard working hours, preventing excessive workloads and the need for involuntary overtime.

To view more information on the development, governance, and communication of the RPP, please see 'General information'.

Actions, targets, and monitoring

SIPEF enforces designated working hours across its operations, ensuring that overtime is compensated when contractual hours are exceeded. Measures are in place to prevent excessive overtime and to ensure sufficient rest periods, tailored to the specific regulatory and operational contexts of each country where SIPEF operates. SIPEF tracks the effectiveness of these actions through internal and external audits conducted throughout the year, ensuring adherence to national laws, regulations, and the respective certification standards.

In addition, the Group implements initiatives to support work-life balance for its employees, including improvements in scheduling practices and, where possible, increased access to childcare.

These actions have not required significant operational Capex or Opex. No other significant financial resources would be applicable.

Indonesia

Overtime in Indonesia is regulated by national labour laws, which permit a maximum of four hours per day and 18 hours per week. All overtime work requires prior approval from the direct supervisor and the heads of administration, and employees must submit a formal overtime request before working beyond standard hours. Employees receive overtime pay and are entitled to annual leave of 12 days, maternity leave of 12 weeks, sick leave, and public holidays, in accordance with labour laws.

Papua New Guinea

Under the National Employment Act in Papua New Guinea, working hours must not exceed 12 hours, except in certain urgent circumstances. Non-management employees receive compensation when designated working hours are exceeded. Employees are entitled to annual leave, maternity leave, and duty leave. Maternity leave is 12 weeks, with the option for six weeks to be taken as pregnancy leave. Annual leave entitlements vary based on employee grade and level.

Côte d'Ivoire

Plantations J. Eglin complies with national regulations and leading certification standards on working hours, overtime, and rest periods. These standards allow flexibility for extended working hours during peak seasons, provided legal and rest requirements are met.

While working hours remain consistent for field workers, maintaining stable schedules in packing stations can be challenging, particularly during peak seasons. To address this, the Company implemented targeted measures in 2024, including specialised training by its certification body on living wage, working hours, and overtime, and contract structures (regular and piece-rate contracts) for senior management, HR, and site leaders.

Early childhood schools in Papua New Guinea

HOPL supports early childhood education by facilitating the registration of community-led schools for children aged 5–7 in some worker compounds, where families have identified this as a need. This initiative enhances access to early education while respecting cultural preferences regarding childcare.

Although government schools and care facilities exist, they are often underfunded. To bridge this gap, HOPL provides financial support to assist these early childhood schools, while its community engagement department offers guidance and administrative support to help them meet registration requirements. By working with local authorities, HOPL also encourages the development of formal childcare infrastructure.

Additionally, working sessions were conducted to assess challenges and explore solutions. Based on these findings, the company's production and HR teams are developing a new workforce programme, scheduled for implementation next year.

Targets and monitoring

SIPEF has set a measurable target in line with its overarching commitment to being a responsible and supportive employer.

Target: Submit ten early childhood schools for registration with local authorities in Papua New Guinea by 2025.

To set this target, consultations were held with the human resources and community engagement departments at HOPL in Papua New Guinea, who served as workforce and community representatives. Additionally, the regional sustainability team and regional executive committee were consulted for feedback and approval.

Further information on the targets is provided in Annex 1.

PROGRESS IN 2024

As of 2024, ten early childhood schools have been established in worker compounds where families have identified a need. Of these, two schools have successfully completed registration with local authorities, while two additional schools have been submitted for registration.

HOPL's community engagement department, which works closely with employee families and community members who have set up the schools, is responsible for tracking progress against this target. The department monitors registration progress, identifies challenges, and facilitates engagement with local authorities. Additionally, lessons learned from this initiative inform ongoing efforts to improve the process and support future registrations.

HEALTH AND SAFETY

Protecting the health and safety of workers is a fundamental priority in the palm oil and banana industries, where operations rely heavily on manual work. The nature of fieldwork, the use of machinery and agrochemicals, and the remote locations of plantations present inherent risks that require structured safeguards and preventive measures.

Ensuring that employees operate in a safe and controlled environment is essential not only for their well-being and long-term health but also for maintaining operational stability. SIPEF is committed to upholding robust health and safety standards that align with legal requirements, industry best practices, and leading standards, ensuring that risks or impacts are effectively managed and mitigated across its operations.

Impacts[6]

SERIOUS MEDIUM-TERM AND LONG-TERM HEALTH IMPACTS
ACTUAL NEGATIVE, LONG-TERM

In the labour-intensive palm oil industry, an absence of stringent health and safety measures can lead to serious accidents and injuries, ranging from short-term impacts to permanent disabilities or even fatalities. Without proper training and measures in place, workers may apply pesticides and fertilisers without adequate protection, risking respiratory issues, skin diseases, and other long-term health effects. Female workers can face additional risks if exposed to agrochemicals, especially when pregnant or breastfeeding, and the physical demands of their work. There is also a risk of machinery-related incidents, such as those involving tractors. Moreover, the remote locations of oil palm farms can delay access to emergency medical services, exacerbating the severity of any health incidents.

Policies and commitments

SIPEF's Occupational Health and Safety Policy outlines the Group's commitment to providing a safe and healthy working environment for all employees. This policy ensures compliance with national regulations, international labour standards, and leading certification frameworks, focusing on risk prevention, accident reduction, and continuous improvement in workplace safety. Key measures include hazard identification, mitigation strategies, and the allocation of resources to support Occupational Health and Safety (OHS) programmes.

Health and safety commitments are further embedded in SIPEF's RPP, which sets out an overarching commitment to compliance with RSPO, Rainforest Alliance, GLOBALG.A.P., and Fairtrade standards. These frameworks set clear requirements on protective equipment, agrochemical handling, working conditions, and emergency response preparedness.

(6) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

In Indonesia, Papua New Guinea, and Côte d'Ivoire, detailed country-level policies complement these by prescribing procedures in accordance with local laws, regulations, and best practices for the palm oil and banana sectors.

Actions, targets, and monitoring

All employees at operational locations are covered by a health and safety management system aligned with legal requirements and internationally recognised standards. Each operating unit in Indonesia, Papua New Guinea, and Côte d'Ivoire has a dedicated OHS and environment committee, made up of worker and management representatives. These committees are supported by trained safety officers who implement site-level safety management plans and carry out regular monitoring.

In line with its commitment to prevention, SIPEF conducts annual risk assessments to identify the real or potential risks linked with its activities. Based on these findings, OHS plans are developed or amended, and control measures are implemented.

Training and prevention

SIPEF provides regular, risk-based OHS training to employees and contracted workers. Training content and frequency are adapted to job roles and local contexts. Refresher training is regularly provided for the various functions in accordance with health and safety management plans, and communications are adapted to the local languages and contexts. Specialist courses, such as defensive driving or working in confined spaces, are offered where needed.

All necessary PPE is provided, and medical examinations are offered at least annually, if not more regularly, for employees working with chemicals. Pregnant and breastfeeding workers are reassigned to non-chemical duties. Safety checks, including PPE compliance, are carried out during daily morning musters, and supervisors continue to monitor compliance throughout the workday.

Clinics and medical services

To ensure prompt response to medical needs, each operational site is equipped with a clinic staffed by trained personnel, supporting both preventive health services and emergency care. As of 2024, SIPEF operates 47 clinics: 28 in Indonesia, 13 in Papua New Guinea, and six in Côte d'Ivoire. Three new clinics have become operational in Indonesia during the reporting year to support the new sites in South Sumatra. Many clinics are also accessible to community members.

In Côte d'Ivoire, a medical analysis laboratory next to the Azaguié clinic provides disease screening services, particularly for malaria, to employees, their families, and nearby communities. Funded by the Fairtrade Fund, this facility was established based on priorities identified by the fund's committee of workers' representatives. It plays a vital role in enabling early detection and timely treatment.

Monitoring and response

All occupational incidents are investigated and corrective actions taken to avoid recurrence. Where applicable, remedial steps are implemented following incidents or risk identification. Health and safety compliance is ensured through internal monitoring, aligned with national laws and international standards, such as ISO 45001, varying according to the country of operation. Effectiveness is tracked through internal and third-party audits, injury data analysis, and input from OHS officers and sustainability staff across all sites.

Emergency response plans (ERPs) are in place for high-risk scenarios such as vehicle accidents, fire outbreaks, and severe weather. These include coordinated response teams to address both worker safety and environmental concerns.

Targets and monitoring

SIPEF tracks Lost Time Injury Frequency Rate (LTIFR) across all operations, defined as the number of injuries resulting in lost time per one million hours worked. The Group has set measurable targets in line with its overarching commitment to health and safety, as set out in its OHS Policy.

TARGETS:

1. Zero work-related fatalities
2. Reduce LTIFR by 8.5% in Indonesia, Papua New Guinea, and Côte d'Ivoire by 2027.

To set these targets, consultations were held with the health and safety and human resources departments, as well as the regional sustainability teams. Additionally, the regional executive committee were consulted for feedback and approval.

Further information on the targets is provided in Annex 1.

PROGRESS IN 2024

No work-related fatalities or deaths due to work-related ill health occurred across the Group in 2024.

Indonesia's LTIFR decreased by 3% (-0.14) in 2024, due in part to the inclusion of the employees at SIPEF's tea operations in the LTIFR calculation. The top five incidents remained similar to 2023, with slight shifts in ranking: 1) traffic accidents, 2) bee / wasp stings, 3) debris falling in workers eyes, 4) sharp-object injuries, and 5) palm spines in eyes. To reduce persistent eye injuries, harvesters will receive protective visors in 2025.

Papua New Guinea recorded a 34% reduction (-8.57) in LTIFR following the implementation of standard operating procedures to improve incident reporting and classification. Injuries are now more accurately categorised, providing a clearer picture of severity. Documentation has also improved, with work-related incident (WRI) forms completed more consistently and the WRI register more regularly.

In Côte d'Ivoire, LTIFR rose by 25% (+1.53) in 2024, largely driven by a rise in field activities. This includes a greater volume of manual slashing work following the phase-out of herbicide application.

LOST TIME INJURY FREQUENCY RATE

COUNTRY	BASELINE YEAR	TARGET LTIFR FY2027	2024	2023
Indonesia	2023	3.97	4.20	4.34
Papua New Guinea	2024	6.24	16.33	24.90
Côte d'Ivoire	2024	6.75	7.66	6.13
Singapore*	N/A	N/A	N/A	N/A
Belgium*	N/A	N/A	N/A	N/A

* LTIFR is not tracked for Singapore and Belgium, as these locations consist only of administrative offices.

All three countries will work to reduce their LTIFR by reviewing safety equipment, conducting job safety analyses (JSAs) to identify accident risks and assess awareness, and planning targeted internal trainings. While initially focused on the five primary drivers of LTIFR, this approach will gradually be expanded across all staff operations.

Across all operations, health and safety officers and site-level committees, which include worker representatives, play an active role in tracking progress against LTIFR targets. They also help identify lessons and improvements through post-incident reviews, JSAs, and the design of training programmes.

Further data and information on the approach used to calculate LTIFR is available in Annexes 1 and 4.

TRAINING AND SKILLS DEVELOPMENT

Continuous training and skills development are essential for ensuring that employees can perform their roles safely and effectively while also enhancing their career growth and long-term opportunities. In industries such as palm oil and bananas, structured training programmes help mitigate workplace risks, improve efficiency, and support professional advancement, particularly for women. SIPEF is committed to providing targeted training initiatives that strengthen workforce capabilities and contribute to a safer, more skilled, and resilient workforce.

Impacts[7]

INHIBITION OF SKILLS, BUSINESS, AND CAREER DEVELOPMENT
POTENTIAL NEGATIVE, MEDIUM-TERM

Without training, employees are unable to perform their duties adequately, develop their expertise, or progress in their careers. This is a particular risk for women in the palm oil and banana industries, who traditionally lack access to training opportunities. A lack of training also leads to a higher risk of injury to employees.

Policies and commitments

While SIPEF does not have a Group-level standalone policy on training and skills development, this remains a strategic and operational priority for the Group. Providing structured training is essential for maintaining a capable workforce, ensuring business continuity, and supporting safe and efficient operations. In some locations, country-level training policies are in place to address local requirements and specific workforce needs.

As set out in the RPP, the Group is committed to 100% certification across its operations, ensuring compliance with RSPO, Rainforest Alliance, and Fairtrade standards, all of which include specific requirements for training and workforce development.

RSPO Principle 3 requires that all staff, workers, and contract workers receive appropriate training through a documented programme that is accessible to all, considers gender-specific needs, and covers relevant aspects of the RSPO P&C in an understandable format. Certificate holders must also maintain training records to ensure compliance and track workforce development.

Similarly, the Rainforest Alliance Sustainable Agriculture Standard mandates that farms provide structured training on sustainable practices, health and safety, and workers' rights, ensuring accessibility and proper documentation. Fairtrade standards also require training programmes that promote occupational safety, fair employment conditions, and sustainable agricultural practices.

To view more information on the development, governance, and communication of the RPP, please see 'General information'.

(7) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in its exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

SIPEF implements various structured training initiatives across its operations to strengthen workforce skills, enhance career development, reduce workplace risks, and ensure compliance with company policies as well as regulatory and certification requirements. Training programmes are tailored to local contexts and workforce needs, both in terms of content and frequency.

Training and communication materials are developed in local languages to ensure accessibility for all employees, contractors, and management. Key topics include occupational health and safety, working conditions, human rights, standard operating procedures, agronomic practices, certification, and regulatory and policy requirements. These efforts reinforce compliance, safety, and responsible agricultural practices across the Group.

To monitor effectiveness, SIPEF tracks training participation rates and employee feedback. Training impact assessments inform future programme development, while one-on-one coaching between supervisors and team members ensures continuous learning and performance improvement. These efforts ensure that SIPEF's training initiatives not only mitigate workplace risks but also contribute to long-term workforce resilience and inclusion.

In 2024, a total of 59 511 hours of training were delivered across the Group, excluding Singapore, where training hours were not available. On average, men received more training hours than women, largely because the highest number of training hours are linked to technical field roles, which are predominantly held by men.

OWN WORKFORCE TRAINING HOURS IN 2024

COUNTRY	TRAINING HOURS (FEMALE)	TRAINING HOURS (MALE)	AVERAGE TRAINING HOURS (FEMALE)	AVERAGE TRAINING HOURS (MALE)
Belgium	169	180	10.56	25.71
Indonesia*	5 527	19 810	1.30	1.57
Papua New Guinea	3 718	16 184	3.59	4.46
Côte d'Ivoire	4 320	9 603	5.26	5.28
Singapore*	0	0	0	0
SIPEF GROUP	**13 734**	**45 777**	**2.24**	**2.54**

* Training hours for Singapore office and Cibuni Tea Estate are not available for 2024.

Further details on specific training topics for SIPEF's own workforce and smallholder suppliers are provided throughout this Sustainability Statement.

Cadet and apprentice programmes

In Indonesia and Papua New Guinea, SIPEF runs cadet programmes that train college graduates for middle-management roles in palm oil operations. While female participation remains limited, SIPEF actively encourages women to apply. In 2024, no new cadets were recruited in Indonesia, as SIPEF is currently revamping the programme following the hire of a new training manager.

In Papua New Guinea, HOPL also operates a well-established apprentice programme focused on technical fields such as construction and workshop operations. The programme supports practical skills development and contributes to building a more inclusive technical workforce.

Targets and monitoring

SIPEF has not set a specific Group-wide target for training and skills development, as ambitions vary depending on the purpose and content of each programme. Training needs and objectives are tailored by topic, such as health and safety, technical skills, or management development, which makes a single overarching target less meaningful. For example, a Group-wide target has been established for anti-corruption and anti-bribery training (see: 'G1: Business conduct').

SIPEF has also set a broader target to achieve 100% RSPO certification for SIPEF's own oil palm estates by the financial year 2030. RSPO certification requires documented training on safety, labour rights, and other standards, making training a critical part of meeting this goal.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

DIVERSITY AND GENDER EQUALITY

SIPEF upholds equal opportunities for all employees and applies strict non-discrimination principles across its operations. The Group complies with equal employment laws while also implementing measures to reduce gender-related discrimination. Women play a vital role in the agricultural sector but often face barriers to advancement and unequal representation in management. These challenges are linked to SIPEF's workforce structure and operational needs, as plantation roles have historically been male-dominated. SIPEF acknowledges these realities and focuses on creating a safer, more supportive work environment while fostering a more diverse and inclusive workplace within its operations.

Impacts[8]

RESTRICTED OPPORTUNITIES AND INEQUALITY FOR WOMEN EMPLOYEES
ACTUAL NEGATIVE, LONG-TERM

The palm oil industry as a whole has traditionally been male-dominated. This is due to the physical nature of the work as well as the historical and cultural contexts of gender roles. This means that there tends to be a higher percentage of men in management roles and other activities. In some oil palm producing countries, women are overrepresented in casual employment. Similar trends are observed in the banana production industry, where the overall workforce also has a higher proportion of men than women.

Policies and commitments

SIPEF is committed to upholding equal employment opportunities and eliminating discrimination across all its operations. This commitment is reflected in the Group's Equal Employment Opportunity Policy, RPP and Group Code of Conduct.

The Equal Opportunity Policy ensures compliance with anti-discrimination and equal employment laws in the countries where SIPEF operates. Recruitment and selection processes are based solely on merit, with all qualified candidates receiving equal consideration. Likewise, career advancement and disciplinary actions follow a non-discriminatory approach. The Group Code of Conduct explicitly prohibits discrimination based on race, religion, political belief, gender, age, national origin, disability, or any other classification declared to be impermissible by law.

As set out in the RPP, SIPEF is committed to 100% certification across its operations, ensuring compliance with RSPO, Rainforest Alliance and Fairtrade standards, which require policies promoting non-discrimination, gender equality, and diversity. These standards also mandate specific measures to support vulnerable or underrepresented groups, such as the establishment of gender committees, protections against pregnancy discrimination, equal pay commitments, and mandatory gender-related training.

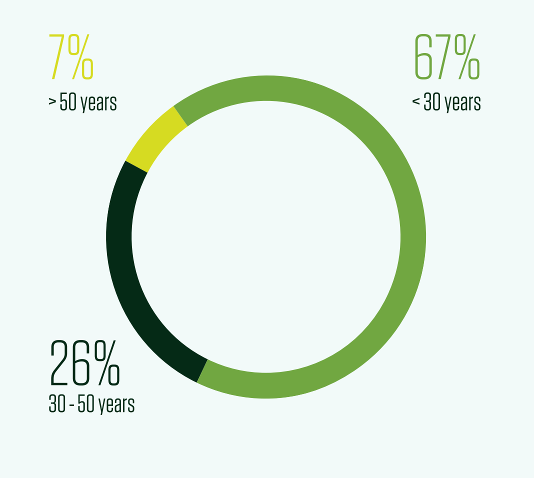
(8) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Gender and age diversity at SIPEF

As of 31 December 2024, women make up approximately one quarter of SIPEF's workforce. Female representation at the board level is highest in Belgium (36%), Singapore (33%), and Papua New Guinea (33%), with lower levels in Indonesia (14%) and no female representation in Côte d'Ivoire. At the executive committee level, women hold 25% of positions in Belgium, 13% in both Indonesia and Papua New Guinea, and 0% in Côte d'Ivoire. Notably, SIPEF's managing Director is a woman, reflecting progress in leadership representation at the highest level of the organisation.

Across all operations, the majority of employees are between 30 and 50 years old, representing 67% of the workforce. This indicates a predominantly mid-career workforce across both plantations and office locations.

DISTRIBUTION OF EMPLOYEES BY AGE GROUP



Gender pay gap

As of 2024, the gender pay gap varies significantly across SIPEF's operations. The highest gaps are reported in Singapore (62%) and Belgium (52%), while lower gaps are recorded in Indonesia (12%) and Papua New Guinea (13%). In Côte d'Ivoire, the gender pay gap stands at 33%. These figures reflect broader differences in workforce composition, role distribution, and seniority levels across countries.

GENDER PAY GAP IN 2024

COUNTRY	CURRENCY	2024 GENDER PAY GAP (%)
Belgium	EUR	52%
Singapore	SGD	62%
Indonesia	IDR	12%
Papua New Guinea	PGK	13%
Côte d'Ivoire	XOF	33%

Further data and information on the approach used to calculate gender diversity, age distribution, and the gender pay gap within SIPEF's own workforce are available in Annexes 2 and 4.

Actions, targets, and monitoring

SIPEF implements its anti-discrimination and equal opportunity policies through awareness-raising, employee training, and the use of established grievance mechanisms. These measures are in place to prevent, identify, and address discrimination. Breaches of SIPEF's non-discrimination policy result in disciplinary action, up to and including termination, and may lead to legal consequences where applicable.

To advance diversity and gender equality, gender committees and equivalents have been established across the Group's operating units and the head offices in each country of operation. The committees meet on a regular basis to discuss and address, among other issues, challenges faced by women. These include topics such as equal employment opportunities, participation in decision-making, sexual harassment, reproductive rights, and women's health and safety.

SIPEF also supports inclusive professional development through initiatives such as upskilling, apprenticeships, and tertiary education support. Targeted training programmes in gender-inclusive skills development and technical fields have supported greater participation by female employees in roles traditionally held by men, such as harvesting, ablation, tractor driving and machinery operation, and technical trades .

Female harvesters and ablation workers in Indonesia

SIPEF is breaking new ground in workforce diversity by empowering women to take on plantation roles traditionally held by men, enabling access to higher-paid labour functions. In North Sumatra and Bengkulu, over 50 full-time female employees have been trained and employed to carry out ablation and harvesting duties in maturing replanted oil palm areas. The programme is currently being rolled out at new sites in South Sumatra.

These efforts reflect SIPEF's commitment to equal employment opportunities and mark a meaningful step towards greater gender equality and inclusive growth in the palm oil industry.

Gender and social issues committees

INDONESIA

The gender committee at PT Tolan Tiga Indonesia assesses and addresses gender-related issues, advises the board on decision-making, and provides training to promote understanding of female employees' rights. It also responds to incidents related to equal opportunity, reproductive rights, and sexual harassment within the workplace or company environment. Each operating unit is supported by a gender committee contact group, which acts as a liaison with the local workers' community on gender issues.

PAPUA NEW GUINEA

At HOPL, social issues committees identify, and address concerns raised by employees and local community members. Each committee includes female representatives from every department and follows a term of reference and annual workplan.

CÔTE D'IVOIRE

At Plantations J. Eglin, gender committees address a broad range of gender-related concerns, including promoting equal opportunities for women, women's health and safety, and workplace harassment. They also play an active role in supporting women's advancement within the company.

In 2024, the committees in Côte d'Ivoire rolled out a workplan developed in 2023, which included awareness-raising on workplace harassment, training staff representatives on how to handle harassment grievances, a Pink October campaign focused on breast and cervical cancer, and initiatives to encourage women to apply for positions of responsibility. These efforts contributed to several internal promotions for women. Notably, the company appointed its first female station manager, alongside promotions to assistant station manager, assistant agronomist, and four new supervisory roles. In addition, one woman became the company's first female tractor driver.

Targets and monitoring

SIPEF has not set a specific target in relation to diversity, gender equality, or equal pay for work of equal value. At this stage, the Group's focus is on implementing its policies effectively, delivering relevant training, and addressing concerns through gender and social issues committees. Effectiveness is tracked through committee feedback and incident monitoring. In 2024, no incidents of discrimination were reported through SIPEF's grievance mechanism.

SIPEF has set a broader target to achieve 100% RSPO certification for its own oil palm estates by 2030. The Group's banana operations are already fully certified. These certification schemes, including RSPO, Rainforest Alliance, and Fairtrade, reinforce SIPEF's commitments to non-discrimination, equal opportunity, and gender inclusion.

Read more about the overarching target and the progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

MEASURES AGAINST VIOLENCE AND HARASSMENT IN THE WORKPLACE

Ensuring a safe and respectful workplace is essential to protecting the dignity and rights of all employees. In male-dominated industries like palm oil and bananas, women can be particularly vulnerable to harassment, violence, and exploitation, both in the workplace and when traveling through plantations or remote areas. SIPEF is committed to preventing all forms of workplace harassment and abuse by implementing strict policies, awareness programmes, and reporting mechanisms to create a secure and supportive work environment for all employees.

Impacts[9]

INCREASED VULNERABILITY OF WOMEN TO EXPLOITATION AND ABUSE

POTENTIAL NEGATIVE, SHORT-TERM

In palm oil and banana-producing regions, women make up a significant portion of the labour force. Plantations are often located in remote areas and can be expansive in size, which can leave women vulnerable to the risk of sexual or non-sexual harassment and violence when traveling through or working on plantations. Additionally, risks may arise for women during recruitment processes or employment-related discussions, such as salary negotiations, or discussions regarding employment terms and conditions.

While this impact has been identified from an industry-wide perspective and not as an actual impact, the company recognises the need for structured safeguards to ensure prevention and mitigation, given the operational context of plantation-based employment, workforce composition, and remote locations.

Policies and commitments

SIPEF's commitment to a safe, respectful, and harassment-free workplace is reflected in its Sexual Harassment Policy, RPP, and Code of Conduct, all of which explicitly prohibit sexual harassment, abuse, and gender-based violence across the Group's operations.

The Sexual Harassment Policy defines such conduct as unwanted, unwelcome, and offensive, applies to all genders, and is enforced across all SIPEF-managed entities. It includes confidential reporting channels and guarantees protection against retaliation. The Code of Conduct complements this by promoting respectful behaviour and explicitly banning any form of harassment at work.

There are aligned country-level policies in place in Indonesia, Papua New Guinea, and Côte d'Ivoire. In Papua New Guinea, HOPL also implements a Family Violence Policy to help ensure a safe living environment for employees and their families residing in company housing. In line with this policy,

(9) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

substantiated cases of domestic violence may result in counselling, disciplinary measures up to and including dismissal, and legal action through the appropriate authorities.

In line with its goal of 100% certification, SIPEF complies with RSPO, Rainforest Alliance, and Fairtrade standards, all of which require clear anti-harassment policies and workplace protections. For example, RSPO mandates policies on harassment and violence, protection of reproductive rights, and the establishment of gender committees. These efforts are supported by training, awareness programmes, and ongoing engagement with union representatives.

Actions, targets, and monitoring

SIPEF implements targeted measures to help prevent and address workplace harassment and violence, in line with Group-level and country-level policies and local operational contexts. Gender and social issues committees play a key role in raising awareness, responding to reported concerns and incidents, and supporting employees through structured engagement. In some locations, these committees also function as grievance bodies for sexual harassment cases.

SIPEF monitors the issue and the effectiveness of its measures through feedback from gender and social issues committees, as well as cases reported to the HR department and through the grievance mechanism. The grievance mechanism provides accessible and confidential channels for both employees and non-employees to report incidents, supporting early identification and appropriate resolution of concerns.

Targets and monitoring

SIPEF has not set specific targets to address the potential material impact identified in relation to measures against violence and harassment in the workplace, as the focus remains on prevention by raising awareness, monitoring incidents, and providing support services for affected individuals. In 2024, no workplace harassment cases were reported through SIPEF's grievance mechanism.

SIPEF has set a broader target to achieve 100% RSPO certification for its own oil palm estates by

Counselling and medical support

In Papua New Guinea, HOPL provides dedicated support services for employees and their families facing domestic violence or other personal challenges. Two trained counsellors offer guidance on family-related issues such as domestic violence, financial stress, and general well-being. Safe spaces are available for both women and men to raise concerns, with referrals to the courts made when necessary. Security and medical staff are often the first responders and are trained to assist in such cases, including referrals to the police when appropriate.

the financial year 2030, while its banana operations are already fully certified. These certification schemes reinforce workplace protection standards, including those addressing harassment and violence.

Read more about this broader target and progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

EMPLOYEE ENGAGEMENT

SIPEF engages with its workforce through direct communication, including structured daily interactions, training initiatives, engagement with union representatives, and accessible grievance channels.

At the operational sites, morning musters are a key part of this approach, providing plantation and mill employees with daily briefings on safety protocols, operational updates, and company policies while creating a space for employees to voice concerns or provide feedback.

Regular training sessions enhance employee awareness of workplace rights, safety, company policies, and requirements while also supporting skill development and professional growth. Annual appraisals and performance reviews further support workforce development. SIPEF also maintains structured engagement with union representatives by holding scheduled meetings, ensuring that workforce concerns are addressed at local levels.

The managing director of SIPEF holds overall responsibility for workforce engagement, with operational oversight delegated to the head of human resources in each country. These efforts are supported by site managers and supervisors, who facilitate daily briefings and structured feedback sessions. Employee input is actively sought during policy development and revisions to ensure alignment with both regulatory requirements and workforce priorities.

To assess the effectiveness of engagement, SIPEF combines direct communication with ongoing monitoring through its grievance mechanism. Gender and social issues committees across operations and head offices also provide a dedicated platform to discuss challenges such as equal employment opportunities, decision-making participation, sexual harassment, reproductive rights, and workplace safety.

SIPEF has not entered into a Global Framework Agreement or similar agreements related to the respect of human rights of workers, as these are not applicable to its current operating framework.

GRIEVANCES AND REMEDIATION

SIPEF's grievance mechanism offers all stakeholders, including its workforce, a transparent and confidential platform to raise concerns or report incidents related to material impacts. The mechanism ensures accountability and appropriate remediation where necessary.

Grievances, also referred to as complaints under the CSRD, can be submitted in person at the nearest SIPEF office, via email, or using an online grievance form. The system also allows for anonymous reporting and guarantees confidentiality. SIPEF's Grievance Policy clearly prohibits retaliation against individuals who raise concerns. An investigation team with relevant expertise is assigned to address and resolve each grievance. All cases are tracked through the SIPEF Grievance Solution system to ensure timely and transparent resolution.

To ensure accessibility and effectiveness, SIPEF promotes awareness of its grievance channels through employee training sessions, policy publications, company website updates, notice boards at workplace facilities, and morning muster sessions. Following the launch of the revised Grievance Policy and mechanism in 2024, SIPEF also plans to periodically assess employee awareness and trust in the grievance mechanism by using surveys, engagement sessions, and feedback initiatives, allowing for continuous improvement.

As part of annual certification audits under schemes such as RSPO, ISPO, Rainforest Alliance, and Fairtrade, SIPEF is assessed on its grievance mechanism to ensure it is accessible, effectively implemented, and capable of providing fair and timely resolution in line with human rights and social standards.

Summary of grievances related to own workforce in 2024

In 2024, 20 grievances were filed by SIPEF's own workforce through its grievance channels across the Group. None of these grievances met the definitions prescribed by ESRS for severe human rights incidents, discrimination cases, or severe human rights violations under the UN Guiding Principles and OECD Guidelines.

No fines, penalties, or damages (zero USD) were issued in connection to severe human rights violations, discrimination, harassment, or workforce-related incidents. Additionally, no material fines, penalties, or compensations were imposed for violations related to social and human rights factors.

SUMMARY OF GRIEVANCES RELATED TO SIPEF'S OWN WORKFORCE

INCIDENT DESCRIPTION	REPORTED INCIDENTS
Grievances filed by own workforce through the grievance channels across the Group	20
Severe human rights incidents (forced labour, human trafficking, child labour)	0
Incidents of discrimination (including harassment)	0
Severe human rights violations related to UN Guiding Principles and OECD Guidelines	0
Complaints filed to national contact points (NCP) for OECD Multinational Enterprises*	0
Number of severe human rights incidents where the undertaking played a role securing remedy for those affected	0

* Only Belgium has an OECD NCP. Singapore, Indonesia, Papua New Guinea, and Côte d'Ivoire do not participate in this initiative, as they are not OECD country members.

More information on SIPEF's grievance procedures and policy, including how grievance data is compiled, issues are tracked and how the effectiveness of the mechanism is monitored, is available in 'G1: Business conduct'.

S2: Workers in the value chain

Smallholder farmers cultivate approximately 40% of the land planted with oil palm and produce around 25–30% of the world's palm oil. The sector provides a stable income for millions of rural families and has played a significant role in lifting many out of poverty. Despite this, many smallholders experience limited access to resources and technical support, which can result in lower yields and limit their opportunities. Smallholders can also find it challenging to make the investments needed to meet growing sustainability demands in international markets, including stricter social requirements for labour conditions and human rights compliance.

SIPEF is committed to responsible and inclusive growth, ensuring smallholder suppliers receive support, training, and resources to strengthen productivity, environmental stewardship, and livelihoods, while mitigating human rights risks. As a key focus area under the Balanced Growth Strategy, the Group is expanding its scope in responsible supply chain management to address material social impacts in other areas of its value chain, including health and safety concerns for its logistics partners in the downstream segment.

SUMMARY OF KEY CONTENTS

VALUE CHAIN LOCATION	MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Smallholders	• Secure employment • Working time • Adequate wages • Health and Safety • Training and skills development • Child Labour • Diversity • Gender equality and equal pay for work of equal value • Measures against violence and harassment in the workplace • Privacy	• Responsible Purchasing Policy (RPuP) • Responsible Plantations Policy (RPP)	• Achieve Roundtable on Sustainable Palm Oil (RSPO) certification for all scheme smallholders supplying PT Agro Kati Lama, PT Agro Muara Rupit, and PT Agro Rawas Ulu by 2030. • Engage with 19 cooperatives of independent smallholders in Indonesia by 2026. • Training on the updated RPuP to be provided to 100% of scheme smallholders in Papua New Guinea in the financial year 2026. • Training on the updated RPuP to be provided to the board of cooperatives of 20 non-RSPO certified independent smallholder groups in Indonesia in the financial year 2025.	• As of 2024, 89% of scheme smallholder planted areas within SIPEF's supply base are RSPO certified • In 2024, 527 training sessions were held in Papua New Guinea, reaching 11 476 participants on RSPO certification and best practices • In Indonesia, 29 independent smallholders attended 22 training sessions on SIPEF policies, agronomy, and compliance, supporting their RSPO audit success
Logistics partners: • Land transportation • Shipping	• Health and Safety	• No standalone policy	• No targets	• No key updates

WORKERS IN SIPEF'S VALUE CHAIN

This section describes the workers in SIPEF's value chain who, through the Group's double materiality assessment, have been identified as materially impacted by its operations. While the primary focus is on smallholders in SIPEF's palm oil value chain, health and safety impacts have also been identified as material for its logistics partners, including land transportation and shipping, in both the palm oil and banana value chains.

SIPEF's double materiality assessment did not identify any material risks or opportunities related to workers in its value chain. Consequently, these are not covered in this section, and no current or anticipated effects on the Group's business model, strategy, or financial performance are reported.

A full view of SIPEF's palm oil and banana value chains is available in the Company Report.

Upstream value chain

Smallholders

The workers materially impacted within SIPEF's upstream value chain are predominantly smallholders who supply fresh fruit bunches (FFB) to SIPEF's palm oil operations in Indonesia and Papua New Guinea. These smallholders play a vital role in SIPEF's agricultural supply chain, supplying 16% of the Group's FFB. Their involvement is also essential in achieving SIPEF's commitment to a 100% traceable and RSPO certified supply base. SIPEF's banana operations do not engage with smallholder suppliers.

SIPEF's smallholder programmes

SIPEF has established a number of programmes that offer a range of support for different types of oil palm smallholders that the Company works with. The Group's third-party suppliers are all smallholders with whom SIPEF has an agreement, whose production locations are known and mapped, and who are either already RSPO certified or are working towards certification within the Group's RSPO Time Bound Plan.

The Group also engages with independent smallholders in Indonesia who are not yet part of its supply base, aiming to support their inclusion in SIPEF's certified sustainable supply chain, where possible.

SCHEME SMALLHOLDERS

INDONESIA

SMALLHOLDER COOPERATIVES *(Koperasi)*

1 815 SMALLHOLDERS

Under this plasma programme, SIPEF works with smallholder cooperatives, managing the production areas on behalf of cooperative members who entrust their land to SIPEF for cultivation.

VILLAGE SMALLHOLDERS *(Kebun Masyarakat Desa)*

50 SMALLHOLDER VILLAGES

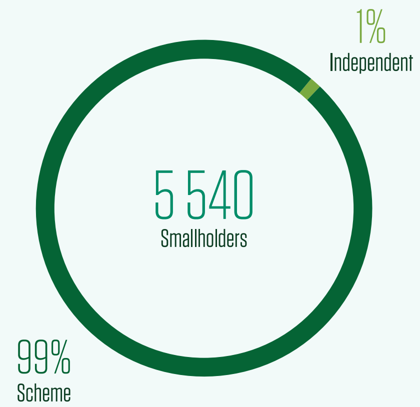
Under this plasma programme, SIPEF works with surrounding villages to develop small oil palm blocks, which are fully managed by the Company.

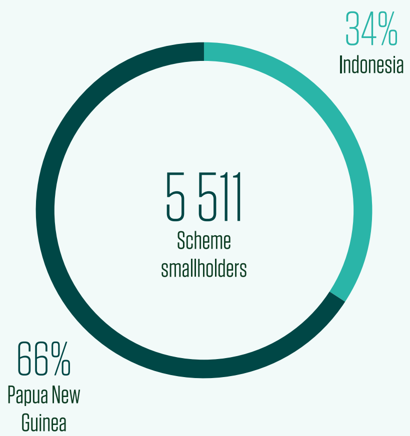
PAPUA NEW GUINEA

ASSOCIATED SMALLHOLDERS

3 646 SMALLHOLDERS

Smallholders own and manage their lands and production, but due to their geographic location, they are linked to SIPEF's supply chain. They sell to Hargy Oil Palms Ltd (HOPL) mills, which are in the vicinity of the smallholder operations. All HOPL associated smallholders in Papua New Guinea are RSPO certified.





INDEPENDENT SMALLHOLDERS

INDONESIA

INDEPENDENT SMALLHOLDERS

29 SMALLHOLDERS

These smallholders manage their own lands, and have the option to sell to SIPEF, depending on their commitment and progress towards RSPO certification.

Upstream and downstream value chain

Logistics – land transportation

SIPEF uses both its own fleet and contracted transport providers to move FFB to mills and to transport post-mill palm products, including crude palm oil (CPO), palm kernels (PK), and palm kernel oil (PKO), to the point of sale.

In the banana supply chain, SIPEF's subsidiary, Plantations J. Eglin SA, manages transportation from packing stations to terminals under Free On Board terms. From there, SIPEF handles transportation up to the agreed delivery point, after which customers take over downstream transport.

Downstream value chain

Logistics – shipping

SIPEF relies on global shipping partners for the international transport of its bananas and palm oil products from Papua New Guinea, while palm oil products from Indonesia are sold to domestic refiners, who manage their own logistics and distribution from the point of sale.

RESPECTING HUMAN RIGHTS

SIPEF is committed to upholding human rights within its supply chain by adhering to leading sustainability standards, including the RSPO and the Rainforest Alliance. These standards align with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. They also incorporate key principles related to social risk assessment, fair labour practices, the prohibition of forced, trafficked, and child labour, and the establishment of grievance mechanisms to ensure transparency, accessibility, and equitable resolution of grievances and disputes.

SIPEF requires all FFB suppliers, who are exclusively smallholders, to comply with its Responsible Purchasing Policy (RPuP). This policy serves as its supplier code of conduct. Additionally, smallholder suppliers must adhere to SIPEF's Responsible Plantations Policy (RPP). A core commitment of both policies is the goal of achieving 100% RSPO certification. The RPP also explicitly references international labour and human rights standards, ensuring alignment with the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Engagement with workers in the value chain

SIPEF directly engages with the smallholder suppliers that participate in its programmes through its dedicated smallholder department in Indonesia and the smallholder agricultural advisory services (SHAAS) team in Papua New Guinea. These teams serve as the first point of contact, regularly providing technical assistance, training, and comprehensive compliance support to help smallholders achieve or maintain RSPO certification. The teams are led by smallholder managers, who report directly to the regional executive committees in Indonesia and Papua New Guinea.

During training sessions, smallholders can provide feedback and regularly engage with teams to voice their needs and concerns. This feedback helps refine training content, improve engagement practices, and shape support programmes to better address smallholder needs, including those more vulnerable to certain impacts, such as women smallholders. The effectiveness of SIPEF's engagement with smallholders is primarily assessed through the monitoring activities conducted by SIPEF's smallholder teams, and the progress of smallholder compliance with RSPO and SIPEF's policies. An overview of SIPEF's smallholder monitoring activities and compliance progress is provided under 'Secure employment'.

SIPEF is assessing how best to develop its approach for its logistics partners. As such, engagement on sustainability-related matters remained limited in 2024.

Processes for providing or contributing to remedy

To further safeguard human rights, SIPEF has a well-established grievance mechanism accessible to all stakeholders, including smallholders, their families, their employees, and workers from SIPEF's shipping and logistics partners. This mechanism allows individuals to raise concerns or report incidents related to any identified material impacts, ensuring fairness, transparency, accountability, and appropriate resolution where necessary. The mechanism also allows for anonymous reporting and ensures that all grievances are treated confidentially. SIPEF's Grievance Policy explicitly stipulates protection against retaliation for individuals using these channels to raise concerns or needs.

Smallholders are informed about SIPEF's grievance mechanism during training sessions, ensuring they can report concerns when needed, using the channel that is most appropriate for them. In addition to the main channels, smallholders can submit grievances via voice note, through grievance managers at nearby offices, and, in Indonesia, by calling a dedicated hotline.

An overview of SIPEF's grievance procedures and policy, including how issues are tracked and how the effectiveness of the mechanism is monitored, is available in 'G1: Business conduct'.

Independent grievance mechanisms

As a member of the RSPO and a Rainforest Alliance certificate holder, SIPEF is committed to both certification programmes' impartial grievance mechanisms through which cases of non-compliance with UN and ILO standards can be reported and must be resolved. These mechanisms provide independent and transparent processes for addressing human rights concerns.

In 2024, no cases of severe human rights issues or non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving value chain workers were reported in SIPEF's upstream or downstream operations.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

SIPEF builds supply chain resilience through long-term partnerships with smallholders, integrating certification, training, and responsible sourcing. Supporting RSPO certification enhances smallholder market access, income stability, and long-term sustainability while ensuring compliance with evolving regulations.

To mitigate impacts on workers in its value chain, SIPEF enforces social and labour standards across key areas, including fair wages, working hours, health and safety, child labour prevention, and gender equality. Targeted training, technical support, and fair pricing help smallholders meet sustainability requirements while maintaining economic security. By embedding these commitments into its sourcing strategy, SIPEF strengthens supply chain stability and promotes responsible agricultural practices.

An overview of how SIPEF determines necessary actions in response to actual or potential material impacts, including on value chain workers, can be found in 'General information'.

DATA AVAILABILITY AND DISCLOSURE CONSIDERATIONS

While certain sustainability matters have been identified as material for specific groups in SIPEF's value chain, limited data availability from the relevant value chain actors currently constrains the Group's ability to report on associated metrics for all the material impacts presented in this section, including working time, adequate wages, and health and safety. Where reliable internal data exists, SIPEF discloses it to ensure transparency. For topics where data is not yet available, SIPEF is assessing the feasibility of improved data collection to enhance future disclosures.

SECURE EMPLOYMENT

Smallholders are vital to palm oil supply chains, contributing significantly to global production. However, they often face challenges such as limited access to resources and markets. They can also struggle to demonstrate compliance with increasing market demands, such as more stringent sustainability requirements.

As part of its commitment to responsible sourcing, SIPEF actively engages with smallholders through targeted programmes that promote financial stability, market access, and sustainable farming practices. Ensuring secure and stable livelihoods for smallholders is essential for both the long-term sustainability of the palm oil sector and the well-being of rural communities.

Impacts[1]

INCREASED LIVELIHOOD SECURITY FOR SMALLHOLDERS
ACTUAL POSITIVE, LONG-TERM

Many smallholders are drawn to oil palm cultivation for its high yield potential, competitive prices, and year-round harvests. Smallholder participation in palm oil cultivation enhances livelihood security, as the continuous harvest cycle, high yields and strong demand provide a reliable income. By engaging smallholders as suppliers, providing technical support, and serving as a stable customer, SIPEF contributes to their financial sustainability.

A key commitment for SIPEF, and a cornerstone of its sustainability strategy, is the ambition to achieve 100% sustainably certified and traceable products, including its supply base. Supporting smallholders in achieving certification, such as RSPO, improves market access by ensuring that they meet buyer requirements for sustainably sourced palm oil. Certification can also provide financial benefits through price premiums, while the adoption of sustainable agricultural practices enhances yields and long-term resilience.

Policies and commitments

A key commitment under SIPEF's RPP and RPuP, both of which apply to its smallholder suppliers, is working towards 100% RSPO certification. The RSPO Principles & Criteria (P&C) set clear requirements to ensure fair and transparent partnerships with smallholders, supporting secure employment, improved livelihoods, and inclusion in sustainable palm oil supply chains.

Principle 5 of the RSPO P&C focuses on smallholder inclusion, requiring certificate holders to ensure fair pricing, transparent contracts, access to financial support, and grievance mechanisms. Under these requirements, certificate holders must also implement livelihood improvement programmes, capacity-building initiatives, and training on productivity, quality enhancement, and sustainable practices to support smallholders.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

SIPEF has established a number of programmes that offer a range of support for oil palm smallholders. Through these programmes, the Group shares best management practices (BMPs), offers seedlings of the same provenance as SIPEF's at cost price, supplies fertiliser and equipment, assists smallholders in obtaining and maintaining RSPO certification, and provides agronomic and logistical support for crop transport.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

SMALLHOLDER COOPERATIVES *(Koperasi)*

Under the smallholder cooperatives programme, SIPEF's subsidiary, PT Tolan Tiga Indonesia, manages the production areas on behalf of the cooperative members who entrust their land for managed cultivation, providing them with a steady income over a 25-year period. The company develops and plants the land and carries out all operational inputs and management up to and including harvesting and crop recovery. A purchase agreement is set in place for the FFB at market prices. These cooperative members are given an advanced monthly payment during the immature phase, which together with development costs is recovered as part of the purchase agreement. In 2024, the smallholder cooperatives programme consisted of 1 815 smallholder members.

VILLAGE SMALLHOLDERS
(Kebun Masyarakat Desa)

SIPEF partners with 50 groups of smallholders from villages around its Agro Muko operations through the *Kebun Masyarakat Desa* (KMD) programme. Similar to the *Koperasi* model, PT Tolan Tiga Indonesia is entrusted with land management, developing and operating production areas on behalf of the villages. Income is paid to elected village leaders for the management of social benefits, with all payments transparently published in the local newspaper. PT Tolan Tiga pre-finances plot development and later purchases production at market prices, deducting repayments for the low-interest loan. The programme generates significant revenue for village cooperatives and their social initiatives.

INDEPENDENT SMALLHOLDERS

Independent smallholders in Indonesia manage their own land and can choose to sell to SIPEF based on their commitment and progress toward RSPO certification. SIPEF currently sources from a single group of independent smallholders, *Koperasi Serba Usaha Suka Makmur*, which has 29 members and covers 60 hectares. The cooperative supplies the Umbul Mas Wisesa mill in Indonesia, and has been RSPO-certified since 2017. In 2023, it became the first SIPEF supplier to achieve RSPO Independent Smallholder Standard certification.

Papua New Guinea

ASSOCIATED SMALLHOLDERS

In Papua New Guinea the 3 646 smallholders supplying SIPEF's subsidiary, Hargy Oil Palms Ltd (HOPL), are all 'associated smallholders', who own their own land and take full ownership of the choice of crop and management decisions. These smallholders are classified as scheme smallholders as per the RSPO definition, as they can only sell to mills within their vicinity and have a standing arrangement with HOPL's mills.

HOPL

Hargy Oil Palms Ltd

DIRECT SUPPORT:

- Smallholder crop collection
- Road and bridge maintenance for crop collection
- Interest free loans for tools, fertiliser, seedlings
- Management, procurement and supply of fertiliser
- Management of pest control teams for project areas

Local planning committee

- **Hargy Oil Palms Ltd**
- Oil Palm Industry Corporation
- Bialla Oil Palm Growers Association
- Oil Palm Research Association
- East Nakanai Local Level Government

OPIC
Oil Palm Industry Corporation

OPRA
Oil Palm Research Association

OPIC AND OPRA SUPPORT:

- Research and development
- Agronomic services
- Training and education
- Community development projects

HOPL works with smallholders both directly and through the Local Planning Committee, which is made up of representatives from OPIC, BOPGA, OPRA, the East Nakanai Local Level Government (ENLLG), and HOPL.

For more information on OPRA and OPIC: png-data.sprep.org/group/15 // www.pngopra.org

HOPL is working closely with these smallholders to improve their yields by providing support in the form of training and extension services. Additionally, investments are being made in research and development services through collaboration with a local planning committee.

Targets and monitoring

SIPEF has set measurable targets in line with its Time Bound Plan and commitment under its RPP and RPuP to achieve 100% RSPO certification for its entire supply base. The targets set represent key milestones towards achieving this commitment.

TARGETS

1. Achieve RSPO certification for 100% of the scheme smallholders supplying PT Agro Kati Lama, PT Agro Muara Rupit, and PT Agro Rawas Ulu by 2030.
2. Engage with 19 cooperatives of independent smallholders in Indonesia, in order to support them in achieving RSPO group certification by 2026.

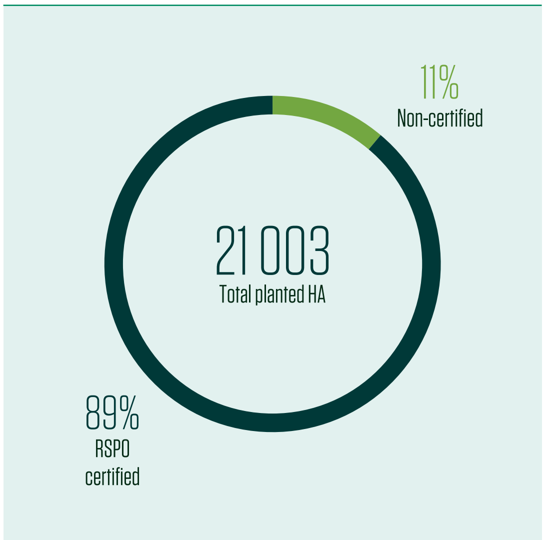
In order to set these targets, consultations were held with the smallholder department in Indonesia and the SHAAS team in Papua New Guinea, who served as credible proxies. Additionally, the regional sustainability teams and regional executive committees in each country were consulted for feedback and approval.

Further information on the targets is provided in Annex 1.

PROGRESS IN 2024

As of 2024, 89% of the total scheme smallholder planted area within SIPEF's supply base is RSPO certified.

RSPO CERTIFICATION STATUS FOR SCHEME SMALLHOLDERS



- In **Papua New Guinea**, all of the smallholders working with HOPL and supplying its three mills have maintained their RSPO certification since 2009.
- In **Indonesia**, all scheme smallholders supplying SIPEF have been certified, except for 632 smallholders supplying PT Agro Kati Lama, PT Agro Muara Rupit, and PT Agro Rawas Ulu in Musi Rawas.

The independent smallholder group supplying SIPEF maintained its RSPO certification.

Regarding progress on the second target, the smallholder department at PT Tolan Tiga Indonesia engaged with two independent smallholder cooperatives in North Sumatra and one in Bengkulu that are not yet in SIPEF's supply base. To support their RSPO certification process, the company has engaged a consultant to assist with training and engagement efforts.

MONITORING

Through its smallholder departments, SIPEF works with all potential smallholder suppliers through a stepwise approach that enables them to become RSPO certified. This approach will consist of several components: an expression of interest, GIS screening criteria, awareness and commitment, technical requirements, and an established internal control system.

Smallholders already in SIPEF's supply base are monitored through a variety of methods, which include regular outreach and support, and the internal control system. The main internal controls under this system are:

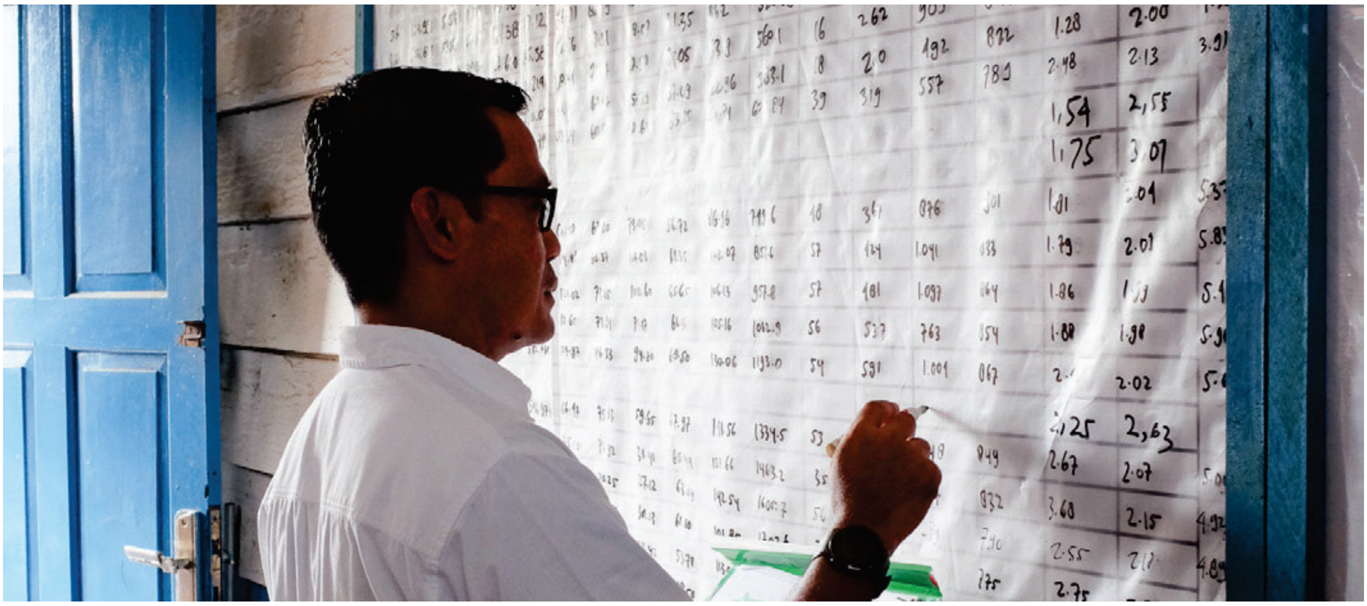
1. **Inspections** – SIPEF conducts block inspections to ensure compliance with agronomic standards and other key requirements, including those linked with health and safety. The team also communicates the results to growers and provides support to address any non-compliance issues.

2. **Training and awareness** – SIPEF conducts regular field-based training sessions to educate smallholders on agronomy and company policies. These sessions also provide a platform for smallholder communities to engage with SIPEF staff and raise concerns.

3. **Internal audits** – For smallholders who are already certified, internal audits are carried out annually to ensure continued compliance with the RSPO P&C, Indonesian Sustainable Palm Oil (ISPO) certification for smallholders in Indonesia, and SIPEF policies. Corrective actions are communicated in writing.

4. **External audits** – Certified smallholders also undergo annual audits by a certification body to externally verify compliance with the RSPO P&C.

When a breach of policies or regulations is found, the crop is segregated from the certified supply chain. Breaches against critical criteria, such as human rights violations, deforestation or new planting on peat, may also result in suspension until issues are resolved. Required corrective actions for non-conformances are communicated through written notice to the relevant parties. Smallholders are provided with the support needed to address the non-conformances, and lift the suspension.



WORKING TIME

Regulating working hours is an important aspect of ethical labour practices in the palm oil sector. Although oil palm cultivation requires continuous operations, fair labour standards help ensure that smallholders and their workers have balanced working conditions.

SIPEF supports industry-wide efforts to prevent excessive working hours and aligns its smallholder supply base with national labour laws, industry standards, and certification requirements.

Impacts[2]

MENTAL AND PHYSICAL HEALTH IMPACTS FROM EXCESSIVE WORKING HOURS:
POTENTIAL NEGATIVE, SHORT-TERM

Oil palm is a perennial, labour-intensive crop that requires continuous operations. Without proper measures in place, smallholders and their employees may face excessively long working hours. Prolonged working hours can negatively impact mental and physical health, disrupt family life, and increase vulnerability to occupational health and safety risks.

Ensuring fair and ethical labour conditions is critical for SIPEF's business model, as sustainable supply chains play a crucial role in maintaining operational stability and managing reputational risks. While SIPEF recognises overtime as a concern in the industry, the impact has been identified as potential, as there is limited risk of this occurring within SIPEF's smallholder supply base. In Papua New Guinea smallholders operate under a strict harvesting schedule. In Indonesia, scheme smallholder areas are under SIPEF's management control and operate in compliance with labour laws and SIPEF's policies, including RSPO certification requirements.

Policies and commitments

SIPEF's RPP and RPuP require smallholders to adhere to national labour laws, SIPEF policies, and RSPO certification standards, ensuring fair and legally compliant working conditions. Under the RPuP, smallholders must be able to prove that employment conditions for workers or contract workers always meet at least legal or industry minimum standards.

The RSPO P&C further reinforce these commitments by requiring compliance with legal working hours, overtime regulations, and wage conditions. Certificate holders must provide transparent employment contracts detailing compensation, working conditions, and benefits, ensuring workers have access to this information in a language they understand. These commitments help promote fair labour practices and prevent excessive working hours, supporting worker well-being and long-term employment security.

(2) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

SIPEF's approach to managing material impacts linked to working time is primarily focused on supporting its smallholder suppliers in upholding the requirements of the RSPO and achieving or maintaining certification.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

In Indonesia, SIPEF engages with scheme smallholders whose production areas are managed by SIPEF and are subject to the same requirements and monitoring processes as its own operations, in line with RSPO standards. Additionally, SIPEF sources from a single group of independent smallholders, which has been RSPO certified since 2017.

Read more about how SIPEF addresses the potential impacts in its own operations in 'S1: Own workforce'.

Papua New Guinea

All smallholders supplying HOPL's mills in Papua New Guinea are fully RSPO certified and undergo annual audits by HOPL and third-party certification bodies, and receive ongoing training support. Training sessions are conducted throughout the financial year, covering various RSPO requirements, including those related to working time at least once per year. In addition, a structured harvesting schedule regulates smallholder harvesting activities. Smallholders are allocated specific timeframes and follow the industry standard of harvesting three hectares per day, ensuring a balanced workload.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to working time in the context of smallholders and their employees. However, it has set targets in relation to achieving 100% RSPO certification of its supply base by 2030.

Read more about these targets for SIPEF's smallholder suppliers and the progress made in Annex 1.

ADEQUATE WAGES

While the palm oil industry remains economically significant, value distribution within supply chains can be uneven. Smallholders, who play a crucial role in production, often earn modest incomes while supporting multiple household members. This can create financial challenges, particularly in Indonesia and Papua New Guinea, where many smallholders rely on palm oil as their primary source of livelihood.

SIPEF is committed to supporting smallholders and their workers to access fair compensation by promoting transparent pricing mechanisms, sustainability certification, and capacity-building initiatives. These efforts aim to enhance financial security and improve long-term income stability for smallholder households.

Impacts[3]

INADEQUATE INCOME AND UNFAIR VALUE DISTRIBUTION FOR SMALLHOLDERS
POTENTIAL NEGATIVE, MEDIUM-TERM

The uneven distribution of value within the palm oil supply chain can contribute to financial insecurity for smallholders and their employees, as limited earnings may result in incomes that do not meet basic living standards. When income is inadequate, smallholders, workers, and their families may struggle to afford essential expenses, increasing their economic vulnerability. Limited financial resources can also make it difficult to sustain operations, adopt sustainability practices, or invest in productivity improvements.

Fair value distribution is essential for SIPEF's business model, as sustainable supply chains support operational stability and economic resilience. While SIPEF does not determine income levels for smallholder employees, it supports smallholders by providing access to markets and premiums through certification, training, and agricultural inputs such as seedlings. Through its business relationships with scheme and independent smallholders in Indonesia and Papua New Guinea, SIPEF promotes RSPO certification and responsible practices to help smallholders maintain sustainable and financially viable livelihoods.

Policies and commitments

Under the RPuP, smallholders supplying to SIPEF must ensure that pay and employment conditions for workers or contract workers meet at least legal or industry minimum standards. They must also confirm adherence to human rights and labour standards as defined by applicable national laws, regulations, and SIPEF policies.

A key commitment under both the RPP and RPuP is achieving and maintaining RSPO certification. Under the RSPO P&C, certificate holders must ensure that smallholders receive fair pricing, transparent payment terms, and financial support mechanisms, contributing to livelihood security wand economic inclusion.

(3) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

To read more information on the development, governance and communication of the RPP and RPuP, please see 'General Information'.

Actions, targets, and monitoring

SIPEF's approach to managing material impacts related to adequate wages and income focuses on supporting smallholders to improve yields, ensuring fair pricing and transparent payment terms, providing capacity building, input and resource support, and facilitating access to market and premium opportunities through sustainability certification.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

In Indonesia, SIPEF supports smallholders through structured cooperative and village-based programmes, providing direct management, financial assistance, and access to quality inputs. These programmes help enhance productivity and income security by offering agronomic support, logistical assistance, and structured pricing mechanisms.

To ensure fair and transparent pricing, SIPEF applies local FFB pricing formulas that align with market conditions. Additionally, smallholders receive advanced monthly payments during the immature phase of plantation development, allowing them to maintain financial stability before their crops become productive. These payments, along with development costs, are gradually recovered through a structured purchase agreement, ensuring a sustainable, long-term supply partnership.

Papua New Guinea

In Papua New Guinea, HOPL engages with associated smallholders to enhance productivity and financial stability. The company provides agronomic training, logistical assistance, and RSPO certification support. Additionally, financial literacy training is offered to help smallholders manage income effectively and improve long-term financial security.

As part of its commitment to fair compensation, HOPL purchases the FFB at world market prices in accordance with a government formula. Additionally, the company shares an annual premium from each shipment with smallholders, calculated based on total production.

Annual contribution to capacity building and research

SIPEF and the associated smallholders working with HOPL invest in capacity building and research initiatives, focused on consistently increasing smallholder yields over time.

SIPEF's investments are allocated to HOPL's direct smallholder support initiatives. The investments made by the smallholders are channelled into the Oil Palm Research Association (OPRA), the Oil Palm Industry Corporation (OPIC) and Bialla Oil Palm Growers Association (BOPGA). This entitles the smallholders to access the development services offered by these organisations, as well as extension services and research.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to adequate income or wages in the context of smallholders and their employees. However, it has set targets in relation to achieving 100% RSPO certification of its supply base by 2030. Gaining RSPO certification allows smallholders to demonstrate that they are implementing more sustainable practices, which can expand market access and improve incomes.

Read more about these targets for SIPEF's smallholder suppliers and the progress made in Annex 1.

CHILD LABOUR

Child labour remains a critical global issue, including in agricultural supply chains, where economic pressures and limited education access can contribute to the problem. In smallholder farming, where businesses are often family-run, children may engage in labour to support household income or due to schooling limitations.

While SIPEF prohibits child labour in its operations, the Company recognises potential risks within its smallholder supply base, particularly in Indonesia and Papua New Guinea, where social and economic factors may increase vulnerability. To mitigate these risks, SIPEF enforces strict labour standards, conducts regular monitoring, and works closely with smallholders to uphold compliance and promote sustainable livelihoods.

Impacts[4]

PHYSICAL, PSYCHOLOGICAL, AND SOCIOECONOMIC IMPACTS OF CHILD LABOUR
POTENTIAL NEGATIVE, LONG-TERM

Child labour can have severe physical, psychological, and socioeconomic consequences for children. Exposure to hazardous work conditions can lead to serious health risks, including injuries and mental stress, impacting their well-being and long-term development. Beyond the immediate health implications, child labour disrupts education, preventing children from accessing learning opportunities that are essential for long-term career prospects and economic mobility.

Child labour has broader consequences for the agricultural sector and national economies, affecting productivity, innovation, and industry credibility. A workforce lacking formal education and skill development can reduce long-term economic sustainability. For SIPEF, ensuring a child labour-free supply chain is essential to maintaining business sustainability, operational integrity, and compliance with global labour standards.

Policies and commitments

Under the RPuP, smallholders supplying to SIPEF must confirm that child labour is prohibited in all operations of the supply base and that no forms of forced or trafficked labour are used. They must also adhere to human rights and labour standards as defined by national laws, SIPEF policies, and international frameworks.

The RPP also explicitly prohibits child labour and mandates compliance with the International Bill of Human Rights, International Labour Organization (ILO) principles, and the Free and Fair Labour in Palm Oil Production guidelines. These requirements apply across all of SIPEF's operations and extend to smallholder suppliers.

Additionally, SIPEF aligns with RSPO certification requirements, which mandate that smallholders establish formal policies prohibiting child labour, conduct age verification checks, and provide clear communication on child protection to suppliers and local communities.

(4) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

SIPEF enforces strict monitoring and compliance measures to prevent child labour within its smallholder supply base. These include regular audits, age verification during screening procedures, and training and awareness programmes. Additionally, SIPEF's grievance mechanism is available to all stakeholders, including smallholders and their workers, to report concerns related to child labour, ensuring transparent resolution and accountability. These measures ensure compliance with SIPEF policies, national laws, and RSPO requirements.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

SIPEF's smallholder supply base in Indonesia consists primarily of scheme smallholders, whose production areas are managed by PT Tolan Tiga Indonesia and subject to the same labour standards, monitoring processes, and RSPO requirements as its own operations.

PT Tolan Tiga Indonesia sources exclusively from a single group of RSPO certified independent smallholders. Compliance with child labour prohibition is ensured through internal audits, external RSPO certification audits, and training. For any new engagements with independent smallholders, age verification checks are conducted to confirm that all workers meet the legal working age. Young workers (above the legal working age but under 18) are only employed in non-hazardous roles, in line with RSPO requirements and national laws.

Papua New Guinea

All smallholders supplying HOPL's mills are RSPO certified. Block inspections, conducted by the SHAAS team, assess compliance as part of broader labour and safety checks. Compliance with RSPO P&C, SIPEF policies, and HOPL's local child labour policy is verified through annual internal and third-party certification audits. Additionally, regular training and awareness programmes educate smallholders on child labour policies, legal working age requirements, and ethical employment practices.

Targets and monitoring

SIPEF has not set a specific target within its smallholder supply base in relation to its no child labour policy, as the Group already has a zero-tolerance approach to child labour and its focus remains on monitoring and ensuring compliance. Corrective action protocols are also in place to address potential risks. If potential child labour is detected, immediate remedial actions are taken, including:

- Age verification to confirm legal working age compliance.
- Engagement with smallholders to ensure adherence to child labour policies.
- Possible exclusion from the supply base in cases of non-compliance.

SIPEF has set a broader target to achieve 100% RSPO certification of its supply base by 2030, reinforcing adherence to labour standards, including child labour prevention.

Read more about these targets for SIPEF's smallholder suppliers and the progress made in Annex 1. For further details on SIPEF's monitoring and compliance approach for smallholder suppliers, see page 207.

HEALTH AND SAFETY

Health and safety are critical considerations in agricultural and logistics supply chains, where physically demanding work, environmental hazards, and limited access to medical care can pose risks to workers. In the palm oil sector, smallholders may be exposed to occupational hazards such as chemical use, heavy lifting, and remote working conditions. In logistics, workers involved in land and maritime transport face risks linked to road safety, vessel operations, and extended working hours.

SIPEF is committed to supporting safe working conditions for its smallholder suppliers and logistics partners by reinforcing compliance with RSPO standards, national labour laws, and SIPEF's policies. While the Company does not directly manage these operations, it promotes health and safety awareness and best practices through supplier engagement and certification requirements.

Impacts[5]

HEALTH AND SAFETY IMPACTS FOR OIL PALM SMALLHOLDERS
POTENTIAL NEGATIVE, LONG-TERM

The labour-intensive nature of the palm oil industry presents health and safety risks if adequate measures are not in place. Smallholders working without proper training and protective equipment may suffer from serious accidents and injuries, ranging from short-term impacts to permanent disabilities or even fatalities. Exposure to pesticides and fertilisers without sufficient protection can also lead to respiratory issues, skin conditions, and other chronic health effects.

Female smallholders face additional risks, particularly during pregnancy or breastfeeding, due to chemical exposure and the physical demands of farm work. The remote locations of many oil palm farms can further delay access to medical care, increasing the severity of workplace injuries and health emergencies.

HEALTH AND SAFETY IMPACTS IN LAND TRANSPORTATION
POTENTIAL NEGATIVE, LONG-TERM

In land transportation, workers in Indonesia, Papua New Guinea, and Côte d'Ivoire may encounter both occupational and environmental challenges. Poor road conditions, traffic congestion, and long working hours can contribute to accident risks and driver fatigue. In some remote areas, drivers may face additional challenges such as cargo security concerns and adverse weather conditions like landslides or floods.

HEALTH AND SAFETY IMPACTS IN THE SHIPPING INDUSTRY
POTENTIAL NEGATIVE, LONG-TERM

Health and safety are a key concern in maritime transport, particularly for seafarers working on long-haul routes and in operational roles such as deck and engine room crew, where physically demanding tasks and high-risk environments are common. Without adequate occupational health

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and safety (OHS) measures, shipping workers may face hazardous conditions, including noise, vibration, extreme temperatures, and radiation exposure. In certain regions, additional risks such as piracy and vessel loss further heighten safety concerns.

Health and safety standards across SIPEF's smallholder supply base and logistics network are essential for maintaining business stability, operational integrity, and compliance with international labour standards. Smallholders play a critical role in supplying FFB to SIPEF's mills, and their well-being directly affects productivity and long-term supply chain resilience. Similarly, safe working conditions for logistics providers help ensure the reliable transport of palm oil products. While SIPEF does not directly manage these operations, it engages with suppliers and transport partners to promote adherence to its policies and requirements on health and safety.

Policies and commitments

Under the RPuP, smallholders supplying to SIPEF must ensure that the working environment under their control is safe and without undue risk to health. Smallholders must also confirm adherence to human rights and labour standards, as defined by applicable national labour laws, regulations, and SIPEF policies.

A key commitment under both the RPP and RPuP is achieving and maintaining RSPO certification. The RSPO P&C require certificate holders to implement health and safety measures, including the use of personal protective equipment (PPE) for hazardous tasks such as pesticide application, machine operations, land preparation, and harvesting. Certificate holders must also ensure risk management through worker training and monitoring.

SIPEF also has a Group-level Occupational Health and Safety (OHS) Policy, which stipulates that it will ensure all its employees, its contractors, and their employees, are made aware of and understand their individual OHS rights and obligations. This policy aligns with local laws, international agreements, and industry standards, ensuring that all workers within SIPEF's supply chain operate in safe and compliant working conditions.

SIPEF requires all of its logistics partners to commit to ensuring that SIPEF's OHS standards and legal requirements are met. This is included as a condition in their contractual agreement with SIPEF. As part of its 2025–2026 policy review, SIPEF will assess the potential expansion of its supplier Code of Conduct to further integrate health and safety requirements across its value chain.

Actions, targets, and monitoring

SIPEF is committed to ensuring safe working conditions for smallholders supplying its mills by implementing training and monitoring measures. These measures are geared towards ensuring health and safety is practiced in line with RSPO standards, as well as SIPEF's RPuP and OHS policies.

SIPEF recognises the importance of safe working conditions in maintaining operational stability and supply chain resilience. As such, SIPEF will continue to work with its logistics partners to ensure compliance with OHS standards.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Papua New Guinea

For the associated smallholders in Papua New Guinea, training is regularly conducted on health and safety practices throughout the financial year, covering topics such as proper PPE use, pesticide application, and the safe handling of fertilisers. Compliance of health and safety practices is also monitored regularly through block inspections.

In addition, HOPL carries out pre-checks prior to any pesticide distribution, ensuring smallholders have the necessary training, storage facilities, and personal protective equipment (PPE) before they obtain pesticides from HOPL. PPE is also provided upon request, should smallholders not have any access to their own equipment. Third party certification audits against the RSPO standard externally verify smallholder compliance with SIPEF's health and safety requirements.

Indonesia

In Indonesia, SIPEF is supplied primarily by scheme smallholders whose production areas are managed by SIPEF. These smallholders are subject to the same requirements and monitoring processes as the Group's own operations, in line with RSPO and ISPO standards.

For its independent smallholder suppliers, PT Tolan Tiga Indonesia, carried out similar measures to the associated smallholder programme in Papua New Guinea.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact of health and safety for smallholders and logistics partners. Instead, the focus remains on monitoring compliance and corrective action protocols.

Regular inspections and audits are conducted, with findings communicated to smallholders. When health and safety non-compliances are detected, immediate remedial actions are enforced. Corrective actions are to be implemented by the smallholder, with follow-ups from the smallholder teams to ensure compliance. If corrective actions are not completed, further measures may be applied, such as the temporary suspension of FFB payments or supply.

Additionally, SIPEF has set a broader target to achieve 100% RSPO certification of its supply base by 2030, reinforcing adherence to labour standards, including health and safety.

Read more about these targets for SIPEF's smallholder suppliers and the progress made Annex 1. For further details on SIPEF's monitoring and compliance approach for smallholder suppliers, see page 207.

TRAINING AND SKILLS DEVELOPMENT

SIPEF recognises that training and skills development are fundamental to worker safety, productivity, and the long-term success of smallholders. Without adequate training, workers face greater risks of injuries and limited career progression, while smallholders may struggle to meet sustainability standards, implement best practices, or access premium markets. Addressing these challenges through targeted capacity-building programs, technical support, and compliance training not only strengthens SIPEF's supply chain resilience but also improves product quality and supports economic empowerment for smallholders and workers.

Impacts[6]

INCREASED REQUIREMENTS AND ACCESSIBILITY OF TRAINING, KNOWLEDGE, TOOLS

POTENTIAL NEGATIVE, MEDIUM-TERM

As sustainability certification requirements become more stringent, oil palm smallholders may struggle to comply due to limited access to training, technical assistance, and extension services. A lack of knowledge on sustainable practices, deforestation policies, and quality standards increases the risk of non-compliance, which could lead to exclusion from SIPEF's supply chain, affecting smallholder income and SIPEF's long-term supply chain stability.

To address the challenges smallholders face with certification requirements, SIPEF engages with its smallholder suppliers to provide training, technical support, and industry collaboration, helping them build capacity and maintain access to sustainable markets. As SIPEF depends on RSPO certified smallholders to meet its sustainability commitments, strengthening smallholder compliance also reinforces the stability of its supply chain.

Policies and commitments

Under the RPP, SIPEF is committed to supporting smallholder suppliers to achieve certification by providing technical assistance, extension services, and training through its smallholder programmes. The RPuP reinforces this commitment by outlining SIPEF's smallholder support programme and ICS, which includes training and awareness on SIPEF policies, best management practices, and health and safety, as well as certification and legal compliance. These efforts equip smallholders with the necessary knowledge to meet sustainability standards and ensure their continued inclusion in SIPEF's supply chain.

A key commitment under both the RPP and RPuP is achieving and maintaining RSPO certification. RSPO certification requires certificate holders to support smallholders through certification facilitation, capacity-building programmes, and access to sustainability initiatives. This includes

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consulting with smallholders, developing livelihood improvement programmes, and providing training on productivity, quality management, and safe pesticide handling.

Actions, targets, and monitoring

SIPEF conducts an intensive, year-round training programme for associated smallholders in Papua New Guinea. Each session focuses on one or two topics, allowing for in-depth discussions and better knowledge retention. Multiple meetings are held in the same area throughout the year, covering interrelated subjects, with key topics revisited to reinforce learning.

In 2024, HOPL conducted 527 training sessions, reaching 11 476 participants on topics such as RSPO certification, best management practices, fertiliser application, crop quality, land management, pest control, chemical requirements, and FFB price calculations. Training engagement increased, with 77% of smallholder blocks reached at least once in 2024, compared to 70% in 2023.

In Indonesia, SIPEF is primarily supplied by scheme smallholders, whose production areas are managed by PT Tolan Tiga Indonesia and are subject to the same training and compliance requirements as SIPEF's own operations, in line with RSPO standards. SIPEF also works with a single group of independent smallholders, consisting of 29 growers, who received 22 training sessions in 2024. These sessions covered SIPEF policies, best management practices, health and safety, and legal compliance, enabling them to successfully pass the external RSPO audit in 2024.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Targets and monitoring

Targets have been set with the aim of ensuring that the latest RPuP, published in August 2024, has been communicated and understood by both SIPEF's smallholder suppliers (scheme smallholders) and potential suppliers (independent smallholders) to support them in their journey with certification.

TARGETS

1. Training on the updated RPuP to be provided to 100% of scheme smallholders in Papua New Guinea in the financial year 2026.
2. Training on the updated RPuP to be provided to the board of cooperatives of 20 non-RSPO certified independent smallholder groups in Indonesia in the financial year 2025.

Consultations were held with the smallholder department in Indonesia and the SHAAS team in Papua New Guinea, who served as credible proxies for SIPEF's smallholder suppliers. Additionally, the regional sustainability teams and regional executive committees in each country were consulted for feedback and approval.

Further information on the targets is provided Annex 1.

MONITORING AND PROGRESS IN 2024

As the targets have been set for the financial years 2025 and 2026, there has been no progress to report for 2024 with regards to RPuP training. Progress will be tracked by the smallholder teams through participation rates and attendance records.

DIVERSITY AND GENDER EQUALITY

SIPEF recognises that diversity, gender equality, and equal pay for work of equal value remain critical challenges across its value chain, particularly in palm oil industry, which has traditionally been male dominated. Women in these sectors can face barriers to fair employment, career advancement, and economic participation, which can result in restricted access to land and financial resources, limited decision-making power, and even mental health impacts. Addressing these challenges presents opportunities for SIPEF to enhance gender inclusion, improve workforce stability, and strengthen social sustainability efforts, while ensuring compliance with international labour standards and sustainability certifications.

Impacts[7]

RESTRICTED OPPORTUNITIES AND INEQUALITY FOR WOMEN SMALLHOLDERS
POTENTIAL NEGATIVE, LONG-TERM

Women smallholders in the palm oil industry can face significant challenges, including restricted access to land and resources due to cultural and legal barriers that favour men in ownership and decision-making. They can also bear a disproportionate burden of unpaid labour, balancing farm responsibilities with household chores, caregiving, and community work. This heavy workload can impact their physical and mental health and limit opportunities for education and personal development. Additionally, gender biases and stereotypes can restrict their access to training, advancement, and decision-making power, potentially relegating them to lower-paid, lower-status roles within the industry.

SIPEF sources from both independent and scheme smallholders in Indonesia and from associated smallholders in Papua New Guinea, were cultural norms and legal frameworks influence gender dynamics in agriculture. Although this issue has been identified from an industry-wide perspective, there is no concrete evidence of women facing restricted opportunities in SIPEF's supply base. However, the potential impact is significant, as it could infringe on human rights and access to basic necessities. While these issues can be addressed through targeted interventions and gender-sensitive policy reforms, cultural norms and systemic biases make long-term change challenging.

(7) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

Under the RPuP and RPP, smallholders supplying to SIPEF must confirm that any form of discrimination is prohibited, including gender-related discrimination in employment and pay. These policies also require adherence to human rights and labour standards as defined by national laws, SIPEF policies, and international frameworks, while mandating the elimination of gender discrimination and the promotion of equal opportunities in hiring, wages, and working conditions across SIPEF's operations and smallholder supply.

Additionally, RSPO certification requirements mandate that certificate holders implement publicly available non-discrimination and equal opportunity policies, ensure fair hiring, training, and promotion practices, and establish gender committees to support women's representation and workplace inclusion. Certificate holders must also provide evidence of equal pay for the same work scope.

Actions, targets, and monitoring

SIPEF's approach to diversity, gender equality, and equal pay within its smallholder supply chain is primarily focused on ensuring compliance with RSPO requirements, national labour laws, and SIPEF policies. Through certification and structured monitoring, SIPEF reinforces non-discrimination, equal employment opportunities, and fair pay.

In addition to compliance efforts, SIPEF implements some targeted initiatives to strengthen gender inclusion and economic empowerment.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Indonesia

In Indonesia, SIPEF's scheme smallholders are managed by PT Tolan Tiga Indonesia and are subject to the same labour standards, monitoring, and RSPO compliance as SIPEF's own operations. Additionally, SIPEF sources from a single group of RSPO certified independent smallholders, who have been certified since 2017.

Papua New Guinea

In Papua New Guinea, SIPEF's subsidiary, HOPL, implements a dual-card payment system to promote financial independence for women smallholders and workers. This system ensures that income earned from FFB and loose fruit collection is allocated directly to the individual contributor, reducing dependency on a single household member.

- **Primary card:** Assigned to the registered smallholder, often the male head of the household, but it can also be the woman of the household. This card is linked to the smallholder's account for FFB delivery payments.
- **Secondary card:** Issued to women contributing through loose fruit collection, allowing payments to be deposited directly into their own bank accounts, ensuring independent income access and reducing financial reliance on spouses.

Additionally, HOPL's SHAAS team conducts community-led training sessions on financial literacy, budgeting, hygiene, and household resource management, tailored to local needs. In areas where female community leaders have requested support, female extension officers facilitate women-only meetings to discuss gender-related challenges and opportunities in agriculture.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to diversity, gender equality, and equal pay for work of equal value in the context of smallholders. However, it has set targets in relation to achieving 100% RSPO certification of its supply base by 2030, which includes requirements on gender equality and non-discrimination.

Read more about these targets for SIPEF's smallholder suppliers and the progress made in Annex 1.

MEASURES AGAINST VIOLENCE AND HARASSMENT IN THE WORKPLACE

SIPEF recognises that violence and harassment can occur in smallholder supply chains, particularly in remote areas where informal work arrangements may limit access to workplace protections and reporting mechanisms. Women working in smallholder operations may be more vulnerable to exploitation, harassment, and abuse in such contexts. Addressing these challenges through awareness raising, policies, and reporting mechanisms presents an opportunity to mitigate or prevent violence and harassment and reduce associated potential impacts.

Impacts[8]

INCREASED VULNERABILITY OF WOMEN TO EXPLOITATION AND ABUSE
POTENTIAL NEGATIVE, SHORT-TERM

Gender inequalities in the countries where SIPEF sources from smallholders can leave women more vulnerable to exploitation, sexual harassment, and violence, particularly in remote or isolated oil palm plantation areas. The lack of protective measures, reporting mechanisms, and access to legal recourse exacerbates these risks, contributing to serious mental health impacts for affected individuals.

SIPEF sources from both independent and scheme smallholders in Indonesia and from associated smallholders in Papua New Guinea, where cultural norms and legal frameworks shape gender dynamics in agriculture and impact workplace conditions. Although this issue has been identified from an industry-wide perspective, there is no concrete evidence of its occurrence within SIPEF's value chain. However, given its high severity and the challenges of post-incident remediation, SIPEF recognises the need for preventive action. The Company engages with suppliers through relevant policies, certification requirements, and training to promote safe and inclusive workplaces.

(8) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

Under the RPuP, smallholders supplying to SIPEF are committed to ensuring a safe working environment free from undue health risks. They must also confirm adherence to human rights and labour standards as defined by applicable national laws, regulations, and SIPEF policies. A key commitment under both the RPP and RPuP is achieving and maintaining RSPO certification. The RSPO P&C require that a policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.

To read more information on the development, governance and communication of the RPP and RPuP, please see 'General Information'.

Actions, targets, and monitoring

SIPEF's approach to managing material impacts linked to violence and harassment is primarily focused on prevention:

- All smallholders supplying SIPEF's mills in Papua New Guinea are fully RSPO certified, undergo audits by SIPEF and third-party certification bodies annually, and receive ongoing training support. At least once a year, this training covers SIPEF's policy on violence and harassment, along with awareness-raising on the issue.
- In Indonesia, SIPEF engages with scheme smallholders whose production areas are managed by SIPEF and are subject to the same requirements and monitoring processes as its own operations, in line with RSPO standards. Additionally, SIPEF sources from a single group of RSPO certified independent smallholders.
- SIPEF's grievance mechanism is available to all stakeholders, including smallholders, their families, and their employees, to raise concerns or report incidents, including those related to violence and harassment.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

Read more about how SIPEF addresses the potential impacts in its own operations in 'S1: Own workforce'. See 'G1: Business conduct' for an overview of SIPEF's grievance mechanism.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to measures against violence and harassment in the workplace in the context of smallholders. However, it has set targets in relation to achieving 100% RSPO certification of its supply base by 2030, which includes requirements on this topic.

Read more about these targets for SIPEF's smallholder suppliers and the progress made in Annex 1.

PRIVACY

As supply chain transparency and regulatory compliance become increasingly important, managing data privacy risks is essential to maintaining trust and ensuring ethical business practices. In agricultural supply chains, particularly those involving smallholders, privacy concerns may arise when traceability efforts require the collection and disclosure of location and operational data. While these measures support sustainability commitments and legal compliance, they must be balanced with responsible data management to protect smallholders' rights and livelihoods.

Impacts[9]

INCREASING TRACEABILITY AND MONITORING ACTIVITIES
POTENTIAL NEGATIVE, MEDIUM-TERM

Increasing traceability and monitoring requirements in SIPEF's supply chain, driven by EU regulations such as the European Union Regulation on Deforestation-free Products (EUDR), may raise privacy concerns for smallholders, particularly in Indonesia, where local regulations and sensitivities around data protection are more pronounced. If not managed appropriately, the disclosure of supplier locations and the expansion of satellite monitoring could lead to unintended data privacy implications.

These impacts are directly connected to SIPEF's business model and strategy, which prioritises supply chain transparency and regulatory compliance to meet international sustainability commitments. As part of its responsible sourcing activities, SIPEF is involved in data collection, geolocation monitoring, and certification processes, requiring engagement with scheme and independent smallholders to verify legal compliance and sustainability criteria.

While these efforts help ensure responsible sourcing, they also introduce privacy risks related to data security, unauthorised access, and potential smallholder exclusion from supply chains if non-compliance is detected. To mitigate these risks, SIPEF integrates data protection measures into its smallholder data storage and handling procedures and traceability initiatives, ensuring that smallholders' rights are safeguarded while maintaining compliance with evolving regulatory standards.

Policies and commitments

SIPEF upholds strict principles of data protection and confidentiality, as outlined in the Group's Code of Conduct. The Code commits SIPEF to safeguarding all information related to suppliers, clients, and other business partners from unauthorised use, disclosure, alteration, or destruction. SIPEF is further committed to ensuring that data is used solely for its intended purpose, in full compliance with legal and internal confidentiality regulations.

To read more information on the development, governance, and communication of the RPP and RPuP, please see 'G1: Business conduct'.

(9) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets and monitoring

SIPEF continues to implement data protection measures to safeguard smallholder information while ensuring compliance with evolving traceability requirements.

At its operations in Indonesia and Papua New Guinea, smallholder files are securely stored with restricted access in both physical and digital formats. Sensitive data, including land parcel information, financial information, and agreements or MOUs, is maintained within the appropriate departments at the head offices, with access strictly limited to designated personnel. Additionally, Company databases storing smallholder information are protected with login-restricted access, ensuring data security and compliance with evolving traceability requirements.

To support compliance with the EUDR and strengthen supply chain transparency, SIPEF upgraded its interactive mapping platform, GeoSIPEF, in October 2024. The platform enhances monitoring capabilities while maintaining data privacy protections for SIPEF's suppliers by enabling secure, selective data-sharing with authorised stakeholders. The new version includes a customer portal that requires SIPEF customers to log in, while certain data is only shared upon request.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

A more detailed update on GeoSIPEF can be found in 'S4: Consumers and end-users' and the Company Report.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to privacy for smallholders, as the focus is primarily on the protocols it has in place to ensure data privacy for smallholder, as previously described.

S3: Affected Communities

Agriculture plays a vital role in rural development, supporting livelihoods, job creation, and food security. However, if not managed sustainably, it can also disrupt local communities and threaten access to land and natural resources.

SIPEF is committed to respecting the rights of communities to land, resources, territories, livelihoods, and food security. Its approach is grounded in the principles of free, prior, and informed consent (FPIC), the protection of human rights, and the recognition of indigenous peoples' rights. These commitments are embedded in the Group's key policies and are implemented through formal assessment and consultation processes to prevent land disputes and support inclusive development. A sustainable approach to conducting operations is also critical for ensuring that activities do not cause the degradation of natural resources and ecosystems on which communities depend.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• FPIC • Security-related impacts • Adequate food	• Responsible Plantations Policy (RPP) • Responsible Purchasing Policy (RPuP) • Grievance Policy	• No target.	• A dedicated community engagement department was established in Papua New Guinea to address local concerns and strengthen stakeholder relations • Youth empowerment initiatives were expanded in Papua New Guinea, including skills training, legal support for association registration • Third-party verification of the social impact assessments (SIAs) conducted in 2023 began in 2024, supporting preparations for new developments

SCOPE OF DISCLOSURE

SIPEF's palm oil operations in Indonesia and Papua New Guinea are located in areas where local communities, including indigenous peoples, are present. In Côte d'Ivoire, there are no indigenous communities near SIPEF's banana operations, and land acquisitions have only involved previously cultivated plantation areas under historically established lease agreements. While communities are present nearby, the potential for significant impacts has been assessed as limited.

The double materiality assessment conducted in 2024 identified material impacts related to FPIC, security-related impacts, and adequate food, all of which are most relevant to SIPEF's operations in Indonesia and Papua New Guinea. Accordingly, the scope of this section focuses on the communities potentially affected in those countries, reflecting both the nature of the identified impacts and the limited relevance of these issues in the context of Côte d'Ivoire.

The type of communities subject to material impacts and included in scope are:

- **Local communities:** Communities living near or within SIPEF's operating sites, who may be affected by operational activities, including in areas where land ownership conflicts could arise.
- **Indigenous peoples:** Inheritors and practitioners of unique cultures and ways of relating to people and the environment, who retain social, cultural, economic, and political characteristics distinct from those of the dominant societies in which they live.

Communities potentially affected by SIPEF's value chain are not included in scope, as the most relevant material impacts relate to the Group's direct operations. In some locations, smallholders are also members of local communities, resulting in an overlap.

RESPECTING COMMUNITY RIGHTS

SIPEF's approach to respecting the rights of local communities and indigenous peoples is based on responsible and inclusive engagement practices, aligned with international human rights standards and sustainability frameworks. These include the Roundtable on Sustainable Palm Oil (RSPO) Principles & Criteria, the Rainforest Alliance standard, and relevant international declarations and conventions, such as the Universal Declaration of Human Rights, UN Declaration on the Rights of Indigenous Peoples, and the International Labour Organization (ILO) Indigenous and Tribal Peoples Convention (No. 169).

Key commitments to these standards and international conventions are formalised in SIPEF's Responsible Plantations Policy (RPP). This policy also embeds the principles of FPIC and outlines the Group's respect for legal, customary, and user land rights, especially those of indigenous communities.

Engagement with affected communities

SIPEF engages directly with affected communities or their legitimate representatives throughout the lifecycle of its operations. Engagement is tailored to the local context and includes participatory land-use planning, community consultations, and grievance processes. Community engagement is led by regional sustainability teams, with oversight from the group head of sustainability, who reports to the executive committee. This structure ensures that engagement is systematic, context-sensitive, and informs decision-making at the highest level. As of March 2024, a separate community engagement department has also been established by HOPL in Papua New Guinea to focus on addressing community-related issues.

To further uphold community rights and prevent harm, SIPEF also maintains an accessible grievance mechanism, allowing stakeholders to raise concerns and seek resolution in a transparent and respectful manner.

Read more about the grievance channels accessible to affected communities on pages 236-237.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

Respect for community rights is also embedded in SIPEF's strategy and business model. One of the core focus areas of SIPEF's strategy is 'Respecting employees and communities', which includes fostering long-term relationships, creating shared value, and supporting community well-being. This is implemented through sustainability policies, alignment with certification standards, and continuous stakeholder engagement. By working in this way, SIPEF strengthens its ability to anticipate and address material risks, such as land-related disputes or operational disruptions, while supporting long-term resilience for both the business and the communities it engages with.

Identification and management of impacts, risks, and opportunities

SIPEF's double materiality assessment did not identify any material risks or opportunities. As a result, there are no risks or opportunities disclosed in this section, nor reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no effects are reported on the Company's financial position, performance, or cash flows.

In general, actions taken or planned to manage the impacts described in this section are based on the results of social impact assessments, internal and external audits, grievance mechanisms, and feedback from other forms of direct engagement to ensure appropriate responses. Dedicated financial and human resources are allocated to managing these issues.

FREE, PRIOR, AND INFORMED CONSENT (FPIC)

SIPEF recognises that agricultural development, including in the palm oil sector, can affect community rights and access to land. Respecting these rights begins with obtaining FPIC from communities that may be affected before any new development. FPIC is not a one-time event tied to land transfer but an ongoing process to ensure that community voices are heard and their feedback taken on board.

Impacts[1]

LAND OWNERSHIP, CONFLICTS, AND DISPUTES

POTENTIAL NEGATIVE, LONG-TERM

Without a robust FPIC process, the expansion of palm oil plantations in the wider industry has contributed to land-related disputes, particularly where customary lands of indigenous peoples and local communities are involved. A related challenge is the lack of clearly defined boundaries for customary land in many palm oil-producing countries, which can complicate land tenure recognition. Such disputes may impact traditional livelihoods and contribute to social tension and economic vulnerability.

Policies and commitments

SIPEF is committed to ensuring that FPIC is obtained before any new land development, followed by continuous and constructive engagement with local communities. This commitment is embedded in both the RPP and the RPuP, which require that FPIC is applied in SIPEF's own operations, and that land ownership is properly secured in its smallholder supply base.

The RPP also outlines the Group's goal to achieve 100% RSPO certification. The RSPO P&C include clear requirements for respecting legal, customary, and user rights, including the need for participatory land-use planning, access to information, representation by institutions of the communities' choosing, and the right to give or withhold consent prior to land development.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

Actions, targets, and monitoring

Prior to any new development, SIPEF initiates a structured, participatory, and transparent process to secure FPIC of local communities, in alignment with RSPO requirements. This process is designed to ensure that the Company does not infringe on land or resource rights, and that individuals have the right to be represented, to withhold consent, and to receive compensation where applicable.

Social impact assessments (SIAs) are conducted in line with RSPO's New Planting Procedure (NPP), alongside High Conservation Value and High Carbon Stock Approach (HCV-HCSA) assessments. These processes evaluate actual and potential social impacts and involve community members in the design of any required mitigation or management plans. External experts are engaged to carry out FPIC and SIA processes.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Social impact assessments in 2024

In 2024, SIPEF continued to conduct SIAs across its operations to inform management planning and support ongoing dialogue with local stakeholders.

- **Indonesia:** At PT Tolan Tiga Indonesia, these included surveys and interviews with local communities to assess perceptions of the company's impact on employment, local economies, infrastructure, and the environment. The assessments are part of ongoing operational monitoring and inform SIPEF's social responsibility management plan for Indonesia.
- **Papua New Guinea:** In 2023, Hargy Oil Palms Ltd (HOPL) conducted a comprehensive SIA as part of its broader integrated HCV-HCSA assessment, which supports the company's ongoing RSPO NPP process. These assessments covered the company's estates, smallholders, and surrounding areas. In 2024, HOPL engaged with an accredited certification body to initiate third party verification of the full assessment package, including the SIAs. This verification, planned for the second quarter of 2025, is a key step towards securing RSPO approval for new developments.

Monitoring and oversight of management plans are conducted with internal checks and third-party audits led by regional sustainability teams and certification bodies. In addition to new development-related assessments, SIPEF's regional sustainability teams also engage regularly with local communities through social impact assessments and consultations as part of ongoing operational monitoring. These activities take place at least annually, or more frequently when concerns arise. In Papua New Guinea, a dedicated community engagement department has been established to address community-related issues.

SIPEF's grievance mechanism allows local and indigenous communities to raise concerns related to land rights or other issues. In the event of land disputes, participatory mapping is undertaken to identify the area in question, and the process includes documentation of compensation agreements based on FPIC principles.

Targets and monitoring

SIPEF has not set a specific target for FPIC, as the priority is on ensuring that the process is implemented consistently and effectively across all new developments.

SIPEF has set a broader target to achieve 100% RSPO certification for its own oil palm estates by 2030. As previously stated, the RSPO P&C explicitly require respect for legal, customary, and user rights, including the application of FPIC prior to land development.

Read more about the overarching target and the progress made in Annex 1 and in 'Sustainability standards and certification' in the Company Report.

SECURITY-RELATED IMPACTS

SIPEF recognises that its no deforestation commitment, while playing a critical role in preserving high conservation value areas, can intersect with local development needs in complex ways. This is particularly relevant in Papua New Guinea, where land use constraints, limited livelihood alternatives, and generational settlement patterns have led to increased pressure on land, creating tensions that may escalate into security-related risks. Addressing these challenges proactively is essential to safeguarding both community well-being and employee safety.

Impacts[2]

RESTRICTED LAND USE DUE TO NO DEFORESTATION POLICY
ACTUAL NEGATIVE, LONG-TERM

Company no deforestation commitments can limit the ability of local communities and smallholders to develop new land for oil palm cultivation, as FFB from deforested areas cannot be sold to NDP-committed companies. In Papua New Guinea, while not the primary cause, such restrictions can add to existing challenges. Overcrowding in allocated land blocks, where multiple generations rely on the same plots, has led to increasing land pressure and a growing risk of ownership conflicts. These pressures have contributed to heightened risks of crime and broader security concerns, affecting both community members and SIPEF employees.

Policies and commitments

While no policies or commitments have been established specifically to address security-related risks linked to land-use constraints, the RPP includes broader commitments to supporting communities, promoting smallholder inclusion, and protecting the rights of local and indigenous communities. These principles guide SIPEF's approach to community engagement and help inform proactive efforts to reduce social tensions and promote inclusive development, particularly in areas where land pressure and limited economic alternatives present challenges.

The Group's commitment to RSPO certification, as outlined in the RPP and RPuP, further supports this approach. The RSPO P&C include requirements for smallholder inclusion, community development support, respect for land tenure rights, and participatory engagement processes.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

(2) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Actions, targets, and monitoring

To help address the root causes of security-related risks, SIPEF supports youth empowerment and livelihood creation initiatives in communities in Papua New Guinea affected by land-use constraints. Led by the community engagement department, youth engagement is a central focus of these efforts. As part of broader efforts to identify inclusive land-use opportunities, HOPL's integrated HCV-HCSA and SIA assessments conducted in 2023 also included participatory mapping to help identify areas that may be suitable for future smallholder development. The results are currently undergoing verification, as described in the section on FPIC.

Targets and monitoring

While no specific targets have been set to reduce security-related impacts, HOPL will continue to track participation in youth engagement initiatives, training outcomes, and connections to employment opportunities as part of its community engagement strategy in Papua New Guinea. HOPL's community engagement department will also continue to explore additional ways to support community development projects, which can help to address underlying land-related pressures by promoting inclusive development and livelihood initiatives.

Youth engagement initiatives in Papua New Guinea

HOPL's youth engagement programme aims to mobilise and empower local youth to take an active role in their communities. Groups participate in service activities such as roadside and cemetery clean-ups and receive training in financial literacy and practical topics like herbicide handling to build life skills and improve employability.

In addition, the community engagement department is assisting youth groups with registering as associations, which enables them to open business accounts and meet the legal requirements needed to be engaged for contract work and to receive payment. Two youth groups have been formally registered in Kabaya, with three more currently in development.

Monitoring is carried out through regular field assessments by the community engagement, sustainability, and smallholder teams in Papua New Guinea. Feedback from youth group leaders and community representatives is used to inform and improve the design of future activities.

ADEQUATE FOOD

SIPEF recognises that agricultural activities can influence local food security, depending on land use and availability. The Group is committed to ensuring both physical and economic access to food for its workforce and their families, many of whom are also members of surrounding communities. It also aims to mitigate any potential negative impacts by prioritising responsible land development and appropriate community consultation processes prior to new developments.

Impacts[3]

SUPPORTING FOOD ACCESS AND AFFORDABILITY

ACTUAL POSITIVE, SHORT-TERM

SIPEF engages in food provision and access initiatives for its employees and their families, many of whom are also part of the surrounding communities. Food is a basic need and human right, and ensuring reliable access is essential for people's well-being. Such initiatives can also help reduce the financial burden on households, particularly in areas where food prices and inflation are high. SIPEF also supports long-term food security by conducting social and environmental impact assessments in consultation with local communities before new development projects begin.

(3) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Policies and commitments

While SIPEF does not have a standalone policy dedicated solely to food provision or food security, its RPP encompasses broader commitments to supporting and protecting the rights of local and indigenous communities.

Under the RPP, SIPEF is also committed to achieving 100% RSPO certification across its operations. The RSPO P&C require companies to consider local food and water security as integral components of the FPIC process. This involves conducting participatory social and environmental impact assessments and engaging in collaborative land use planning with local communities to evaluate all food and water provisioning options, ensuring transparency throughout the land allocation process.

To view more information on the development, governance, and communication of the RPP and RPuP, please see 'General information'.

Actions, targets, and monitoring

As part of the FPIC process and in alignment with RSPO requirements, SIPEF carries out participatory land use planning with local communities prior to new developments. During this process, food and water provisioning needs are considered, and key areas for food production are identified and mapped. All areas important for providing food gardens are identified and excluded from any future development plans.

SIPEF also implements a range of initiatives across its operations to improve access to and affordability of food for employees, their households, and nearby communities. These include the direct provision of food or subsidies, the allocation of gardening areas, and training to support household-level food production.

Targets, progress, and monitoring

While no specific targets have been set in relation to enhancing food access and affordability, SIPEF ensures compliance with RSPO requirements related to food security and continues to monitor food provision initiatives across its operations.

Initiatives to increase food accessibility and affordability

IN INDONESIA, employees and their families receive up to 47 kg of rice per household per month. Residential compounds include designated areas for food gardening, supported with empty fruit bunches (EFB) from SIPEF mills, which are used as organic fertiliser.

Under the SIPEF Biodiversity Indonesia (SBI) programme, SIPEF supports 376 farmers from nearby communities with technical assistance and seedlings to establish food gardens and tree crops. The initiative aims to diversify incomes while supporting forest protection within SBI's 12 762 hectares of conservation area.

IN PAPUA NEW GUINEA, where inflation remains high and store-bought food is costly, some plantation compounds provide land for food gardening. This supports household food access while helping prevent encroachment into conservation areas. HOPL has also begun training women in compounds to improve food gardening skills.

IN CÔTE D'IVOIRE, all employees are provided a fixed monthly subsidy for the purchase of rice. In 2024, these subsidies were increased by 36% from the previous year to accommodate the rising cost of food in the country.

ACROSS ALL LOCATIONS, residential areas have established local stores or canteens, run by the employees or their family members. SIPEF supports these establishments by subsidising the transportation of goods or offering capital when necessary. The stores are subject to cost control measures to ensure prices are kept locally competitive.

ADDRESSING COMMUNITY GRIEVANCES

SIPEF is committed to addressing and remedying any material negative impacts on affected communities. The Group has established an effective grievance mechanism, which all stakeholders, including local and indigenous community members, can use to report any incidents of misconduct or violation of community rights. These can include, but are not limited to, land disputes and compensation for the loss of legal, customary, or user rights.

Multiple channels have been established to facilitate direct communication and accessibility. Community members and stakeholders can submit grievances at any SIPEF office, via an official online form, or by email. The grievance process also enables the expression of concerns through chosen representative institutions, including those specific to Indigenous communities such as customary councils, local NGOs, traditional chiefs, or committees formed within the communities. This ensures that all community members, regardless of their location or literacy level, can voice their concerns effectively.

To support accessibility, SIPEF ensures that its grievance procedures are publicly communicated and available online. Community members engaged through SIAs, and regular consultations are informed of the available channels, as required by the RSPO. The system allows for anonymous reporting, ensures confidentiality, and includes explicit protection against retaliation, as outlined in SIPEF's Grievance Policy.

In 2024, no severe human rights issues or incidents connected to affected communities were reported through SIPEF's grievance mechanism. This includes cases defined by the ESRS as severe human rights incidents or violations under the UN Guiding Principles and OECD Guidelines.

More information on SIPEF's grievance procedures and policy, including how grievance data is compiled, how issues are tracked, and how the effectiveness of the mechanism is monitored, is available in 'G1: Business conduct'.

S4: Consumers and end-users

SIPEF is unique in its leadership as a supplier of fully traceable, high-quality, low-contaminant palm oil products and bananas, with a commitment to achieving 100% sustainability certification. These attributes help differentiate SIPEF in certain markets, and are central to the Group's mission and Balanced Growth Strategy. Sustainability certification and traceability are crucial for providing customers and consumers with access to quality information, ensuring transparency, and building trust. Providing high-quality and low-contaminant products ensures consumer health and safety.

The Group's focus on certification, traceability, quality, and safety is realised through cross-cutting goals that are important from both a business and a sustainability perspective.

SUMMARY OF KEY CONTENTS

MATERIAL SUSTAINABILITY MATTERS	APPLICABLE POLICIES	TARGETS	KEY UPDATES
• Access to (quality) information	• Responsible Plantations Policy (RPP)	• No target.	• Maintained 100% traceability for all palm oil and banana products • Launched an upgraded version of GeoSIPEF to enhance traceability and transparency
• Health and safety		• Install washing plants at three mills by 2026, as part of SIPEF's chloride reduction programme. • Achieve food safety certification for SIPEF's ten palm oil mills in Indonesia and Papua New Guinea by 2028.	• Commissioned the first crude palm oil (CPO) washing facility, successfully delivering the first shipment of washed CPO with positive results • Set a new target to achieve food safety certification for all palm oil mills by 2028

CONSUMERS AND END-USERS OF SIPEF PRODUCTS

SIPEF's operations focus on the cultivation of oil palms and bananas. Palm oil products are sold as crude palm oil (CPO), palm kernels (PK), and crude palm kernel oil (CPKO) to refineries and distributors. These entities further process and refine the products for industries including food, chemicals, cosmetics, and biofuels, which ultimately reach consumers through retailers and supermarkets worldwide.

In its banana operations, SIPEF manages packaging and transportation but does not sell directly to consumers. Bananas are sold to ripeners and distributors, who supply supermarkets and retailers for consumer purchase.

Although SIPEF's products are ultimately used in consumer markets, end-users were not included in the scope of disclosure because SIPEF does not manufacture or distribute final consumer goods. Its role is limited to the upstream supply of raw materials, which are further processed and incorporated into consumer products by downstream entities.

As a result, the material impacts identified by SIPEF's double materiality assessment and disclosed in this section relate primarily to consumers purchasing products containing palm-derived ingredients or fresh bananas. These impacts centre on consumer health and safety, as well as access to quality information.

For detailed information on how SIPEF's products move through the supply chain to reach consumers, see SIPEF's palm oil and banana value chains in the Company Report.

ACCESS TO QUALITY INFORMATION

Reliable and transparent sustainability reporting is essential for internal decision-making, risk management, and building trust with customers and stakeholders. Traceability and clear disclosures provide SIPEF with valuable insights into its supply chain and business partners, ensuring compliance with sustainability commitments and regulatory requirements.

As SIPEF's products move through global supply chains, traceability ensures their sustainability and enables customers and consumers to make informed choices. While SIPEF's direct engagement is primarily with refiners (for palm oil) and distribution companies (for bananas), its commitment to producing 100% sustainability certified and fully traceable products remains a key priority for both commercial and sustainability objectives.

Impacts[1]

IMPACTS OF A LACK OF SUPPLY CHAIN TRACEABILITY
POTENTIAL NEGATIVE, SHORT-TERM

Traceability is a fundamental principle for sustainability in agricultural commodity supply chains. It is also essential for ensuring food safety, meeting consumer demands for transparency, complying with regulations, and improving supply chain management and efficiency. Without a good traceability system customers and consumers would not be able to ascertain that the products they buy are indeed sourced from certified estates or smallholder producers, and therefore whether they contribute to environmental, social, and economic sustainability.

IMPACTS OF A LACK OF TRANSPARENT REPORTING
POTENTIAL NEGATIVE, SHORT-TERM

The extent to which SIPEF is transparent about its operations, sourcing practices, and environmental impact can influence public discourse, and the confidence customers and consumers have in the Group. If SIPEF does not report transparently it could prevent consumers, investors, activists, and researchers from having informed discussions about sustainability, ethics, corporate responsibility, and the industry's performance. It could also prevent customers and consumers from making informed decisions on the products they buy.

While SIPEF does not sell directly to consumers, it is connected to these potential material impacts through its business relationships with refineries, distributors, and other downstream entities that process and market its palm oil and banana products. Because these entities rely on verified sourcing, ensuring full traceability and sustainability certification at the upstream stage is critical to maintaining transparency throughout the supply chain. The effectiveness of traceability and transparent reporting also directly impacts SIPEF's ability to meet regulatory and customer requirements, manage reputational risks, and maintain market access.

Risks and opportunities

SIPEF's double materiality assessment did not identify any material risks or related opportunities related to access to quality information.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Current and anticipated effects

Since no material risks or opportunities related to access to quality information were identified, there are no reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no financial effects on the Company's financial position, performance, or cash flows are reported.

Resilience of strategy and business model

As part of its dedication to responsible supply chain management, SIPEF has a long-standing commitment to 100% sustainability certified products, supported by a fully traceable supply chain. These priorities are embedded in the Group's mission and strategy, and provide customers with assurance that sustainability requirements are being met. Through third party audits, compliance checks, and digital traceability systems, customers and consumers receive accurate, verifiable information about SIPEF's sustainability performance. By maintaining this high level of transparency and accountability, SIPEF not only strengthens relationships with key stakeholders but also ensures continued compliance with evolving market regulations and consumer expectations, reinforcing its competitive position.

Policies and commitments

SIPEF's Responsible Plantations Policy (RPP) commits the Group to achieving 100% traceability and sustainability certification for all palm oil and banana products. SIPEF also commits to disclosing shipment origins upon request to customers and relevant stakeholders.

Under the RPP, SIPEF is also committed to transparent sustainability reporting, including annual disclosures on the progress of its sustainability strategy, the RPP, and supporting policies. SIPEF's annual reporting focuses on aligning with leading reporting frameworks, stakeholder expectations, and regulatory requirements.

For more information on the development, governance, and communication of the RPP, see 'General Information'.

Actions, targets, and monitoring

SIPEF's investment in its traceability systems, sustainability certifications, and sustainability reporting demonstrate the Group's commitment to traceability and sustainability. These actions have not required significant operational Capex or Opex. No other significant financial resources would be applicable.

Palm oil traceability

In 2024, SIPEF maintained 100% traceability for its palm oil products.

All volumes sold were traceable to their place of production, either a SIPEF-managed estate or a mapped smallholder plot.

As a certified member of the RSPO, SIPEF is required to use the RSPO traceability system, which includes a digital sustainability platform for tracking certified product volumes. The RSPO applies different supply chain models - Identity Preserved (IP), Segregated (SG), and Mass Balance (MB) - which define the level of segregation between certified and non-certified products as they move through the supply chain. The highest level of traceability is the IP model, where certified products remain completely separate from non-certified ones throughout the supply chain. The SG model also maintains physical separation from non-certified products but allows mixing of certified products from different sources. The MB model permits mixing, provided that the volume of certified products sold does not exceed the certified input.

In 2024, nine of SIPEF's ten mills were RSPO certified, with eight operating under the IP supply chain model. One mill, Dendymarker Indah Lestari in South Sumatra, operates under the MB model as a portion of its supply base is currently undergoing the RSPO certification process. A new mill, Agro Muara Rupit in South Sumatra, became operational in July 2024 and has initiated preparations for certification. The aim is to complete certification for this mill and any remaining uncertified supply base of Dendymarker Indah Lestari by 2030, in line with SIPEF's RSPO Time Bound Plan.

SIPEF's palm oil mills source exclusively from Company-owned plantations and from smallholders whose production locations are known and mapped. As such, while some of Dendymarker Indah Lestari's supply base is not yet certified, all of it is fully traceable.

Additionally, SIPEF's two kernel crushing plants managed by Hargy Oil Palms Ltd (HOPL) in Papua New Guinea are RSPO certified under the SG supply chain model, with all supply bases fully mapped.

Banana traceability

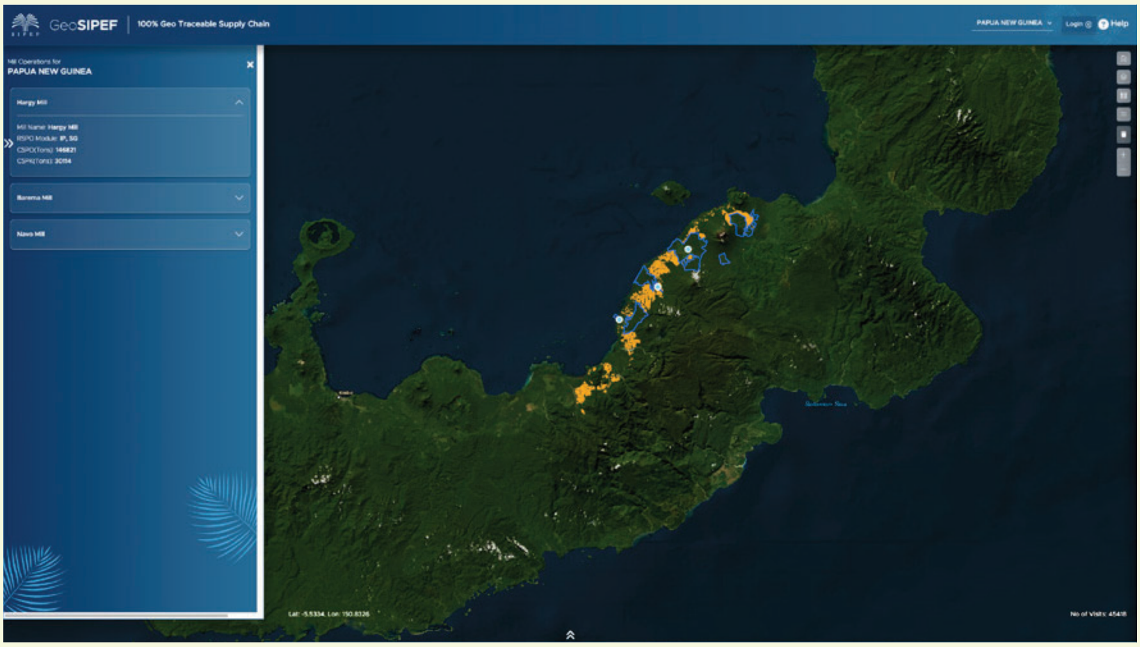
In 2024, SIPEF maintained 100% traceability for all banana volumes sold.

All banana plantations and packing stations at Plantations J. Eglin SA (Plantations J. Eglin), SIPEF's subsidiary in Côte d'Ivoire, are certified under the IP supply chain model in accordance with Rainforest Alliance certification requirements. The company also holds full certification under GLOBALG.A.P. and Fairtrade, ensuring compliance with the traceability requirements of these standards.

GeoSIPEF: Enhancing transparency and compliance

To provide further traceability assurance to its palm oil customers and consumers, SIPEF provides detailed traceability data through its online interactive mapping platform, GeoSIPEF. The platform displays production locations, sustainability certified volumes, and monitoring layers for fire and deforestation incidents.

In October 2024, SIPEF launched an upgraded version of GeoSIPEF with new features, including a dedicated customer portal that offers advanced traceability insights, while ensuring data privacy and security. The portal enables customers to track their purchased volumes from plot to mill to shipment securely, safeguarding sensitive supply chain information. The update also enhances geospatial mapping for monitoring sourcing areas and integrates automated compliance management to streamline certification processes. These improvements align with the latest EU Deforestation Regulation (EUDR) requirements, ensuring SIPEF remains at the forefront of supply chain transparency and regulatory compliance.



Transparency in reporting

SIPEF reports annually on its sustainability progress, striving to enhance transparency and align its disclosures with evolving sustainability standards. In 2024, the Group improved its sustainability reporting to meet the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). The 2024 Sustainability Statement underwent external limited assurance, enhancing the credibility and accuracy of the disclosed information.

SIPEF also participates in sustainability ratings and benchmarks relevant to its operations, leveraging these assessments to identify improvement areas, support strategic decision-making, and progressively strengthen its transparency practices. In 2024, SIPEF improved its scores across several sustainability benchmarks, reflecting ongoing progress toward its transparency objectives.

Benchmark scores in 2024

Sustainability ratings and benchmarks provide valuable insights into SIPEF's performance on sustainability reporting relative to its peers, while supporting strategic decision-making internally.

Targets and monitoring

SIPEF has not set specific targets to address the potential material impacts identified regarding consumer and end-user access to quality information. The Group has already achieved full traceability of its supply chain, and aims to maintain this status while enhancing transparency for stakeholders through digital traceability systems and verification. Additionally, SIPEF continues to improve its sustainability reporting transparency by aligning disclosures with rating criteria and benchmarks and complying with emerging regulations and reporting standards, such as the EUDR and CSRD.

SIPEF has set a target to achieve 100% RSPO certification of its palm oil supply base by 2030, which has implications for the verification of traceable palm oil volumes, as previously explained under 'Palm oil traceability'.

Read more about the targets and progress made in the Company Report and in Annex 1.

BENCHMARK SCORES IN 2024

SPOTT

Sustainability Policy Transparency Toolkit

14th
out of 100 palm oil companies

Ranked 14th out of 100 palm oil companies in 2024, with a score of 88.8%. This is a slight score decrease of 0.1% from 2023.

Developed by the Zoological Society of London (ZSL), the Sustainability Policy Transparency Toolkit (SPOTT) scores palm oil, tropical forestry, and natural rubber companies annually against over 100 sector specific ESG indicators to benchmark their progress over time.

→ www.spott.org/palm-oil/

Forest 500

4th
out of 350 companies

Ranked 4th out of 350 companies in 2023; score 65.9%, a score increase of 10% from 2023.*

Forest 500 identifies and ranks the most influential companies and financial institutions in forest risk commodity supply chains.

→ forest500.org/rankings/companies

* The 2024 score has not yet been released.

CDP

B
Forests
2024

C
Climate Change
2024

FORESTS SUBMISSION SCORE IN 2024: B (MANAGEMENT)

CLIMATE CHANGE SUBMISSION SCORE IN 2024: C (AWARENESS)

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

→ www.cdp.net

HEALTH AND SAFETY OF CONSUMERS

Ensuring the health and safety of consumers is a fundamental priority in the food industry. Food safety and quality begin at the agricultural production level, with product quality, safe handling, contaminant control, and residue management playing a critical role. While SIPEF's products undergo further processing, distribution, and regulatory checks before reaching end markets, the Company remains committed to maintaining product integrity from the start.

As a responsible producer, SIPEF prioritises stringent safety, hygiene, quality-enhancement and sustainability measures to prevent health risks, maintain nutritional value, and ensure compliance with regulatory standards. SIPEF also actively innovates within the palm oil industry to minimise contaminants at source and prevent their transformation in the downstream refining process.

Impacts[2]

Palm oil

HEALTH IMPACTS FOR PALM OIL CONSUMERS

POTENTIAL NEGATIVE, MEDIUM-TERM

- At the refining stage of palm oil, high temperatures can lead to the formation of compounds such as 3-monochloropropane-1,2-diol (3-MCPD) and Glycidyl Esters (GE). 3-MCPD is considered a contaminant because high consumption of the compound may lead to potential health concerns, especially among younger age groups. High levels of GEs in food are genotoxic and carcinogenic and therefore have the potential to affect the health of consumers. The main precursor to a higher risk of 3-MCPD and GE formation in the refining process is the level of chloride in CPO.
- Due to the hydraulic oils used in machines, adhesives, printer inks, and packaging materials, mineral oil hydrocarbons, such as mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH) can enter palm oil at different stages, including cultivation, processing, storage, or transportation. These components raise health concerns. MOSH can accumulate in the liver and lymphoid system, leading to inflammation, while MOAH is potentially carcinogenic.

Given SIPEF's upstream position and the multiple intermediaries involved before products reach consumers, the Company's direct control over the downstream health impacts linked with contaminants is limited. Nevertheless, SIPEF actively prioritises strict quality controls to minimise these contamination risks at the earliest possible stages within its operational scope.

(2) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Bananas

POSITIVE HEALTH IMPACT OF NUTRIENTS IN BANANAS

ACTUAL POSITIVE, SHORT-TERM

Bananas contain fibre, potassium, folate, and antioxidants, such as vitamin C, all of which support heart health. A 2017 review found that people who follow a high fibre diet have a lower risk of cardiovascular disease than those on a low fibre diet. Bananas are also affordable and can be grown all year round, making them an excellent source of easily accessible nutrition, globally.

NEGATIVE HEALTH IMPACTS OF RESIDUES

POTENTIAL NEGATIVE, LONG-TERM

The consumption of bananas can have negative health impacts if the fruits are contaminated with pesticide residues. These can include chronic health issues. Long-term exposure to certain pesticide residues can contribute to serious health problems such as cancer, hormone disruption, and neurological issues.

SIPEF's banana operations involve selling directly to ripening and distribution centres, from which products are delivered to retailers and ultimately purchased by consumers. As this distribution structure places SIPEF closer to consumers compared to its palm oil products, ensuring product safety and minimising pesticide residues aligns directly with the Company's strategy and business model, as well as consumer health expectations.

Risks and opportunities

Without strong quality control measures and regulatory alignment, SIPEF could face financial, operational, and reputational risks related to consumer health and safety, while proactive investment in product integrity and traceability presents opportunities for market differentiation and compliance leadership.

The following risks and opportunities[3] were identified by SIPEF's double materiality assessment.

(3) All risks are newly identified, with the exception of 'Product defects' and 'Product liability,' which have been derived from SIPEF's previous annual business risk assessment, conducted and approved by the audit committee and board of directors in 2023. These risks have been updated with additional descriptions and aligned with the sustainability matters prescribed by Appendix A of ESRS 1.

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
PRODUCT DEFECTS	In the context of SIPEF, this risk pertains to the possibility of defects in the quality or safety of palm oil products, including issues related to processing, contamination, or adherence to industry standards. Product defects can result in product recalls, legal claims, and damage to SIPEF's reputation.	Within SIPEF, opportunities exist in establishing quality assurance protocols, engaging with certification programmes for sustainable and safe production practices, and actively seeking customer feedback for continuous improvement. Proactively managing product quality can enhance customer satisfaction and protect SIPEF's brand reputation.
	SIPEF'S APPROACH: Ensuring the highest quality and safety standards for its palm oil products is a core priority for SIPEF. The Company implements robust quality assurance protocols from plantation management to processing and final product delivery. By adhering to internationally recognised food safety and sustainability certification standards, SIPEF makes sure that its products meet industry and regulatory requirements. To minimise the risk of contamination and defects, SIPEF invests in advanced processing technologies that enhance product integrity and reduce impurities, including CPO washing facilities for chloride removal. Beyond technical improvements, SIPEF actively engages with customers and industry stakeholders to refine its quality management systems.	
PRODUCT LIABILITY	In the context of SIPEF, the risk of product liability pertains to the possibility of palm oil products causing harm or not meeting safety and quality standards. This could result in legal claims from consumers, regulatory fines, and damage to SIPEF's reputation as a responsible and reliable supplier of palm oil products.	Within SIPEF, opportunities exist in implementing traceability systems for products, participating in industry initiatives for responsible production, and engaging with consumers through educational campaigns on the safety and quality of palm oil. Proactively addressing product liability risks can enhance consumer trust and protect SIPEF's brand reputation.
	SIPEF'S APPROACH: SIPEF prioritises high safety and quality standards to minimise product liability risks. The Company complies with international food safety and sustainability standards, reducing the risk of product recalls, legal claims, or regulatory penalties. To strengthen risk mitigation, SIPEF implements a robust traceability system, which assures its customers and other stakeholders that all of its agricultural products can be traced back to certified, responsibly managed sources. SIPEF also invests in contaminant reduction, including CPO washing processes to minimise chloride levels, as well as the control and reduction of MOSH and MOAH. By integrating traceability, certification, and quality control, SIPEF reinforces consumer trust and safeguards its reputation as a reliable supplier.	

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
EU MARKET RESTRICTIONS ON PALM OIL	New legislation (e.g. EU RED II legislation) could make it more difficult for palm oil companies to export CPO to the EU, resulting in lower commodity prices due to reduced demand. This would mainly have an effect on SIPEF's subsidiary, HOPL, in Papua New Guinea. In Indonesia, the produced palm oil is sold mostly in Indonesia itself. If SIPEF would not be able to sell the palm oil produced in Papua New Guinea to customers in EU countries, this would result in labour losses. Further, as the demand for palm oil decreased this could result in a lower global commodity price for palm oil. This would have a negative impact on the Group's profitability, resulting in less cash for capex investments, a decrease in share price, and potential labour loss, or the need for large investments to replace the palm trees for another plant (such as bananas).	Maintaining high sustainability standards that are aligned with new EU legislation will ensure that SIPEF can continue to sell to the EU. SIPEF is already working towards 100% RSPO certification, meaning that there is an opportunity to ensure that any gaps between RSPO requirements and new EU legislation can be detected and remedied. At the same time, it will be important to work closely with the EU to ensure that legislation aligns with RSPO requirements.
	SIPEF'S APPROACH: SIPEF mitigates the risks of EU market restrictions by ensuring its palm oil production meets the highest sustainability and traceability standards. With a 100% RSPO certification target, the Company is well-positioned to comply with evolving EU regulations, including EU RED II and the EUDR. By aligning its policies and practices with these standards, SIPEF mitigates the risk of losing access to the EU market, particularly for its operations in Papua New Guinea, which relies heavily on European demand. To maintain compliance and secure market access, SIPEF conducts regular gap assessments between RSPO requirements and new EU legislation, ensuring any discrepancies are identified and addressed. The Company also invests in enhancing its traceability systems, including GeoSIPEF, to provide verifiable proof of sustainable sourcing, a key requirement under the EUDR. Furthermore, SIPEF is actively engaging with EU policymakers, industry associations, and certification bodies to advocate for an approach that recognises RSPO certified palm oil as meeting EU sustainability criteria. By maintaining high sustainability standards, strengthening traceability, and engaging with policymakers, SIPEF safeguards its market position, profitability, and workforce stability in the face of EU market restrictions on palm oil.	

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
PALM OIL RESTRICTIONS IN MARKETS OUTSIDE THE EU	New legislation could result in SIPEF no longer being able to sell its palm oil in other markets outside the EU. This could result in decreased demand, affecting the palm oil industry's revenue and profitability.	Embracing and investing in research and development for sustainable and innovative palm oil products can be an opportunity for SIPEF. Exploring markets for biofuels, specialty oils, or other value-added products derived from palm oil can mitigate the impact of potential substitutes.
	SIPEF'S APPROACH: To address the risk of palm oil restrictions in markets outside the EU, SIPEF is actively diversifying its product offerings and enhancing sustainability efforts. As global regulatory frameworks evolve, SIPEF ensures that its palm oil production aligns with the highest environmental, social, and governance (ESG) standards, strengthening its position in markets that prioritise sustainability and traceability. A key part of this strategy is continued investment in research and development (R&D) to create high-quality, innovative palm oil products. SIPEF is already implementing low-contaminant production processes, such as CPO washing to reduce chloride, making its products more attractive for premium food and cosmetic applications. Additionally, SIPEF is assessing the potential for palm oil milling by-products to be used in biofuels and specialty oils, reducing reliance on traditional commodity markets. This strategy ensures that SIPEF will still be a preferred supplier, both in the EU as well as outside the EU, in the case of regulatory changes restricting access to markets. Strengthening market diversification and supply chain flexibility ensures that SIPEF can navigate global regulatory changes while maintaining profitability and long-term growth.	

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
REPUTATION DAMAGE	A widespread rejection of palm oil due to environmental, social, or health concerns could harm the reputation of companies associated with the palm oil supply chain, including SIPEF.	No material opportunities identified.
	SIPEF'S APPROACH: SIPEF mitigates these reputational risks by positioning itself as a leader in sustainable, high-quality palm oil production. With a commitment to 100% RSPO certification, including for its smallholder suppliers, SIPEF ensures that all its palm oil is produced in line with the highest sustainability standards. By extending certification efforts to smallholder suppliers, SIPEF reinforces its dedication to responsible sourcing and strengthens trust with consumers, regulators, and industry stakeholders. Innovation and technology-driven transparency also play a key role mitigating these risks. Through RSPO certification and tools like GeoSIPEF, the Company can demonstrate that it maintains full traceability of its palm oil supply chain, allowing customers and regulators to verify compliance with its no deforestation, no peat, and no exploitation (NDPE) policies. Furthermore, SIPEF continues to invest in processing improvements, such as CPO washing facilities, to address health and safety concerns in premium markets. As public scrutiny of palm oil remains high, SIPEF actively engages with industry associations, policymakers, and sustainability initiatives to advocate for responsible palm oil production. By maintaining full compliance with global sustainability standards, leveraging innovation for transparency, and reinforcing its market position as a trusted supplier of more sustainable palm oil, SIPEF ensures that it remains resilient against industry-wide reputational challenges.	
CONTAMINANT DETECTING TECHNOLOGY	Improved technologies are detecting more contaminants in palm oil products that have health implications. This is putting additional requirements on oil producers with regards to implementing additional quality control technologies.	SIPEF has opportunities to continue to invest in projects that improve its palm oil quality with close coordination with its customers.
	SIPEF'S APPROACH: SIPEF proactively addresses the increasing scrutiny on contaminants in palm oil by investing in advanced quality control processes and technologies and strengthening its collaboration with customers to meet evolving industry standards. Recognising the heightened focus on compounds and contaminants such as 3-MCPD, GE, and MOSH and MOAH, SIPEF has implemented processing improvements to reduce the risk of their formation in downstream processes. One key initiative is the development of CPO washing technology, which significantly reduces chloride content, a precursor to 3-MCPD formation during the refining process. This innovation ensures SIPEF's palm oil meets the strict food safety limits set by European and global food safety authorities. By maintaining an open dialogue with customers and regulatory bodies, SIPEF ensures that its quality control measures align with the latest safety requirements and market expectations. Continuous investment in contaminant detection, mitigation strategies, and processing innovation reinforces SIPEF's position as a supplier of premium, low-contaminant, and fully traceable palm oil products, safeguarding both regulatory compliance and consumer confidence.	

Current and anticipated effects

In line with its double materiality assessment, SIPEF has assessed the likelihood of the identified impacts and risks occurring, together with their potential financial impacts. SIPEF has assessed that these impacts and risks are not expected to have a material financial impact on the Group, including its financial position, financial performance, and cash flows. Nevertheless, the Group has implemented effective measures to mitigate these risks.

Resilience of strategy and business model

Ensuring consumer health and safety strengthens the resilience of SIPEF's strategy and business model by safeguarding market access, brand reputation, and long-term competitiveness. The Group's strategic focus on maintaining robust traceability systems, stringent safety and quality standards, and comprehensive sustainability certifications directly supports its ability to meet evolving consumer expectations and regulatory requirements. By proactively addressing potential risks related to contamination or pesticide residues through rigorous traceability controls and continuous improvement in food safety practices, SIPEF enhances trust with customers and end-consumers.

Policies and commitments

While SIPEF does not have a standalone policy on consumer health and safety, ensuring the safety and quality of its palm oil products and bananas remains a strategic and commercial priority. The Group is committed to full compliance with legal and regulatory standards, ensuring that all products meet the strict food safety regulations of their destination markets. SIPEF's approach is not only driven by regulatory obligations but also by its ambition to position itself ahead of competitors in supplying premium-quality, low-contaminant CPO.

Actions, targets, and monitoring

SIPEF reinforces its commitment to consumer health and safety through rigorous product safety controls, certification, and advanced quality assurance processes across its palm oil and banana operations. As part of this commitment, SIPEF adheres strictly to internationally recognised food safety management systems and complies with all relevant regulatory frameworks in its destination markets. No significant Capex or Opex were required to implement related actions during the financial year. No other significant financial resources would be applicable.

Further details on actions and projects linked with consumer health and safety are presented on the following page, and in the Company Report.

Palm oil

PREVENTION OF 3-MCPD FORMATION THROUGH CPO WASHING

In 2023, SIPEF initiated efforts to reduce chloride levels in CPO by investing in dedicated CPO washing facilities. The first washing facility was commissioned at an Indonesian mill in 2024.

Standard operating procedures (SOPs), internal testing protocols, and chloride measurement capabilities were developed for the mill. SIPEF engaged with selected refining customers in testing and externally validating results, sharing data, and collaboratively striving for continuous improvement. The first shipment of washed CPO was delivered with positive results, placing SIPEF in a leading position to produce CPO with a significantly lower chloride level compared to industry peers. In 2025, SIPEF will continue expanding its CPO washing capacities to meet customer demands for premium-quality, low-chloride CPO.

CONTROL AND REDUCTION OF MOSH AND MOAH

SIPEF has made significant investments in quality enhancement initiatives for palm oil products. The Group has completed the conversion of all mill machinery to H1 food-grade lubricants, which are free from potentially harmful mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH). The conversion started in 2022 at SIPEF's three mills in Papua New Guinea and was completed across its mills in Indonesia by the close of 2023.

Additionally, a comprehensive programme was implemented to refurbish, upgrade, or replace machinery with a clear focus on contamination prevention, robust maintenance, and operational best practices. In collaboration with customers, SIPEF established a regime for monthly sampling of CPO to test MOSH and MOAH levels against standard requirements.

Throughout 2024, all CPO produced showed a significant reduction in MOSH and MOAH contamination, positioning SIPEF's CPO as superior in quality compared to the industry average. While no official limits have been set, SIPEF follows EFSA guidance values to establish internal benchmarks.

Bananas

COMPLIANCE WITH REGULATORY REQUIREMENTS

SIPEF strictly complies with maximum residue levels (MRLs) for pesticide residues established by the United Kingdom (UK) and European Union (EU) regulations. The European Food Safety Authority (EFSA) and UK regulatory bodies set MRL standards for food products, including bananas, assessing safety based on toxicity data for over 1 000 agricultural pesticides.

Bananas supplied by SIPEF are cultivated using approved pesticides, strictly adhering to MRL requirements set by Rainforest Alliance and GLOBALG.A.P. certification, destination markets, and customer specifications. SIPEF uses the Foodexpert platform to provide transparent pesticide management, submitting its plant protection products list (PPPL) for compliance verification against UK and EU MRL regulations. Approved PPPLs and residue analysis reports are regularly shared with customers and downstream retailers.

PROTOCOLS FOR FOOD SAFETY INCIDENTS

SIPEF's fruit department conducts regular simulations at Plantations J. Eglin, testing response readiness against hypothetical food safety or non-conformity incidents, such as the detection of foreign objects or consumer-reported health concerns. These tests evaluate the robustness, timeliness, and functionality of SIPEF's traceability system. Simulated incidents are thoroughly traced to their origin, treatment methods, and involved personnel, ensuring internal and customer communication is completed within 24 hours.

Additionally, multiple residue analyses were conducted across estates in 2024 to verify compliance with UK and EU MRL standards and customer specifications. No food safety or quality incidents were reported, confirming the effectiveness of SIPEF's preventive and detection mechanisms and enabling the consistent delivery of high-quality, low-contaminant bananas.

Targets and monitoring

SIPEF has set measurable targets in line with SIPEF's commitment to producing high-quality, sustainable, and traceable agricultural products.

TARGETS

1. Install washing facilities at three mills by 2026, as part of SIPEF's chloride reduction programme.
2. Achieve food safety certification for SIPEF's ten palm oil mills in Indonesia and Papua New Guinea by 2028.

Consultations were held with SIPEF's regional sustainability teams and regional executive committees for the setting and approval of both targets, with additional input from the engineering and marketing departments for the first target. While consumers were not directly consulted in target setting, the Group has closely collaborated with refining customers in the implementation and monitoring of the chloride reduction programme.

SIPEF will continue to monitor the progress of both targets. The chloride reduction programme is being tracked through the ongoing measurement of chloride levels in CPO, as outlined earlier. Set in 2024, preparations for the food safety certification target have recently commenced, and a monitoring framework will be developed as implementation progresses.

Further information on the targets is provided in the Annex 1.

ENGAGEMENT WITH CONSUMERS

As an upstream producer, SIPEF does not engage directly with consumers in its palm oil and banana value chains. However, the Group strictly adheres to all applicable regulatory requirements set by destination markets and authorities, including the European Food Safety Authority (EFSA). SIPEF engages continuously throughout the year with its immediate customers, including refiners in the palm oil segment and ripeners and retailers in the banana business. This engagement takes place through face-to-face meetings and ongoing dialogue, allowing the Company to respond effectively to consumer-related concerns raised by customers. These include proactive initiatives addressing contamination risks such as those linked with 3-MCPD, MOSH, and MOAH, which are key concerns in the EU edible oils sector.

The marketing department, led by the chief commercial officer, is responsible for engagement in the palm oil segment, while the fruits department, led by the fruits department manager, manages engagement in the banana business. These departments ensure that customer insights inform SIPEF's quality management approach and market compliance strategies.

A general description of sustainability governance, along with an overview of how SIPEF determines necessary actions in response to actual or potential material impacts, can be found in 'General Information'.

GRIEVANCES AND REMEDIATION

SIPEF's grievance mechanism allows all stakeholders, including consumers, to raise concerns or report incidents related to any identified material impacts, ensuring accountability and enabling appropriate remediation if needed. The mechanism allows individuals to voice their grievances directly to SIPEF online via email or an online grievance form available on the Company website. The grievance mechanism also provides the option for anonymous reporting and ensures that all submissions are handled with strict confidentially. SIPEF's Grievance Policy explicitly stipulates protection against retaliation for individuals using these channels to raise concerns or needs. SIPEF has not yet evaluated consumer awareness of or trust in its grievance process as an effective channel for expressing and resolving their concerns.

More information on SIPEF's grievance procedures and policy, including how issues are tracked and how the effectiveness of the mechanism is monitored, is available in 'G1: Business conduct'.

Governance information

Good governance is essential for ethical and sustainable business practices across all industries. It ensures transparency, accountability, and compliance, enabling responsible decision-making and long-term resilience.

For SIPEF, conducting business with integrity is central to its Balanced Growth Strategy, building stakeholder confidence, and supporting sustainable development in the tropical agricultural sector.

Focus area and sustainability goals:

GOOD BUSINESS CONDUCT

- Foster a culture of ethical conduct amongst management, staff, and contractors.
- Implement systems and processes to ensure the practice of ethical conduct.
- Maintain robust policies, procedures, and measures to address any risks, including those associated with bribery or corruption.

G1: Business conduct

SIPEF's approach to good business conduct is founded on full respect for laws and regulations, as well as ethical principles and standards.

Good business conduct starts with good corporate governance. SIPEF upholds strong corporate governance by applying, amongst others, the principles of the 2020 Belgian Corporate Governance Code (the Code). The principles of the Code are reflected in SIPEF's Corporate Governance Charter, its Remuneration Policy, and the Group Code of Conduct, which set out norms and expectations for responsible and ethical management, and governance best practices.

<table>
<tr><th colspan="4">SUMMARY OF KEY CONTENTS</th></tr>
<tr><th>MATERIAL SUSTAINABILITY MATTERS</th><th>APPLICABLE POLICIES</th><th>TARGETS</th><th>KEY UPDATES</th></tr>
<tr><td>• Corporate culture</td><td rowspan="3">• Code of Conduct
• Anti-Corruption and Anti-Bribery Policy
• Grievance Policy</td><td>• No target.</td><td rowspan="3">• A comprehensive policy review is planned for 2025–2026, including a revision of the Group Code of Conduct in 2025
• New Anti-Corruption and Anti-Bribery Policy released and rolled out via training
• New grievance mechanism procedure, Grievance Policy, and IT solution launched.
• Achieved 100% training completion for 478 employees in at-risk functions across all operational locations
• No recorded convictions or fines for corruption and bribery in 2024</td></tr>
<tr><td>• Corruption and bribery
  • Prevention and detection including training
  • Incidents</td><td>• Annual training carried out for 100% of employees in functions-at-risk within own operations.</td></tr>
<tr><td>• Protection of whistleblowers</td><td>• No target.</td></tr>
</table>

CORPORATE CULTURE

A strong corporate culture is shaped by shared norms, values, and behaviours that define how a company operates. With a presence across different continents and a diverse workforce, SIPEF strives to uphold shared values and a common working culture, while respecting this diversity.

These principles are outlined in the SIPEF group Code of Conduct, and supported by other Group- and country-level policies and procedures covering human rights, child labour, forced or trafficked labour, occupational health and safety, equal employment opportunity, and sexual harassment.

SIPEF's Group Code of Conduct has, since 2020, formalised the minimum set of norms and standards that must be observed and complied with by all its executives, employees, consultants and contractors. As a publicly available document, it also provides transparency on how SIPEF conducts its business. The Code of Conduct outlines SIPEF's commitment to complying with all relevant national and international laws and clarifies its zero-tolerance stance on bribery and corruption, whistleblowing, grievance handling, and the prohibition of executives and staff from using Group facilities or working hours for personal business.

Additionally, the seven Guiding Principles of SIPEF's Balanced Growth Strategy provides a framework for the Group's vision for company culture. They emphasise reliability, long-term decision-making, continuous improvement, sustainable growth, environmental protection and restoration, employee and community support, and value creation for all, serving as a foundation for responsible business practices.

Impacts[1]

IMPACT ON ABILITY TO PROVIDE SUPPORTIVE, FAIR, AND ETHICAL WORKING ENVIRONMENT
POTENTIAL NEGATIVE, MEDIUM-TERM

SIPEF recognises the importance of fostering a company culture that is experienced by its employees, contractors, local communities, and other key stakeholders as supportive, fair, and just. Without standardised policies, procedures, and measures to communicate and uphold SIPEF's values at all levels, the Company's ability to maintain a supportive, safe, fair, and ethical working environment could be affected. This, in turn, could impact employee trust, mental and physical well-being, safety, and security.

Awareness of this potential impact is particularly important given the size of SIPEF's workforce, the nature of its operations as a tropical agricultural producer, and its presence across various countries with diverse cultures, languages, and customs. Furthermore, as SIPEF's strategy and business model are centred on producing traceable and sustainably certified palm oil, maintaining high standards of business conduct is fundamental to these efforts.

(1) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly identified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Risks and opportunities

Without a well-embedded company culture that fosters a shared approach to workplace conduct and interactions, SIPEF could face significant risks to its financial stability and the long-term viability of its operations.

The following risks and opportunities[2] relating to corporate governance have been identified from a pre-mitigation perspective through SIPEF's double materiality assessment.

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
DIRECTOR LIABILITY	Directors not being fully informed of their liabilities and standards risks governance issues.	Regular training programmes and transparent communication can enhance decision-making, boost reputation, attract green investments, and lower financing costs.
	SIPEF'S APPROACH: To mitigate the risk of directors not being fully informed of their liabilities and governance standards, SIPEF has implemented a structured corporate governance framework that ensures continuous education, awareness, and compliance. This includes regular training and awareness updates, transparent reporting, and communication between the board of directors, the executive committee, and the sustainability teams. This makes sure that everyone is regularly briefed on key risks, regulatory changes, and best practices. Furthermore, the board of directors includes members with strong sustainability and governance expertise, ensuring well-informed decision-making in alignment with SIPEF's Balanced Growth Strategy. SIPEF's governance structure also incorporates board committees that oversee specific areas, including sustainability risks and compliance. By proactively addressing governance risks, SIPEF strengthens its corporate reputation, enhances stakeholder confidence, and ensures responsible business conduct.	

(2) All identified risks, except for 'Environmental Damage Claims' and 'Reputation & Stakeholder Activism,' are derived from SIPEF's previous annual business risk assessment, conducted and approved by the audit committee and board of directors in 2023. These risks have been updated with additional descriptions and aligned with the sustainability matters prescribed by Appendix A of ESRS 1.

<table>
<tr><th colspan="3">RISKS AND OPPORTUNITIES</th></tr>
<tr><th>CATEGORY</th><th>RISK DESCRIPTION</th><th>OPPORTUNITY DESCRIPTION</th></tr>
<tr><td rowspan="2">TAX EVASION ISSUES</td><td>Non-compliance with tax laws leads to legal, financial, and reputational risks.</td><td>Establishing a robust tax compliance programme and conducting training ensures ethical operations and avoids financial and legal repercussions.</td></tr>
<tr><td colspan="2">SIPEF’S APPROACH:

To mitigate the risks of potential non-compliance with tax laws, SIPEF has established a strong governance framework that ensures full transparency, regulatory compliance, and ethical financial management.

SIPEF fully complies with all local and international tax laws in the jurisdictions where it operates. The Company’s finance and legal teams continuously monitor tax obligations to ensure accurate and timely filings, minimising legal and financial risks. The Group has implemented internal tax policies and controls to prevent non-compliance and tax evasion risks. Regular tax audits and reviews are conducted to identify and rectify any discrepancies proactively. SIPEF conducts regular training programmes for its finance teams and key decision-makers to ensure they stay updated on tax regulations, reporting requirements, and ethical standards. SIPEF collaborates with external tax advisors and auditors to maintain best practices in tax governance.

By embedding strong tax compliance measures and ethical financial governance, SIPEF enhances stakeholder confidence, protects its reputation, and minimises financial and legal risks, ultimately fostering long-term business stability and investment appeal.</td></tr>
<tr><td rowspan="2">MISREPORTING</td><td>Risk of financial reporting errors, omissions, or fraud impacting compliance and trust.</td><td>Advanced reporting systems, ethical training, and external audits enhance credibility and safeguard trust in financial statements.</td></tr>
<tr><td colspan="2">SIPEF’S APPROACH:

To mitigate the risk of financial reporting errors, omissions, or fraud, SIPEF has established a financial governance framework that ensures accuracy, transparency, and compliance in all financial disclosures.

SIPEF enforces strict financial reporting protocols, aligning with International Financial Reporting Standards (IFRS) and local regulatory requirements. The Group has adopted digital reporting tools and integrated financial management systems to enhance data accuracy, automation, and traceability. SIPEF’s financial statements undergo regular external audits by independent, internationally recognised auditing firms to validate accuracy and compliance. Additionally, the audit committee, a subcommittee of the board of directors, oversees financial governance and risk management. SIPEF promotes a culture of integrity and accountability by conducting regular training on ethical financial practices for employees handling financial data. A whistleblower mechanism is in place to allow employees to report concerns related to fraud, financial misreporting, or ethical breaches confidentially and without retaliation.

By ensuring transparent, accurate, and ethical financial reporting, SIPEF strengthens stakeholder confidence, meets compliance obligations, and safeguards its reputation, reinforcing trust among investors, regulators, and financial partners.</td></tr>
</table>

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
LACK OF LIQUIDITY TO FINANCE EXPANSION PROGRAMME	Insufficient financial resources to fund expansion projects, impeding growth.	Developing comprehensive financial strategies and contingency plans ensure SIPEF's readiness to capitalise on growth opportunities.
	SIPEF'S APPROACH: To mitigate the risk of insufficient liquidity to finance expansion projects, SIPEF has implemented a proactive financial strategy that ensures strong capital management, financial stability, and access to diverse funding sources. SIPEF maintains rigorous financial planning and forecasting processes to ensure a healthy liquidity position. The Company closely monitors operational cash flows, capital expenditures, and debt levels to optimise financial flexibility. SIPEF ensures multiple funding sources, including long-term credit facilities, reinvested earnings, and strategic partnerships. The Company maintains strong relationships with financial institutions and investors, ensuring access to capital when required. SIPEF has established liquidity contingency plans, including stress testing financial scenarios to assess potential funding gaps. This ensures the Group is well-prepared to navigate economic downturns or unexpected financial constraints. Expansion projects are strategically phased to align with available resources and market conditions. Additionally, the Company optimises operational efficiency to reduce costs and enhance profitability, ensuring sustainable growth. By implementing financial strategies and maintaining a disciplined approach to liquidity management, SIPEF ensures it remains well-positioned to fund expansion projects, seize growth opportunities, and maintain financial resilience.	
UNDERINSURANCE OF VARIOUS RISKS	Inadequate insurance coverage exposing the Company to unforeseen financial setbacks.	Robust risk management and regular insurance reassessments mitigate potential financial losses and ensure stability.
	SIPEF'S APPROACH: To mitigate the risk of inadequate insurance coverage, SIPEF has implemented a risk management strategy that ensures sufficient protection against financial setbacks caused by unforeseen events. The Company conducts periodic risk assessments to evaluate emerging threats and adjusts its insurance portfolio accordingly. This ensures that SIPEF's coverage aligns with changing regulatory requirements and operational risks. SIPEF integrates risk mitigation strategies such as disaster preparedness plans, infrastructure reinforcements, and operational redundancies to minimise exposure. Where feasible, SIPEF explores self-insurance mechanisms or financial reserves to supplement external coverage.	

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
ANTITRUST	Risk of engaging in anti-competitive practices, leading to regulatory penalties.	Regular antitrust assessments and compliance monitoring promote ethical practices and minimise legal risks.
	SIPEF'S APPROACH: To mitigate the risk of anti-competitive practices and ensure compliance with competition laws and fair market regulations, SIPEF has implemented a strong corporate governance framework and business ethics policies that promote transparent and lawful business operations. The Company integrates antitrust risk assessments into its legal and compliance strategy, ensuring continuous monitoring of business transactions and agreements. SIPEF conducts regular antitrust training for employees, management, and key decision-makers to ensure awareness of competition law risks and ethical business conduct. Employees involved in sales, procurement, and strategic partnerships receive specialised training to recognise and avoid anti-competitive behaviours. SIPEF has established robust internal monitoring mechanisms, including compliance audits, legal reviews, and whistleblower reporting channels, to detect and prevent anti-competitive practices. The audit committee and legal compliance team oversee compliance efforts and ensure early identification of potential antitrust risks. SIPEF's good business conduct framework ensures that ethical behaviour and integrity are embedded in corporate policies, stakeholder interactions, and decision-making processes. The Company has a zero-tolerance policy for anti-competitive behaviour, reinforced by its Code of Conduct and Responsible Purchasing Policy. By proactively addressing antitrust risks through compliance monitoring, training, and ethical business practices, SIPEF minimises legal risks, fosters trust among stakeholders, and strengthens its reputation as a responsible and fair market participant.	

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
ENVIRONMENTAL DAMAGE CLAIMS	Potential environmental risks from deforestation, biodiversity loss, or pollution.	Adopting sustainable practices, obtaining certifications, and engaging stakeholders enhance trust and mitigate risks related to environmental claims.
	SIPEF'S APPROACH: To mitigate the risk of environmental damage claims arising from deforestation, biodiversity loss, pollution, or regulatory non-compliance, SIPEF has implemented an environmental stewardship strategy. This ensures that the Company's agricultural activities align with sustainability best practices, international certification standards, and legal requirements. SIPEF adheres to a no deforestation, no peat, no exploitation (NDPE) policy, ensuring that all agricultural developments comply with strict land use and conservation guidelines. SIPEF ensures 100% of its palm oil operations are RSPO compliant and maintains Rainforest Alliance and Fairtrade certifications for bananas, demonstrating compliance with global environmental standards. SIPEF has set a GHG emission reduction target of 28% by 2030 and actively invests in methane capture facilities, renewable energy, and waste management systems. The Company integrates best management practices to minimise pollution, including the use of organic fertilisers, water conservation strategies, and waste recycling programmes. SIPEF engages with local communities, NGOs, and regulators to ensure environmental risk mitigation aligns with stakeholder expectations. Regular environmental impact assessments and audits are conducted to proactively identify risks and prevent environmental damage claims. The Company maintains a public grievance mechanism, allowing stakeholders to raise environmental concerns, which are addressed through transparent reporting and corrective actions. By adopting rigorous environmental policies, sustainability certifications, and stakeholder engagement initiatives, SIPEF effectively mitigates the risk of environmental damage claims, enhances regulatory compliance, and strengthens investor and community trust.	

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
REPUTATION AND STAKEHOLDER ACTIVISM	Risks from shareholder activism or public campaigns affecting policies or board composition.	Transparent environmental, social and governance (ESG) policies, proactive communication, and certification position SIPEF as a sustainability leader, aligning with stakeholder expectations.
	SIPEF'S APPROACH: To mitigate risks associated with reputation and stakeholder activism, SIPEF has established a proactive sustainability and stakeholder engagement strategy that ensures transparency, accountability, and alignment with investor and public expectations. SIPEF integrates ESG factors into its Balanced Growth Strategy, ensuring that sustainability is embedded in decision-making. The Company maintains clear sustainability policies, including NDPE commitments, human rights protections, and RSPO, Fairtrade, and Rainforest Alliance certifications, which reinforce SIPEF's responsible business conduct. Governance is strengthened by the presence of independent directors with sustainability expertise. SIPEF engages with shareholders, NGOs, local communities, and policymakers through regular ESG disclosures, investor briefings, and sustainability reporting. The Company ensures open communication channels with stakeholders, providing timely responses to concerns and maintaining a public grievance mechanism for environmental and social issues. Participation in sustainability indices and benchmarks (e.g., SPOTT, CDP) enhances SIPEF's credibility and transparency. SIPEF's palm oil is compliant with RSPO certification, ensuring compliance with the highest sustainability standards. The Company actively supports smallholders in achieving certification, reinforcing SIPEF's role in responsible supply chain management. SIPEF aligns with EU Deforestation Regulation (EUDR) and CSRD reporting, ensuring compliance with evolving ESG regulatory frameworks. Social and environmental due diligence is conducted before new developments, reducing the likelihood of reputational risks linked to land use, community relations, or supply chain controversies. By maintaining transparent ESG policies, strong governance, stakeholder engagement, and sustainability certifications, SIPEF positions itself as a leader in sustainable agriculture, reducing risks related to shareholder activism and reputational challenges, while enhancing investor and public trust.	

Current and anticipated effects

In line with its double materiality assessment, SIPEF has assessed the likelihood of the identified impacts and risks occurring, together with their potential financial impacts. SIPEF has assessed these impacts and risks are not expected to have a material financial impact on the SIPEF group, including its financial position, financial performance and cash flows. Nevertheless, the Group has implemented effective measures to mitigate these risks.

Resilience of strategy and business model

SIPEF maintains close and regular contact between its leadership and operational teams in Indonesia, Papua New Guinea, and Côte d'Ivoire. While operating across diverse regions, the Group ensures a unified approach to governance and ethical standards, balancing consistency with respect for local cultures and practices. This approach reinforces SIPEF's resilience by enabling proactive risk identification and swift response to ethical, operational, and compliance challenges.

Policies and commitments

SIPEF's Code of Conduct ensures that all SIPEF executives, employees, consultants, and contractors are committed to acting with integrity, conducting business responsibly, and adhering to all applicable laws in each jurisdiction. It establishes guidelines for maintaining a respectful workplace, fostering team spirit, and building professional, transparent relationships with clients and suppliers. It also prohibits conflicts of interest, insider trading, bribery, and the improper use of corporate funds. At the same time, it promotes corporate social responsibility, including environmental protection, anti-discrimination, and the safeguarding of human rights. Additionally, it covers data protection and confidential information, ensuring compliance with relevant laws and regulations.

Accountability of implementation and dissemination

At the Group level, the executive committee is responsible for oversight of implementation of the Code of Conduct. The Group's legal counsel provides support to ensure it is regularly updated and communicated to all employees and that relevant personnel receive adequate training to understand and apply it effectively. At the subsidiary level, the legal departments and internal audit departments are accountable for aligning their respective company codes with the Group Code of Conduct. They also ensure its effective dissemination, adoption, and implementation.

Consideration of key stakeholder interests in policy development

SIPEF is committed to ensuring that its business activities are conducted fairly and with integrity, as outlined in its Code of Conduct. The Group fosters an environment where employees and stakeholders are encouraged to engage in open dialogue, report concerns, and contribute to the continuous improvement of governance practices.

In line with its internal policy procedure, SIPEF integrates stakeholder feedback, regulatory requirements, and international best practices when formulating and updating policies. The Group Code of Conduct is scheduled for revision in the first half of 2025, with the Group's legal counsel leading efforts to identify areas for improvement and ensure ongoing compliance with evolving regulations, industry standards, and best practices. As part of this process, benchmarking assessments may be conducted, external experts consulted, and revisions reviewed by country directors, relevant department heads, and the SIPEF executive committee before final approval by the board of directors.

Communication and socialisation

SIPEF recognises the importance of effectively communicating and socialising its Code of Conduct, along with all related codes, policies, and legal requirements, to build and reinforce its company culture. The Group ensures that these documents, including governance frameworks, are readily available to all affected stakeholders. Internally, they are disseminated via email to employees and through training sessions for relevant staff. Contractors are also informed of the expectations set forth and are encouraged to align with the Group's ethical standards.

A comprehensive Code of Conduct review is planned for 2025–2026 to align with the latest standards and evolving business needs. As such, no Code of Conduct training sessions were conducted in 2024. Training activities will be scheduled following the publication of the revised Code of Conduct.

SIPEF's Code of Conduct is accessible to all stakeholders on the Group's Company website: Corporate governance - SIPEF

Third-party standards and initiatives

Through the implementation of the Code of Conduct, SIPEF commits to respecting applicable national laws and internationally recognised frameworks that align with ethical business practices.

In addition, SIPEF also pursues 100% certification under standards such as RSPO, Rainforest Alliance, Fairtrade, and GLOBALG.A.P. Many of these standards require certified companies to have an ethical conduct policy and a system to monitor compliance. While SIPEF's governance mechanisms, including its Code of Conduct and grievance mechanism, align with these broader expectations, they do not in themselves constitute a commitment to uphold these standards.

Actions, targets, and monitoring

SIPEF implements regular training programmes, leadership engagement, and the Group-wide dissemination of its Code of Conduct and policies across its global operations. As a comprehensive Group-wide policies review is planned for 2025-2026, no other specific actions were taken in 2024 to address the identified potential impact and risks. The forthcoming review aims to update, integrate, and streamline existing policies at both Group and country levels.

Targets and monitoring

While SIPEF has no specific target for corporate culture, it proactively promotes continuous alignment between its values and evolving business practices through robust evaluation mechanisms, including an annual review by board of directors of the Code of Conduct and related compliance matters. SIPEF's grievance mechanism further supports the Group in monitoring and evaluating the implementation of its policies, commitments, and corporate culture requirements, including those outlined in the Code of Conduct. This operates effectively at both the Group and entity level, capturing and addressing any reported actual or potential breaches. Read more about the grievance procedure, including ambition achieved with the procedure in 2024 and the indicators used to evaluate the progress on pages 274-276.

SIPEF group Code of Conduct revision in 2025

In the third quarter of 2024, a policies review workstream was established to plan and coordinate a Group-wide review aimed at updating SIPEF's Group policies. The goal is to enhance alignment across policies, as well as with the Group's ESG priorities, values, and the latest legislative requirements of the EU and the countries in which SIPEF operates.

SIPEF's Group Code of Conduct will undergo revision in the first half of 2025. Thereafter, its subsidiaries in Indonesia, Papua New Guinea, and Côte d'Ivoire will align their country-level Codes of Conduct with the Group Code's minimum standards and requirements, while ensuring compliance with national legal frameworks. Starting in the second half of 2025, communication, dissemination, socialisation, and training on the revised Codes of Conduct will take place to ensure effective adoption.

CORRUPTION AND BRIBERY

Corruption and bribery undermine fair competition, erode trust, and pose significant financial and reputational risks to businesses and society. SIPEF is committed to maintaining a transparent and fair business environment, ensuring that management, employees, and non-employees uphold the highest ethical standards.

To reinforce this commitment, the Group implements strict compliance measures, robust control mechanisms, targeted training, and leadership oversight to prevent and address corruption risks. A strong anti-corruption and anti-bribery framework, supported by an effective grievance mechanism, risk prevention measures, and continuous monitoring, ensures adherence to legal requirements and promotes responsible business conduct.

Impacts[3]

Prevention and detection including training

EMPLOYEES AND OTHER STAKEHOLDERS SUBJECTED TO UNLAWFUL SITUATIONS

POTENTIAL NEGATIVE, SHORT-TERM

Effective prevention, detection, and training mechanisms on corruption and bribery ensure that employees can recognise corruption in its various forms and understand the protocols to follow when encountering such situations. Without proper training and functioning prevention measures, employees may unknowingly face unlawful situations or lack the necessary tools to respond appropriately.

Incidents

EMPLOYEES PLACED IN COMPROMISING SITUATIONS WITH LEGAL CONSEQUENCES

ACTUAL NEGATIVE, SHORT-TERM

Corruption and bribery can have immediate and severe consequences for employees, business partners, affected communities, local authorities, and customers. Acts such as fraud, extortion, collusion, and money laundering, as well as giving or receiving money or other advantages to gain undue influence, are dishonest, illegal, and violate SIPEF's ethics, culture, and policies. When incidents of corruption and bribery are substantiated, employees and business partners may find themselves in compromising or unlawful situations, leading to dismissal, legal action, and reputational damage.

SIPEF operates in Indonesia, Papua New Guinea, and Côte d'Ivoire, where its business activities and workforce are primarily based. Like many agricultural companies in these regions, SIPEF faces complex regulatory and operational challenges.

Differences in institutional frameworks, regulatory enforcement, and governance structures may create varying levels of exposure to corruption-related risks in business operations and supply chains. In certain areas, informal economic activities and socio-economic conditions may also increase vulnerabilities to corruption and bribery. This requires enhanced compliance measures, due diligence processes, and engagement with local stakeholders. SIPEF recognises these challenges and remains committed to implementing robust anti-corruption policies, strengthening internal controls, and promoting ethical business practices across its operations and business relationships.

(3) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impacts are newly identified and were not included in these exact forms in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Risks and opportunities

Both SIPEF's long-term reputation and financial health could be significantly impacted by any confirmed incidents of bribery or corruption.

The following risks and opportunities[4] have been identified from a pre-mitigation perspective through SIPEF's double materiality assessment, in relation to the sustainability matter 'Incidents'.

RISKS AND OPPORTUNITIES

CATEGORY	RISK DESCRIPTION	OPPORTUNITY DESCRIPTION
DOCUMENT FALSIFICATION	Falsified documents may lead to legal disputes, regulatory penalties, and reputational damage. Integrity issues in land acquisition, environmental impact assessments, and compliance certifications.	Enhancing document integrity through advanced document management systems, secure verification methods, internal audits, and transparency measures to ensure compliance.
	SIPEF'S APPROACH: To mitigate risks related to document falsification, SIPEF has implemented strict governance, verification processes, and digital security measures to ensure compliance and transparency. SIPEF enforces strict internal controls for financial records, land acquisitions, environmental impact assessments, and certification compliance. Regular internal and external audits ensure document authenticity and regulatory alignment. Employees receive regular training on fraud prevention and ethical reporting standards. A confidential whistleblower channel enables reporting of irregularities without retaliation. SIPEF engages independent auditors and certification bodies for verification of compliance-related documents. SIPEF's full traceability and public disclosure of sustainability certifications reinforce integrity. By prioritising document security, compliance, and ethical oversight, SIPEF minimises legal risks, enhances regulatory trust, and upholds its reputation for responsible business practices.	

(4) All identified risks are derived from SIPEF's previous annual business risk assessment, conducted and approved by the audit committee and board of directors in 2023. These risks have been updated with additional descriptions and aligned with the sustainability matters prescribed by Appendix A of ESRS 1.

RISKS AND OPPORTUNITIES		
CATEGORY	**RISK DESCRIPTION**	**OPPORTUNITY DESCRIPTION**
BRIBERY	Risk of direct or indirect involvement in bribery, leading to legal investigations, fines, and reputational harm, impacting relationships with stakeholders and business partners.	Fostering a culture of ethical behaviour, implementing robust internal controls, and collaborating with industry organisations to adopt best practices in preventing bribery.
	SIPEF'S APPROACH: SIPEF upholds a zero-tolerance policy on bribery, ensuring that all business activities adhere to the highest ethical standards. The Company has implemented a robust anti-bribery framework that includes strict internal controls, regular compliance training, and transparent reporting mechanisms. SIPEF clearly communicates its Code of Conduct, which explicitly prohibits bribery in any form, whether direct or indirect. Internal audits and third-party assessments further strengthen accountability, identifying potential risks before they escalate into legal or reputational issues. To foster a culture of integrity, SIPEF conducts regular training programmes to raise awareness about bribery risks and reinforce ethical decision-making at all levels of the organisation. Employees are encouraged to report any suspicious activities through a confidential whistleblower mechanism, ensuring concerns are addressed swiftly and without retaliation. Additionally, the Company actively collaborates with industry organisations and regulatory bodies to align with global best practices in anti-corruption compliance. By integrating these measures, SIPEF minimises legal risks, protects stakeholder trust, and reinforces its commitment to ethical and responsible business practices.	

<table>
<tr><th colspan="3">RISKS AND OPPORTUNITIES</th></tr>
<tr><th>CATEGORY</th><th>RISK DESCRIPTION</th><th>OPPORTUNITY DESCRIPTION</th></tr>
<tr><td rowspan="2">CORRUPTION</td><td>Possibility of corruption within SIPEF or in external interactions, including bribery, embezzlement, or other illicit activities, which could harm SIPEF's reputation and lead to legal and operational consequences.</td><td>Promoting a culture of integrity and accountability, engaging in third-party due diligence, and ensuring strict compliance with anti-corruption laws to maintain stakeholder trust and ethical business practices.</td></tr>
<tr><td colspan="2">SIPEF'S APPROACH:

SIPEF is committed to maintaining the highest standards of integrity and accountability, actively working to prevent corruption in both internal operations and external business interactions.

The Company enforces a strict anti-corruption policy, ensuring full compliance with international and local anti-bribery and anti-corruption laws. Through internal controls, financial transparency measures, and third-party due diligence, SIPEF safeguards its operations against risks such as bribery, embezzlement, and unethical business conduct. Regular internal audits and external reviews further reinforce compliance and detect any irregularities before they pose a threat to the Company's reputation or legal standing. To strengthen its ethical culture, SIPEF provides ongoing anti-corruption training for employees and management, equipping them with the knowledge to recognise and respond to potential risks. A whistleblower mechanism is in place, offering a secure and confidential channel for reporting misconduct, ensuring concerns are addressed without retaliation. Moreover, SIPEF collaborates with regulatory bodies, industry organisations, and certification agencies to uphold best practices in corporate governance.

By embedding strict anti-corruption safeguards into its business operations, SIPEF reinforces stakeholder confidence, maintains regulatory compliance, and ensures long-term business sustainability for the Company.</td></tr>
<tr><td rowspan="2">COMPUTER CRIME AND THEFT</td><td>Vulnerability to cybercrime due to reliance on digital infrastructure, risking financial information compromise, supply chain disruption, and theft of proprietary agricultural technologies.</td><td>Strengthening cybersecurity posture through investment in advanced cybersecurity technologies, employee training programmes, and robust incident response plans to protect digital assets and operational continuity.</td></tr>
<tr><td colspan="2">SIPEF'S APPROACH:

Recognising the increasing risks associated with cybercrime and digital theft, SIPEF has implemented a cybersecurity strategy to protect its financial data, proprietary agricultural technologies, and critical business operations.

The Company continuously invests in cybersecurity technologies, including firewall protections, encryption protocols, multi-factor authentication, and intrusion detection systems, to safeguard its digital infrastructure from external threats. Penetration testing and security audits ensure that vulnerabilities are identified and addressed proactively, minimising the risk of data breaches and cyberattacks. In addition to technological defences, SIPEF prioritises employee awareness and training, ensuring that staff at all levels are equipped to recognise and prevent cyber threats such as phishing, malware, and unauthorised data access. Strict access controls and data governance policies further reduce exposure by ensuring that only authorised personnel can handle sensitive information. To enhance resilience, SIPEF has also established incident response and business continuity plans, enabling rapid containment and recovery in the event of a cyberattack.

By embedding cybersecurity best practices into its operations, SIPEF protects its digital assets, ensures supply chain security, and reinforces stakeholder trust in its ability to operate securely and sustainably in an increasingly digitalised world.</td></tr>
</table>

Under the sustainability matter 'Prevention and detection including training', the assessment did not evaluate any risks as material, nor did it identify any related opportunities.

Current and anticipated effects

In line with its double materiality assessment, SIPEF has reviewed the likelihood of the identified impacts and risks occurring, together with their potential financial impacts. SIPEF has assessed that these impacts and risks are not expected to have a material financial impact on the SIPEF Group, including its financial position, financial performance and cash flows. Nevertheless, the Group has implemented effective measures to mitigate these risks.

Resilience of strategy and business model

SIPEF continues to strengthen its anti-corruption and anti-bribery framework by integrating enhanced compliance measures, rigorous internal controls, employee and contractor training programmes, and ongoing risk assessments. As part of its business model, the Company adheres to sustainability standards and regulatory requirements, which mandate the implementation of measures and systems that promote ethical conduct. These proactive strategies reduce exposure to corruption-related risks, safeguard market access, and uphold ethical business practices across the value chain.

Policies and commitments

SIPEF's Anti-Corruption and Anti-Bribery (ACAB) Policy sets a clear framework to uphold ethical business practices and reinforce strong corporate governance. It mandates strict procedures for identifying, reporting, and addressing violations while ensuring whistleblower protection and enforcing non-retaliation measures. The policy also defines corruption, bribery, fraud, and other key terms, providing a standardised interpretation across all entities.

The Grievance Policy complements these efforts by offering a structured, impartial mechanism for employees, contractors, and external stakeholders to raise concerns. It ensures grievances are handled confidentially and fairly, following a clear escalation process from local resolution to Group-level intervention when necessary. The policy guarantees whistleblower anonymity, protection against retaliation, and mandatory record-keeping, reinforcing SIPEF's commitment to accountability and ethical conduct.

Both the ACAB Policy and the Grievance Policy apply to all SIPEF employees, contractors, and subsidiaries. Additionally, the ACAB Policy extends to suppliers of goods and services, while the Grievance Policy also applies to any stakeholder who wishes to submit grievances related to SIPEF or its perceived impacts.

Interoperability between these policies and SIPEF's Code of Conduct ensures consistency in addressing ethical concerns and misconduct. An overview of the Code of Conduct is provided in the sub-section 'Corporate culture' on pages 265-266.

Accountability of implementation and dissemination

At the Group level, the executive committee is the most senior level responsible for oversight of implementation of both the ACAB Policy and Grievance Policy. The owner of both these policies is SIPEF's legal counsel ESG, who is responsible for coordinating with country-level teams to set up training sessions. These sessions aim to ensure consistent communication and understanding of the policies while facilitating their integration into each country of operation. At the country level, designated policy owners are responsible for ensuring implementation and alignment of their respective country-level policies and procedures with the Group-level policies.

Consideration of key stakeholder interests in policy development

Between 2023 and 2024, SIPEF conducted a comprehensive review of the ACAB Policy and Grievance Policy to enhance their effectiveness and refine related processes and procedures for consistent implementation across all operational countries.

To identify gaps and opportunities for improvement, SIPEF's legal counsel ESG led workstreams engaging country-level internal audit, sustainability, and human resources teams, as well as representatives from regional management and other key departments.

SIPEF also consulted a social expert from an Indonesia-based NGO to provide recommendations for improving the Group Grievance Policy and its reporting and handling procedures at the country level. Additionally, it reviewed requirements from RSPO, Rainforest Alliance, and other relevant standards the Company follows, related to grievance procedures and whistleblower protection.

Through this iterative and inclusive consultation process, SIPEF assessed Group-level and country-specific challenges, and determined how the Group-level policies and procedures could be updated to address gaps and align with best practices. The ACAB Policy was also updated to align with the United Nations Convention Against Corruption (2003) and the Council of Europe's Criminal Law Convention on Corruption (1999), ensuring compliance with international standards.

The process resulted in revised and updated Group-level policies, both of which were reviewed by SIPEF's executive committee and approved by the board in June 2024.

Communication and socialisation

SIPEF's ACAB Policy and Grievance Policy have been made readily available to all affected stakeholders. In the third quarter of 2024, SIPEF launched the revised policies, as well as its updated grievance procedure, through dedicated focus sessions, as well as in-person or online training programmes. Coordinated by SIPEF's legal counsel

ESG, these sessions brought together the global sustainability team and key country-level representatives, including members from regional sustainability teams, local internal audit departments, the regional executive committee, and other relevant departments. The sessions aimed to facilitate a comprehensive understanding of the updated policies and promote alignment across SIPEF's operations.

Contractors have also been informed of the expectations set forth in the updated policies.

The policies are accessible to all stakeholders on the Group's website: SIPEF Corporate Policies - SIPEF

Third-party standards and initiatives

SIPEF is committed to 100% RSPO and Rainforest Alliance certification, both of which require the implementation of a documented system for dealing with complaints and grievances, as well as a policy on ethical conduct and whistleblower protection. While SIPEF's Grievance Policy and ACAB Policy align with the expectations of the certification requirements, they do not in themselves constitute a commitment to uphold the standards.

Actions, targets, and monitoring

Prevention and detection

To enhance its capacity to prevent, detect, and address corruption-related risks, SIPEF works to ensure that employees, contractors, and other stakeholders across its value chain, including NGOs, local communities, and authorities, can report actual or suspected incidents through its grievance mechanism. SIPEF also conducts training and awareness programmes to equip its employees with the knowledge and skills to recognise and respond to different forms of bribery and corruption. In addition, the Company maintains robust controls and oversight, with internal audit regularly conducting audits and investigations as required.

These actions have not required significant Capex or Opex. No other significant financial resources would be applicable.

GRIEVANCE MECHANISM IN 2024

In 2023-2024, SIPEF undertook a comprehensive review of its grievance mechanism to enhance its effectiveness at both the Group and country levels. This review aimed to identify and address any gaps in grievance reporting and handling procedures. As part of this initiative, a new Group-level policy was developed, approved, and rolled out across all SIPEF operations, including those in Indonesia, Côte d'Ivoire, Papua New Guinea, as well as in the offices in Belgium and Singapore. The updated policy establishes clear minimum standards and requirements, ensuring consistency and accountability across all locations. It also introduced the newly streamlined grievance-handling procedure designed to improve response times and transparency. Additionally, an internal IT service management platform, SIPEF Grievance Solution, was developed to facilitate grievance reporting and management, enabling more efficient monitoring and fostering greater transparency, consistency and accountability across the Group.

The updated grievance procedure was launched together with the policy and the new platform in June 2024.

Overview of grievance procedure

SIPEF's grievance mechanism is designed to be accessible, transparent, and impartial, ensuring that all employees, contractors, and stakeholders can report concerns. The process follows a structured approach:

GRIEVANCE SUBMISSION: Employees and external stakeholders can report grievances through multiple channels, including a dedicated email (grievances@sipef.com), a grievances form available on SIPEF's website, and the SIPEF Grievance Solution.

Recognising that many workers in plantations, mills, and packing stations have limited access to technology, SIPEF has also implemented additional measures to ensure grievance reporting remains fully accessible, regardless of location or technological access:

- Designated grievance managers, including RSPO officers, safety officers, and internal audit department staff members, serve as entry points for employees to report grievances in person. Grievance managers ensure that all concerns submitted to them are formally recorded in the SIPEF Grievance Solution for proper follow-up.
- Notice boards in key locations display SIPEF's policies and grievance procedures, providing clear guidance on how to submit a grievance.

GRIEVANCE REVIEW AND INVESTIGATION: once a grievance is submitted, a grievance committee is assembled to conduct an independent investigation and ensure a fair and objective resolution. The committee is composed of subject matter experts rather than individuals directly involved in the grievance or those with potential conflicts of interest. Experts are selected based on their knowledge and impartiality to ensure an objective evaluation.

DECISION AND RESOLUTION: based on findings, the committee proposes a resolution, which is reviewed and approved in line with SIPEF's Grievance Policy and ethical standards.

MONITORING AND OVERSIGHT: for monitoring and oversight, grievances are systematically categorised and analysed by topic, including land disputes, labour concerns, human rights matters, and environmental issues. They are also organised by geographic location, identifying the specific plantation and country involved. The managing director, group head of sustainability, and legal counsel ESG oversee grievance management at the Group level, while country-level teams handle case documentation, investigation, and compliance.[5]

Grievances received from NGOs or those deemed significant are published on the Grievances Dashboard on SIPEF's company website. The dashboard provides updates on case status, including details on whether and how cases have been resolved.

(5) For a general description of the roles of the SIPEF board of directors and executive committee, which apply to business conduct matters as well as other sustainability topics, please see 'General Information'. The expertise of both the board and executive committee is disclosed in the Corporate Governance Statement.

Launch of SIPEF Grievance Solution

With SIPEF's Grievance Policy update in 2024, efforts and investments were made to improve and enhance the effectiveness of SIPEF's grievance mechanism. A key development was the SIPEF Grievance Solution, a dedicated software tool developed in collaboration with the IT department. Built on a third-party IT service management platform, the tool was extensively customised to meet SIPEF's specific needs and ensure seamless integration across operations.

After its official deployment in June 2024, the platform was gradually rolled out across SIPEF's operations, with the second half of the year serving as a transition period. During this time, country teams were trained in using the system and began uploading and managing grievances under the improved and streamlined process.

The SIPEF Grievance Solution centralises all grievance reporting channels, including website forms, grievance emails, digital submissions, and country-level reports. It provides a user-friendly interface, allowing employees and stakeholders to submit grievances easily, with the option to remain anonymous. By streamlining reporting, follow-up, and resolution processes, the system ensures that all grievances, both internal and external, are addressed promptly, independently, and objectively.

Oversight and monitoring are managed at both the Group and country levels, with access appropriately restricted to employees handling grievances to maintain confidentiality and compliance. Grievance managers can track cases, coordinate investigations, and monitor progress in real time, improving response times and ensuring efficient case management across the Group. Additionally, the SIPEF Grievance Solution follows a structured framework aligned with the Grievance Policy, ensuring impartiality by assigning cases based on predefined protocols.

Using the data gathered from the SIPEF Grievance Solution, a comparative analysis will be done to identify key risk trends. As implementation evolves, SIPEF will proactively identify and apply necessary adjustments to the software and associated processes to better accommodate user needs. Entities will receive ongoing support and be encouraged to share learnings as they refine and implement the system at their locations.

TRAINING PROGRAMMES IN 2024

In 2024, SIPEF implemented a comprehensive training programme on its ACAB Policy, coordinated by the legal counsel ESG. The training covered policy definitions, detection and reporting of corruption, whistleblowing procedures, transparency in political engagements, anti-competitive behaviour, and case exercises. Content was adapted for each country to reflect local risks, high-risk functions, and applicable penalties under national laws.

To ensure targeted compliance, SIPEF required all subsidiaries to identify 'functions at risk', referring to any employee whose roles exposes them to corruption and bribery risks. In developing this list, SIPEF used the definition from ESRS as a reference and collaborated with the internal audit and legal departments across its subsidiaries. The identification process was based on an assessment of employees' roles, responsibilities, and their associated risk exposure to corruption and bribery.

In the third quarter of 2024, prioritised employees in these roles received in-depth anti-corruption and anti-bribery training. Members of SIPEF's executive committee, assessed as the most at-risk due to their decision-making authority and oversight responsibilities, also participated in the training.

Given the geographical context of SIPEF's operations, where computer-based training infrastructure is not consistently available, training was primarily delivered in person. When possible, it was conducted online. Each session was documented with an attendance list to verify completion. No employees identified as holding at-risk functions were on long-term leave in 2024.

During the third and fourth quarter of 2024, SIPEF also conducted specialised training for designated grievance managers. Participants included staff from internal audit and human resources, as well as RSPO officers, safety officers, and legal counsel.

TARGETS AND MONITORING

SIPEF has set a measurable target to strengthen its anti-corruption and anti-bribery framework by ensuring that all employees in functions-at-risk within its own operations receive annual training. This target aligns with SIPEF's policy objectives of promoting transparency, ethical business conduct, and regulatory compliance across its operations.

Target: Annual training to be carried out for all of employees in functions-at-risk within own operations.

Baseline value and year: The target is recurring annually, with a starting baseline of zero at the beginning of each financial year. No interim targets or milestones have been set.

Stakeholder consultation: The internal audit departments, regional sustainability teams, regional executive committees, and other relevant teams across SIPEF's operations were consulted in setting this target.

Methodologies and assumptions: SIPEF's legal counsel ESG has engaged and coordinated with legal and internal audit teams in each country of operation to determine the list of functions-at-risk employees. Training will be focused on these employees.

Adjustments: This is a newly set target in 2024.

MONITORING AND PROGRESS IN 2024

SIPEF remains committed to achieving 100% annual training completion for employees in functions-at-risk within its own operations. Progress is tracked through participation rates and attendance records.

During the 2024 financial year, 100% of employees in at-risk functions received training, totalling 478 individuals. Training formats varied by location. In Belgium and Singapore, employees who could not attend in person participated in online sessions. In Indonesia, employees who missed scheduled training attended follow-up sessions.

ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING	AT-RISK FUNCTIONS	OTHER OWN WORKERS*
TRAINING COVERAGE		
Total	478	68
DELIVERY METHOD AND DURATION (ON AVERAGE)		
In-person or online training	2.5h	2.5h
FREQUENCY		
How often the training is required	Annually	Annually
TOPICS COVERED		
Definition of corruption	x	x
Policy	x	x
Procedures on suspicion / detection of corruption	x	x
Relevant laws and penalties	x	x
Other	x	x

* Other own workers may include managers and administrative, management, and supervisory bodies.

Incidents

In 2024, SIPEF recorded zero convictions and zero USD in fines or financial penalties for violations of anti-corruption or anti-bribery laws across its operations in Belgium, Singapore, Papua New Guinea, Côte d'Ivoire, and Indonesia. The Company remains committed to preventing, detecting, and addressing corruption risks through strict compliance measures and ongoing monitoring.

PROCEDURES FOR PREVENTION, DETECTION, AND INVESTIGATION

SIPEF has established comprehensive procedures to prevent, detect, and address corruption and bribery. These include:

- Mandatory anti-corruption and anti-bribery training for all employees in functions-at-risk (see pages 277-278).
- Internal monitoring mechanisms such as regular compliance audits and whistleblowing channels (see pages 279-281).
- Clear reporting pathways through the SIPEF Grievance Solution for employees and external stakeholders to report concerns confidentially (see pages 275-276).

PROCESS FOR REPORTING INVESTIGATION OUTCOMES

To ensure consistency and fairness in addressing breaches, SIPEF follows a structured process for determining appropriate actions. When a suspected violation is identified, an internal investigation is conducted in accordance with company policies and applicable legal frameworks in each country. In cases of breaches, the severity of the violation may result in contract termination, in line with SIPEF's ACAB Policy.

TARGETS AND MONITORING

SIPEF has not set a specific target to address the material impact identified in relation to incidents of corruption and bribery, as its approach is geared towards prevention, detection and training. To view relevant actions and targets, see sub-section 'Prevention and detection'.

PROTECTION OF WHISTLEBLOWERS

An effective whistleblowing system is essential for upholding integrity, accountability, and transparency within an organisation. Employees and stakeholders must be able to report misconduct safely and confidentially, without fear of retaliation.

A trusted and accessible reporting system not only helps identify and mitigate misconduct but also strengthens trust among employees, contractors, and business partners. By safeguarding whistleblowers from retaliation and ensuring concerns are handled with diligence and impartiality, SIPEF upholds its commitment to fairness, transparency, and responsible corporate governance.

Impacts[6]

IMPACTS OF THE ABSENCE OR POOR IMPLEMENTATION OF A WHISTLEBLOWING SYSTEM

POTENTIAL NEGATIVE, MEDIUM-TERM

SIPEF recognises the potential negative impacts of insufficient whistleblower protection. Individuals who witness misconduct, but fear retaliation may find themselves in compromising situations due to the absence or poor implementation of a whistleblowing system. Legitimate concerns may go unaddressed, misconduct may persist, and individuals may be exposed to unlawful situations. This can lead to psychological stress, anxiety, and an overall decline in their well-being. In severe cases, whistleblowers without protection may face threats, harassment, unfair dismissal, or even personal safety risks and serious legal consequences.

(6) The financial year 2024 marks the first year SIPEF has conducted a double materiality assessment. As a result, the specified impact is newly specified and was not included in this exact form in previous reporting. This assessment has been aligned with the sustainability matters outlined in Appendix A of ESRS 1.

Ultimately, the absence of a robust whistleblowing system undermines trust, well-being, and confidence among all stakeholders.

SIPEF's plantations, processing, and packing sites are located in Indonesia, Papua New Guinea, and Côte d'Ivoire. In these regions, perceptions of institutional effectiveness and trust in formal reporting channels may vary, making it especially important to ensure that all stakeholders feel safe and supported when reporting actual or potential misconduct.

To address these challenges, SIPEF is committed to implementing and strengthening measures to protect whistleblowers, ensuring they can report concerns without fear of reprisal. This aligns with SIPEF's Balanced Growth Strategy, which prioritises good business conduct through robust systems and processes that uphold ethical practices. Key principles such as anonymity, fair treatment, and due process are integral to the Company's whistleblower protection framework.

Risks and opportunities

While an inadequate whistleblowing system can pose risks to any company's operations, reputation, and long-term sustainability, SIPEF's double materiality assessment did not evaluate any risks as material, nor did it identify any related opportunities.

Current and anticipated effects

Since no material risks or opportunities related to whistleblower protection were identified, there are no reported current or anticipated effects on the Group's business model, value chain, strategy, or decision-making. Additionally, no financial effects on the Company's financial position, performance, or cash flows are reported.

Resilience of strategy and business model

As part of its business model, the Company adheres to regulatory requirements and sustainability standards, which mandate the implementation of measures and systems that promote ethical conduct. These proactive strategies reduce exposure to corruption-related risks, safeguard market access, and uphold ethical business practices across the value chain.

Policies and commitments

SIPEF is committed to whistleblower protection, as specified in its ACAB Policy and Code of Conduct. Under this commitment, SIPEF guarantees the confidentiality and protection of the whistleblower from all forms of threats, victimisation, reprisals, intimidation, discrimination, or harassment from any party. Any form of retaliation, penalties, or discrimination against whistleblowers, reported parties, or anyone participating in an investigation is prohibited. SIPEF's ACAB Policy also stipulates that SIPEF reserves the right to take appropriate action against anyone who retaliates or threatens retaliation against whistleblowers who have submitted reports in accordance with the policy.

The Group's Code of Conduct further expands on these protections by outlining specific reporting channels available to whistleblowers. The Code also acknowledges that while confidential reporting is encouraged, anonymous reporting is also possible.

Under SIPEF's Grievance Policy, the Group is committed to ensuring all employees and stakeholders have a structured, transparent, and impartial process for raising and resolving grievances, including reports on ethical misconduct. As part of this process, those submitting grievances also have the option to remain anonymous.

Read more about SIPEF's Grievance and ACAB Policies in 'Corruption and bribery' section on pages 272-274. The Code of Conduct is covered in the section 'Corporate culture' on pages 265-266.

Actions, targets and monitoring

SIPEF has established a grievance mechanism, which allows any stakeholder to report misconduct confidentially or anonymously, without fear of reprisal. As outlined in SIPEF's Code of Conduct, whistleblowers also have direct access to the SIPEF compliance officer, the chairman of the audit committee, and the chairman of the board of directors.

All reported concerns regarding ethical misconduct are thoroughly investigated, and corrective actions are taken when necessary. Individuals found responsible for fraud or malpractice, whether as offenders or accomplices, are subject to penalties proportional to the severity of their actions.

Targets and monitoring

SIPEF has not set a specific target to address the potential material impact identified in relation to whistleblowing but relies on other evaluation mechanisms. SIPEF's grievance mechanism supports the Group in monitoring and evaluating the implementation of its policies and commitments related to whistleblowing, including those outlined in the Code of Conduct. This applies at both the Group and entity levels and captures reported actual or potential breaches.

Read more about the grievance procedure, including ambition achieved with the procedure in 2024 and the indicators used to evaluate progress on pages 274-276.

3. Corporate Governance Statement

1. General

This corporate governance statement comprises factual information with regard to the good governance of the SIPEF holdings for the 2024 financial year and the subsequent period until the meeting of the board of directors of 15 April 2025.

The Company has a strong corporate governance structure focused on responsible business, proper management, and the implementation of

The Group's good governance guidelines are summarised, among other things, in the Corporate Governance Charter, the Remuneration Policy and the Code of Conduct, that includes the ethics policy, to promote and support responsible and ethical behaviour. Collectively, these policies set out the Group's commitment to ethical business conduct and corporate governance best practices.

BASIC ELEMENTS OF SIPEF'S CORPORATE GOVERNANCE	
CORPORATE GOVERNANCE CHARTER	The Corporate Governance Charter (Charter) defines the structure, powers and operations of the Company's governing bodies, and the obligations of the members of the board of directors and of the Company's various committees. It also contains the rules of conduct applicable to the Company's executives and staff when they carry out transactions involving SIPEF financial instruments. The Charter was approved for the first time by the board of directors in 2005 and is regularly updated in line with the evolution of the applicable regulations and good corporate governance practices. It was last amended on 15 April 2025. This amendment primarily updated the Charter to bring it in line with a number of regulatory developments resulting from the law of 27 March 2024 regarding the digitalisation of justice, regulation (EU) 2024/2809 (the "Listing Act Regulation") and the law of 2 December 2024 transposing the CSRD. The amended version of the Charter can be consulted on the website (www.sipef.com).
REMUNERATION POLICY	The Remuneration Policy outlines the various components of the remuneration of the directors, the managing director, and the other members of the executive committee. It contains the criteria and methods for calculating this remuneration. It aims to (i) attract, reward and retain the necessary talent; (ii) achieve the Company's strategic objectives; and (iii) promote sustainable value creation.
CODE OF CONDUCT	The Code of Conduct sets out the principles of conduct regarding responsible and ethical behaviour for all staff, including consultants and contractors of SIPEF. It states that SIPEF is committed to transparency, combating bribery and corruption, compliance with all relevant international and national laws, and the prohibition of using Group facilities or working hours for personal business. SIPEF has also implemented the Code of Conduct in all countries where it operates.

Moreover, SIPEF applies the principles of the Belgian Corporate Governance Code 2020 (the 'Code'), which it uses as a reference code. The Code is available on the website of the Belgian Corporate Governance Committee.

→ www.corporategovernancecommittee.be

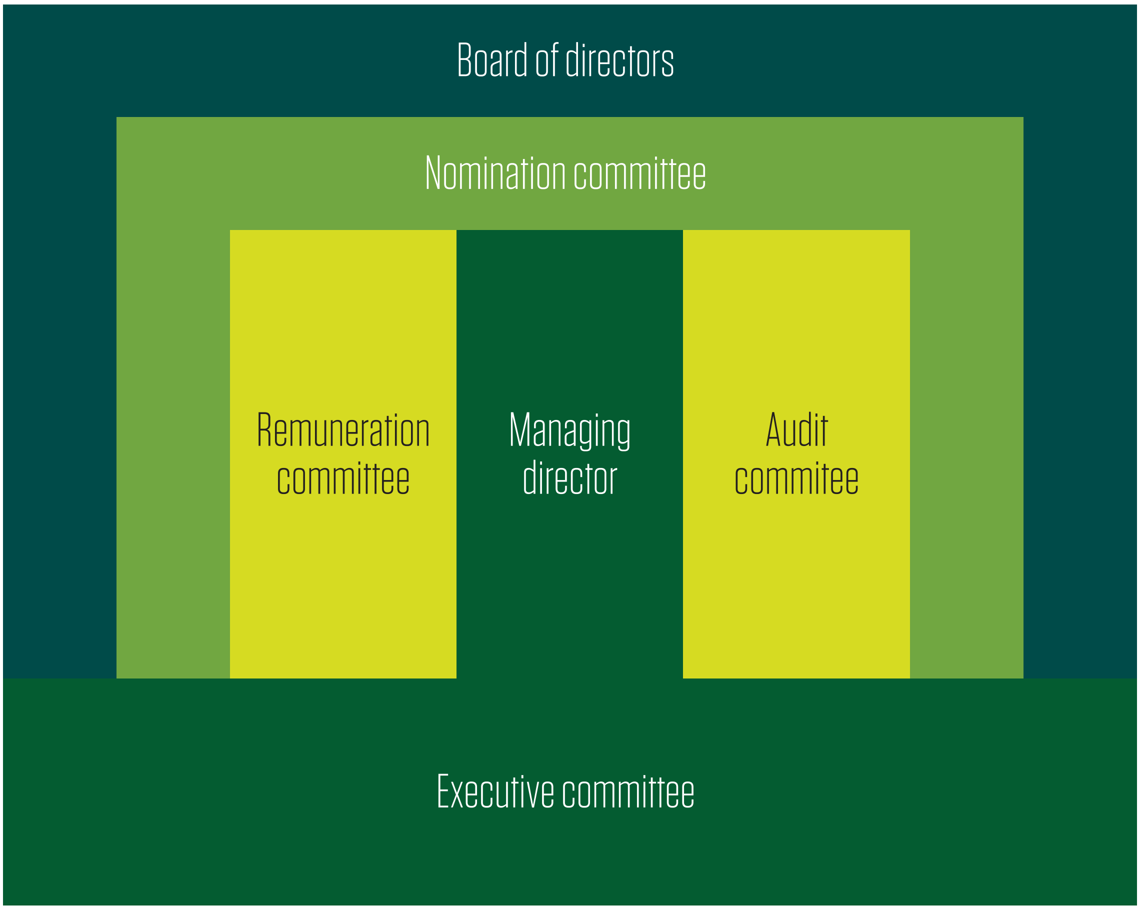
SIPEF's corporate governance deviates from a limited number of recommendations of the Code:

- **Remuneration of the non-executive Directors**
  Pursuant to Article 7.6 of the Code, non-executive board members should receive part of their remuneration in the form of shares in the Company, which must be held for at least one year after the end of their term of office and a minimum of three years after their award. This requirement is designed to align non-executive directors with the perspective of a long-term shareholder. However, non-executive directors are entrusted with representing the interests of all stakeholders, not solely those of shareholders. Furthermore, SIPEF's activities and strategy are inherently driven by a long-term vision. The Company is therefore of the opinion that it is unnecessary to extend such a vision to the remuneration policy.
- **Remuneration of the Executive Committee**
  Pursuant to Article 7.9 of the Code, the board of directors should set a minimum threshold of shares to be held by the members of the executive committee. No such minimum is imposed, as the members of the executive committee are always driven by a long-term vision that is inextricably bound up with the agro-industrial activities of the SIPEF-group. These activities can only be evaluated in the long term, as evidenced by the strategy and business model of SIPEF. Moreover, the remuneration of the members of the executive committee is already linked to the Company's performance through the variable remuneration and the granting of share options, which remain valid for a period of ten years.
- **Composition of the Nomination Committee**
  Pursuant to Article 4.19 of the Code, the majority of the members of the nomination committee should be independent non-executive directors. At SIPEF, the full board of directors serves as nomination committee. The Company is of the opinion that the whole board, rather than a smaller nomination committee, is best suited to preparing and managing the composition and succession planning of the board and its committees. Moreover, the board's size does not hamper efficient deliberation and decision-making.

2. Corporate Governance Structure on 31 December 2024

A strong corporate governance policy is made possible by a clear governance structure, which defines the role of the highest management bodies. This strong corporate governance policy is also the result of SIPEF's stable shareholder structure, characterised by the presence of two reference shareholders, i.e. Ackermans & van Haaren (AvH) and the Bracht Group (see 'Shareholder structure' on page 328).

Despite this shareholder structure, no single director or group of directors exercises a dominant influence over the board's operation.



		TERM OF OFFICE	EXECUTIVE / INDEPENDENT MEMBER	MEETINGS OF THE BOARD OF DIRECTORS ATTENDANCE	AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATION COMMITTEE		EXECUTIVE COMMITTEE
					MEMBERS	ATTENDANCE	MEMBERS	ATTENDANCE	MEMBERS	ATTENDANCE	MEMBERS
NUMBER OF MEETINGS IN 2024				**6**	**4**		**3**		**4**		
Luc Bertrand	chairman	2023-2025		6/6					chairman	4/4	
François Van Hoydonck (managing director until 1 September 2024)	director	2023-2027		6/6					member	4/4	
Petra Meekers (executive director from 12 June 2024, managing director from 1 September 2024)	managing director	2024-2028	executive	3/3[1]					member	2/2[1]	chairman
Tom Bamelis	director	2022-2026		6/6	chairman	4/4			member	4/4	
Priscilla Bracht	director	2022-2026		6/6					member	4/4	
Alexandre Delen	director	2022-2026		6/6					member	4/4	
Antoine Friling	director	2023-2027		6/6	member	4/4	chairman	3/3	member	4/4	
Gaëtan Hannecart	director	2024-2028		6/6					member	4/4	
Yu-Leng Khor	director	2021-2025	independent	6/6			member	3/3	member	4/4	
Giulia Stellari	director	2023-2027	independent	6/6			member	3/3	member	4/4	
Nicholas Thompson	director	2023-2027	independent	6/6	member	4/4			member	4/4	
Charles De Wulf (until 1 April 2024)	manager estates department										member
Thomas Hildenbrand	manager fruit department										member
Robbert Kessels	chief commercial officer										member
Bart Cambré	chief financial officer										member

The term in which directors have a seat on the committees coincides with the term of their directorship.

(1) Attendance calculated from the ordinary general meeting of 12 June 2024 and based on the meetings during her directorship.

1. BOARD OF DIRECTORS

1. Role

The Company has adopted a one-tier governance structure, consisting of the board of directors, which acts a collegial body and is authorised to perform all acts that are necessary or useful to achieve the object of the Company, except for those for which the general meeting is authorised by law. The board of directors pursues sustainable value creation by the Company, by setting the Company's strategy, putting in place effective, responsible and ethical leadership and monitoring the Company's performance. As a general rule, the board of directors is responsible for the general management of the Company and for the supervision of the daily management, which is the responsibility of the executive committee.

The responsibilities of the board of directors are further detailed in the Company's articles of association and Charter.

2. General rules governing the composition

The Company's board of directors must consist of at least three members, at least half of which shall be non-executive directors and at least three of which shall be independent. Moreover, at least one-third of the directors must be of a different gender than the remaining directors.

The composition of the board of directors must ensure efficient decision-making while also comprising members with diverse backgrounds, expertise and skills. Its size must moreover allow the board to accommodate changes in composition without disrupting operations.

Directors are appointed by the general meeting for a maximum term of four years and may be reappointed. They may be terminated at any time by the general meeting. The board of directors elects a chairman from among its non-executive members.

The rules governing the composition of the board of directors are further detailed in the Company's articles of association and Charter.

3. Composition on 31 December 2024

On 31 December 2024, the board of directors was composed of the following 11 members:

Luc Bertrand
chairman

Petra Meekers
managing director

Tom Bamelis
director

Priscilla Bracht
director

Alexandre Delen
director

Antoine Friling
director

Gaëtan Hannecart
director

Yu-Leng Khor
independent director

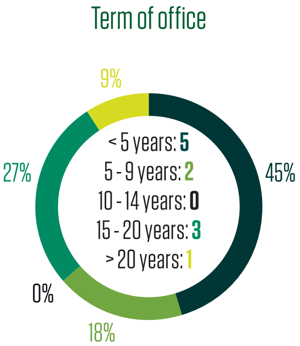
Giulia Stellari
independent director

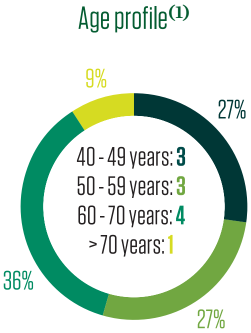
Nicholas Thompson
independent director

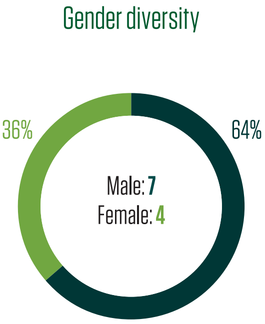
François Van Hoydonck
director

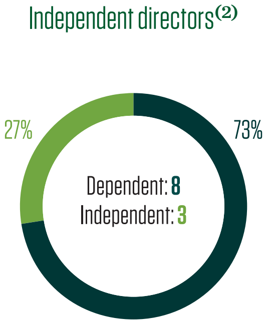
The curricula vitae of the directors are available on the Company website:

→ www.sipef.com/hq/about-sipef/board-management/









(1) The age limit is set at 70 years, but, in the interest of the Company, the board of directors can request a director to continue his or her mandate after the age of 70 years.

(2) These directors fulfil all independence criteria stated in Article 7:87§1 of the Companies Code and in Principle 3 of the Code.

4. Changes to the composition of the board of directors in 2024

François Van Hoydonck retired as managing director of the Company on 1 September 2024, transitioning to non-executive director.

Following decisions of the board of directors on 16 April 2024 and the ordinary general meeting on 12 June 2024, Petra Meekers (already a member of the executive committee as 'chief operating officer Asia-Pacific') was appointed as executive director of the board as of 12 June 2024, in view of her transition to managing director (and chairman of the executive committee) on 1 September 2024 in succession of François Van Hoydonck.

The ordinary general meeting of 12 June 2024 also renewed the mandate of Gaëtan Hannecart as non-executive director for a term of four years.

Renewal of directorships in 2025

The mandates of Luc Bertrand and Yu-Leng Khor expire at the ordinary general meeting of 11 June 2025. The board of directors will propose to the ordinary general meeting to renew the mandate of (i) Luc Bertrand as non-executive director for a term of one year and (ii) Yu-Leng Khor as independent director for a term of four years.

5. Diversity

POLICY	APPLICATION
The board can only deliberate and make decisions efficiently when the number of members is limited, and the appropriate diversity is present on the board. The Company applies various criteria when appointing directors: experience, knowledge, training, age, gender and nationality. The board also gives special attention to the complementary competencies of its members, which are often associated with the diverse backgrounds of the directors. The Company also endeavours to protect the interests of all stakeholders through the presence of independent directors. SIPEF does not tolerate any form of discrimination.	The background and professional experience of the members are very diversified within the board. They extend over the agricultural, biochemical, financial, manufacturing, marketing and IT sectors. Sustainability being a key aspect of all activities of the SIPEF group, the Company ensures that the necessary expertise in this area is also present in the board. At 31 December 2024, five nationalities were represented by the members of the board: Belgian, British, Dutch, Italian and Malaysian. Women have sat on the SIPEF's board of directors for many years. Priscilla Bracht was the first female director, appointed in 2004, followed by Sophie Lammerant-Velge in 2011. In 2017, the number of female directors increased to three, when Petra Meekers was co-opted to replace Antoine de Spoelberch. In 2021, Petra Meekers transitioned from the board to the executive committee and was succeeded by a new female director, Yu-Leng Khor. In 2023, Sophie Lammerant-Velge's left the board and was succeeded by Giulia Stellari as new female director. Throughout this period, three of the ten directors have consistently been women. With the appointment of Petra Meekers as executive and subsequently managing director, the number of women on SIPEF's board of directors increased to four out of eleven as from 12 June 2024. SIPEF also aspires to have a sufficient number of independent directors on its board of directors. At the end of 2024, three of the eleven directors were independent.

6. Directorships in other listed companies

The Code limits the number of directorships that a director is permitted to hold in listed companies to a maximum of five.

As of 31 December 2024, the following directors hold directorships in listed companies other than SIPEF:

Luc Bertrand:
- Ackermans & van Haaren NV
- Aannemingsmaatschappij CFE Group NV
- DEME Group NV

Tom Bamelis:
- DEME Group NV

Gaëtan Hannecart:
- Financière de Tubize NV

7. Activity report

General rules governing the functioning of the board of directors

The board of directors meets at least six times a year and whenever the interest of the Company demands it or when requested by at least two directors.

The board of directors can validly deliberate if the majority of its members are present or represented at the meeting. Decisions are validly adopted by simple majority of the votes. In the event of a tie, the chairman has a casting vote.

The rules governing the functioning of the board of directors are further detailed in the Company's articles of association and Charter.

Meetings of the board of directors in 2024

The Company's board of directors met six times in 2024.

At the meetings in February and August, the board of directors established the annual and semi-annual financial statements and dealt with respective press releases. The meeting in September deliberated on the Group strategy and material ESG topics.

Each meeting of the board of directors receives a report drawn up by the executive committee on the development of the activities of the various subsidiaries. Moreover, sustainability briefing papers are submitted to every board meeting, covering critical sustainability topics, such as certification, biodiversity projects, preparation for sustainability reporting frameworks (including the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), implementation of the European Union Deforestation Regulation (EUDR)), occupation health and safety (OHS) reporting, and regulatory and jurisprudential developments.

In addition, the board dealt with the following specific subjects, among others, at its various meetings:
- future strategy of SIPEF, including value creation and supply chain opportunities for the Group;
- short-term budgets and long-term business plans for the Group;
- risk analysis, internal audit and internal control within the Group;
- double materiality assessment of business and sustainability risks and impacts in accordance with CSRD and ESRS;

- remuneration of directors and executive committee members;
- succession planning within the Group;
- integrated annual report 2023, including the remuneration report;
- organising and convening the ordinary general meeting of 12 June 2024;
- 2024 management option plan;
- GHG emissions 2024;
- review and approval of various policies, including the Grievance Policy, Anti-Corruption and Anti-Bribery Policy, Responsible Plantations Policy and Responsible Purchase Policy;
- various corporate governance topics;
- ongoing implementation of the new Enterprise Resource Planning (ERP) software in the Group.

8. Assessment

The Company has a rigorous and transparent procedure for evaluating its governance, including the following assessments:

- **Governance structure review:** At least once every five years, the board of directors reviews whether the chosen governance structure remains appropriate. If deemed no longer suitable, the board proposes a new governance structure to the general meeting. In 2020, the board of directors confirmed the one-tier governance structure as the most appropriate for the Company, as reflected in the articles of association adopted that year.
- **Board and committee assessments:** At least every three years, the board of directors – potentially assisted by external experts – evaluates its size, composition and functioning, and that of its committees, as well as its performance. The latest assessment took place in August and September 2024, concluding that the current composition and functioning of the board and its committees are appropriate to the Company's needs and that the board's performance was rated positively overall.
- **Evaluation relationship board of directors-executive committee:** Every year, the non-executive directors review the relationship between the board of directors and executive committee, in the absence of the managing director. The evaluation in August 2024 confirmed transparent and good relationship between the executive committee and the board of directors.
- **Director evaluation:** At the end of a director's term, the board of directors – acting as nomination committee and in the absence of the director concerned – assesses that director's attendance, individual contribution to the functioning, deliberation and decision-making of the board, and alignment with evolving circumstances.

The board acts on the outcomes of these assessments, taking appropriate measures, including proposing new appointments, reconsidering re-appointments or other adjustments deemed appropriate for the effective operation of the board of directors.

2. EXECUTIVE COMMITTEE

1. Role

The executive committee is a collegial body to which the board of directors has delegated the daily management. It has the appropriate operational freedom and resources to perform its responsibilities properly. In practice, the committee prepares all decisions of the board of directors and ensures all decisions made are implemented.

The executive committee reports to the board of directors on the performance of its responsibilities throughout the year.

The responsibilities of the executive committee are further detailed in the Company's articles of association and Charter.

2. General rules governing the composition

The executive committee is chaired by the managing director, Petra Meekers.

The board of directors appoints and dismisses the members of the executive committee. They are in principle appointed for an indefinite term. This ensures continuity in the functioning of the executive committee.

The board of directors endeavours to limit the membership of the executive committee to ensure efficient deliberation and decision-making while ensuring that it comprises individuals of integrity with diverse expertise in management, finance and law, possessing the necessary knowledge and complementary skills to fulfil their duties properly.

The rules governing the composition of the executive committee are further detailed in the Company's articles of association and Charter.

3. Composition on 31 December 2024

On 31 December 2024, the executive committee was composed of the following four members:

Petra Meekers
managing director
chairman of the executive committee

Bart Cambré
chief financial officer

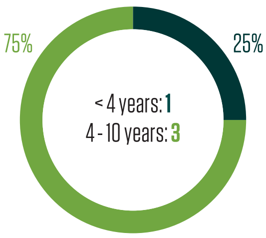
Robbert Kessels
chief commercial officer

Thomas Hildenbrand
fruit department manager

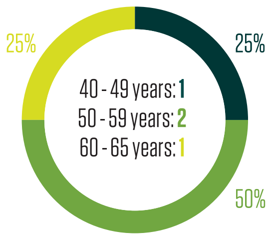
The curricula vitae of the members of the executive committee are available on the Company website:

→ www.sipef.com/hq/about-sipef/board-management/

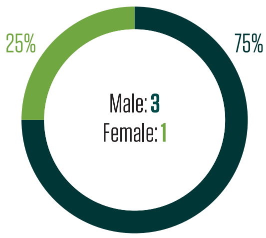
Term of office(1)



Age profile(2)



Gender diversity



(1) The executive committee was established in 2014.

(2) The age limit is set at 65 years, but, in the interest of the Company, the board of directors can request a member of the executive committee to continue his or her mandate after the age of 65 years.

4. Changes to the composition of the executive committee in 2024

In 2024, the composition of the executive committee underwent significant changes, reducing from six to four members.

Bart Cambré joined the executive committee as chief financial officer as of 1 January 2024, succeeding Johan Nelis.

As of 1 April 2024, Charles De Wulf stepped down from the executive committee to assume the role of general manager of Plantations J. Eglin SA, taking over responsibility for the banana business in Côte d'Ivoire.

Additionally, François Van Hoydonck retired as managing director and chairman of the executive committee of the Company on 1 September 2024, transitioning to non-executive director.

Following decisions of the board of directors on 16 April 2024 and the ordinary general meeting on 12 June 2024, Petra Meekers, already a member of the executive committee as 'chief operating officer Asia-Pacific', was appointed as executive director of the board as of 12 June 2024, in view of her transition to managing director and chairman of the executive committee on 1 September 2024 in succession of François Van Hoydonck.

5. Diversity

POLICY	APPLICATION
The Diversity Policy, on which basis the composition of the board of directors is determined, also applies to the executive committee. A balanced and varied composition is all the more important for the committee, which must be composed of a limited number of people with the knowledge and experience to be able to handle all aspects of the Company's activities. When appointing the members of the executive committee, the Company is primarily focused on the experience, knowledge and training of the candidates to ensure sufficient complementary competence is present. Age, gender and nationality are other criteria that are considered. They guarantee diverse ways of thinking and acting. No form of discrimination is tolerated.	All members of the executive committee have their own specific competence in various fields, being agrarian management, sustainability, commercial and administrative management, finance, legal and IT. Where necessary, the members have the required experience in countries where SIPEF is active or in countries in tropical and subtropical regions. There are three different nationalities in the committee: French, Dutch and Belgian. SIPEF is committed to gender diversity at all levels of the Company, with women holding key positions both in Belgium and abroad. This commitment was reaffirmed in 2021 with the appointment of Petra Meekers to the executive committee and further strengthened with her appointment as managing director and chairman of the executive committee as of 1 September 2024.

6. Activity report

General rules governing the functioning of the executive committee

As a general rule, the executive committee meets weekly and whenever needed for urgent decisions.

It may validly deliberate when a majority of its members are present or represented at the meeting. Decisions are validly adopted by a simple majority of the votes.

The rules governing the functioning of the executive committee are further detailed in the Company's articles of association and Charter.

Meetings of the executive committee in 2024

In practice, the executive committee prepares all decisions of the board of directors and ensures all decisions made are implemented. Each year, the committee prepares the individual and consolidated financial statements, as well as the quarterly figures of the Group. It also designs the press releases to be published. It establishes the short-term budgets and long-term business plans that are submitted to the board for approval. It also prepares the necessary sensitivity analyses as part of the strategic plan as well as for the annual budget, in order to assess the appropriate risk profile of the decisions to be made. It follows the operational, financial and sustainability developments of the Group and makes related presentations for the board of directors. It formulates proposals concerning the future strategy.

Moreover, the executive committee regularly reviews SIPEF's sustainability progress and performance, receiving ongoing reports from the group head of sustainability. These reports cover various ESG topics and updates, including certification progress, SIPEF's GHG calculations, fire and tree cover loss monitoring, and health and safety metrics.

Specifically, in 2024, the committee considered, among other things:

- proposals on innovation and value chain opportunities for the SIPEF group;
- ongoing implementation of the new Enterprise Resource Planning (ERP) software;
- critical sustainability topics, including certification, biodiversity projects, EUDR implementation, OHS monitoring and reporting, fire and tree loss monitoring;
- calculation and evaluation of the Group's greenhouse gas emissions (GHG);
- preparation of double materiality analysis and assessment of business and sustainability risks and impacts in accordance with CSRD and ESRS;
- various draft texts, including those of the half-year report and of the second and third integrated annual report, including the remuneration report;
- review and draft texts of various policies, including the Grievance Policy, Anti-Corruption and Anti-Bribery Policy, Responsible Plantations Policy and Responsible Purchase Policy;
- approving a Group Policy Procedure;
- national, international, and European legislative initiatives on sustainability and their impact on the Group.

7. Assessment

The Company has a rigorous and transparent procedure for evaluating its governance, including the following assessments:

- **Executive committee evaluation:** The remuneration committee assesses the composition, operation and performance of the executive committee. Each year, together with the managing director, it evaluates the contribution of each member of the executive committee to the development of the Group's activities and results. The managing director, as chairman of the executive committee, does not participate in the evaluation of his or her own performance.
- **Evaluation relationship board of directors-executive committee:** Every year, the non-executive directors review the relationship between the board of directors and executive committee, in the absence of the managing director. The evaluation in August 2024 confirmed transparent and good relationship between the executive committee and the board of directors.
- **Ongoing performance review:** Throughout the year, the board of directors evaluates the executive committee based on its work and preparations for the board.

The board acts on the outcomes of these assessments, taking appropriate measures, including proposing new appointments, reconsidering re-appointments or other adjustments deemed appropriate for the effective operation of the executive committee.

3. COMMITTEES OF THE BOARD OF DIRECTORS

1. Audit committee

Role

The audit committee supports the board of directors in the fulfilment of its monitoring responsibilities for the purposes of control in the widest sense, including the risks. The audit committee's supervisory mandate and related reporting obligations apply to the Company and all subsidiaries belonging to the Group.

The audit committee regularly reports to the board of directors on the execution of its duties, and at a minimum, when the board prepares the individual and consolidated financial statements and related financial and sustainability reporting.

The specific responsibilities of the audit committee are further detailed in the Charter.

General rules governing the composition

The audit committee is composed of at least three members, all of whom are non-executive directors. At least one member is an independent director and at least one has accounting and auditing expertise. Moreover, the members collectively have expertise in the Company's field of activities.

The board of directors appoints the members of the audit committee from among its directors for a term not exceeding their (remaining) directorship term. The audit committee designates one of its members as chairman, who cannot simultaneously be chairman of the board of directors.

The rules governing the composition of the audit committee are further detailed in the Charter.

Composition on 31 December 2024

On 31 December 2024, the audit committee was composed of the following three members:

Tom Bamelis
chairman

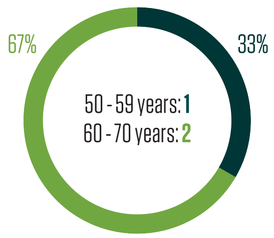
Antoine Friling
member

Nicholas Thompson
member

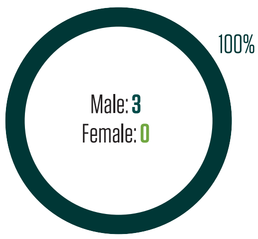
The curricula vitae of the members of the audit committee are available on the Company website:

→ www.sipef.com/hq/about-sipef/board-management/

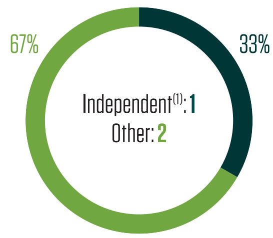
Age profile



Gender diversity



Independent directors



(1) These directors fulfil all independence criteria stated in Article 7:87§1 of the Companies Code and in Principle 3 of the Code.

Changes to the composition of the audit committee in 2025

At its meeting in November 2024, the board of directors appointed Giulia Stellari, independent director, as a member of the audit committee effective 1 January 2025. With extensive experience in sustainability within the industrial agricultural sector, the board considers her well-qualified to support the audit committee in fulfilling its enhanced responsibilities under the CSRD.

Activity report

GENERAL RULES GOVERNING THE FUNCTIONING OF THE AUDIT COMMITTEE

The audit committee meets at least four times a year and whenever it deems it necessary to properly perform its duties. The rules governing the functioning of the audit committee are further detailed in the Charter.

MEETINGS OF THE AUDIT COMMITTEE IN 2024

In February and August 2024, the audit committee's primary focus was on analysing the annual and semi-annual financial statements and the press release relating to these statements. The meeting in November 2024 focussed on the double materiality assessment of business and sustainability risks and impacts in accordance with CSRD and ESRS. At each of these meetings, the auditor presented the results of the audit of these statements.

In addition, the following were also explained and discussed during the various meetings:

- various accounting topics and processing;
- financial covenant on the long-term loan and its evolution;
- existing risks and their classification;
- corporate tax strategy;
- reports of the internal audit committees of the various subsidiaries;
- evaluation of the auditor's relationship with management and the finance department.

The external auditor attended all the meetings of the audit committee in 2024.

The meetings of the audit committee were also attended by the Company's managing director and chief financial officer. Moreover, a representative of the reference shareholder, AvH, attended all meetings in 2024.

The internal auditors of the Company's operational subsidiaries did not attend the meetings of the audit committee. The managing director and chief financial officer held meetings with the local internal audit managers in Indonesia and Papua New Guinea, in the course of the financial year 2024.

2. Remuneration committee

Role

The remuneration committee advises the board of directors regarding the remuneration of the members of the board of directors and the executive committee. The specific responsibilities of the remuneration committee are further detailed in the Charter.

General rules governing the composition

The remuneration committee is composed of at least three members, all of whom are non-executive directors and the majority of which are independent directors. Moreover, the members of the remuneration committee dispose of the required expertise in remuneration policy.

The board of directors appoints the members of the remuneration committee from among its directors for a term not exceeding their (remaining) directorship term. The chairman of remuneration committee is also designated by the board of directors.

The rules governing the composition of the remuneration committee are further detailed in the Charter.

Composition on 31 December 2024

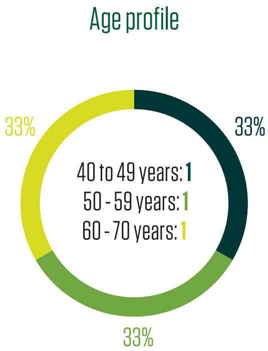
On 31 December 2024, the remuneration committee was composed of the following three members:

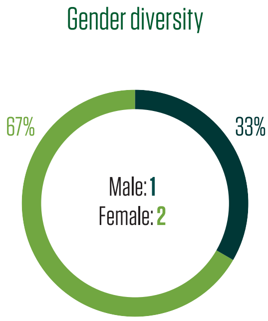
Antoine Friling
chairman

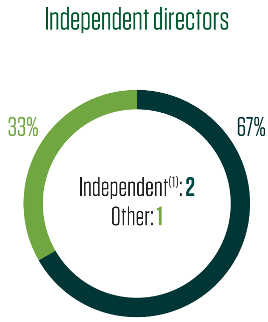
Yu-Leng Khor
member

Giulia Stellari
member

The curricula vitae of the members of the remuneration committee are available on the Company website:
→ www.sipef.com/hq/about-sipef/board-management/







(1) These directors fulfil all independence criteria stated in Article 7:87§1 of the Companies Code and in Principle 3 of the Code.

Activity report

GENERAL RULES GOVERNING THE FUNCTIONING OF THE REMUNERATION COMMITTEE

The remuneration committee meets at least twice a year and whenever it deems it necessary to properly perform its duties. The rules governing the functioning of the remuneration committee are further detailed in the Charter.

MEETINGS OF THE REMUNERATION COMMITTEE IN 2024

In 2024, the remuneration committee considered the following issues:

- benchmarking of the compensation of the Group's expatriates, managers and directors;
- setting of the fixed remuneration of managers and directors;
- determination of the Group's bonus pool;
- individual assessment of management and proposal of variable remuneration payable in 2024;
- remuneration policy and draft of remuneration report;
- evaluating and updating succession planning;
- draft of the share option plan 2024 for the Group's managers.

The managing director also attended the meetings of the remuneration committee. Moreover, a representative of each of the reference shareholders, AvH and the Bracht Group, was present at all meetings in 2024.

3. Nomination committee

Role

The board of directors, in its capacity as nomination committee, strives to organise an objective and professional appointment process. The specific responsibilities of the nomination committee are further detailed in the Charter.

Composition

The nomination committee is composed of all members of the board of directors and is chaired by the chairman of the board of directors. The rules governing the composition of the nomination committee are further detailed in the Charter.

Activity report

GENERAL RULES GOVERNING THE FUNCTIONING OF THE NOMINATION COMMITTEE

The board of directors, in its capacity as nomination committee, meets at least twice a year and whenever it deems it necessary to properly perform its duties. The rules governing the functioning of the nomination committee are further detailed in the Charter.

MEETINGS OF THE NOMINATION COMMITTEE IN 2024

In 2024, the board of directors, in its capacity of nomination committee, considered the following issues:

- interaction between the board of directors and the executive committee, in the absence of the managing director;
- renewal of mandates a non-executive directors;
- renewal of the mandate of the external auditor;
- appointment of an audit committee member;
- appointment of a new managing director;
- appointment of a company secretary and compliance officer.

4. Assessment of the committees of the board of directors

The Company has a rigorous and transparent procedure for evaluating its governance. This includes, at least every three years, an evaluation by the board of directors – potentially assisted by external experts – of its size, composition and functioning, and that of its committees, as well as its performance. The latest assessment took place in August and September 2024, concluding that the current composition and functioning of the board and its committees are appropriate to the Company's needs.

3. Remuneration Report

1. INTRODUCTION

The present Remuneration Report has been prepared in accordance with Article 3:6, §3 of the Companies Code, as amended by the law of 28 April 2020, enacting into Belgian law the European Union (EU) directive encouraging long-term shareholder engagement. It also reflects the Remuneration Policy that was approved by the general meeting of 9 June 2021 with a majority of 95.8% of the votes. The detailed text of the Remuneration Policy is published on the Company website.
→ www.sipef.com

The Remuneration Report provides a comprehensive overview of all aspects of the remuneration, including all benefits in whatever form that were awarded, to the non-executive directors, the managing director and the other members of the executive committee during the financial year 2024. It contains a detailed presentation of the remuneration of every member of the executive committee, the collegiate body that is responsible for daily management.

In November 2023, the board of directors decided to limit the increase in the fixed remuneration of the members of the executive committee, including the managing director, for 2024 to the adjustment based on the contractual consumer index. This decision followed a benchmarking exercise, which indicated that the fixed remuneration was generally in line with the benchmark average.

All members of the executive committee received variable remuneration in 2024, determined based on the 2023 recurring consolidated result and the management's performance during that year. These performances were marked by significant developments and operations, as outlined in the section 'Highlights of 2023' (see Integrated Annual Report 2023, pages 10-13). The significant events, results of 2024, as well as sustainability KPIs, will be decisive for the variable remuneration of the executive management, to be paid in 2025.

In 2024, the composition of the executive committee underwent significant changes, reducing from six to four members. Bart Cambré joined the executive committee as chief financial officer as from 1 January 2024, succeeding Johan Nelis. Charles De Wulf stepped down as a member of the Company's executive committee to assume the role of general manager of the subsidiary in Côte d'Ivoire, Plantations J. Elgin SA, effective 1 April 2024. Additionally, François Van Hoydonck retired as managing director and chairman of the executive committee of the Company on 1 September 2024, transitioning to non-executive director. Petra Meekers, already a member of the executive committee as 'chief operating officer Asia-Pacific', was appointed as executive director of the board as of 12 June 2024, in view of her taking over as managing director and chairman of the executive committee as of 1 September 2024. The impact of these changes on their remuneration is detailed below.

Except for Petra Meekers' appointment as managing director, there were no major changes to the composition of the board of directors with an impact on the remuneration of the members. However, as of 1 January 2024, directors' emoluments were increased following a benchmarking exercise against comparable companies, which indicated that the remuneration of SIPEF's directors was generally lower than market practice. These amended emoluments will be submitted for ratification to the ordinary general meeting as part of the approval of the 2024 remuneration report. The remuneration of the members and chairmen of the audit committee and remuneration committee remained unchanged as they were found to be generally in line with the benchmark average.

2. TOTAL REMUNERATION OF THE DIRECTORS

The directors receive a fixed remuneration that is not linked to the results. This remuneration consists of the emoluments for the meetings of the board of directors and, where applicable, remuneration for membership of a given committee.

In 2024, the directors received the following remuneration:

ON AN ANNUAL BASIS PER PERSON	MEMBER	CHAIRMAN
Board of directors	EUR 40 000	EUR 120 000
Audit committee	EUR 7 500	EUR 9 750
Remuneration committee	EUR 4 000	EUR 5 200

The outgoing and incoming directors are remunerated in accordance with the number of months they served as director in the financial year.

	BOARD OF DIRECTORS		AUDIT COMMITTEE		REMUNERATION COMMITTEE		TOTAL	
IN KEUR	2023	2024	2023	2024	2023	2024	2023	2024
Luc Bertrand	90.00	120.00	0.00	0.00	0.00	0.00	90.00	120.00
Petra Meekers (from 12 June 2024)	0.00	20.00	0.00	0.00	0.00	0.00	0.00	20.00
François Van Hoydonck	35.00	40.00	0.00	0.00	0.00	0.00	35.00	40.00
Tom Bamelis	35.00	40.00	9.75	9.75	0.00	0.00	44.75	49.75
Priscilla Bracht	35.00	40.00	0.00	0.00	0.00	0.00	35.00	40.00
Alexandre Delen	35.00	40.00	0.00	0.00	0.00	0.00	35.00	40.00
Antoine Friling	35.00	40.00	3.75	7.50	5.20	5.20	43.95	52.70
Gaëtan Hannecart	35.00	40.00	0.00	0.00	0.00	0.00	35.00	40.00
Yu-Leng Khor	35.00	40.00	0.00	0.00	4.00	4.00	39.00	44.00
Sophie Lammerant-Velge (until 14 June 2023)	17.50	0.00	3.75	0.00	2.00	0.00	23.25	0.00
Giulia Stellari (from 14 June 2023)	17.50	40.00	0.00	0.00	2.00	4.00	19.50	44.00
Nicholas Thompson	35.00	40.00	7.50	7.50	0.00	0.00	42.50	47.50
TOTAL	**405.00**	**500.00**	**24.75**	**24.75**	**13.20**	**13.20**	**442.95**	**537.95**

The non-executive directors do not receive any variable remuneration or options. Neither is part of their remuneration paid out in the form of shares of the Company. They benefit from director liability insurance.

3. TOTAL REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE

The members of the executive committee, consisting of the managing director and other managers of the Company, receive fixed remuneration, variable remuneration and, possibly, share options.

The Company has not set any minimum number of shares that must be held by the members of the executive management. No shares were awarded to the members of the executive committee in 2024.

2024

IN KEUR	PM	FVH	BC	CDW	TH	RK	JN	TOTAL	%
Board remuneration	20	40	0	0	0	0	0	60	1.5%
Fixed remuneration	767	365	319	78	308	358	0	2 195	54.8%
Variable remuneration	239	365	66	177	164	166	200	1 377	34.3%
Pension contributions	48	167	46	12	43	0	0	316	7.9%
Other	5	12	6	3	11	24	0	61	1.5%
SUBTOTAL	**1 079**	**949**	**437**	**270**	**526**	**548**	**200**	**4 009**	**100.0%**
Market value vested share option (begin exercise period)(1)	0	0	0	0	0	0	0	0	
TOTAL REMUNERATION	**1 079**	**949**	**437**	**270**	**526**	**548**	**200**	**4 009**	
Subtotal	100%	100%	100%	100%	100%	100%	n/a	100%	
Fixed	78%	62%	85%	34%	69%	70%	n/a	66%	
Variable	22%	38%	15%	66%	31%	30%	n/a	34%	

2023

IN KEUR	PM	FVH	BC	CDW	TH	RK	JN	TOTAL	%
Board remuneration	0	35	0	0	0	0	0	35	0.6%
Fixed remuneration	689	537	0	308	300	354	401	2 589	47.0%
Variable remuneration	0	815	0	320	330	403	494	2 362	42.9%
Pension contributions	11	251	0	46	43	0	46	397	7.2%
Other	56	20	0	9	12	24	7	128	2.3%
SUBTOTAL	**756**	**1 658**	**0**	**683**	**685**	**781**	**948**	**5 511**	**100.0%**
Market value vested share option (begin exercise period)(1)	0	50	0	17	17	17	17	118	
TOTAL REMUNERATION	**756**	**1 708**	**0**	**700**	**702**	**798**	**965**	**5 629**	
Subtotal	100%	100%	n/a	100%	100%	100%	100%	100%	
Fixed	100%	51%	n/a	53%	52%	48%	48%	57%	
Variable	0%	49%	n/a	47%	48%	52%	52%	43%	

(1) For more details on the respective option plans (respectively, SOP 2021 and SOP 2020) see below.

Johan Nelis stepped down as chief financial officer and left the executive committee as of 1 January 2024, with Bart Cambré succeeding him in this role from the same date. In 2024, Johan Nelis received variable remuneration for his performance as a member of the Executive Committee during the 2023 financial year. Additionally, he received a fixed fee for consultation services provided to the Company during a six-month transition period.

Additionally, in 2024, Bart Cambré received variable remuneration in his capacity as a member of staff.

The managing director receives emoluments for participating in the meetings of the board of directors and, additionally, a fixed and variable remuneration for his executive duties.

1. Fixed remuneration

The members of the executive committee receive a fixed remuneration and benefit from group insurance with fixed contributions. This comprises a supplementary pension, as well as disability and life insurance. In addition, the Company has taken out hospitalisation insurance and assistance insurance with global cover for every member. Management also benefits from a company car and meal vouchers.

2. Variable remuneration

The total amount of the variable remuneration paid to both the staff and the members of the executive committee from the SIPEF Headquarters cannot be more than 2% of the consolidated recurring result before tax, share of the Group. The maximum amount of the variable short-term remuneration in cash of each member of the executive committee is set at two times the fixed remuneration of this member.

The ultimate individual amount of the variable remuneration awarded to each of the members is set in a discretionary manner (based on financial and non-financial criteria) by the board of directors, on the proposal of the remuneration committee. This committee makes a proposal based on the various components of the profit of the financial year and the contribution of each member of the executive committee to its achievement. In doing so, the remuneration committee is guided, among others, by objectively measurable criteria, set in advance and applied for a period of one financial year.

The linking of the variable remuneration to performance in one financial year – rather than performance criteria over two or three financial years as laid down by law – is justified by the volatility of the results of the agro-industrial activities, particularly the palm oil market, the performance of which is linked to the price of agricultural raw materials. It is therefore logical that the remuneration of the staff and management, like the shareholder dividend, changes with the volatility of the Group.

The Company strictly applies this reasoning every year. This means that if the Group incurs a loss in a given year, no variable remuneration or dividend is paid the following year to the members of the executive committee and the shareholders respectively. This was the case in 2020, when no variable remuneration and dividend were paid due to the loss in 2019.

Setting the variable remuneration on the basis of performance in one financial year does not undermine the long-term vision of the executive management. This vision is inextricably bound up with the agro-industrial activities of the SIPEF group, which can only be evaluated in the long term, as evidenced by the strategy of SIPEF.

Moreover, the board of directors did not award any special bonuses to any members for specific accomplishments in 2024.

Besides the short-term variable remuneration, the members of the executive committee receive no long-term variable remuneration in cash.

3. Clawback

All members of the executive committee have signed a clawback clause. This means that the Company is entitled to demand variable net remuneration is returned if it was awarded on the basis of incorrect financial data.

The Company did not trigger this clawback clause in 2024.

4. Consistency between remuneration and remuneration policy and application of the performance criteria

The total remuneration of the directors and the members of the executive committee is completely in line with the remuneration policy and is calculated and applied in a transparent way.

The fixed remuneration of the members of the board of directors and the executive committee is benchmarked on an annual basis against market practice and is, therefore, considered to be in line with the market.

The variable remuneration is linked to the annual results of the Group, which depend directly on the volatile prices of agricultural raw materials.

The Company notifies its shareholders, management, employees and all other stakeholders on a continual basis, and in a proper and transparent way, about developments with regard to the activities, sustainability, performance and corporate governance of the Group. Since 2020, this transparency has been provided in even more detail in this report, with regard to the remuneration of the members of the executive committee. Clear communication and transparency are the cornerstones of satisfaction, keep people motivated and contribute to good long-term performance. This way, staff and management remain motivated and dedicated to achieving the long-term goals the Group has set.

5. Share option plan

Share options have been offered to members of the executive committee every financial year since 2011. The share options offered in the SIPEF Share Option Plan 2024 have the following characteristics:

- **Type:** existing Company share options (i.e. one option grants the holder the right to subscribe to one Company share, with the same rights as the other existing Company shares).
- **Time of the offer:** mid-November.
- **Exercise price:** the lower of (i) the closing price of the share preceding the date of the offer, and (ii) the average closing price of the share during 30 days preceding the date of the offer.
- **Term of the plan:** 10 years.
- **Exercise term:** from 1 January of the year following the third anniversary of the grant, up to and including the end of the tenth year after the date of the offer.
- No performance criteria have been set for the granting or exercise of share options.

Options granted to the members of the executive committee in 2024

On 14 November 2024, options were granted by the Company to the members of the executive committee. These options were accepted by the beneficiaries as follows:

	NUMBER
Petra Meekers	6 000
Bart Cambré	2 000
Thomas Hildenbrand	2 000
Robbert Kessels	2 000
TOTAL	**12 000**

Another 6 000 options were granted to general managers of the foreign subsidiaries.

The options granted in 2024 have the following characteristics:

- Exercise price: EUR 56.88
- Expiry date: 13 November 2034
- Exercise period: At any time from 1 January 2028 up to and including 13 November 2034

BREAKDOWN OF THE SIPEF STOCK OPTION PLAN (SOP)								VESTED			NOT VESTED
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Offer	18/11/14	28/11/15	07/12/16	23/11/17	20/11/18	23/11/19	19/11/20	18/11/21	17/11/22	15/11/23	14/11/24
Vesting	18/11/17	28/11/18	07/12/19	23/11/20	20/11/21	23/11/22	19/11/23	18/11/24	17/11/25	15/11/26	14/11/27
Exercise period begin:	01/01/18	01/01/19	01/01/20	01/01/21	01/01/22	01/01/23	01/01/24	01/01/25	01/01/26	01/01/27	01/01/28
Exercise period end:(1)	17/11/24	27/11/25	06/12/26	22/11/27	19/11/28	22/11/29	18/11/30	17/11/31	16/11/32	14/11/33	13/11/34
Exercise price (in EUR)	54.71	49.15	53.09	62.87	51.58	45.61	44.59	58.31	57.70	52.70	56.88
Market price begin exercise period (in EUR)	62.80	48.80	54.80	43.20	56.90	58.90	53.00	56.80			

(1) latest exercise date

Fluctuations in the financial year 2024

PETRA MEEKERS								VESTED	NOT VESTED			
SOP	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Offer not yet vested	0	0	0	0	0	0	0	0	0	2 000	6 000	8 000
Vested before end of 2024	0	0	0	0	0	0	0	0	0	0	0	0
Exercised in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Expired in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Total share options at the end of the year	0	0	0	0	0	0	0	0	0	2 000	6 000	8 000
Vested at exercise price (in EUR)							0	0				
Vested at market price (in EUR)							0	0				
Latent capital gain at vesting date (in EUR)							0	0				

FRANÇOIS VAN HOYDONCK (MEMBER OF THE EXECUTIVE COMMITTEE UNTIL 1 SEPTEMBER 2024)								VESTED	NOT VESTED			
SOP	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Offer not yet vested	0	0	0	0	0	0	0	0	6 000	6 000	0	12 000
Vested before end of 2024	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	0	0	0	48 000
Exercised in 2024	-6 000	0	0	0	0	0	0	0	0	0	0	-6 000
Expired in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Total share options at the end of the year	0	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	0	54 000
Vested at exercise price (in EUR)							267 540	349 860				
Vested at market price (in EUR)							318 000	340 800				
Latent capital gain at vesting date (in EUR)							50 460	0				

BART CAMBRÉ								VESTED	NOT VESTED			
SOP	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Offer not yet vested	0	0	0	0	0	0	0	0	0	0	2 000	2 000
Vested before end of 2024	0	0	0	0	0	0	0	0	0	0	0	0
Exercised in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Expired in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Total share options at the end of the year	0	0	0	0	0	0	0	0	0	0	2 000	2 000
Vested at exercise price (in EUR)							0	0				
Vested at market price (in EUR)							0	0				
Latent capital gain at vesting date (in EUR)							0	0				

CHARLES DE WULF (MEMBER OF THE EXECUTIVE COMMITTEE UNTIL 1 APRIL 2024)								VESTED	NOT VESTED			
SOP	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**TOTAL**
Offer not yet vested	0	0	0	0	0	0	0	0	2 000	2 000	0	4 000
Vested before end of 2024	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	0	0	0	16 000
Exercised in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Expired in 2024	-2 000	0	0	0	0	0	0	0	0	0	0	-2 000
Total share options at the end of the year	0	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	0	18 000
Vested at exercise price (in EUR)							89 180	116 620				
Vested at market price (in EUR)							106 000	113 600				
Latent capital gain at vesting date (in EUR)							16 820	0				

THOMAS HILDENBRAND								VESTED	NOT VESTED			
SOP	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**TOTAL**
Offer not yet vested	0	0	0	0	0	0	0	0	2 000	2 000	2 000	6 000
Vested before end of 2024	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	0	0	0	16 000
Exercised in 2024	-2 000	0	0	0	0	0	0	0	0	0	0	-2 000
Expired in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Total share options at the end of the year	0	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	20 000
Vested at exercise price (in EUR)							89 180	116 620				
Vested at market price (in EUR)							106 000	113 600				
Latent capital gain at vesting date (in EUR)							16 820	0				

ROBBERT KESSELS								VESTED	NOT VESTED			
SOP	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**TOTAL**
Offer not yet vested	0	0	0	0	0	0	0	0	2 000	2 000	2 000	6 000
Vested before end of 2024	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	0	0	0	16 000
Exercised in 2024	-2 000	0	0	0	0	0	0	0	0	0	0	-2 000
Expired in 2024	0	0	0	0	0	0	0	0	0	0	0	0
Total share options at the end of the year	0	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	20 000
Vested at exercise price (in EUR)							89 180	116 620				
Vested at market price (in EUR)							106 000	113 600				
Latent capital gain at vesting date (in EUR)							16 820	0				

In 2024, three members of the executive committee together exercised 10 000 options of the 20 000 options from the 2014 share option plan that were granted to the beneficiaries. From the remaining 10 000 options of that plan, which were granted to general managers of subsidiaries, 4 000 options were exercised by the beneficiaries in 2024, and the remaining 2 700 options were already exercised before 2024.

A total of 3 300 options from the 2014 option plan were not exercised before 18 November 2024, the expiry date. More specifically, 2 000 options expired in 2024, and 1 300 options had already lapsed in the years before 2024 on the departure of general managers of subsidiaries.

Additionally, in 2024, 2 000 options from the 2015 option plan, 2 000 options from 2016 option plan and 2 000 options from the 2018 option plan were also exercised by managers of subsidiaries.

6. Deviations from the remuneration policy in 2024

In 2024, remuneration was awarded to the directors and the members of the executive committee in compliance with the remuneration policy.

7. Comparative information on changes to the remuneration and the performance of the Company over a period of 5 years – Ratio between highest and lowest remuneration of SIPEF

A) YEARLY CHANGE IN REMUNERATION (IN PERCENTAGE)

	2020	2021	VARIANCE	2022	VARIANCE	2023	VARIANCE	2024	VARIANCE
Total board remuneration(1) (in KEUR)	359	359	**0%**	443	**23%**	443	**0%**	538	**21%**
Total fixed remuneration excom2) (in KEUR)	1 967	2 424	**23%**	2 901	**20%**	3 154	**9%**	2 632	**-17%**
Total variable remuneration excom3) (in KEUR)	0	272	**n/a**	1 463	**n/a**	2 362	**61%**	1 377	**-42%**

B) YEARLY CHANGE IN THE PERFORMANCE OF THE COMPANY

	2020	2021	VARIANCE	2022	VARIANCE	2023	VARIANCE	2024	VARIANCE
CPO market price (in USD/tonne CIF Rotterdam)	715	1 195	**67%**	1 345	**13%**	964	**-28%**	1 084	**12%**
Produced CPO volumes (in tonnes)	329 284	384 187	**17%**	403 927	**5%**	391 215	**-3%**	362 404	**-7%**
Result, share of the Group (recurring) (in KUSD)	14 122	82 746	**486%**	108 157	**31%**	72 735	**-33%**	71 913	**-1%**

C) YEARLY CHANGE IN THE AVERAGE REMUNERATION OF THE EMPLOYEES

	2020	2021	VARIANCE	2022	VARIANCE	2023	VARIANCE	2024	VARIANCE
Average fixed remuneration employees SIPEF HQ(4) (in KEUR/month)	4 832	5 165	**7%**	4 913	**-5%**	5 452	**11%**	5 735	**5%**
Average variable remuneration employees SIPEF HQ(5) (in KEUR/year)	0	4 955	**n/a**	23 613	**377%**	38 213	**62%**	19 923	**-48%**

D) RATIO HIGHEST/LOWEST REMUNERATION (FTE)

	2020	2021	2022	2023	2024
Ratio total fixed remuneration highest member excom and lowest employee HQ(6)	9.2	9.1	15.6	15.1	12.2

(1) Remuneration as included under 2 Total remuneration of the directors
(2) Fixed remuneration as included under 3 Total remuneration of the members of the executive committee
(3) Variable remuneration as included under 3 Total remuneration of the members of the executive committee
(4) Average gross salary (full-time equivalent) in January of the respective year
(5) Average variable remuneration (full-time equivalent) paid
(6) Total fixed cost highest individual remuneration of the executive committee/total fixed cost (full-time equivalent) lowest employee remuneration HQ

8. Information on the general meeting votes on the remuneration policy and report

The current remuneration policy was approved with a majority of 95.8% of votes by the general meeting of 9 June 2021. It was applied for the first time to the 2021 financial year.

The remuneration report for the 2023 financial year was welcomed by the ordinary general meeting of 12 June 2024. The current remuneration report for the 2024 financial year will be submitted for approval to the ordinary general meeting on 11 June 2025.

9. Revision of the Remuneration Policy

Under applicable law, the Remuneration Policy is subject to shareholder approval at least every four years, The current Remuneration Policy was approved by the ordinary general meeting of 9 June 2021 and therefore valid until 31 December 2024.

The board of directors – upon the proposal of the remuneration committee – has reviewed and revised the Remuneration Policy, which will be submitted for approval to the ordinary general meeting on 11 June 2025.

The revised Remuneration Policy builds upon the old policy framework by reinforcing sustainability, long-term value creation, and governance transparency. The most notable change is the explicit introduction of environmental, social and governance (ESG) based performance criteria. The key updates to the remuneration policy include:

- The revised Remuneration Policy emphasises sustainability and long-term value creation, explicitly linking executive remuneration to ESG-objectives.
- The variable remuneration for members of the executive committee (including the managing director) will be linked for 20% to ESG-based non-financial KPIs. The inclusion of ESG KPIs in the non-financial performance metrics is in compliance with the Companies Code and the CSRD. It also reinforces SIPEF's balanced growth strategy.
- The ESG KPIs will be set annually by the board of directors upon the proposal of the remuneration committee. This approach ensures that ESG objectives remain dynamic, relevant, and aligned with the Company's evolving sustainability strategy, while maintaining oversight and accountability at the highest governance level.
- 80% of the STI remains linked to the financial objective of SIPEF's consolidated recurring result before tax (group share).

The 80% financial – 20% non-financial (ESG) parameter allocation aims to ensure an appropriate balance in the performance metrics applicable to the executive committee's variable remuneration. This structure provides sufficient weight to ESG KPIs, reinforcing SIPEF's commitment to sustainable and responsible business practices.

The principle that no variable remuneration will be paid to members of the executive committee if the Group incurs a loss in a given year will remain in place.

Subject to the approval of the ordinary general meeting on 11 June 2025, the revised Remuneration Policy will apply as of 1 January 2025 until 31 December 2028.

4. External and internal audit

1. External audit

The ordinary general meeting of 12 June 2024 renewed the appointment of EY Bedrijfsrevisoren BV, represented by Christoph Oris, as external auditor of SIPEF for a term of three years. The annual remuneration for this mandate was set at USD 120 196, excluding indexation and VAT. This follows their initial appointment for a term of three years by the ordinary general meeting of 9 June 2021.

In addition, subject to the transposition of the CSRD into Belgian law – which was completed by the Law of 2 December 2024, published in the Belgian legal journal on 20 December 2024 – the ordinary general meeting of 12 June 2024 also entrusted the external auditor, with providing assurance on the consolidated sustainability information for a term of three years. Pending the Belgian transposition law, the annual remuneration for this assignment would be agreed upon between the Company and the external auditor, and subsequently submitted for ratification to the ordinary general meeting of 11 June 2025.

The external auditor conducts the audit of SIPEF's individual and consolidated financial statements and provides assurance on the consolidated sustainability information. He reports to the audit committee and the board of directors at least twice a year.

For the 2024 financial year, the remuneration of the external auditor for the audit of SIPEF's individual and consolidated financial statements of SIPEF amounts to USD 125 000 and the remuneration for the assurance on the consolidated sustainability information amounts to USD 140 673. The remuneration for non-audit services in 2024 total USD 0.

The total cost of the external control of the financial statements of the SIPEF group by the EY network for the 2024 financial year amounts to USD 729 089. The fees paid for advice from the same external auditor and related companies amounts to USD 0. Full details of fees paid to EY can be found in Note 33 to the Financial Statements.

2. Internal audit

Internal audit departments have been set up in the SIPEF group's operations in Indonesia and Papua New Guinea. These departments report at least four times per year to the local audit committees, which review the internal audit reports and subsequently submit their findings to SIPEF's audit committee. As of 2024, a similar internal audit department has also been set up in Côte d'Ivoire.

At SIPEF's head office in Belgium and its Singapore subsidiary, internal audits are conducted by a group controller, who reports annually to SIPEF's audit committee.

5. Report in connection with internal control and risk management systems

The SIPEF board of directors is responsible for assessing the inherent risks of the Group and the effectiveness of internal control.

SIPEF's internal control systems were set up in accordance with the Belgian legal requirements for risk management and internal control, the principles stated in the 2020 Belgian Corporate Governance Code, the EU Corporate Sustainability Reporting Directive (CSRD), and are organised on the basis of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model.

An analysis conducted at Group level forms the basis of the internal control and risk management system, an important pillar of which is the reliability of the financial reporting, sustainability reporting and the communication process.

1. Control environment

The board of directors has set up two internal committees, the audit committee and the remuneration committee, and collectively functions as the nomination committee. Moreover, it has delegated the daily management of the Company to the executive committee. The role and responsibilities of these bodies are further detailed in the Company's articles of association and Charter.

The Group is divided into a number of departments. Each department has specific functions and each person in that department has a specific job description. The required level of education and/or experience is established for each job and duty. There is a well-defined policy for delegating powers.

The SIPEF board of directors has also drawn up the necessary policies, including a Responsible Plantations Policy (RPP) and a Responsible Purchase Policy (RPuP), which apply to all plantation activities and raw materials, as well as a Grievance Policy and Anti-Corruption and Anti-Bribery Policy which apply within the entire Group. It reviews these policies every year to adapt them to the latest legal, social and environmental standards.

To facilitate and encourage further growth, in the day-to-day management of its activities SIPEF pursues clear sustainable regulations that are stricter than the legal requirements of the countries in which the Company does business. That undertaking is documented by certificates and generally accepted standards.

The internal control exercised by SIPEF monitors compliance with all prescribed procedures, guidelines, and rules to protect the assets, staff, and activities of the Group, and optimise their management.

Since 2024, SIPEF has also fully established a cohesive sustainability impacts, risk and opportunities assessment approach and reporting system in compliance with CSRD, involving cross-departmental collaboration and continuous refinement based on identified impacts, risks and opportunities. The Group applies internal and external controls to minimise errors, improving data quality, and ensuring compliance with evolving sustainability regulations. Detailed information on this can be found in the Sustainability Statement.

The corporate structure, corporate philosophy, and management style of the SIPEF group can be generally described as ‘flat’. This is explained by the limited number of decision channels in the hierarchy. This and the low staff turnover increase the social control in the Company.

Lastly, SIPEF monitors the strict application of the rules set down in its Corporate Governance Charter and Code of Conduct to ensure that the directors, all persons discharging managerial responsibilities and the staff of the Group act honestly and ethically, and in accordance with the applicable rules and principles of good governance.

2. Risk analysis and control activities

Every year, the board of directors approves SIPEF’s strategic plan, which sets out the Group’s strategic, operational, financial, sustainability, fiscal and legal objectives. To ensure the appropriate management of internal or external risks that could influence the achievement of these objectives, each year, the board identifies and classifies these risks based on the audit committee’s annual risk assessment. With the introduction of the CSRD, in and as of 2024, an integrated impacts, risk and opportunities materiality assessment process has been set up by the board of directors, whereby the risk review is a part of a double materiality assessment, going beyond external risk monitoring. This double materiality assessment consists of a ‘financial materiality’ review (an outside-in perspective), similar to the risk review implemented within SIPEF since 2009, and an ‘impact materiality’ review (an inside-out perspective). Detailed information on the double materiality assessment can be found in the Sustainability Statement.

Required actions prescribed by the board of directors are followed up by SIPEF’s management to ensure the appropriate mitigation, management and monitoring procedures are being carried out by the relevant departments in the Group.

Based on the 2024 analysis performed, the following tables present the impacts, risks and opportunities assessed to be material for SIPEF’s own operations and its value chain:

Own operations

TOPICS	MATERIAL IMPACTS	MATERIAL RISKS AND OPPORTUNITIES
CLIMATE CHANGE		
Climate change mitigation	GHG emissions	No material risks or opportunities identified
Energy	Non-renewable energy sources	
Climate change adaptation	*Not applicable from impact materiality perspective*	• Climate physical risks • Coastal flooding • River flooding • Heatwaves
POLLUTION		
Pollution of air	Black smoke from milling operations	No material risks or opportunities identified
Pollution of water	Fresh water pollution and water source contamination	
WATER AND MARINE RESOURCES		
Water consumption	Water consumption	No material risks or opportunities identified
Water withdrawals	*See specific impact listed under 'Water consumption'*	
Water discharges	*See specific impact listed under 'Water consumption'*	
BIODIVERSITY AND ECOSYSTEMS		
Land-use change, fresh water-use	Land-use change (deforestation)	Deforestation for oil palm trees
Land degradation	Land degradation	No material risks or opportunities identified
Species population size	Habitat loss from historical land-use change	
Species global extinction risk	Impact on keystone species	

TOPICS	MATERIAL IMPACTS	MATERIAL RISKS AND OPPORTUNITIES
OWN WORKFORCE		
Secure employment	Stability and security of income *(Positive impact)*	No material risks or opportunities identified
Child labour	Physical, psychological, and socioeconomic impacts of child labour	
Forced labour	Human rights violations compromising well-being, safety, freedom and dignity of workers	
Adequate wages	Inadequate wages lower ability to meet basic needs	
Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Limiting empowerment of workers	
Collective bargaining, including rate of workers covered by collective agreements	Improved wages and benefits for workers *(Positive impact)*	
Working time	Mental and physical health impacts from excessive working hours	
Work-life balance	Fatigue, stress and lack of quality time with family	
Health and safety	Serious medium-term and long-term health impacts	
Training and skills development	Inhibition of skills, business and career development	
Diversity	Restricted opportunities and inequality for women employees	
Gender equality and equal pay for work of equal value	*See specific impact listed under 'Diversity'*	
Measures against violence and harassment in the workplace	Increased vulnerability of women to exploitation and abuse	

TOPICS	MATERIAL IMPACTS	MATERIAL RISKS AND OPPORTUNITIES
OWN WORKFORCE		
Security-related impacts	Restricted land use due to no deforestation policy	No material risks or opportunities identified
Free, prior, and informed consent	Land ownership, conflicts and disputes	
Adequate Food	Supporting food access and affordability	
BUSINESS CONDUCT		
Corporate culture	Impact on ability to provide supportive, fair and ethical working environment	• Director liability • Tax evasion issues • Misreporting • Lack of liquidity to finance expansion programme • Underinsurance of various risks • Antitrust • Environmental damage claims • Reputation and Stakeholder activism
Corruption and bribery • Prevention and detection including training • Incidents	• Employees and other stakeholders subjected to unlawful situations • Employees placed in compromising situations with legal consequences	• Document falsification • Bribery • Corruption • Computer crime and theft
Protection of whistle-blowers	Impacts of the absence or poor implementation of a whistleblowing system	No material risks or opportunities identified

Value chain

TOPICS	MATERIAL IMPACTS	VALUE CHAIN ACTORS	MATERIAL RISKS AND OPPORTUNITIES
CLIMATE CHANGE			
Climate change mitigation	GHG emissions	Smallholders; Machinery, equipment and tools suppliers; Agrochemicals suppliers; Logistics - Land transportation; Logistics – Shipping; Logistics - Storage facilities	No material risks or opportunities identified
Climate change adaptation	• Addressing climate change through R&D • Addressing no deforestation through R&D	R&D partner / Seedling Suppliers	
POLLUTION			
Pollution of water	Fresh water pollution and water source contamination	Smallholders	No material risks or opportunities identified
BIODIVERSITY AND ECOSYSTEMS			
Land-use change, fresh water-use	Land-use change	Smallholders; R&D part-ner / Seedling Suppliers	No material risks or opportunities identified
Land degradation	Land degradation		
WORKERS IN THE VALUE CHAIN			
Secure employment	Increased livelihood security for smallholders *(Positive impact)*	Smallholders	No material risks or opportunities identified
Adequate wages	Inadequate income and unfair value distribution for smallholders	Smallholders	
Working time	Mental and physical health impacts from excessive working hours	Smallholders	
Child labour	Physical, psychological, and socioeconomic impacts of child labour	Smallholders	

TOPICS	MATERIAL IMPACTS	VALUE CHAIN ACTORS	MATERIAL RISKS AND OPPORTUNITIES
Health and safety	• Health and safety impacts for oil palm smallholders • Health and safety impacts in land transportation • Health and safety impacts in the shipping industry	Smallholders; Logistics - Land transportation; Logistics – Shipping	No material risks or opportunities identified
Training and skills development	Increased requirements and accessibility of training, knowledge, tools	Smallholders	
Diversity	Restricted opportunities and inequality for women smallholders	Smallholders	
Gender equality and equal pay for work of equal value	*See specific impact listed under 'Diversity'*	Smallholders	
Measures against violence and harassment in the workplace	Increased vulnerability of women to exploitation and abuse	Smallholders	
Privacy	Increasing traceability and monitoring activities	Smallholders	
CONSUMERS AND END-USERS			
Access to (quality) information	• Impacts of a lack of supply chain traceability • Impacts of a lack of transparent reporting	Consumers	No material risks or opportunities identified
Health and safety	• Health impacts for palm oil consumers • Positive health impact of nutrients in bananas • Negative health impacts of residues		• Product defects • Product liability • EU market restrictions on palm oil • Palm oil restrictions in markets outside the EU • Reputation damage • Contaminant detecting technology

All of the above topics were first determined as material from an impact perspective. The financial material topics were then determined as:

1. Climate change: climate change adaptation
2. Biodiversity and ecosystems: direct impact drivers of biodiversity loss
3. Consumers and end- users: personal safety of consumers and/or end users
4. Business conduct: corporate culture
5. Corruption and bribery: incidents

These topics are therefore material from both the impact and financial points of view.

Detailed descriptions of the specific material impacts, risks, and opportunities, along with their relevance in the context of SIPEF, and all information required under the ESRS 2 disclosure requirement, are provided in the environmental, social and governance sections of the 'Sustainability Statement'.

3. Information and communication

A set of internal and external operational and financial reports ensures the appropriate information can be made available at the appropriate levels on a periodic basis (daily, weekly, monthly, quarterly, every six months or annually) so that the assigned responsibilities can be duly taken.

4. Supervision and monitoring

It is the responsibility of every employee to report potential failings in the internal control to the appropriate person.

In addition, the internal audit departments at the operating units in Indonesia and in Papua New Guinea, are responsible for the constant supervision of the effectiveness and compliance of the existing internal control in their respective activities. They propose the appropriate adjustments based on their findings. A local audit committee discusses the internal audit department reports at least quarterly. A summary of the most recent findings is submitted quarterly to the audit committee of SIPEF. As of 2024, an internal audit department has been set up in in Côte d'Ivoire and the activities there are subject to the same monitoring procedure.

At SIPEF Headquarters, where no separate internal audit department exists, one of SIPEF's group controllers conducts an internal audit of the Company's operations and reports annually to the SIPEF audit committee. The subsidiary in Singapore is also subject to an annual internal audit by a group controller of SIPEF.

In addition, the financial statements of every Group subsidiary are checked by an external auditor at least every year. Any remarks ensuing from this external audit are submitted to the board of directors in the form of a management letter. No major failures in the internal control have been established during the year.

5. Internal control and risk management systems related to financial reporting

The process for drawing up financial reports is led by the corporate finance department, under the direct supervision of the CFO and is organised as follows:

- A schedule is drawn up based on the imposed (internal and external) deadlines. This is given to every reporting entity and the external auditor at the start of the year. The external deadlines are also published on the Company's website.
- The first step in the annual reporting cycle is drawing up a budget for the following year. This is done in the period September to November, and is submitted to the board of directors for approval in November. The strategic options in this budget also fit in with the long-term plan strategy that is updated and approved by the board of directors annually. Sensitivity analyses for the strategic plan and the annual budget are drawn up to be able to make the right risk profile for the decisions to be made.
- The monthly financial reporting comprises an analysis of the volumes of initial stock, production, sales and end stock; the operational result and a summary of the other items on the income statement, i.e. financial result and tax, a balance sheet and cash flow analysis. The accounting policies used for the monthly reporting are identical to those used for the legal consolidation under International Financial Reporting Standards (IFRS). The monthly figures are compared with the budget and the same period a year earlier for each reporting entity, and significant differences are investigated. The corporate finance department consolidates these (summary) operational and financial figures (in functional currency) on a monthly basis to the reporting currency (USD), and checks once again that they are consistent with the budget or the previous period. The consolidated monthly reporting is submitted to the managing director and the executive committee.
- The board of directors receives this report on a periodic basis, i.e. 3, 6, 9 and 12 months, in preparation for the board meeting. This report is accompanied by a memorandum with a detailed description of the operational and financial trends of the preceding quarter.
- In the event of exceptional events, the board of directors is also notified immediately.
- An external audit verifies the individual financial statements and the technical consolidation at the end of June (limited assurance) and the end of December (full assurance). The audit of the subsidiaries is done based on the audit scope as decided by the external auditor and presented to the audit committee of the SIPEF group. The consolidated IFRS financial statements are then submitted to the audit committee for review. Based on the advice of the audit committee, the board of directors gives its opinion on the correctness of the consolidated figures before publishing the financial statements on the market.
- An interim management report is published twice a year, after the first and after the third quarter, stating the trends in production volumes, global market prices and any changes in the pipeline.
- The corporate finance department is responsible for monitoring any amendments to IFRS reporting standards and implementing these amendments in the Group.

The monthly management reports and the legal consolidation are done in separate consolidation software with data input from SIPEF's subsidiaries. Appropriate care is also given to anti-virus and security applications, uninterrupted backups and steps to ensure the continuity of the service.

6. Rules of conduct concerning conflicts of interest

The Charter describes the policy with regard to transactions between the Company or one of its affiliated companies and a member of the board of directors or the executive committee, or an associated person, that could entail a conflict of interest, within the meaning of the Companies Code or otherwise. It also states the legal procedures that are laid down in Articles 7:96 and 7:97 of the Companies Code.

In 2024, transactions giving rise to a conflict of interests within the meaning of Article 7:96 of the Companies Code were reported to the board of directors of 13 February 2024 and 13 November 2024. The legal procedure provided for by this article was applied to the related decisions of the board. The Company's external auditor was given the minutes of the meeting in which these board decisions were made. Excerpts of the minutes relating to the decisions in question are reproduced in full below:

EXCERPT FROM THE MINUTES OF 13 FEBRUARY 2024

"The Chairman of the Remuneration Committee, Antoine Friling, summarises the advice of the Committee as follows: [...]

The individual evaluation of the members of the Executive Committee was discussed in length.

As this item concerns part of his remuneration, François Van Hoydonck, managing director, states that there is a conflict of interest on his behalf. Article 7:96 of the Belgian Companies Code is therefore applicable. Petra Meekers, COO APAC, is also concerned by this decision. Therefore, they both leave temporally the meeting.

The Directors take notice of the evaluation and the variable remuneration proposed by the Remuneration Committee for François Van Hoydonck and Petra Meekers for the year 2023. They confirm the recommendation of the Remuneration Committee.

François Van Hoydonck and Petra Meekers enter the meeting room again."

EXCERPT FROM THE MINUTES OF 13 NOVEMBER 2024

"A. Friling, as chairman of the Remun*eration Committee, summarises the recommendations of the Remuneration Committee to the Board of Directors as follows: [...]*

Prior to the deliberation and decision on the 2024 share option plan, P. Meekers, as Managing Director, declares that, in accordance with Article 7:96 of the Companies and Associations Code, she has a direct personal interest of a financial nature in the proposed decision, as she is a potential beneficiary of the share option plan under discussion. In compliance with the applicable procedure, she leaves the meeting and refrains from participating in the deliberation and voting on this item.

The Board acknowledges this declaration and proceeds with the deliberation and decision on the share option plan in the absence of P. Meekers.

The Board further instructs the Company Secretary to include this declaration in the minutes of the meeting and to ensure the necessary disclosure in the Company's annual report, in accordance with the applicable legal and regulatory requirements.

The Remuneration Committee has conducted a thorough review of the Company's share option plan and in line with established governance principles, *regulatory requirements, and market practices. The Committee recommends the continued offering of share options to executive management as a long-term incentive mechanism, independent of short-term financial results, aimed at enhancing shareholder value and ensuring executive retention. The 2024 share option plan shall be structured in line with the historical offering, ensuring continuity and alignment with past grants.*

The 2024 share option plan shall be offered to the members of the Executive Committee and the country directors, with the inclusion of C. De Wulf (as General Manager of Plantations J. Eglin since 1 April 2024) and the replacement of F. Van Hoydonck by P. Meekers (as Managing Director of the Company since 1 September 2024). The key terms of the proposed grant are as follows:

- *Option Term: 10 years, with a vesting period of 3 years and an exercise period of 7 years.*
- *Exercise Price: Determined as the lower of the average closing price of the share during 30 days preceding the date of the offer or the last closing price of the share prior to the date of the offer (expected to range between EUR 56.5 and EUR 57.5 per share).*
- *Exercise Period: All year round, except during the legally defined closed periods.*

The Committee recommends maintaining the following rules governing the treatment of unexercised share options in the event of termination of employment:

- *Death, retirement, or disability: Full rights to the granted options shall remain, including the full 10-year exercise period.*
- *Dismissal for urgent cause: Immediate forfeiture of all unexercised options.*
- *Standard dismissal: Full retention of all granted options and exercise rights.*
- *Voluntary resignation: Vested options may be exercised for a maximum period of one year following departure.*

The Committee notes that SIPEF currently holds 161 000 own shares, acquired at an average price of EUR 53.56 per share. To fully cover the 2024 share option plan, the Company will need between 15 000 and 18 000 additional shares, depending on the exercise of options under the 2014 plan, which expires on 17 November 2024. The Committee therefore recommends that management ensures that the Company buys back the necessary shares in the market following the expiration of the 2014 plan, ensuring full coverage with no major future cash outflows for the Company.

Following the recommendation of the Remuneration Committee, the Board of Directors, having thoroughly reviewed the proposed 2024 share option plan and, after due deliberation, unanimously approves its implementation in accordance with the proposed terms and conditions.

Furthermore, the Board grants full authority to B. Cambré, Chief Financial Officer, to execute, on behalf of the Company, the buyback of 15 000 to 18 000 own shares, ensuring full coverage of the 2024 share option plan, in compliance with all applicable legal and regulatory requirements.

Following the Board's deliberation and decision on this matter, P. Meekers rejoins the meeting and resumes participation in the discussions on the remaining agenda items."

There were no other conflicts of interest in 2024.

7. Policy concerning financial transactions

The board of directors has drawn up and set down the rules of conduct that the directors, employees and self-employed staff of SIPEF must comply with in financial transactions with Company stock and its policy to prevent market abuse drafted and written down in chapter 5 of the Charter.

8. Shareholder structure

SIPEF's shareholder structure is characterised by the presence of two reference shareholders, AvH and Group Bracht, comprising Priscilla, Theodora and Victoria Bracht and their respective companies (Cabra P, Cabra T and Cabra V) as well as Cabra NV. These parties act together in mutual consultation under a shareholder agreement originally concluded in 2007 for a 15-year term, which was amended and renewed for a further 15 years on 3 March 2017. This shareholder agreement aims to create a stable shareholding structure for the Company, promoting the balanced development and profitable growth of SIPEF and its subsidiaries. Among other provisions, it includes voting arrangements regarding the appointment of directors and arrangements regarding share transfers.

Shareholder structure on 31 December 2024

SIPEF's shareholder structure, as known on 31 December 2024, was as follows:

SHAREHOLDER	NUMBER OF SHARES	%
Ackermans & van Haaren NV	4 347 709	41.10%
Group Bracht	1 303 032	12.32%
SIPEF (treasury shares) (1)	162 016	1.53%
Free float	4 766 571	45.06%
TOTAL	**10 579 328**	**100.00%**

(1) Shares acquired to cover stock option plans and as part of the share buyback programme approved by the board of directors.

Transparency notification

On 26 February 2025, the Company received a notification from AvH, from which it appeared that, on 24 February 2025, AvH had crossed the 55% voting rights threshold in SIPEF. This development resulted from various acquisitions of SIPEF shares by AvH between the previous notification of 8 December 2023 and the threshold crossing date. Following these acquisitions, AvH, together with Group Bracht, holds 55.02% of the voting rights in SIPEF, of which 41.24% is directly held by AvH 12.32% is directly held by Group Bracht, and an additional 1.47% of voting rights is attached to treasury shares held by the Company.

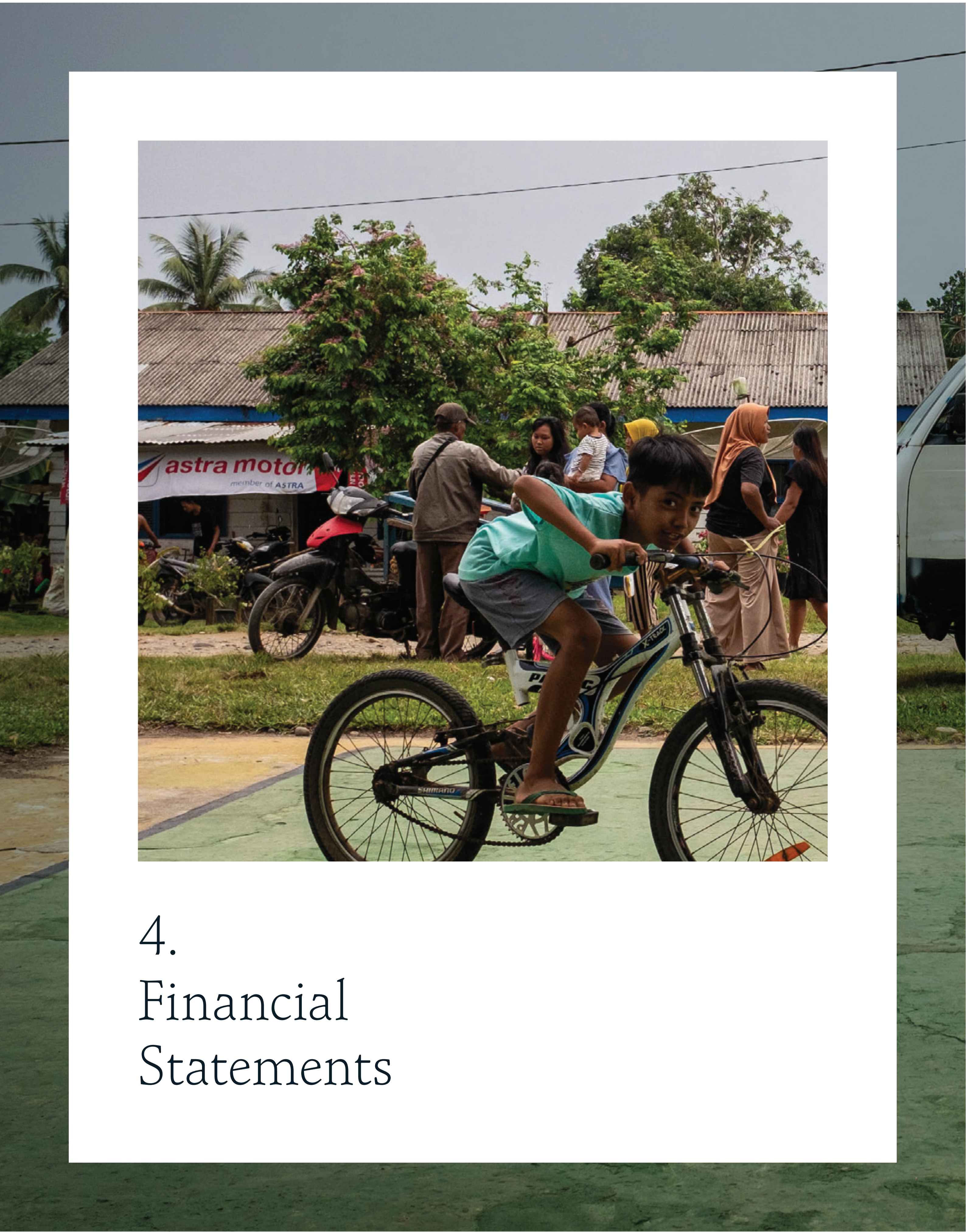
The relevant details of the this transparency notification are published on the Company's website.

→ www.sipef.com/hq/investors/shareholders-information/shareholders-structure/

THE COMPANY HAS NOT RECEIVED ANY FURTHER TRANSPARENCY NOTIFICATIONS INDICATING THAT ANY OTHER SHAREHOLDER HOLDS MORE THAN 5% OF THE VOTING RIGHTS.

9. Events after the balance sheet date

Post balance sheet date, the purchaser sent a termination letter regarding the sale and purchase agreement of PT Melania. SIPEF group has contested the legal validity of this termination letter. After considering the above, the fair value of the asset held of sale of PT Melania has been decreased by a total of KUSD 6 394, which was already recognised in the results of the 2024 financial year.



4. Financial Statements

SIPEF on the stock market

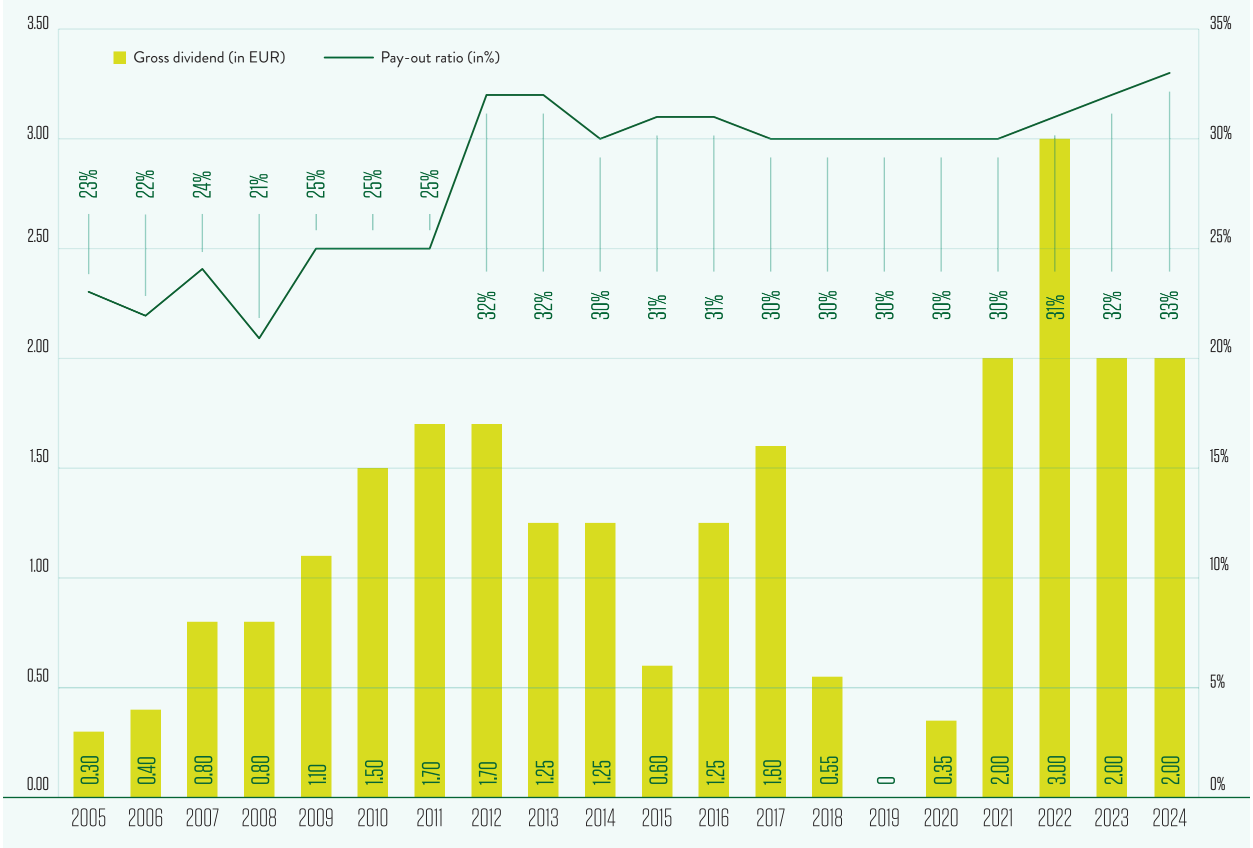
Stock market listing

The SIPEF shares are listed on the continuous market of Euronext Brussels (share code: SIP, ISIN code: BE0003898187).

STOCK MARKET DATA ON THE SIPEF SHARE

EVOLUTION OF STOCK MARKET DATA OF THE SIPEF SHARE (IN EUR)	2024	2023	2022	2021	2020
Highest stock price of the year	58.80	62.30	70.80	60.80	56.70
Lowest stock price of the year	48.40	51.30	52.70	43.85	38.00
Closing stock price per 31/12	56.80	53.00	58.90	56.90	43.20
Market capitalization per 31/12 (KEUR)	600 906	560 704	623 122	601 964	457 027
Number of shares per 31/12	10 579 328	10 579 328	10 579 328	10 579 328	10 579 328
Average number of shares traded per trading day	2 362	2 151	5 441	5 277	5 956
Average turnover per trading day (KEUR)	130	122	338	263	274

EVOLUTION OF THE DIVIDEND AND PAY-OUT RATIO



DIVIDEND POLICY

It is SIPEF's intention to continue with the policy of paying out a dividend of approximately 30% of the recurring profit from the previous financial year and reinvesting the balance in the further growth of the Company.

ANALYSTS COVERING SIPEF

ANALYSTS COVERING SIPEF	
Bank Degroof Petercam	Frank Claassen
KBC Securities	Michiel Declercq

FINANCIAL CALENDAR

FINANCIAL CALENDAR	
17 April 2025	Quarterly information Q1
11 June 2025	Ordinary general meeting
14 August 2025	Half-yearly financial report
16 October 2025	Quarterly information Q3
February 2026	Annual announcement

The periodical and occasional information relating to the Company and to the Group will be published before opening hours of the stock exchange.

In accordance with the applicable legal requirements, each major event that could affect the Company's and the Group's result is the subject of a separate press release.

FINANCIAL SERVICE

The main paying agent is Bank Degroof Petercam.

CORPORATE WEBSITE

The website (www.sipef.com) plays an increasingly important role in SIPEF financial communication. Therefore, a substantial part of the corporate website is reserved for investor relations.

Financial statements

COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for fiscal year 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS). These consolidated financial statements (chapter "Financial statements") are part of the integrated annual report and should be read together with the other chapters of the integrated annual report, including the non-financial information included in:

- Chapter 1. "Company report"
- Chapter 2. "Sustainability statement"
- Chapter 3. "Corporate governance statement"
- Annex 1 to 5

Balance sheet

The total assets of the SIPEF group have increased to KUSD 1 122 372. The Group's Net Financial Position (NFP) concluded at KUSD -18 087, an increase of KUSD 13 331. The increase is due to the repayment of the long-term loan and lower capital expenditures of KUSD 86 858 versus KUSD 106 985 in 2023, primarily allocated to the South Sumatra expansion and mill upgrading programs. The major movements in the balance sheet over the course of 2024 should be seen as a consequence of the positive results and strategy of the Group, resulting in expanding assets, supported primarily by an increase in equity.

The increase in 'biological assets – bearer plants' and 'other property plant & equipment' by KUSD 26 897 during 2024 was mainly due to investments in intangible and tangible fixed assets (KUSD 86 858) exceeding depreciation (KUSD 55 846).

The 'receivables over one year' increased by KUSD 11 352 mainly due to a reclassification of the loan to our associate Verdant Bioscience Pte Ltd (KUSD 11 688) from short-term to long-term, due to the granting of loans to smallholders in South Sumatra to finance their new plantings (KUSD 4 282) and offset by the reclassification of the expected smallholders' repayments in 2025 to the short-term receivables (KUSD -5 240).

IN KUSD	31/12/2024	31/12/2023
Inventories	46 135	47 179
Biological assets	13 547	11 122
Trade receivables	47 353	29 876
Other receivables	32 859	49 490
Current tax receivables	7 547	6 925
Derivatives (assets)	0	780
Other current assets	1 950	1 953
Trade payables	-28 512	-25 243
Advances received	-3 934	-3 411
Other payables	-20 373	-15 832
Income taxes	-6 605	-10 605
Derivatives (liabilities)	-1 053	0
Other current liabilities	-11 226	-16 870
NET CURRENT ASSETS, NET OF CASH	**77 688**	**75 362**

'Net current assets, net of cash' has remained stable compared to last year. The main posts and changes can be broken down into the following movements:

- Total inventories have remained stable, however there are opposing factors. The number of tonnes of crude palm oil (CPO) stock at the end of December 2024 was 31.4% lower compared to December 2023. However, the CPO stock was valued at a higher cost as a consequence of the higher world market prices. This has resulted in a total KUSD 1 044 decrease in stock value of finished goods compared to the year-end of 2023.

- The methodology used to measure the fair value of the biological assets did not change compared to 2023. The total of the biological assets has increased by KUSD 2 425, mostly due to an increase in biological assets of palm oil following higher palm oil prices and higher productions both in Indonesia and Hargy Oil Palms Ltd, whose productions are recovering in the beginning of 2025 compared to last year.

- Trade receivables have increased by KUSD 17 477 following higher sales at year-end. Most of the trade receivables relate to the export sales from Hargy Oil Palms Ltd. The increase is also attributable to two shipments in December, resulting in a higher outstanding amount recorded in accounts receivable. This contrasts with the previous year, when the shipment was postponed to the new year, leading to a lower receivables position at year-end.

- The other receivables decreased by KUSD 16 631 primarily due to the reclassification of the abovementioned loan to our associate Verdant Bioscience Pte Ltd of KUSD 11 688. The remaining decrease is primarily due to a decrease in VAT receivable of KUSD 5 853 in Hargy Oil Palms Ltd, following an offset of receivable VAT against payable current income taxes.

- The net tax position (current tax receivable and income tax payable) is now stabilising, from a net tax payable of KUSD 3 680 on 31 December 2023 to a net tax receivable of KUSD 942 on 31 December 2024. In 2024, the tax prepayments in Indonesia are based on the 2023 results, most of which were slightly lower than the 2024 results of the Indonesian subsidiaries and also partly on the exceptional high result of 2022. Taxes paid during 2024 (KUSD 31 625) were only slightly higher than the current income tax charge of the year (KUSD 27 077).

The assets held for sale of KUSD 7 126 concerned the estimated net sales value of the part of PT Melania, owned by the Group, until all conditions for a final sale are met.

Net deferred tax liability has remained stable from KUSD 37 240 at the end of 2023 to KUSD 36 212 at the end of 2024, and is primarily related to the accelerated fiscal depreciations in Hargy Oil Palms Ltd.

IN KUSD	31/12/2024	31/12/2023
Other investments and deposits	1	1
Cash and cash equivalents	19 880	11 549
Financial liabilities > 1 year	0	0
Leasing liabilities > 1 year	-1 448	-1 974
Current portion of amounts payable > 1 year	0	-18 000
Financial liabilities	-35 894	-22 319
Leasing liabilities < 1 year	-626	-675
NET FINANCIAL POSITION	**-18 087**	**-31 418**

The ‘net financial position’ increased by KUSD 13 331 and amounted to KUSD -18 087 at the end of 2024. The long-term loan has been completely repaid at the end of 2024.

Result

The Group's total 'revenue' amounted to KUSD 443 810 as per 31 December 2024 and has remained stable compared to December 2023.

The palm segment's revenue dropped (KUSD 9 110), mainly as a result of the reduced CPO productions (-7.4%) offset by an increased CPO/PK(O) unit selling price in 2024 compared to 2023. The 2024 CPO ex-mill gate unit selling price was USD 816 per tonne for Indonesia (2023: USD 739 per tonne), USD 964 per tonne for Papua New Guinea (2023: USD 988 per tonne) and USD 867 per tonne for the Group (2023: USD 830 per tonne).

Banana segment revenue expressed in euro, the functional currency, rose by 32.6 % mainly due to an increase in the average unit selling price (+5.4%) and a rise in volumes produced and sold (+24.6%) due to the maturing of the new expansions in Lumen and Akoudié.

The total 'cost of sales' declined by KUSD 7 770 or 2.6% in 2024 in comparison with last year. The main reasons for this decrease were:

- Operating costs for the own palm plantations and mills decreased by KUSD 7 288 or 4.1%. This was mainly due to lower fertiliser costs and harvesting costs as a consequence of the lower production volumes and the devaluation of the IDR against the USD which is beneficial for the estate operating costs. These decreases were offset by the further maturing of the South Sumatra plantations, resulting in an increase of total estate operating and processing costs for the South Sumatra plantations by KUSD 4 121. Processing costs declined due to the decrease of inflow of crops (-4.5%) compared to prior year.

- Decrease in third-party purchases of FFBs in Hargy Oil Palms Ltd decreased by KUSD 2 868 or 9.3%, largely due to a decrease in FFB productions (-13.1%) following the volcanic eruption at the end of 2023, offset by a higher purchase price of FFB, of which the price is related to CPO-prices.

- Disposals in the first half of 2024 of the remaining rubber assets in Agro Muko and Bandar Sumatra which resulted in an increase of KUSD 2 213 in the cost of sales compared to last year. The final disposal of the remaining rubber assets marks the end of the rubber activities within the SIPEF group as all these areas will be converted to oil palm.

- Increase in operating costs in the banana activities in Plantations J. Eglin SA which increased by KUSD 5 157 following the expansions in Lumen and Akoudié.

The 'changes in the fair value of biological assets' concerned the effects of valuing the hanging fruits at their fair value (IAS41R).

Gross profit increased from KUSD 149 673 at the end of 2023 to KUSD 159 606 at the end of 2024, an increase of 6.6%.

Palm segment's gross profit increased by KUSD 7 142 to KUSD 156 774, mainly due to higher CPO, PK and CPKO selling prices but offset by the overall lower productions. The average realised net ex-mill gate CPO price of USD 867 per tonne was 4.6% higher than that of USD 830 per tonne last year.

The gross profit of the banana and horticulture activities rose from KUSD 4 357 to KUSD 5 799, because of an increase in selling prices (+5.4%) and a rise in volumes produced resulting from the expansion of planted areas (+24.6%).

The average ex-mill gate unit cost for mature oil palm plantations increased slightly (+3.3%) in 2024 compared with 2023, mainly due to decreased productions compared to last year, but also due to the increasing relative productions in South Sumatra, which is still for the most part in a young phase with a higher cost of production compared to the mature areas.

The average ex-mill gate cost for the mature banana plantations over the same period, expressed in euro, the functional currency, decreased by 6.7%, following the increased productions in the new expansion area which are starting to reach mature production cycles.

'General and administrative expenses' increased in comparison with last year, mainly as a result of the further deployment of the Singapore branch office to centralise the internal IT services of the Group and general inflation.

The other operating income/expenses have decreased from KUSD 4 509 in 2023 to KUSD -7 051 in 2024. The operating expenses of this year consist mostly of the fair value adjustment on the sale of PT Melania of KUSD -6 394 and the disposal of biological assets – bearer plants following early replant in PT UMW of KUSD -1 361. The amount of KUSD 4 509 of 2023 contained the reversal of the historical impairment on PT Citra Sawit Mandiri after the final HGU was obtained (KUSD 2 801).

The 'operating result' amounts to KUSD 104 105 compared with KUSD 107 978 last year.

'Financial income' of KUSD 1 589 includes primarily interests from receivables on smallholders in South Sumatra for a total of KUSD 1 250.

'Financial costs' of KUSD 2 953 were mainly related to interests on short-term financing (KUSD 2 554) and the discounting on smallholder receivables (KUSD 399).

The end of 2024 was marked by volatile exchange rates whereby the USD strengthened against most other currencies, especially towards year-end. The negative 'exchange differences' (KUSD 5 277) mainly concerned the effect of the hedged 2024 dividend as well as the hedging of the 2025 expected dividend payable in euro, the effect of devaluation of the PGK against the USD on the tax and VAT receivables in Papua New Guinea, and the exchange impact on the revaluation of smallholders' receivables and pension provision denominated in IDR in Indonesia.

The 'result before tax' amounts to KUSD 97 464 for 2024, compared with KUSD 108 817 at the end of 2023.

The effective tax rate amounted to 26.5%. This is slightly higher than the theoretical tax rate of 25.6%. The 'tax expense' (KUSD 25 851) includes the reversal on the impairment of deferred tax assets for fiscal losses (KUSD 677), the usual disallowed expenses of about KUSD 773, non-deductible interest charges due to the thin cap law in Indonesia (KUSD 358) and finally the non-tax-deductible fair value adjustment on the sale of PT Melania for KUSD 1 407. As Hargy Oil Palms Ltd is still recovering from the effects of the volcanic eruption, no dividend was paid and therefore no withholding taxes have been recorded.

The 'share of profit and loss of associated companies and joint ventures' (KUSD -1 366) included the limited negative contribution of the research activities centralised at PT Timbang Deli Indonesia and Verdant Bioscience Pte Ltd.

The 'result for the period' 2024 was KUSD 70 247, a decline by 8.0% against last year.

Net profit, share of the Group, amounted to KUSD 65 838 (USD 6.33 per share) against KUSD 72 735 (USD 6.99 per share) last year.

Cash flow

Despite the decrease in operating result, 'cash flow from operating activities before change in net working capital' slightly increased from KUSD 162 769 as of 31 December 2023, to KUSD 162 900 on 31 December 2024.

Depreciations at KUSD 55 846 are higher than last year (KUSD 52 724) due to the increased capex and the accelerated depreciation of the remaining rubber assets.

The changes in fair value of biological assets (KUSD -6 238) includes the changes in the fair value in accordance with IAS 41 (KUSD 2 425), as well as the non-cash effect in the valuation of the palm oil stock at year end (KUSD 3 813).

The variation of the working capital of KUSD 1 768 mainly relates to the decrease in other receivables and an increase in trade payables and other payables, offset by an increase in trade receivables and a decrease in other current liabilities.

Tax prepayments in Indonesia and Papua New Guinea, under local prevailing rules, are based on last year's results. In Indonesia, a small part was still prepaid on the (very high) results of 2022. These are the main reasons why the taxes paid (KUSD -31 625) are still higher than the current income tax of the year (KUSD 27 077).

The 'acquisitions intangible and tangible assets' (KUSD -86 858) related to the usual replacement investments in the existing operations and in the new developments in South Sumatra (KUSD -32 317). Besides further development of planted areas and associated infrastructure such as houses and roads, investments in South Sumatra, in particular, were also made for the completion of the Agro Muara Rupit mill with a processing capacity, in the first phase of 45 tonnes of FFB per hour. This mill has become operational in June 2024 and has since then started the production of palm oil. Other major capex items concern additional trucks in Hargy Oil Palms Ltd (KUSD 10 008), cost related to renewal and acquisition of land titles (KUSD 8 196), further expansion in Plantations J. Eglin SA (KUSD 2 903) and the additional oil palm (re) planting mainly relating to the conversion from rubber to palm oil in PT Bandar Sumatra and PT Agro Muko (KUSD 11 037). Additional loans (KUSD -4 282) were also made during the year to surrounding smallholders in South Sumatra and Bengkulu.

The 'proceeds from sales of property, plant and equipment (KUSD 571) related to the sale of minor property, plant and equipment. The 'proceeds from sales of financial assets' (KUSD -4 179) relate to the cash paid to fulfil the conditions for the sale of PT Melania, mostly relating to the payment of the remaining pension provisions and the necessary cash to operate the tea plantation.

'Free cash flow' for the year 2024 amounted to KUSD 38 295, compared with KUSD 5 813 for the same period last year.

The 'cash flow from financing activities' (KUSD -29 965) mainly include buy-back and sale transactions on treasury shares (net KUSD 1 055), repayments of long-term financing (KUSD -18 000 for the final tranche of the long-term loan and KUSD -924 relating to leasing debts), an increase of short-term financing (net KUSD 13 525), last year dividend payment to SIPEF shareholders (KUSD -22 434) and dividend payments to minority shareholders (KUSD -2 150).

CONSOLIDATED BALANCE SHEET

IN KUSD	NOTE	2024	2023
Non-current assets		**945 975**	**907 847**
Intangible assets	8	119	138
Goodwill	8	104 782	104 782
Biological assets - bearer plants	9	320 851	326 656
Other property, plant & equipment	10	457 720	425 018
Investments in associates and joint ventures	24	331	1 697
Financial assets		112	112
Other financial assets		112	112
Receivables > 1 year		45 581	34 229
Other receivables	11	45 581	34 229
Deferred tax assets	23	16 478	15 214
Current assets		**176 396**	**172 395**
Inventories	12	46 135	47 179
Biological assets	13	13 547	11 122
Trade and other receivables		80 212	79 366
Trade receivables	26	47 353	29 876
Other receivables	14	32 859	49 490
Current tax receivables	23	7 547	6 925
Investments		1	1
Other investments and deposits	19	1	1
Derivatives	26	0	780
Cash and cash equivalents	19	19 880	11 549
Other current assets		1 950	1 953
Assets held for sale	30	7 126	13 520
TOTAL ASSETS		**1 122 372**	**1 080 242**

IN KUSD	NOTE	2024	2023
Total equity		**935 782**	**888 819**
Shareholders' equity	15	898 427	853 777
Issued capital		44 734	44 734
Share premium		107 970	107 970
Treasury shares (-)		- 10 633	-11 681
Reserves		767 754	723 733
Translation differences		- 11 396	-10 978
Non-controlling interests	16	37 355	35 042
Non-current liabilities		**78 368**	**78 466**
Provisions > 1 year		427	524
Provisions	17	427	524
Deferred tax liabilities	23	52 690	52 454
Leasing liabilities > 1 year	27	1 448	1 974
Pension liabilities	18	23 803	23 515
Current liabilities		**108 222**	**112 957**
Trade and other liabilities < 1 year		59 424	55 093
Trade payables	26	28 512	25 243
Advances received	26	3 934	3 411
Other payables	14	20 373	15 832
Income taxes	23	6 605	10 605
Financial liabilities < 1 year		36 519	40 994
Current portion of amounts payable after one year	19	0	18 000
Financial liabilities	19	35 894	22 319
Leasing liabilities < 1 year	27	626	675
Derivatives	26	1 053	0
Other current liabilities		11 226	16 870
TOTAL EQUITY AND LIABILITIES		**1 122 372**	**1 080 242**

CONSOLIDATED INCOME STATEMENT

IN KUSD	NOTE	2024	2023
Revenue	7	443 810	443 886
Cost of sales	7	-286 630	-294 400
Changes in fair value of biological assets	7	2 425	186
Gross profit		**159 606**	**149 673**
General and administrative expenses	7	-48 450	-46 204
Other operating income/(expenses)	20	-7 051	4 509
Operating result		**104 105**	**107 978**
Financial income		1 589	1 809
Financial expenses		-2 953	-2 079
Exchange differences		-5 277	1 108
Financial result	**21**	**-6 640**	**839**
Result before tax		**97 464**	**108 817**
Tax expense	23	-25 851	-31 128
Result after tax		**71 613**	**77 689**
Share of results of associated companies and joint ventures	24	-1 366	-1 335
Result from continuing operations		**70 247**	**76 354**
Result from discontinued operations		0	0
Result for the period		**70 247**	**76 354**
Attributable to:			
- Non-controlling interests	16	4 409	3 619
- Equity holders of the parent		65 838	72 735

EARNINGS PER SHARE (IN USD)	NOTE	2024	2023
FROM CONTINUING OPERATIONS			
Weighted average shares outstanding	30	10 405 284	10 403 105
Basic operating result per share	30	10.00	10.38
Basic earnings per share	30	6.33	6.99
Diluted earnings per share	30	6.32	6.98
Cash flow from operating activities after tax	30	12.79	11.79

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

IN KUSD	NOTE	2024	2023
Profit for the period		**70 247**	**76 354**
Other comprehensive income:			
Items that may be reclassified to profit and loss in subsequent periods			
- Exchange differences on translating foreign operations	15	- 418	268
- Cash flow hedges - fair value result for the period	26	- 495	- 855
- Income tax effect (cash flow hedges)	26	124	214
Items that will not be reclassified to profit and loss in subsequent periods			
- Defined Benefit Plans - IAS 19	18	1 085	- 512
- Income tax effect		- 239	113
Total other comprehensive income for the year		**57**	**- 773**
Other comprehensive income attributable to:			
- Non-controlling interests		54	- 14
- Equity holders of the parent		3	- 759
Total comprehensive income for the year		**70 305**	**75 581**
Total comprehensive income attributable to:			
- Non-controlling interests		4 463	3 606
- Equity holders of the parent		65 842	71 975

CONSOLIDATED CASH FLOW STATEMENT

IN KUSD		NOTE	2024	2023
OPERATING ACTIVITIES				
Profit before tax			**97 464**	**108 817**
Adjusted for:				
Depreciation		8,9,10	55 846	52 724
Movement in provisions		17	1 990	2 300
Stock options			201	163
Unrealized exchange result			2 032	0
Changes in fair value of biological assets			-6 238	- 186
Other non-cash results			- 69	-2 963
Hedge reserves and financial derivatives		26	1 338	3
Financial income and expenses			1 364	270
(Gain)/loss on disposal of property, plant and equipment		8,9	2 578	1 641
Change in fair value of asset held for sale			6 394	0
Cash flow from operating activities before change in net working capital		**25**	**162 900**	**162 768**
Change in net working capital		25	1 768	16 080
Cash flow from operating activities after change in net working capital	**a**		**164 668**	**178 848**
Income taxes paid	b	23	-31 625	-56 216
Cash flow from operating activities	**c=a+b**		**133 043**	**122 632**
INVESTING ACTIVITIES				
Acquisition intangible assets		8	- 40	- 9
Acquisition biological assets		9	-31 666	-32 556
Acquisition property, plant & equipment		10	-55 152	-74 421
Financing plasma advances		11	-4 282	-7 799
Proceeds from sale of property, plant & equipment			571	889
Proceeds from sale of financial assets		11,29	-4 179	-2 924
Cash flow from investing activities (b)	**d**		**-94 747**	**-116 819**
Free cash flow (a+b)	**e= c+d**		**38 295**	**5 813**
FINANCING ACTIVITIES				
Equity transactions with non-controlling parties			0	- 415
Proceeds of treasury shares		22	- 118	- 701
Repayment of treasury shares		22	1 173	608
Repayment in long-term financial borrowings		19	-18 924	-18 528
Proceeds in long-term financial borrowings		19	398	182
Repayment short-term financial borrowings		19	- 50	- 590
Proceeds short-term financial borrowings		19	13 575	17 671
Last year's dividend paid during this book year			-22 434	-33 765
Dividends paid by subsidiaries to minorities		16	-2 150	-2 796
Interest received - paid			-1 435	- 285
Cash flow from financing activities	**f**		**-29 965**	**-38 619**
Net increase in investments, cash and cash equivalents	**g=e+f**	**19**	**8 331**	**-32 806**
Investments and cash and cash equivalents (opening balance)		19	11 550	44 356
Effect of exchange rate fluctuations on cash and cash equivalents		19	0	0
Investments and cash and cash equivalents (closing balance)		19	19 880	11 550
Of which:		19		
Other investments and deposits		19	1	1
Cash and cash equivalents		19	19 880	11 549

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

IN KUSD	ISSUED CAPITAL SIPEF	SHARE PREMIUM SIPEF	TREASURY SHARES	DEFINED BENEFIT PLANS IAS19	CONSOLI-DATED RESERVES	TRANSLATION DIFFERENCES	SHARE-HOLDER EQUITY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
JANUARY 1, 2024	**44 734**	**107 970**	**-11 681**	**-5 510**	**729 243**	**-10 978**	**853 777**	**35 042**	**888 819**
Result for the period					65 838		65 838	4 409	70 247
Other comprehensive income				792	- 371	- 418	3	54	57
Total comprehensive income	**0**	**0**	**0**	**792**	**65 467**	**- 418**	**65 841**	**4 464**	**70 305**
Last year's dividend paid					-22 434		-22 434	-2 150	-24 584
Other (note 22)			1 048		194		1 242		1 242
DECEMBER 31, 2024	**44 734**	**107 970**	**-10 633**	**-4 718**	**772 471**	**-11 396**	**898 427**	**37 355**	**935 782**
JANUARY 1, 2023	**44 734**	**107 970**	**-11 588**	**-5 124**	**693 057**	**-11 246**	**817 803**	**32 342**	**850 144**
Result for the period					72 735		72 735	3 619	76 354
Other comprehensive income				- 386	- 642	268	- 759	- 14	- 773
Total comprehensive income	**0**	**0**	**0**	**- 386**	**72 093**	**268**	**71 975**	**3 606**	**75 581**
Last year's dividend paid					-33 765		-33 765	-2 796	-36 560
Equity transactions with non-controlling parties					-2 305		-2 305	1 890	- 415
Other (note 22)			- 93		163		70		70
DECEMBER 31, 2023	**44 734**	**107 970**	**-11 681**	**-5 510**	**729 243**	**-10 978**	**853 777**	**35 042**	**888 819**

Notes

1. IDENTIFICATION

SIPEF (the 'company') is a limited liability company ('naamloze vennootschap' / 'société anonyme') incorporated in Belgium and registered at 2900 Schoten, Calesbergdreef 5. The consolidated financial statements for the year ended 31 December 2024 comprise SIPEF and its subsidiaries (together referred to as 'SIPEF group' or 'the Group'). Comparative figures are for the financial year 2023.
The consolidated financial statements have been established by the board of directors on 11 February 2025. The events after the reporting period were updated and approved for issue by the directors on April 15, 2025. These financial statements will be presented to the shareholders at the general meeting of June 11, 2025. A list of the directors and the statutory auditor, as well as a description of the principal activities of the Group, are included in the chapters "Corporate governance statement" and "SIPEF's operations" of the integrated report.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the IFRS accounting standards which have been adopted by the European Union (EU-IFRS) as per 31 December 2024.

The following standards or interpretations are applicable for the annual period beginning on 1 January 2024:

- Amendment to IAS 1 - non-current liabilities with covenants and classification of liabilities as current or non-current (deferred).
- Amendment to IFRS 16 - Leases on sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Disclosure supplier finance

These changes did not have a significant impact on the equity or net result of the Group.

The Group did not elect for early application of the following new standards and interpretations which were issued at the date of approval of these financial statements but were not yet effective on the balance sheet date:

- Amendments to IAS 21 - Lack of Exchangeability, effective January 1, 2025
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments, effective January 1, 2026
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, effective January 1, 2026
- Amendments to IFRS 7 - Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, effective January 1, 2026
- Amendments to IFRS 9 - Financial Instruments, effective January 1, 2026
- Amendments to IFRS 10 - Consolidated Financial Statements, effective January 1, 2026
- Amendments to IAS 7 - Statement of Cash Flow, effective January 1, 2026
- IFRS 18, 'Presentation and Disclosure in Financial Statements', effective January 1, 2027
- IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', effective January 1, 2027

At present, the Group does not expect the initial adoption of these standards and interpretations to have a material effect on the Group's financial statements.

3. ACCOUNTING POLICIES

Basis of preparation

Starting in 2007, the consolidated financial statements are presented in US dollar (until 2006 this was done in euro), rounded off to the nearest thousand (KUSD). This modification is the result of the changed policy with regard to the liquidity and debt management since the end of 2006, whereby the functional currency of the majority of the subsidiaries has been changed from the local currency to the US dollar.

The consolidated financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investments in equity instruments measured at FVOCI, financial derivative instruments and biological produce.

The accounting policies have been consistently applied throughout the Group and are consistent with those used in the previous year.

Consolidation principles

Subsidiaries
Subsidiaries are those enterprises controlled by the company. An investor controls an investee if and only if the investor has all of the following elements, in accordance with IFRS 10:

- Power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases (or a date nearby).

Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of associates on an equity accounting basis, from the date that significant influence effectively commences until the date that significant influence effectively ceases (or a date nearby). When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealized gains arising on intra-group transactions, are eliminated for companies included using the full consolidation method in preparing the consolidated financial statements.

Unrealized losses are eliminated in the same way as unrealized gains except that they are only eliminated to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

In the individual Group companies, transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Financial statements of foreign operations

Functional currency: items included in financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). Starting from 2007, the consolidated financial statements are presented in USD, this is the functional currency of the majority of the Group companies.
To consolidate the Group and each of its subsidiaries, the financial statements of the individual entities are translated as follows:

- Assets and liabilities at the closing rate;
- Income statements at the average exchange rate for the year;
- The components of shareholders' equity at the historical exchange rate.

Exchange differences arising on translation for consolidation are recognised in other comprehensive income under "Exchange differences on translating foreign operations". When a foreign entity is sold, such exchange differences are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

Biological assets

The biological asset of palm oil is defined as the oil contained in the palm fruit, so that the fair value of this distinct asset can be estimated reliably.

SIPEF group has opted to measure biological assets of rubber at fair value at the point of harvest in accordance with IAS 41.32 and not to measure it at fair value as it grows less costs to sell, as it is of the opinion that all parameters used in any alternative fair value measurement (future productions, determination of the start of the life cycle, cost allocation,…) are clearly unreliable. As a consequence, all alternative fair value measurements are also considered clearly unreliable.

The biological assets of bananas are measured at fair value as it grows less costs to sell, taking into account that all the parameters for the fair value calculation are available and reliable.

A gain or loss arising on initial recognition of a biological asset at fair value less estimated point of sale costs and from the change in fair value less estimated point of sale costs of a biological asset is included in net profit or loss in the period in which it arises.

At the time of harvest, fresh fruit bunches and bananas are measured at their fair value less costs to sell and transferred to inventories.

Goodwill

Goodwill represents the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired in a business combination. Goodwill is not amortized but reviewed for impairment at least annually. For the purpose of testing goodwill for impairment, goodwill is allocated to operating companies which is the lowest level at which the goodwill is monitored for internal management purposes (i.e. cash flow generating unit). Any impairment is immediately recognized in the income statement and is not subsequently reversed.

Negative goodwill represents the excess of the Group's interest in the fair value of the net identifiable assets acquired over the cost of acquisition. Negative goodwill is immediately recognized in the income statement.

Intangible assets

Intangible assets include computer software and various licenses. Intangible assets are capitalized and amortized using the straight-line method over their useful life.

Property, plant and equipment

Property, plant and equipment, including investment property and bearer plants, are stated at cost less accumulated depreciation and any accumulated impairment losses. Borrowing costs attributable to the construction or production of qualifying assets are capitalized. Expenses for the repair of property, plant and equipment are usually charged against income when incurred.
Property held for sale, if any, is stated at the lower of amortized cost and fair value less selling charges.

In accordance with the amendments to IAS 16 and IAS 41, bearer plants are stated at cost less accumulated depreciation and any accumulated impairment losses. All costs relating to the maintenance of the bearer plants, including fertilisation, is capitalised as long as the bearer plants are immature. Depreciation commences when the bearer plants have become mature and the production of biological assets starts.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the related assets:

Buildings	5 to 30 years
Infrastructure	5 to 25 years
Installations and machinery	5 to 30 years
Vehicles	3 to 20 years
Office equipment and furniture	5 to 10 years
Other property, plant and equipment	2 to 20 years
Bearer plants	20 to 25 years

Land and 'construction in progress' are not amortized.

The Group presents the cost of land rights as a part of property, plant & equipment, consistently with practices in the industry and with relevant guidance in that respect. The land rights have indefinite useful life. In addition, the Group closely monitors the situation of each land title in terms of renewal and only depreciates its land rights if there is an indication that the land title might not be renewed. The renewal costs of land rights are also recognized as land rights and are amortized over the term of the renewal. Furthermore, the land rights are part of the yearly impairment testing.

Leases

Assets, representing the right to use the underlying leased asset, are capitalized as property, plant and equipment at cost, comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The corresponding lease liabilities, representing the net present value of the lease payments, are recognized as long-term or current liabilities depending on the period in which they are due. Leased assets and liabilities are recognized for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The interest rate implicit in the lease could not be determined. All cash flows relating to the leases are included in the increase/decrease of the short term or long-term financial borrowings (financing activities) in the cash flow statement.

Lease interest is charged to the income statement as an interest expense.

Leased assets are depreciated, using straight-line depreciation over the lease term, including the period of renewable options, in case it is probable that the option will be exercised.

Lessee accounting

Due to the nature of the Group's business whereby the operations are primarily taking place in relatively remote areas, the Group owns most of the assets used. Therefore, there is only a limited amount of leases which qualify for lease accounting. The three main categories consist of:

Office rental

Considering that most of the office rentals are long-term leases, the main areas management actions are required:

- Determining the lease term;
- Calculating the incremental borrowing rate.

Company cars

Company cars in Belgium meet the definition of a lease and therefore the same approach as office rentals will be applied.

Papua-New-Guinea land rights

In the Group's subsidiary Hargy Oil Palms Ltd in Papua-New-Guinea, a part of the land rights includes a fixed annual rental payment for the usufruct of the land, as well as a variable royalty depending on the production levels of the year measured in tonnes FFB. The annual fixed rental payment meets the definition of a lease, whereby the lease term of asset has been determined as the average lifespan of an oil palm (25 years).

Lessor accounting

The Group has no contracts that could lead to lessor accounting.

Impairment of assets

Property, plant and equipment (including bearer plants) and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may be higher than the recoverable amount. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing an impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. If the impairment is no longer justified in future periods due to a recovery in assets' fair value or value in use, the impairment reserve is reversed.

Financial instruments

Classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets include the investments in equity instruments designated at fair value through other comprehensive income, loans to related parties, receivables including trade receivables and other receivables, derivative financial instruments, financial assets at fair value through profit or loss, cash and cash equivalents. The acquisitions and sales of financial assets are recognised at the transaction date.

Financial assets – debt instruments
All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments include:

- Receivables measured at amortised cost;
- Trade receivables measured at amortised cost;
- Cash and cash equivalents, and;
- Other investments and deposits.

Financial assets – investments in equity instruments
On initial recognition, the Group made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Derivatives
The Group uses financial derivative instruments primarily to manage its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. The Group applies hedge accounting under IFRS 9 – "Financial Instruments".

Derivative instruments are valued at fair value at initial recognition. The changes in fair value are reported in the income statement unless these instruments are part of hedging transactions, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedging instruments in respect interest rate risk in cash flow hedges. Derivatives related to the foreign currency risk are not documented in a hedging relationship.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i. e. rebalances the hedge) so that it meets the qualifying criteria again.

The value fluctuations of a derivative financial instrument that complies with the strict conditions for recognition as a cash flow hedge are recorded in other comprehensive income for the effective part. The ineffective part is recorded directly in the profit and loss account. The hedging results are recorded out of other comprehensive income into the profit and loss account at the moment the hedged transaction influences the result.

A derivative with a positive fair value is recorded as a financial asset, while a derivative with a negative fair value is recorded as a financial liability. A derivate is presented as current or non-current depending on the expected expiration date of the financial instrument.

Impairment of financial assets
In relation to the impairment of financial assets an expected credit loss model is applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, the following assets are included in the scope for impairment assessment for the Group:

1) trade receivables;
2) non-current receivables and loans to related parties;
3) cash and cash equivalents.

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group has applied the simplified approach and records lifetime expected losses on all trade receivables.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

For long term receivables, IFRS 9 provides a choice to measure expected credit losses applying lifetime or a general (3 stages of expected credit loss assessment) expected credit losses model. The Group selected the general model. All bank balances are assessed for expected credit losses as well.

Financial liabilities
All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Receivables and payables
The Group initially measures an amount receivable and payable at fair value. For the amount receivables, the transaction price is deemed to be equal to the fair value. Subsequently, these amount receivables are carried at amortized cost using the effective interest method less any allowance for expected credit losses. For amounts payable, the transaction price is deemed to be equal to the fair value. Subsequently, these amount payables are carried at amortized cost using the effective interest method. Amounts receivable and payable in a currency other than the functional currency of the subsidiary are translated at the prevailing Group exchange rates on the balance sheet date.

Cash and cash equivalents
Cash and cash equivalents are measured at their amortised value and include cash and deposits with an original maturity of less than three months. Negative cash balances are recorded as liabilities.

Other investments and deposits
Investments are measured at their amortized value and include short term deposits with an original maturity of three months or more or other short-term monetary investments that are readily convertible into a known amount of cash and with an insignificant risk of change in value.

Interest-bearing borrowings
Interest-bearing borrowings are measured at amortised cost price. Borrowings are initially recognized as proceeds received, net of transaction costs. Any difference between cost and redemption value is recognized in the income statement using the effective interest method.

Inventories

Inventories are valued at the lower of cost or net realizable value.

At the time of harvest, agricultural produces are measured at fair value less costs to sell and transferred to inventories. Costs incurred in growing the agricultural produces, including any applicable harvest costs, are recognised as part of cost of sales.

Inventories are written down on a case-by-case basis if the estimated net realizable value declines below the carrying amount of the inventories. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. When the reason for a write-down of the inventories has ceased to exist, the write-down is reversed.

Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale, if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group-, excluding finance costs and income tax expenses).

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plant to sell the asset and the sale expected to be completed within one year from the date of the classification.

PP&E and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated income statement.

Shareholders' equity

Dividends of the parent company payable on ordinary shares are only recognized as a liability in the period in which they are approved.

Costs incurred with respect to the issuance of equity instruments are recorded as a deduction in equity.

Non-controlling interest

Non-controlling interests include a proportion of the fair value of identifiable assets and liabilities recognized upon acquisition of a subsidiary, together with the appropriate proportion of subsequent profits and losses.
In the income statement, the minority share in the company's profit or loss is separated from the consolidated result of the Group.

Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made.

Pensions and other post-employment benefits

Group companies have various pension schemes in accordance with the local conditions and practices in the countries they operate in.

1. Defined benefit plans

The defined benefit plans are generally un-funded but fully provisioned for using the 'projected unit credit'- method. This provision represents the present value of the defined benefit obligation. The actuarial gains and losses are recognized in Other Comprehensive Income.

2. Defined contribution plans

The Group pays contributions to publicly or privately administered insurance plans. Since the Group is obliged to make additional payments if the average return on the employer's contribution and on the employees' contributions is not attained, those plans should be treated as "defined benefit plans" in accordance with IAS 19.

Share based payment

Stock option plans exist within the SIPEF group, giving beneficiaries the right to buy SIPEF shares at a predefined price. This price is determined at the time when the options are granted and it is based on the market price or the intrinsic value.

The performance of the beneficiary is measured (at the moment of granting) on the basis of the fair value of the granted options and warrants and recognized in profit and loss when the services are rendered during the vesting period.

Revenue recognition

The SIPEF group's core activity is the sale of goods. SIPEF group recognises revenue at the moment the control over the asset is transferred to the customer. The goods sold are transported by ship and recognized as revenue as soon as the goods are loaded onto the ship. Revenue recognition occurs at the moment when the goods are loaded onto the ship. Revenue is recorded at this point in time for all contracts within the SIPEF group. The payment terms depend on the delivery terms of the contract and can vary between prepayment, cash against documents and 45 days after handover of the bill of lading. Deliveries are at a fixed price. For each contract there is only one performance obligation which needs to be fulfilled: the delivery of the goods.

The Group has no material incremental costs of obtaining a contract which would fulfil the capitalization criteria as defined by IFRS 15.

Cost of sales

Cost of sales includes all costs associated with harvest, transformation and transport. Purchases are recognized net of cash discounts and other supplier discounts and allowances.

General and administrative expenses

General and administrative expenses include expenses of the marketing and financial department and general management expenses.

Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax liabilities and assets are recognized for temporary differences between the carrying amount in the balance sheet and the tax bases of assets and liabilities and are subsequently adjusted to reflect changes in tax rates expected to be in effect when the temporary differences reverse. Deferred tax assets are included in the consolidated accounts only to the extent that their realization is probable in the foreseeable future.

4. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires the Group to use accounting estimates and judgements and make assumptions that may affect the reported amounts of assets and liabilities at the date of the balance sheets and reported amounts of revenue and expense during the reporting periods. Actual results could differ from those estimates.

Below, we present an overview of the most important judgements applicable in the annual report.

- Judging that land rights will not be amortized unless there is an indication that the land title might not be renewed:

The main areas in which estimates are used are:

- Deferred tax assets (note 23);
- Impairment of assets (goodwill impairment – note 8);
- Determination of the estimated costs related to the sale of PT Melania.

The key estimates used in the calculation of deferred tax assets and impairment of assets (goodwill impairment) testing rely on making an estimate on commodity prices over a longer period. By nature, the commodity prices used in such estimates are volatile and will therefore in reality be different from the estimated amounts. There is no unique independent variable on which a relevant sensitivity can be done on the calculation of the deferred tax assets. We refer to note 8 for the goodwill impairment testing.

The determination of the net selling price of PT Melania includes an estimate of the costs related to the sale as agreed in the Conditional Sale and purchase agreement (CSPA). The main estimates made include:

- The timing and the cost of renewing the permanent concession rights (HGU)
- The compensation for the accumulated social rights of the employed personnel, who will presumably be taken over almost entirely by Shamrock Group.

No other accounting judgments have been identified for the year ended December 31, 2024.

5. GROUP COMPANIES / CONSOLIDATION SCOPE

The ultimate parent of the Group, SIPEF NV, Schoten/Belgium, is the parent company of the following significant subsidiaries:

	Location	% of control	% of interest
Consolidated companies (full consolidation)			
PT Tolan Tiga Indonesia	Medan / Indonesia	95.00	95.00
PT Eastern Sumatra Indonesia	Medan / Indonesia	95.00	90.25
PT Kerasaan Indonesia	Medan / Indonesia	57.00	54.15
PT Bandar Sumatra Indonesia	Medan / Indonesia	95.00	90.25
PT Mukomuko Agro Sejahtera	Medan / Indonesia	95.00	85.74
PT Umbul Mas Wisesa	Medan / Indonesia	95.00	95.00
PT Citra Sawit Mandiri	Medan / Indonesia	95.00	95.00
PT Toton Usaha Mandiri	Medan / Indonesia	95.00	95.00
PT Agro Rawas Ulu	Medan / Indonesia	100.00	100.00
PT Agro Kati Lama	Medan / Indonesia	100.00	100.00
PT Agro Muara Rupit	Medan / Indonesia	100.00	100.00
Hargy Oil Palms Ltd	Bialla / Papua N.G.	100.00	100.00
Plantations J. Eglin SA	Azaguié / Côte d'Ivoire	100.00	100.00
Jabelmalux SA	Luxembourg / G.D. Luxemburg	100.00	100.00
Sipef Singapore	Singapore / Republic of Singapore	100.00	100.00
PT Agro Muko	Medan / Indonesia	100.00	95.05
PT Dendymarker Indah Lestari	Medan / Indonesia	100.00	95.05
Associates and joint ventures (equity method)			
Verdant Bioscience Pte Ltd	Singapore / Republic of Singapore	38.00	38.00
PT Timbang Deli Indonesia	Medan / Indonesia	38.00	36.10
PT Melania Indonesia (asset held for sale)	Medan / Indonesia	55.00	52.25
Companies not included			
Horikiki Development Cy Ltd	Honiara / Solomon Islands	90.80	90.80

The Group consists of Sipef NV and a total of 21 investees. Of these 21 investees, 17 are fully consolidated and 2 are accounted for under the equity method, 1 has been accounted for as an asset held for sale, while 1 other investee does not meet the criteria of significance.

In accordance with the concept of materiality, companies which are insignificant, have not been included in the consolidation scope. They are measured at cost and tested for impairment on an annual basis, which is considered a good proxy of their fair value.

SIPEF has signed a conditional sale and purchase agreement (CSPA) with Shamrock Group (SG) on the sale of 100% of the share capital of its Indonesian subsidiary, PT Melania. In a first phase, 40% was sold so that the SIPEF group now owns only 55% of the share capital. However, upon signing of the CSPA, SIPEF has lost full control of PT Melania. Subsequently, PT Melania has been accounted for as an asset held for sale as from 30 April 2021. The assets and liabilities of PT Melania have been measured at fair value. The original net selling price amounted to KUSD 23 353, however post balance, a termination letter regarding the conditional sale and purchase agreement was received from the purchaser. This resulted in a decrease of the fair value of the asset held for sale with KUSD -6 394 bringing the total net selling price to KUSD 16 959. The SIPEF group has contested the legal validity of this termination letter.

As of 30 April 2021, the results of PT Melania are no longer included in the consolidated profit and loss of the SIPEF group as PT Melania is classified as an asset held for sale and therefore not included in note 24 'Investments in associates and joint ventures'.

There are no restrictions to realise assets and settle liabilities of subsidiaries.

6. EXCHANGE RATES

As a result of a revised liquidity- and debt management as from the end of 2006 the functional currency in the majority of the subsidiaries has been changed to US dollar as from January 1, 2007. The following subsidiary has a different functional currency:

Plantations J. Eglin SA *euro* (EUR)

The exchange rates below have been used to convert the balance sheets and the results of these entities into US dollar (this is the currency in which the Group presents its results).

	Closing rate		Average rate	
	2024	2023	2024	2023
EUR	0.9627	0.9060	0.9262	0.9237

7. OPERATIONAL RESULT AND SEGMENT INFORMATION

SIPEF's activities can be classified into segments based on the type of product. SIPEF has the following segments:

- Palm: Includes all palm products, including palm oil (CPO), palm kernels (PK) and palm kernel oil (CPKO), both in Indonesia and Papua New Guinea.
- Rubber: Includes all different types of rubber produced in Indonesia and sold by the SIPEF group:
    - Standard Indonesia Rubber (SIR)
    - Scraps and Lumps
- Tea: Includes the cut, tear, curl (CTC) tea produced by PT Melania in Indonesia and which the SIPEF group buys and sells.
- Bananas and horticulture: Includes all sales of bananas and horticulture originating from Côte d'Ivoire.
- Corporate: Mainly includes management fees received from non-group companies, commissions charged on sea freight and other commissions which are not covered by the sales contract.

Seasonality is applicable to the Group's operating segments. However, opposite trends exist across the different operating segments and production sites. The banana segment experiences a production peak, with an associated stock build-up, in the period January to April, aligned with demand in Europe. On the other hand, the palm oil segment has a 45%/55% ratio, with 45 percent of production realized during the first half of the year and 55 percent during the second half.

Because of seasonality, production volumes may affect the Group's results during the peak season and lead to higher stocks being held. The above seasonality has an impact on the Group's working capital and net financial position. Both are actively managed and closely monitored.

The overview of segments below is based on the SIPEF group's internal management reporting. The executive committee is the chief operating decision maker. The most important difference with IFRS consolidation is:

- Instead of revenue the gross margin per segment is used as the starting point.
- The fair value adjustment on the assets held for sale (PT Melania) is included in a separate line instead of other operating income/(expenses)

In KUSD	2024	2023
Gross margin per product		
Palm	156 774	149 632
Rubber	-5 006	-5 861
Tea	118	139
Bananas and horticulture	5 799	4 357
Corporate	1 922	1 405
Total gross margin	**159 606**	**149 673**
General and administrative expenses	-48 450	-46 204
Other operating income/(expenses)	- 657	4 509
Financial income/(cost)	-1 364	- 270
Exchange differences	-5 277	1 108
Result before tax	**103 858**	**108 817**
Tax expense	-25 851	-31 128
Effective tax rate	-24.9%	-28.6%
Result after tax	**78 007**	**77 689**
Share of results of associated companies	-1 366	-1 335
Result for the period (recurring)	**76 641**	**76 354**
Fair value adjustment on sale PT Melania	-6 394	0
Result for the period (non-recurring)	**70 247**	**76 354**

Below we present the segment information per product and per geographical region in accordance with the IFRS profit and loss accounts. The segment result is revenue minus expense that is directly attributable to the segment and the relevant portion of income and expense that can be allocated on a reasonable basis to the segment.

Gross profit by product

2024 - KUSD	Revenue	Cost of sales	Changes in the fair value	Gross profit	% of total
Palm	396 270	-242 377	2 881	156 774	98.2
Rubber	129	-5 135	0	-5 006	-3.1
Tea	2 611	-2 493	0	118	0.1
Bananas and horticulture	42 878	-36 624	- 456	5 799	3.6
Corporate	1 922	0	0	1 922	1.2
Total	**443 810**	**-286 629**	**2 425**	**159 606**	**100.0**

2023 - KUSD	Revenue	Cost of sales	Changes in the fair value	Gross profit	% of total
Palm	405 380	-253 962	-1 785	149 632	100.1
Rubber	1 487	-7 348	0	-5 861	-1.9
Tea	3 060	-2 921	0	139	0.1
Bananas and horticulture	32 555	-30 169	1 971	4 357	1.0
Corporate	1 405	0	0	1 405	0.6
Total	**443 886**	**-294 400**	**186**	**149 673**	**100.0**

The Group's total 'revenue' amounted to KUSD 443 810 as per 31 December 2024 and has remained stable compared to 31 December 2023.

The palm segment's revenue dropped (KUSD -9 110), mainly as a result of the reduced CPO productions (-7.4%) offset by an increased CPO/PK(O) unit selling price in 2024 compared to 2023. The 2024 CPO ex-mill gate unit selling price was USD 816 per tonne for Indonesia (2023: USD 739 per tonne), USD 964 per tonne for Papua New Guinea (2023: USD 988 per tonne) and USD 867 per tonne for the Group (2023: USD 830 per tonne).

The negative rubber margin of KUSD -5 135 is related to the disposal of the remaining rubber assets in PT Agro Muko and PT Bandar Sumatra. The final disposal of the remaining rubber assets marks the end of the rubber activities within the SIPEF group as all these areas will be converted to oil palm.

Banana segment revenue expressed in euro, the functional currency, rose by 32.6 % mainly due to an increase in the average unit selling price (+5.4%) and a rise in volumes produced and sold (+24.6%) due to the maturing of the new expansions in Lumen and Akoudié.

The total 'cost of sales' declined by KUSD 7 770 or 2.6% in 2024 in comparison with last year. The main reasons for this decrease were:

- Operating costs for the own palm plantations and mills decreased by KUSD 7 288 or 4.1%. This was mainly due to lower fertiliser costs and harvesting costs as a consequence of the lower production volumes and the devaluation of the IDR against the USD which is beneficial for the estate operating costs. These decreases were offset by the further maturing of the South Sumatra plantations, resulting in an increase of total estate operating and processing costs for the South Sumatra plantations by KUSD 4 121. Processing costs declined due to the decrease of inflow of crops (-4.5%) compared to prior year.
- A decrease in third-party purchases of FFBs mainly in Hargy Oil Palms Ltd where FFB purchases decreased by KUSD 2 868 or 9.3%, largely due to a decrease in FFB productions (-13.1%) following the volcanic eruption at the end of 2023, offset by a higher purchase price of FFB, of which the price is related to CPO-prices.
- An increase in operating costs in the banana activities in Plantations J. Eglin SA which increased by KUSD 5 157 following the expansions in Lumen and Akoudié.

The 'changes in the fair value of biological assets' concerned the effects of valuing the hanging fruits at their fair value (IAS41R).

Gross profit increased from KUSD 149 673 at the end of 2023 to KUSD 159 606 at the end of 2024, an increase of 6.6%

Palm segment's gross profit increased by KUSD 7 142 to KUSD 156 774, mainly due to higher CPO, PK and CPKO selling prices but offset by the overall lower productions. The average realised net ex-mill gate CPO price of USD 867 per tonne was 4.6% higher than that of USD 830 per tonne last year.

The gross profit of the banana and horticulture activities rose from KUSD 4 357 to KUSD 5 799, because of an increase in selling prices (+5.4%) and a rise in volumes produced resulting from the expansion of planted areas (+24.6%).

Gross profit by geographical region

2024 - KUSD	Revenue	Cost of sales	Other income	Changes in the fair value	Gross profit	% of total
Indonesia	242 897	-143 211	715	2 424	102 824	64.4
Papua New Guinea	156 114	-106 794	0	457	49 777	31.2
Côte d'Ivoire	42 878	-36 624	0	- 456	5 799	3.6
Europe	1 207	0	0	0	1 207	0.8
Total	**443 096**	**-286 629**	**715**	**2 425**	**159 606**	**100.0**

2023 - KUSD	Revenue	Cost of sales	Other income	Changes in the fair value	Gross profit	% of total
Indonesia	225 360	-153 088	779	- 728	72 322	48.3
Papua New Guinea	184 567	-111 143	0	-1 056	72 367	48.4
Côte d'Ivoire	32 555	-30 169	0	1 971	4 357	2.9
Europe	626	0	0	0	626	0.4
Total	**443 107**	**-294 400**	**779**	**186**	**149 673**	**100.0**

Total cost of sales can be split up in the following categories:

1. Estate charges – includes all charges relating to the field work to produce the base agricultural products (i.e. fresh fruit bunches, latex, bananas, horticulture);
2. Processing charges – includes all charges relating to the processing of the base agricultural products to the finished agricultural commodities (i.e. palm oil, palm kernel oil, …);
3. FFB/CPO purchases – includes all purchases from third parties (smallholders) or associates;
4. Stock movement – includes the variance in stock;
5. Changes in fair value – includes the changes in the fair value of the biological assets of palm oil and bananas;
6. Sales charges – includes all direct costs attributable to the sales of the year (i.e. transport charges, palm oil export tax/levy, ...);

7. General and administrative expenses – includes all costs related to the overall organisation (i.e. general management, financial department, marketing, internal audit, sustainability, etc.).

In KUSD	2024	2023
Estate charges	176 326	178 489
Processing charges	33 595	34 456
FFB/CPO purchases	41 206	42 651
Stock movement finished products	-2 225	2 536
Changes in fair value	2 425	186
Sales charges	32 877	35 895
Cost of sales	**284 205**	**294 214**
General and administrative expenses	48 450	46 204
Total cost of sales and general and administrative expenses	**332 655**	**340 417**

Estate charges have decreased compared to last year due to opposing effects:

- Lower fertilizer costs in 2024;
- Lower harvesting costs in 2024 due to the decrease in FFB production;
- Lower local transporting costs in Hargy Oil Palms Ltd;
- The devaluation of the PGK and IDR against the USD which is beneficial for the unit cost prices;
- Compensated by the additional mature hectares in the Musi Rawas region, whereby estate charges are now increasing annually;
- Compensated by the additional mature hectares in Plantations J. Eglin SA;
- Compensated by a general increase in costs due to inflation.

The processing charges decreased slightly compared to last year due to the lower volumes of processed FFBs in 2024 (-4.5%).

Purchases of FFB/CPO decreased by KUSD 1 445 due to opposing effects:

- A decrease in purchases of FFB from third parties at Hargy Oil Palms Ltd (KUSD -2 868) largely due to the lower crop volumes from smallholders (-13.1%) which are still recovering from the impact of the volcanic eruption in November 2023;
- An increase in purchase of FFB from third parties in South Sumatra (KUSD 2 300) the areas start to mature (+24.4%).

Stock levels are lower than last year (-31.4%) but valued at higher unit stock values due to overall higher CPO, PK and CPKO prices.

For more information on the ‘changes in fair value’ we refer to note 13.

Sales charges have decreased due to the lower transportation and freight prices on the world market in 2024 compared to 2023.

Total depreciation amounts to KUSD 55 846. Most of the depreciation was included in the estate and processing charges (KUSD 50 255). In addition, a total of KUSD 4 154 of depreciation charges is recorded in the ‘General and administrative expenses’ and KUSD 1 436 in ‘other operating income/(expenses)’.

'General and administrative expenses' increased in comparison with last year, mainly as a result of the further deployment of Sipef Singapore Pte Ltd to centralise the internal IT services of the Group and general inflation.

Revenue by location of the debtors

In KUSD	2024	2023
Indonesia	226 234	228 348
Switzerland	162 790	152 279
United Kingdom	19 022	14 613
France	14 834	9 646
Belgium	7 529	12 653
Ireland	5 478	2 990
Côte d'Ivoire	4 797	4 875
The Netherlands	734	12 884
Malaysia	673	126
United Arab. Emirates	588	697
China	533	513
Singapore	290	336
Spain	192	2 230
Pakistan	62	393
Afghanistan	45	985
Other	10	101
Germany	0	216
Total	**443 810**	**443 886**

The revenue of the Group is realised against a relatively small number of first-class buyers: per product about 90% of the revenue from contracts with customers is realized with a maximum of 10 clients. For additional information, we refer to note 26 – financial instruments.

Segment information – geographical information

	2024					
In KUSD	Indonesia	PNG	Côte d'Ivoire	Europe	Singapore	Total
Intangible assets	0	0	0	119	0	119
Goodwill	104 782	0	0	0	0	104 782
Biological assets	244 606	75 769	476	0	0	320 851
Other property, plant & equipment	318 810	125 609	12 274	557	471	457 720
Investments in associates and joint ventures (note 24)	-2 173	0	0	0	2 504	331
Other financial assets	46	0	51	15	0	112
Receivables > 1 year	33 893	0	0	11 688	0	45 581
Deferred tax assets	14 068	0	891	1 518	0	16 478
Total non-current assets	**714 034**	**201 377**	**13 692**	**13 897**	**2 975**	**945 975**
% of total	75.48%	21.29%	1.45%	1.47%	0.31%	100.00%

	2023					
In KUSD	Indonesia	PNG	Côte d'Ivoire	Europe	Singapore	Total
Intangible assets	0	0	0	138	0	138
Goodwill	104 782	0	0	0	0	104 782
Biological assets	246 770	79 182	705	0	0	326 656
Other property, plant & equipment	292 988	119 050	11 572	594	813	425 018
Investments in associates and joint ventures (note 24)	-1 426	0	0	0	3 123	1 697
Other financial assets	46	0	51	15	0	112
Receivables > 1 year	34 229	0	0	0	0	34 229
Deferred tax assets	12 691	0	910	1 613	0	15 214
Total non-current assets	**690 081**	**198 232**	**13 238**	**2 360**	**3 937**	**907 847**
% of total	76.01%	21.84%	1.46%	0.26%	0.43%	100.00%

The assets of Indonesia and PNG relate 100% to the palm segment in 2024. The assets of Côte d’Ivoire relate 100% to the bananas. The assets of Singapore relate primarily to Verdant Bioscience Pte Ltd conducting research into and developing high-yielding seeds. The assets of Europe do not relate specifically to one product segment.

8. GOODWILL AND OTHER INTANGIBLE ASSETS

	2024		2023	
In KUSD	Goodwill	Intangible assets	Goodwill	Intangible assets
Gross carrying amount at January 1	**104 782**	**737**	**104 782**	**767**
Acquisitions	0	40	0	9
Sales and disposals	0	0	0	- 39
Transfers	0	0	0	0
Translation differences	0	0	0	0
Gross carrying amount at December 31	**104 782**	**776**	**104 782**	**737**
Accumulated amortization and impairment losses at January 1	**0**	**- 599**	**0**	**- 541**
Depreciations	0	- 59	0	- 97
Sales and disposals	0	0	0	39
Transfers	0	0	0	0
Remeasurement	0	0	0	0
Accumulated amortization and impairment losses at December 31	**0**	**- 658**	**0**	**- 599**
Net carrying amount January 1	**104 782**	**138**	**104 782**	**226**
Net carrying amount December 31	**104 782**	**119**	**104 782**	**138**

Goodwill impairment analysis

Goodwill is the positive difference between the acquisition price of a subsidiary, associated company or joint venture and the share of the Group in the fair value of the identifiable assets and liabilities of the acquired entity on the acquisition date. Under standard IFRS 3 – Business Combinations, goodwill is not amortized, but rather tested for impairment.

Goodwill and intangible fixed assets are tested annually by management to see whether they have been exposed to impairment in accordance with the accounting policies in note 3 (regardless of whether there are indications of impairment).

To be able to assess the necessity of an impairment, the goodwill is allocated to a cash-generating unit (CGU). A cash-generating unit is the smallest identifiable group that generates cash that is to a large degree independent of the inflow of cash from other assets or groups of assets. This cash-generating unit is analysed on each balance sheet date to determine whether the carrying value of the goodwill can be fully recovered. If the realizable value of the cash-generating unit is lower in the long term than the carrying value, an impairment is recognized on the income statement in the amount of this difference.

In the SIPEF model, the cash-generating unit is compared with the total underlying asset related to the palm oil segment as of 31 December 2024. This consists of the following items:

Assets (in KUSD)	2024
Biological assets – bearer plants	320 375
Other fixed assets	445 446
Goodwill	104 782
Current assets – current liabilities	28 344
Total	**898 947**

The SIPEF group has defined the “cash-generating unit” as the operational palm oil segment. It consists of all cash flows from the palm oil activities of all plantations in Indonesia and Papua New Guinea. The cash flows from the sale of rubber, tea and bananas are not included here, as the goodwill has been allocated exclusively to the whole of the palm oil segment.

The recoverable value of the cash-generating units to which goodwill is allocated was determined by means of a calculation using a discounted cash flow model. The starting point is the operational plans of the Group, which look a decade ahead (to 2034) and have been approved by the board of directors. In this model, the macro-economic parameters, such as palm oil price and inflation, are deemed constant for each year. The constant palm oil price used in the model (USD 842/tonne) is management's best estimate of the long-term palm oil price expressed as CIF Rotterdam.

The average palm oil price used in the goodwill impairment amounts to USD 842/tonne, whereas the spot price per 31 December 2024 amounted to USD 1 265/tonne.

In the model, the growth of sales is the same as the normal improvement of the production volumes due to the maturity of the palm trees of the various subsidiaries. Any improvement in the future EBITDA margins in the model is a normal consequence of the same improvement in production volumes.

The current model was established with a weighted average cost of capital (after tax) of 10.82% and utilises the local tax rates of 22%-30%, depending on the countries in the which the cash flows are generated. The terminal value in the discounted cash flow model is based on perpetual growth of 2% in accordance with the Gordon growth model. In the model, we use a sensitivity analysis for various palm oil prices and various weighted average costs of capital (WACC):

Palm oil price (CIF Rotterdam)	
Scenario 1	USD 792/tonne CIF Rotterdam
Scenario 2 (base case)	USD 842/tonne CIF Rotterdam
Scenario 3	USD 892/tonne CIF Rotterdam

WACC	
Scenario 1	9.82%
Scenario 2 (base case)	10.82%
Scenario 3	11.82%

Summary assumptions of 2024:

PO / WACC	9.82%	10.82%	11.82%
USD 792/tonne CIF Rotterdam	Scenario 1	Scenario 4	Scenario 7
USD 842/tonne CIF Rotterdam	Scenario 2	Scenario 5 (base case)	Scenario 8
USD 892/tonne CIF Rotterdam	Scenario 3	Scenario 6	Scenario 9

Summary assumptions of 2023:

PO / WACC	9.31%	10.31%	11.31%
USD 770/tonne CIF Rotterdam	Scenario 1	Scenario 4	Scenario 7
USD 820/tonne CIF Rotterdam	Scenario 2	Scenario 5 (base case)	Scenario 8
USD 870/tonne CIF Rotterdam	Scenario 3	Scenario 6	Scenario 9

The increase of the WACC compared to previous year is primarily due to an increase in the risk-free-rate (10-year US government bond).

For the sensitivity analysis, the price is increased and decreased by USD 50/tonne. The WACC is increased and decreased with one percent. A sensitivity matrix is shown below for the total discounted cash flow for various palm oil prices and various weighted average costs of capital (WACC).

Sensitivity matrix per 31 December 2024

WACC/PO price (in KUSD)	9.82%	10.82%	11.82%
USD 792/tonne CIF Rotterdam	858 831	755 832	673 837
USD 842/tonne CIF Rotterdam	1 068 798	941 509	840 154
USD 892/tonne CIF Rotterdam	1 231 889	1 085 762	969 390
Value of underlying assets	898 947	898 947	898 947

The headroom is the difference between the total discounted cash flows and the value of the underlying asset:

Headroom (in KUSD)	9.82%	10.82%	11.82%
USD 792/tonne CIF Rotterdam	- 40 117	- 143 115	- 225 110
USD 842/tonne CIF Rotterdam	169 851	42 561	- 58 794
USD 892/tonne CIF Rotterdam	332 941	186 815	70 443

Green = base scenario

We also calculate the breakeven palm oil price based on the various WACCs.

Breakeven price	9.82%	10.82%	11.82%
USD/tonne	801 $/tonne	829 $/tonne	859 $/tonne

Management is of the opinion that the assumptions used in the calculation of the value in use as described above give the best estimates of future development. The sensitivity analysis shows that goodwill is in most of the cases fully recoverable. As a result, management is of the opinion that there is no indication of any impairment. Future sales prices continue to be difficult to predict over a long period of time and will be continuously monitored in the future.

9. BIOLOGICAL ASSETS – BEARER PLANTS

Movement schedule biological assets - bearer plants

The balance sheet movements in biological assets – bearer plants can be summarized as follows:

In KUSD	2024	2023
Gross carrying amount at January 1	**460 656**	**439 851**
Acquisitions	31 666	32 556
Sales and disposals	- 16 606	- 9 897
Transfers	- 12 886	- 1 923
Translation differences	- 128	70
Gross carrying amount at December 31	**462 702**	**460 656**
Accumulated depreciation and impairment losses at January 1	**- 134 000**	**- 123 136**
Depreciation	- 21 689	- 21 382
Sales and disposals	13 745	10 566
Transfers	0	0
Translation differences	94	- 48
Accumulated depreciation and impairment losses at December 31	**- 141 850**	**- 134 000**
Net carrying amount January 1	**326 656**	**316 715**
Net carrying amount December 31	**320 851**	**326 656**

The disposal of biological assets are mainly related to the disposal of the remaining rubber assets in PT Agro Muko and PT Bandar Sumatra. The final disposal of the remaining rubber assets marks the end of the rubber activities within the SIPEF group as all these areas will be converted to oil palm.

10. OTHER PROPERTY, PLANT AND EQUIPMENT

	2024							
In KUSD	Land, buildings and infrastructure	Installations and machinery	Vehicles	Office equipment, furniture and others	Leasing	In progress	Land rights	Total
Gross carrying amount at January 1	**236 759**	**207 245**	**83 316**	**38 396**	**4 707**	**16 250**	**154 689**	**741 362**
Acquisitions	15 984	7 430	13 423	3 432	176	6 177	8 530	55 152
Sales and disposals	- 5 687	- 7 819	- 2 781	- 520	0	0	- 249	-17 057
Transfers	8 909	8 133	532	217	0	- 5 973	1 068	12 886
Other	0	0	0	0	0	536	0	536
Translation differences	- 1 192	- 284	- 181	- 98	0	- 45	- 19	- 1 818
Gross carrying amount December 31	**254 773**	**214 704**	**94 309**	**41 427**	**4 883**	**16 946**	**164 019**	**791 061**
Accumulated depreciation and impairment losses at January 1	**- 98 479**	**- 131 016**	**- 57 059**	**- 24 778**	**- 2 158**	**0**	**- 2 855**	**- 316 345**
Depreciation	- 11 413	- 11 003	- 7 984	- 2 893	- 630	0	- 173	- 34 098
Sales and disposals	4 924	7 880	2 712	501	0	0	0	16 017
Transfers	151	0	0	0	0	0	-151	0
Other	0	0	0	3	0	0	0	3
Translation differences	705	172	122	68	0	0	14	1 081
Accumulated depreciation and impairment losses at December 31	**- 104 113**	**- 133 968**	**- 62 209**	**- 27 099**	**- 2 789**	**0**	**- 3 165**	**- 333 342**
Net carrying amount January 1	**138 279**	**76 229**	**26 258**	**13 618**	**2 549**	**16 250**	**151 834**	**425 018**
Net carrying amount December 31	**150 661**	**80 737**	**32 100**	**14 328**	**2 094**	**16 946**	**160 854**	**457 720**

The total of the investments in tangible assets (KUSD 55 152) relates to the usual replacement investments in the existing operations and in the new developments in South Sumatra (KUSD 20 633). In addition, to the further expansion of the planted areas and the associated infrastructure such as houses and roads, investments are being made of the renewal of the truck fleet in Hargy Oil Palms Ltd (KUSD 10 090 in 2024). The remaining assets in progress mainly relate to the continued investments in the immature planted areas, which will be transferred to the bearer plants upon their coming to maturity.

The transfers (KUSD 12 886) are mainly related to the commissioning of the AMR palm oil mill in June 2024 which has been reclassed from construction in progress to installation and machinery.

	2023							
In KUSD	Land, buildings and infrastructure	Installations and machinery	Vehicles	Office equipment, furniture and others	Leasing	In progress	Land rights	Total
Gross carrying amount at January 1	**220 362**	**199 873**	**74 240**	**36 070**	**4 373**	**7 735**	**139 143**	**681 795**
Acquisitions	11 656	13 102	14 785	4 092	334	16 954	13 497	74 421
Sales and disposals	- 1 270	- 7 311	- 6 538	- 2 490	0	- 3 002	0	- 20 610
Transfers	5 050	1 417	525	447	0	- 5 509	- 7	1 923
Other	376	19	212	230	0	0	2 047	2 884
Translation differences	585	144	91	48	0	73	8	948
Gross carrying amount December 31	**236 759**	**207 245**	**83 316**	**38 396**	**4 707**	**16 250**	**154 689**	**741 362**
Accumulated depreciation and impairment losses at January 1	**- 88 987**	**- 126 587**	**- 57 384**	**- 24 479**	**- 1 588**	**0**	**- 2 841**	**- 301 866**
Depreciation	- 10 136	- 11 758	- 6 053	- 2 720	- 571	0	- 7	- 31 245
Sales and disposals	1 030	7 432	6 484	2 464	0	0	0	17 411
Transfers	0	0	0	0	0	0	0	0
Other	- 19	- 10	- 46	- 7	0	0	0	- 83
Translation differences	- 366	- 93	- 60	- 35	0	0	- 7	- 562
Accumulated depreciation and impairment losses at December 31	**- 98 479**	**- 131 016**	**- 57 059**	**- 24 778**	**- 2 158**	**0**	**- 2 855**	**- 316 345**
Net carrying amount January 1	**131 374**	**73 287**	**16 856**	**11 591**	**2 785**	**7 735**	**136 302**	**379 930**
Net carrying amount December 31	**138 280**	**76 229**	**26 258**	**13 618**	**2 549**	**16 250**	**151 834**	**425 018**

The total of the investments in tangible assets (KUSD 74 421) in 2023 relates to the usual replacement investments in the existing operations and in the new developments in South Sumatra (KUSD 40 114). In addition, to the further expansion of the planted areas and the associated infrastructure such as houses and roads, investments are being made in South Sumatra in particular in the construction of the Agro Muara Rupit mill (KUSD 13 630 up to December 2023) with a processing capacity, in the first phase, of 45 tonnes of FFB per hour. The remaining assets in progress mainly relate to the continued investments in the immature areas, which will be transferred to the bearer plants upon their coming to maturity.

Below is a table with the proprietary rights on which the plantations of the SIPEF group are established:

	Hectares	Type	Maturity	Crop
PT Tolan Tiga Indonesia	6 042	Concession	2023*	Oil palm
PT Tolan Tiga Indonesia	2 437	Concession	2024*	Oil palm
PT Eastern Sumatra Indonesia	3 178	Concession	2023*	Oil palm
PT Kerasaan Indonesia	2 362	Concession	2023*	Oil palm
PT Bandar Sumatra Indonesia	1 413	Concession	2024*	Oil palm
PT Toton Usaha Mandiri	1 199	Concession	2046	Oil palm
PT Agro Muko	2 256	Concession	2044	Oil palm
PT Agro Muko	2 423	Concession	2045	Oil palm
PT Agro Muko	315	Concession	2031	Oil palm
PT Agro Muko	1 410	Concession	2028	Oil palm
PT Agro Muko	2 711	Concession	2028	Oil palm
PT Agro Muko	7 437	Concession	2044	Oil palm
PT Agro Muko	2 171	Concession	2047	Oil palm
PT Agro Muko	1 515	Concession	2022*	Oil palm
PT Agro Muko	2 100	Concession	2047	Oil Palm
PT Agro Muko	232	Concession	2056	Oil palm
PT Umbul Mas Wisea	4 397	Concession	2048	Oil palm
PT Umbul Mas Wisea	2 071	Concession	2048	Oil palm
PT Umbul Mas Wisea	679	Concession	2049	Oil palm
PT Umbul Mas Wisea	462	Concession	2049	Oil palm
PT Umbul Mas Wisea	155	Concession	2049	Oil palm
PT Dendymarker Indah Lestari	13 705	Concession	2028	Oil palm
PT Mukomuko Agro Sejahtera	1 705	Concession	2053	Oil palm
PT Mukomuko Agro Sejahtera (STGE)	370	Concession	2024*	Oil palm
PT Mukomuko Agro Sejahtera (BKDE)	1 513	Concession	2057	Oil palm
PT Citra Sawit Mandiri	1 640	Concession	2058	Oil palm
PT Citra Sawit Mandiri	5	Concession	2059	Oil palm
PT Citra Sawit Mandiri	169	Concession	2059	Oil palm
PT Timbang Deli Indonesia	972	Concession	2023*	Rubber and oil palm
Hargy Oil Palms Limited	128	Concession	2075	Oil palm
Hargy Oil Palms Limited	2 972	Concession	2076	Oil palm
Hargy Oil Palms Limited	16	Concession	2077	Oil palm
Hargy Oil Palms Limited	7	Concession	2079	Oil palm
Hargy Oil Palms Limited	6 460	Concession	2082	Oil palm
Hargy Oil Palms Limited	2 900	Concession	2101	Oil palm
Hargy Oil Palms Limited	0	Concession	2102	Oil palm
Hargy Oil Palms Limited	332	Concession	2106	Oil palm
Hargy Oil Palms Limited	1	Concession	2110	Oil palm
Hargy Oil Palms Limited	18	Concession	2113	Oil palm
Hargy Oil Palms Limited	246	Concession	2117	Oil palm
Plantations J. Eglin SA	1 021	Freehold	n/a	Bananas
Plantations J. Eglin SA	743	Provisional concession	n/a	Bananas
Plantations J. Eglin SA	817	Provisional concession	n/a	Bananas
Total	**82 704**			
PT Agro Rawas Ulu	5 233	In negotiation	-	Oil palm
PT Agro Kati Lama	7 584	In negotiation	-	Oil palm
PT Agro Kati Lama	3 090	In negotiation	-	Oil palm
PT Agro Muara Rupit	4 841	In negotiation	-	Oil palm
PT Agro Muara Rupit	7 574	In negotiation	-	Oil palm
PT Agro Muara Rupit	5 706	In negotiation	-	Oil palm
PT Agro Muara Rupit	983	In negotiation	-	Oil palm
Total	**35 011**			

** All documentation for the renewal of the land rights which matured in 2022, 2023 and 2024 has been delivered in time to the relevant authorities. The authorities are in the process of reviewing and approving. There is no indication that these land rights will not be renewed.*

In addition, our subsidiary Hargy Oil Palms Ltd has a total of 7 247 hectares of surveyed area (of which 4 076 hectares planted) on subleased land, with renewal dates between 2036 and 2044.

11. RECEIVABLES > 1 YEAR

In KUSD	2024	2023
Receivables > 1 year	45 581	34 229

In KUSD	2024	2023
Smallholders receivable	33 893	34 229
Other	11 688	0
Total	**45 581**	**34 229**

The ‘receivables over one year’ consists out of loans to smallholders in South Sumatra to finance the development of their new plantings and the loan to Verdant Bioscience Singapore Ltd.

The smallholder receivables will be gradually repaid from the moment the smallholders become a going concern plantation (i.e. mature) whereby proceeds of the FFB sales will be partly used to repay the loan.

Smallholder receivables are divided into interest bearing and non-interest bearing. The non-interest-bearing smallholder receivables are discounted upon recognition. The total discounting cost up to December 31, 2024, amounts to KUSD 2 526 with a cost of KUSD 399 for 2024. The total unwinding of the discount amounts to a gain of KUSD 113 for 2024.

The Group has calculated the expected credit loss in accordance with IFRS 9 and has done an impairment test on the outstanding smallholders’ receivables which showed no basis for impairment based on the long-term repayment plans.

The repayment of the smallholders’ loans will be determined largely by the plasma fruit production and world palm oil prices over the next years and is also dependent on the terms and conditions of the plasma scheme. Therefore, it is not possible to predict the exact timing of repayment. The Group currently has a total short-term plasma receivable of KUSD 5 241 – included in the current other receivables - and a long-term discounted smallholder receivable of KUSD 33 893.

The long-term loan to our associate Verdant Bioscience Singapore Ltd was reclassified from other short-term receivables to long-term receivables in 2024. The long-term loan is used to finance the research into and developing high-yielding seeds

12. INVENTORIES

Analysis of inventories:

In KUSD	2024	2023
Raw materials and supplies	27 031	24 681
Finished goods	19 103	22 498
Total	**46 135**	**47 179**

The remaining stock of raw materials and supplies has increased with KUSD 2 350 in comparison to prior year. This is mainly related to timing of fertilizer purchases which was higher per December 2024.

The decrease in finished goods is mainly due to the lower quantity of CPO stock at year-end compared to prior year (27 010 tonnes in 2023 vs 18 536 tonnes in 2024) but partly offset by an increased CPO price at year-end (1 265 USD/tonne in 2024 compared to 940 USD/tonne in 2023). The combined effect results in a lower overall stock value.

13. BIOLOGICAL ASSETS

The total biological assets at the end of the year are presented below:

In KUSD	2024	2023
Biological assets - palm oil	7 560	4 679
Biological assets - bananas	5 988	6 443
Total	**13 547**	**11 122**

The biological asset of palm oil is defined as the oil contained in the palm fruit. When the palm fruit contains oil, then this distinct asset is recognised and the fair value is estimated based on:

- The estimated quantity of oil that is available in the palm fruit;
- The estimated sales price of palm oil at the time of closing;
- The estimated cost to harvest and process the palm fruit;
- The estimated sales charges (transport, export tax, …).

Different scientific studies have shown that the oil in the palm oil fruit develops exponentially in approximately 4 weeks. The estimated quantity of oil in the palm oil fruit is therefore determined based on harvest of 4 weeks after the time of closing. In the calculation of the estimated quantity of available oil, the weighted importance of the harvest decreases step-by-step per week, in order to approximate the quantity of oil at the time of closing as well as possible. The margin from processing is excluded from the calculation of biological assets. The fair value of the biological assets calculated at the closing value on the 31st of December 2024 is based on level 2 data input.

At 31 December 2024, the total biological assets of palm oil amounted to KUSD 7 560 compared to KUSD 4 679 at 31 December 2023.

Impact of the estimated quantity of available oil	-10%	Carrying amount	+10%
Carrying value of the biological assets - palm oil	6 804	7 560	8 316
Gross Impact income statement (before tax)	- 756		756

The estimated sales price and the estimated costs and charges are the actual sales prices and costs at the time of closing. The results from the change of the fair value of the palm fruit are included in ‘changes in fair value of biological assets’. The increase compared to prior year is mainly related to improved projected FFB productions in January 2025 compared to January 2024 which is used as basis for the valuation of the biological assets.

The biological assets at the end of December also contain the consumable biological assets of bananas of our subsidiary Plantations J. Eglin SA. The biological assets of bananas are defined as the banana bunches which will be harvested in 3 months, weighted at their pro-rata for each remaining harvesting month. At 3 months before harvest, a reliable flower count is done, which is used to determine the estimated biological assets. The net selling price to value the biological assets is determined as the current market prices reduced by the remaining costs to sell the biological assets. The balance of 2024 amounted to KUSD 5 988 (2023: KUSD 6 443 and has remained stable compared to prior year as the expansion in Akoudié and Lumen are as good as finalized.

Impact of the estimated quantity of available bananas	-10%	Carrying amount	+10%
Carrying value of the biological assets - bananas	5 389	5 988	6 586
Gross Impact income statement (before tax)	- 599		599

There are no restrictions, pledges or commitments in relation to the biological assets of the Group.

14. OTHER CURRENT RECEIVABLES AND OTHER CURRENT PAYABLES

The ‘other receivables’ have decreased with KUSD 16 631 from KUSD 49 490 in 2023 to KUSD 32 859 in 2024. The other receivables mainly consist of VAT receivables in the various entities, a current account with PT Melania as it is classified as ‘asset held for sale’ and the smallholder receivables in Hargy Oil Palms Ltd.

The main reasons for the decrease in ‘other receivables’ is the reclassification of the current account with Verdant Bioscience Singapore PTE Ltd (KUSD -10 054) from short-term to long-term receivables, a GST settlement in Hargy Oil Palms Ltd where the VAT has been offset with the current income tax payable in 2024 (KUSD - 5 737), some VAT settlements in our Indonesian subsidiaries (KUSD -107) and an increase in expected repayments from the smallholders (KUSD 2 167) in 2025. The remaining movements consist of various smaller items in the different subsidiaries mainly related to VAT.

The Group has calculated the expected credit loss in accordance with IFRS 9 and determined it to be immaterial.

The ‘other payables’ (KUSD 20 373 in 2024 and KUSD 15 832 in 2023) mainly concern social obligations (salaries to be paid, provisions for holiday pay and bonus) and other non-trade related payables. The increase, in comparison to prior year, is primarily due to the expenses related to the implementation of the new ERP project.

15. SHAREHOLDERS' EQUITY

Capital stock and share premium

The issued capital of the company as at December 31, 2024, amounts to KUSD 44 734, represented by 10 579 328 fully paid ordinary shares without nominal value.

	2024	2023
Number of shares	10 579 328	10 579 328

In KUSD	2024	2023
Capital	44 734	44 734
Share premium	107 970	107 970
Total	**152 704**	**152 704**

	2024	2023	2024	2023
	KUSD	KUSD	KEUR	KEUR
Treasury shares - opening balance	**11 681**	**11 588**	**9 641**	**9 549**
Acquisition/sale treasury shares	-1 048	93	-958	92
Treasury shares - ending balance	**10 633**	**11 681**	**8 684**	**9 641**

Since the start of the share buyback program on 22 September 2011, SIPEF has a total of 162 016 own shares for an amount of KEUR 8 684, corresponding to 1.5314% of the total shares outstanding, as cover for a share option plan for the management. For additional information see note 22.

Authorised capital

The extraordinary general meeting of shareholders on June 14, 2023, authorised the board of directors to increase the capital in one or more operations by an amount of KUSD 44 734 over a period of 5 years after the publication of the renewal.

Shareholder structure

The company has received following shareholders declarations:

Acting in concert	Number of shares	Date***	Denominator	%
Ackermans & Van Haaren NV*	4 518 213	03/03/2025	10 579 328	42.708
Cabra NV**	1 001 032	03/03/2025	10 579 328	9.462
Cabra P**	100 000	03/03/2025	10 579 328	0.945
Cabra T**	100 000	03/03/2025	10 579 328	0.945
Cabra V**	100 000	03/03/2025	10 579 328	0.945
Theodora Bracht**	2 000	03/03/2025	10 579 328	0.019
Priscilla Bracht**	0	03/03/2025	10 579 328	0.000
Victoria Bracht**	0	03/03/2025	10 579 328	0.000
Total votes acting in concert	**5 821 245**			**55.024**

** Including 155 512 own shares*
*** Group Bracht*
**** Latest transparency declaration*

Translation differences

Translation differences consists of all the differences related to the translation of the financial statements of our subsidiaries for which the functional currency is different from the presentation currency of the Group (USD). The deviation from last year is due to the movement of the USD versus the EUR (KUSD 418).

In KUSD	2024	2023
Opening balance at January 1	**-10 978**	**-11 246**
Movement, full consolidation	-418	268
Ending balance at December 31	**-11 396**	**-10 978**

Dividends

On February 11, 2025, a dividend of maximum KEUR 21 159 (EUR 2.00 gross per ordinary share) has been proposed by the board of directors but has not yet been approved by the annual general meeting of shareholders of SIPEF and is therefore not provided for in the financial statements as at December 31, 2024.

Capital management

The capital structure of the Group is based on the financial strategy as defined by the board of directors. Summarized, this strategy consists of an expansion policy while respecting a very limited debt ratio. The management puts forward yearly the plan for approval by the board of directors.

Chain of control

1. Chain of control above Ackermans & Van Haaren NV

I. Ackermans & Van Haaren NV is directly controlled by Scaldis Invest NV, a company incorporated under Belgian law.
II. Scaldis Invest NV is directly controlled by Belfimas NV, a company incorporated under Belgian law.
III. Belfimas NV is directly controlled by Celfloor SA, a company incorporated under Luxembourg law.
IV. Celfloor SA is directly controlled by Apodia International Holding BV, a company incorporated under Dutch law.
V. Apodia International Holding BV is directly controlled by Palamount SA, a company incorporated under Luxembourg law.
VI. Palamount SA is directly controlled by Stichting administratiekantoor “Het Torentje”, incorporated under Dutch law.
VII. Stichting Administratiekantoor “Het Torentje” is the ultimate controlling shareholder.

2. Chain of control above Cabra NV

Priscilla Bracht, Theodora Bracht and Victoria Bracht exercise joint control over Cabra NV.

3. Chain of control above Cabra P NV, Cabra T NV and Cabra V NV

Cabra P NV, Cabra T NV and Cabra V NV are controlled by, respectively, Priscilla Bracht, Theodora Bracht and Victoria Bracht.

4. Chain of control above SIPEF

Ackermans & van Haaren NV and Group Bracht jointly exercise control over SIPEF.

16. NON-CONTROLLING INTERESTS

The table below presents the non-controlling interests per company, as well as their share of the equity and the profit of the year.

	2024			2023		
In KUSD	% Non-controlling interests	Share of the equity	Share of the profit of the year	% Non-controlling interests	Share of the equity	Share of the profit of the year
PT Tolan Tiga Indonesia	5.00	23 599	620	5.00	22 834	824
PT Eastern Sumatra Indonesia	9.75	8 337	824	9.75	7 507	696
PT Kerasaan Indonesia	45.85	3 960	1 676	45.85	4 553	1 344
PT Bandar Sumatra Indonesia	9.75	842	- 28	9.75	868	- 148
PT Melania Indonesia	2.75	235	0	2.75	235	0
PT Mukomuko Agro Sejahtera	14.26	- 621	- 98	14.26	- 524	- 75
PT Umbul Mas Wisesa	5.00	340	235	5.00	94	158
PT Citra Sawit Mandiri	5.00	1	66	5.00	- 66	112
PT Toton Usaha Mandiri	5.00	346	64	5.00	279	40
PT Agro Rawas Ulu	0.00	0	0	0.00	0	0
PT Agro Kati Lama	0.00	0	0	0.00	0	0
PT Agro Muara Rupit	0.00	- 1	0	0.00	- 1	0
PT Agro Muko	4.95	2 936	937	4.95	1 996	738
PT Dendymarker Indah Lestari	4.95	-2 619	113	4.95	-2 733	- 68
Jabelmalux SA	0.00	- 1	0	0.00	- 1	0
Total		**37 355**	**4 409**		**35 042**	**3 619**

The non-controlling interest's share of the property, plant and equipment (including biological assets - bearer plants) amounts to KUSD 24 004 in 2024 (2023: KUSD 23 347). There were no changes in non-controlling interests within the SIPEF Group in 2024.

The movements of the year can be summarized as follows:

In KUSD	2024	2023
At the end of the preceding period	**35 042**	**32 342**
Profit for the period attributable to non-controlling interests	4 409	3 619
Remeasurement gain/(loss) on Defined Benefit Plans	54	- 14
Distributed dividends	-2 151	-2 796
Equity transactions with non-controlling parties	0	1 890
At the end of the period	**37 355**	**35 042**

The distributed dividends to non-controlling interests consist of:

In KUSD	2024	2023
PT Kerasaan Indonesia	2 150	2 795
Jabelmalux SA	1	1
Total	**2 151**	**2 796**

The dividend from PT Kerasaan and Jabelmalux SA has been declared and paid in 2024.

There are no limitations to the transfer of funds. The non-controlling interests have no rights to use the assets of the Group or to repay the liabilities of the subsidiaries. The non-controlling interests do not have significant protective rights. There are no restrictions to realise assets and settle liabilities of subsidiaries.

17. PROVISIONS

In KUSD	2024	2023
Provision	427	524

The provisions are entirely related to VAT disputes in Indonesia. During 2024, there have been a number of court cases which were settled mainly in SIPEF's favour. It is difficult to make an estimate of the settlement time of the dispute. The remaining provisions is estimated based on the ratio of the settled court cases in favour of SIPEF compared to the total court cases remaining.

18. PENSION LIABILITIES

Defined benefit plans

Pension liabilities mainly represent defined benefit plans in Indonesia. These pension plans, set up in order to pay a lump sum amount at the time of retirement, are not financed with a third party. The total number of employees affected by the pension plan amounts to 10 881. The pension plan is payable to an employee at the age of 55 or after 30 years of seniority, whichever comes first.

Since the pension plan is adjusted by future salary increases and discount rates, the pension plan is exposed to Indonesia's future salary expectations, as well as Indonesia's inflation and interest rate risk. Furthermore, the pension plan is payable in Indonesian Rupiah, exposing it to a currency risk. We refer to note 26 for further details concerning the currency risk of the Group. As the pension plan is unfunded, there is no risk relating to a return on plan assets.

The following reconciliation summarizes the variation of total pension liabilities between 2023 and 2024:

In KUSD	2023	Pension cost	Payment	Exchange	Translation difference	2024
Indonesia	22 471	2 885	-1 344	-1 161	0	22 850
Côte d'Ivoire	1 044	81	- 111	0	- 62	953
Total	**23 515**	**2 966**	**-1 455**	**-1 161**	**- 62**	**23 803**

The following assumptions are used in the pension calculation of Indonesia:

	2024	2023
Discount rate	7.00%	7.00%
Future salary increases	5.00%	5.00%
Assumed retirement age	55 years or 30 years of seniority	55 years or 30 years of seniority

Pension liabilities in Indonesia have changed as follows:

In KUSD	2024	2023
Opening	**22 471**	**19 801**
Service cost	2 307	2 056
Interest cost	1 431	1 445
Benefits paid	-1 344	-1 450
Actuarial gains and losses	- 853	239
Exchange differences	-1 161	379
Closing	**22 850**	**22 471**

Actuarial gains and losses consist of the following components:

In KUSD	2024	2023
Experience adjustments	- 300	- 752
Changes in assumptions used	- 553	991
Total actuarial gains and losses	**- 853**	**239**

The actuarial gains and losses included in the above table contain the largest part of the total actuarial gains and losses included in the other comprehensive income.

The amounts relating to the pension cost of Indonesia are as follows:

In KUSD	2024	2023
Service cost	2 307	- 116
Interest cost	1 431	1 366
Pension cost	**3 738**	**1 250**
Actuarial gains and losses recorded in Other Comprehensive Income	- 853	126
Total pension cost	**2 886**	**1 375**

These costs are included under the headings cost of sales and general and administrative expenses of the income statement.

Estimated benefit payments cumulates to KUSD 1 442 in 2025.

Sensitivity of the variation of the discount rate and of the future salary increase

Values as appearing in the balance sheet are sensitive to changes in the actual discount rate compared to the discount rate used. The same applies to changes in the actual future salary increase compared to the future salary increase used in the calculation. For our Indonesian entities, simulations were made to calculate the impact of a 1% increase or decrease of both parameters on the pension provision, resulting in the following effects:

Impact of the change in discount rate

In KUSD	+1%	Carrying amount	-1%
Pension liability of the Indonesian subsidiaries	20 870	22 850	25 060
Gross impact on the comprehensive income	1 980		-2 210

Impact of the change in future salary increase

In KUSD	+1%	Carrying amount	-1%
Pension liability of the Indonesian subsidiaries	25 184	22 850	24 965
Gross impact on the comprehensive income	-2 334		2 115

Defined contribution plans

The Group pays contributions to publicly or privately administered insurance plans. Since the Group is obliged to make additional payments if the average return on the employer's contribution and on the employees' contributions is not attained, those plans should be treated as "defined benefit plans" in accordance with IAS 19.

The liability is based on an analysis of the plans and the limited difference between the legally guaranteed minimum returns and the interest guaranteed by the insurance company, the Group has concluded that the application of the PUC method would have an immaterial impact. The total accumulated reserves amount to KUSD 1 537 by the end of December 2024 (2023: KUSD 2 152) compared to the total minimum guaranteed reserves of KUSD 1 237 at 31 December 2024 (2023: KUSD 1 827).

Contributions paid regarding the defined contribution plans amount to KUSD 442 (2023: KUSD 493). SIPEF is not responsible for the minimum guaranteed return on the contributions paid for the members of the executive committee (KUSD 367).

19. NET FINANCIAL ASSETS/(LIABILITIES)

Net financial assets/(liabilities) (non-GAAP measure) can be analysed as follows:

In KUSD	2024	2023
Financial liabilities < 1 year - credit institutions	-35 894	-22 319
Financial liabilities > 1 year (incl. derivatives)	0	0
Current portion of amounts payable after one year	0	-18 000
Investments and deposits	1	1
Cash and cash equivalents	19 880	11 549
Lease liability	-2 073	-2 649
Net financial assets/(liabilities)	**-18 087**	**-31 418**

Analysis of net financial assets/(liabilities) 2024 per currency:

In KUSD	EUR	USD	Others	Total
Short-term financial obligations	-5 194	-30 700	0	-35 894
Other investments and deposits	0	1	0	1
Cash and cash equivalents	1 972	17 550	358	19 880
Financial liabilities > 1 year	0	0	0	0
Lease liability	- 335	0	-1 739	-2 073
Total 2024	**-3 557**	**-13 149**	**-1 381**	**-18 087**
Total 2023	**-4 721**	**-27 917**	**1 220**	**-31 418**

The 'short-term financial obligations' relate to the commercial papers for a total amount of KUSD 5 194. This financial obligation has been completely hedged at an average rate of EUR 1 = USD 1.0960. Further, the short-term financial obligations are related to a straight loan of KUSD 30 700.

There are no 'financial liabilities > 1 year' per 31 December 2024 as the last part of the long-term loan was completely repaid in 2024. There are no loan covenants applicable.

Reconciliation of the 'net financial assets/(liabilities)' and cash flow:

In KUSD	2024	2023
Net financial position at the beginning of the period	**-31 418**	**122**
Repayment in long-term borrowings	18 924	18 528
Proceeds in long-term borrowings	- 398	- 182
Repayment in short-term financial obligations	50	590
Proceeds in short-term financial obligations	-13 575	-17 671
Net movement in cash and cash equivalents	8 331	-32 806
Net financial assets/(liabilities) at the end of the period	**-18 087**	**-31 418**

Reconciliation of the total financial liabilities:

In KUSD	2024	2023
Financial liabilities at the beginning of the period	**42 968**	**44 233**
Repayment in long-term borrowings	-18 924	-18 528
Proceeds in long-term borrowings	398	182
Repayment in short-term financial obligations	- 50	- 590
Proceeds in short-term financial obligations	13 575	17 671
Financial liabilities at the end of the period	**37 967**	**42 968**

20. OTHER OPERATING INCOME/(EXPENSES)

The 'other operating income/(expenses)' can be detailed as follows:

	2024			2023		
In KUSD	Equity holders of the parent	Non-controlling interests	Total	Equity holders of the parent	Non-controlling interests	Total
VAT claim Indonesia	103	24	127	485	26	510
Fair value adjustment of PT Melania	-6 074	- 320	-6 394	0	0	0
Disposal biological assets – replant PT UMW	-1 293	- 68	-1 361	0	0	0
Reversal impairment PT Citra Sawit Mandiri	0	0	0	2 661	140	2 801
Impairment UMW biopellet project	- 149	- 8	- 157	-1 140	- 60	-1 200
Rental income tank storage capacity	201	10	211	588	31	619
Other income/(expenses)	497	26	523	1 689	89	1 778
Other operating income/(expenses)	**-6 716**	**- 335**	**-7 051**	**4 284**	**225**	**4 509**

The other income/ expenses mainly consist out of:

- The movement in the provision for the Indonesian VAT claims (KUSD +127) mainly in favour of SIPEF;
- The fair value adjustment on the sale of PT Melania (KUSD -6 394), we refer to note 30;
- The disposal of the remaining net book value of the biological assets related to the replanting program in PT UMW (KUSD -1 361);
- The impairment of the remaining net book value of the 'bio pellet project' next to the mill of PT UMW (KUSD -157);
- The tank rental income generated by rentals of tank storage capacity (KUSD +221);
- The remaining amount is related to stock adjustments for obsolete stock, warehouse sales to smallholders in Papua New Guinea and other smaller immaterial items.

In last year, the main items in the other operating income/expenses were related to the reversal on the historical impairment (KUSD +2 801) in PT Citra Sawit Mandiri as the HGU was obtained and the impairment of the 'bio pellet project' next to the mill PT Umbul Mas Wisesa (KUSD -1 200).

21. FINANCIAL RESULT

The financial income concerns the interests received on current accounts with non-consolidated companies and on temporary excess cash, as well as the income resulting from the unwinding of the discounting of the ‘receivables > 1 year’. The financial expenses concern the interests on long term and short-term borrowings as well as bank charges, the discounting of the long-term smallholders receivables and other financial expenses.

In KUSD	2024	2023
Interests received	1 476	1 764
Unwinding of the discounting	113	45
Discounting of receivables > 1 year	-399	-402
Financial expenses	-2 553	-1 677
Exchange result	-3 938	1 112
Financial result derivatives	-1 338	-3
Financial result	**-6 640**	**839**

The increase in financial expenses is mainly related due to the higher interest rates on the short term loans which take a higher portion in the overall loan composition of the Group as the long term loan, which was hedged against a lower interest rate, has been repaid. The exchange and financial results of derivates are mainly related due to the forex cover of the EUR dividend and the devaluation of the EUR, PGK and IDR net outstanding receivable positions against the USD dollar compared to prior year.

22. SHARE BASED PAYMENT

Grant date	Opening balance	Number of options granted	Number of options exercised	Number of options expired	Ending Balance
2014	16 000		-14 000	-2 000	0
2015	18 000		-2 000		16 000
2016	18 000		-2 000		16 000
2017	18 000				18 000
2018	20 000		-2 000		18 000
2019	18 000				18 000
2020	18 000				18 000
2021	16 000				16 000
2022	18 000				18 000
2023	20 000				20 000
2024	0	18 000			18 000
Balance	**180 000**	**18 000**	**-20 000**	**-2 000**	**176 000**

	2024		2023	
	Number of share options	Weighted average exercise price (in EUR)	Number of share options	Weighted average exercise price (in EUR)
January 1	180 000	52.9	184 000	53.2
Granted during the year	18 000	56.9	20 000	52.7
Forfeitures of rights and expiries during the year	-2 000	54.7	-13 558	54.8
Exercised during the year	-20 000	53.7	-10 442	55.3
December 31	**176 000**	**53.2**	**180 000**	**52.9**
Exercisable at December 31	**120 000**		**126 000**	

	Options outstanding			Options Exercisable	
Range of exercise prices (EUR)	Number of outstanding	Weighted average remaining life (years)	Weighted average contractual price	Number exercisable	Weighted average exercise price
44.59 – 45.61	36 000	5.5	45.1	36 000	45.1
49.15 – 53.09	70 000	4.2	51.7	50 000	51.3
56.88 – 57.70	36 000	8.9	57.3	0	N/A
58.31 – 62.87	34 000	4.9	60.7	34 000	60.7
	176 000			**120 000**	

SIPEF's stock option plan, which was approved in November 2011, is intended to provide long term motivation for the members of the executive committee and general directors of the foreign subsidiaries whose activities are essential to the success of the Group. The options give them the right to acquire a corresponding number of SIPEF shares.

The remuneration committee is responsible for monitoring this plan and selecting the beneficiaries. The options are provided free of charge and their exercise period is 10 years.

IFRS 2 has been applied to the stock options. The total value of the outstanding options 2015 - 2024 (valued at the fair value at the moment of granting), amounts to KUSD 1 505 and is calculated based on an adjusted Black & Scholes model of which the main characteristics are as follows:

Grant date	Share price (in EUR)	Dividend yield	Volatility	Interest rate	Estimated expected lifetime	Black & Scholes Value (in EUR)
2011	58.00	2.50%	38.29	3.59%	5.00	18.37
2012	58.50	2.50%	37.55	0.90%	5.00	15.07
2013	57.70	2.50%	29.69	1.36%	5.00	12.72
2014	47.68	2.50%	24.83	0.15%	5.00	5.34
2015	52.77	2.50%	22.29	0.07%	5.00	8.03
2016	60.49	3.00%	19.40	-0.37%	5.00	8.38
2017	62.80	3.00%	18.88	-0.12%	5.00	5.57
2018	48.80	3.00%	18.60	-0.03%	5.00	3.54
2019	54.80	3.00%	19.56	-0.32%	5.00	8.12
2020	43.20	3.00%	23.35	-0.66%	5.00	4.57
2021	56.90	3.00%	24.14	-0.33%	5.00	6.74
2022	58.90	3.00%	25.86	2.82%	5.00	11.73
2023	53.00	3.00%	25.97	2.25%	5.00	9.78
2024	56.80	3.00%	24.95	2.47%	5.00	10.15

In 2024, 18 000 new stock options were granted with an exercise price of EUR 56.9 per share. The fair value when granted was fixed at KUSD 190 and will be recorded in the profit and loss accounts over the vesting period of 3 years (2025-2027). The total cost of the stock options included in the income statement is KUSD 201 in 2024 (2023: KUSD 163). To cover the outstanding option liability, SIPEF has a total of 162 016 treasury shares in portfolio. The share buyback program will continue in 2025 until the number of treasury shares covers the number of outstanding options.

	Number of shares	Average purchase price (in EUR)	Total purchase price (in KEUR)	Total purchase price (in KUSD)
Opening balance 31/12/2023	**180 000**	**53.6**	**9 641**	**11 681**
Acquisition of treasury shares	2 016	56.4	114	118
Disposal of treasury shares	-20 000	53.6	-1 072	-1 166
Ending balance 31/12/2024	**162 016**	**53.6**	**8 683**	**10 633**

The extraordinary general meeting of shareholders on June 14, 2023, authorised the board of directors to purchase own shares of SIPEF if deemed necessary over a period of 5 years after the publication of the renewal.

23. INCOME TAXES

The reconciliation between the tax expenses and tax at local applicable tax rates is as follows:

In KUSD	2024	2023
Profit before tax	**97 464**	**108 817**
Tax at the applicable local rates	-23 990	-28 251
Average applicable tax rate	-24.61%	-25.96%
Non-taxable result reversal historical impairment CSM	0	616
Permanent differences	-1 131	- 935
Losses of the year for which no DTA is recognised	- 81	0
Profits of the year for which no DTA is recognised	0	571
Impairment losses recognised on DTA recognised in previous years	-1 157	-3 566
Reversal of impairment losses on DTA recognised in previous years	1 914	437
Fair value adjustment sale PT Melania	-1 407	0
Tax expense	**-25 851**	**-31 128**
Average effective tax rate	-26.52%	-28.61%

The non-taxable result in PT Citra Sawit Mandiri in prior year relates to the reversal of the historical impairment recorded in PT Citra Sawit Mandiri. The permanent differences consist mainly of disallowed expenses for tax purposes and are slightly higher than last year due to higher permanently rejected expenses. The fair value adjustment on the asset held for sale of PT Melania (KUSD -6 394) is a non-deductible tax expense and amounts to KUSD 1 407.

We received from the Indonesian tax authorities the formal approval, which starting from financial year 2014 our Indonesian affiliates are allowed to lodge their tax declaration in USD. From the tax authorities in Papua New Guinea the SIPEF group got permission to prepare the tax declaration based on USD accounts from 2015 onwards. For SIPEF NV and Jabelmalux SA a similar authorisation has been obtained with effect from the financial year 2016.

Deferred tax liabilities and assets are offset per taxable entity which leads to the following split between deferred tax assets and deferred tax liabilities:

In KUSD	2024	2023
Deferred tax assets	16 478	15 214
Deferred tax liabilities	-52 690	-52 454
Net deferred taxes	**-36 212**	**-37 240**

The movements in net deferred taxes (assets - liabilities) are:

In KUSD	2024	2023
Opening balance	**-37 240**	**-34 034**
Variation (- expense) / (+ income) through income statement	1 228	2 043
Tax impact of IAS 19 through comprehensive income	- 268	124
Tax impact hedge accounting via OCI	124	214
Impact accelerated fiscal depreciations HOPL	0	-5 614
Other	- 56	27
Closing balance	**-36 212**	**-37 240**

Deferred taxes in the income statement are the result of:

In KUSD	2024	2023
Addition/(utilization) of tax losses brought forward	1 356	-1 091
Origin/(reversal) of temporary differences - IAS 41 revaluation	-1 279	521
Origin/(reversal) of temporary differences - fixed assets	1 053	2 685
Origin/(reversal) of temporary differences - pension provision	411	463
Origin/(reversal) of temporary differences - other	- 314	- 536
Total	**1 228**	**2 043**

Total deferred tax assets are not entirely recognized in the balance sheet. The breakdown of total recognized and unrecognized deferred taxes is as follows:

In KUSD	2024		
	Total	Not recorded	Recorded
Biological assets	-2 161	0	-2 161
Property, plant and equipment, including bearer plants	-46 729	0	-46 729
Inventories	-5 797	0	-5 797
Pension provision	5 016	0	5 016
Tax losses	14 763	4 115	10 648
Others	2 811	0	2 811
Total	**-32 097**	**4 115**	**-36 212**

The majority of the unrecognized deferred tax assets at the end of 2024 are located at the companies of the South Sumatra group (KUSD 3 268) and the Tolan Tiga group (KUSD 847). The set-up of and the adjustments to the deferred tax assets are based on the most recently available long-term business plans.

The total tax losses (recognized and unrecognized) have the following maturity structure:

In KUSD	2024		
	Total	Not recorded	Recorded
1 year	21 731	11 336	10 395
2 years	13 505	5 486	8 020
3 years	9 236	833	8 403
4 years	9 211	682	8 528
5 years	4 528	368	4 160
Unlimited	7 837	0	7 837
Total	**66 048**	**18 705**	**47 343**

In Indonesia and Papua New Guinea, the Group made advance payments of taxes in accordance with local legislation. These were partly based on the results of 2023, which were in line with the results in 2024, and partly on the record results of 2022 which were significantly higher than the results of 2024. Therefore, the prepayments of taxes of KUSD 31 625 were higher the taxes to be paid of KUSD 27 077.

In KUSD	2024	2023
Taxes to receive	7 547	6 925
Taxes to pay	-6 605	-10 605
Net taxes to receive/ (to pay)	**941**	**-3 681**

In KUSD	2024	2023
Net taxes to receive/ (to pay) at the beginning of the period	**-3 681**	**-32 340**
Transfer	74	5 614
Taxes to pay	-27 077	-33 171
Paid taxes	31 625	56 216
Net taxes to receive/ (to pay) at the end of the period	**941**	**-3 681**

Taxes paid as presented in the consolidated cash flow statement are detailed as follows:

In KUSD	2024	2023
Tax expense	-25 851	-31 128
Deferred tax	-1 226	-2 043
Current taxes	**-27 077**	**-33 171**
Variation prepaid taxes	-622	-5 825
Variation payable taxes	-3 926	-17 221
Paid taxes	**-31 625**	**-56 216**

There are no material unrecorded uncertain tax positions within the SIPEF group. SIPEF is exempted from Pillar 2.

24. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The SIPEF group has the following percentage of control and percentage of interest in the associates:

Entity	Location	% of control	% of interest
Verdant Bioscience Pte Ltd	Singapore / Republic of Singapore	38.00	38.00
PT Timbang Deli Indonesia	Medan / Indonesia	38.00	36.10

An associate is an entity over which the Group has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group has no joint ventures.
The investments in associates consist of Verdant Bioscience Singapore Pte Ltd and PT Timbang Deli, both active in tropical agriculture.

Verdant Bioscience Pte Ltd (VBS) is a company located in Singapore. As of 1 January 2014, the Group holds a 38% interest in VBS. The company is a cooperation between Ackermans & Van Haaren (42%), SIPEF NV (38%), PT Dharma Satya Nusantara (10%) and BioSing Pte (10%) with the objective of conducting research into and developing high-yielding seeds with a view to commercializing them.

The Group holds via Verdant Bioscience Pte Ltd a 36.10% participation in PT Timbang Deli, a company located on the island of Sumatra in Indonesia. PT Timbang Deli is engaged in cultivation of palm oil and provides the practical operation of the Group's research activities. Following the Share Swap agreement with Verdant Bioscience Pte Ltd the SIPEF group contributed 95% of the total number of shares of PT Timbang Deli to Verdant Bioscience Pte Ltd.

The total section ‘investments in associates and joint ventures’ can be summarized as follows:

In KUSD	2024	2023
Verdant Bioscience Pte Ltd	2 504	3 123
PT Timbang Deli Indonesia	-2 173	-1 426
Total	**331**	**1 697**

The total section ‘Share of profit/loss of an associate and joint venture’ can be summarized as follows:

In KUSD	2024	2023
Verdant Bioscience Pte Ltd	- 619	- 678
PT Timbang Deli Indonesia	- 747	- 657
Total result	**-1 366**	**-1 335**

Below we present the condensed statements of financial position of the associated companies. These are prepared in accordance with IFRS and are before intercompany eliminations and excluding goodwill.

	Verdant Bioscience Pte Ltd		PT Timbang Deli	
In KUSD	2024	2023	2024	2023
Biological assets	0	0	2 995	3 249
Other non-current assets	23 793	23 835	6 080	5 650
Current assets	16 926	14 527	1 162	987
Cash and cash equivalents	93	108	324	255
Total assets	**40 812**	**38 470**	**10 560**	**10 141**
Non-current liabilities	- 8	- 14	1 302	1 371
Long term financial debts	0	0	0	0
Current liabilities	28 072	24 105	17 513	14 957
Short term financial debts	0	0	0	0
Equity	12 749	14 379	-8 255	-6 187
Total equity and liabilities	**40 812**	**38 470**	**10 560**	**10 141**

The associates had no contingent liabilities or capital commitments as at 31 December 2024 and 2023.

Below we present the condensed income statements of the associated companies. These are prepared in accordance with IFRS and are before intercompany eliminations and excluding goodwill.

	Verdant Bioscience Pte Ltd		PT Timbang Deli	
In KUSD	**2024**	**2023**	**2024**	**2023**
Inclusion in the consolidation:	38.00%	38.00%	36.10%	36.10%
Revenue	0	0	4 743	5 315
Depreciation	51	50	913	813
Interest income	668	203	3	3
Interest charges	0	0	- 668	- 203
Total comprehensive income	-1 630	-1 784	-2 068	-1 820
Share in the consolidation	**- 619**	**- 678**	**- 747**	**- 657**
Total share of the group	- 619	- 678	- 747	- 657
Total share minorities	0	0	0	0
Total	**- 619**	**- 678**	**- 747**	**- 657**

Reconciliation of the associated companies

The below tables are prepared in accordance based on the IFRS financial statements as included in the consolidation, in accordance with the accounting policies of the SIPEF group, before goodwill allocation.

	Verdant Bioscience Pte Ltd		PT Timbang Deli	
In KUSD	**2024**	**2023**	**2024**	**2023**
Equity without goodwill	12 749	14 379	-8 255	-6 187
Share of the group	4 845	5 464	-2 980	-2 233
Goodwill	0	0	807	807
Equity elimination PT Timbang Deli	-2 340	-2 340	0	0
Total	**2 504**	**3 123**	**-2 173**	**-1 426**

Dividends received from associated companies

During the year no dividends were received from associated companies.

There are no restrictions on the transfers of funds to the Group.

25. CHANGE IN NET WORKING CAPITAL

Cash flow from operating activities remained in line with last year and went from KUSD 162 768 in 2023 to KUSD 162 900 in 2024. The net working capital includes inventories, trade receivables and other current receivables, netted with trade payables and other current liabilities.

The variation of the working capital of KUSD 1 768 mainly relates to the increase in trade/other receivables and trade/other payables, and a decrease in other current liabilities related to reversal of provisions for invoices to be received.

The above-mentioned use of working capital concerned the usual temporary movements.

26. FINANCIAL INSTRUMENTS

Exposure to fluctuations in the market price of core products, currencies, environmental changes, agricultural activity, interest rates and credit risk arises in the normal course of the Group’s business. Financial derivative instruments are used to a limited extend to reduce the exposure to fluctuations in foreign exchange rates and interest rates.

Fluctuations in the market price of core products

Structural risk

SIPEF group is exposed to structural price risks of their core products. The risk is primarily related to palm oil and palm kernel oil and to a lesser extent to bananas. A change of the palm oil price of USD 10 CIF per tonne has an impact of about KUSD 3 134 (without considering the impact of the current export tax and export levies in Indonesia) on result after tax. This risk is assumed to be a business risk.

Transactional risk
The Group faces transactional price risks on products sold. The transactional risk is the risk that the price of products purchased from third parties fluctuates between the time the price is fixed with a customer and the time the transaction is settled. This risk is assumed to be a business risk.

Currency risk
Most of the subsidiaries are using the US dollar as functional currency. The Group's currency risk can be split into three distinct categories: structural, transactional and translational:

Structural risk
Most of the Group's revenues are denominated in USD, while all the operations are located outside the USD zone (particularly in Indonesia, Papua New Guinea, Côte d'Ivoire and Europe). Any change in the USD against the local currency will therefore have a considerable impact on the operating result of the company. Most of these risks are considered to be a business risk.

Transactional risk
The Group is also subject to transactional risks in respect of currencies, i.e. the risk of currency exchange rates fluctuating between the time the price is fixed with a customer, supplier or financial institution and the time the transaction is settled. This risk, with the exception of naturally covered positions, is not covered since most receivables and payables have a short settlement term.

The pension liabilities in Indonesia are important long-term liabilities that are fully payable in IDR. A devaluation or revaluation of 10% of the IDR versus the USD has the following effect on the income statement:

In KUSD	IDR Dev 10%	Book value	IDR Rev 10%
Pension liabilities in Indonesia	21 161	23 277	25 863
Gross impact income statement	2 116		-2 586

The pension liability in Indonesia consists of KUSD 22 850 from fully consolidated subsidiaries and of KUSD 427 from equity consolidated companies (PT Timbang Deli).

The long-term receivables on the Indonesian smallholders are important long-term assets that are fully payable in IDR. A devaluation or revaluation of 10% of the IDR versus the USD has the following effect on the income statement:

In KUSD	IDR Dev 10%	Book value	IDR Rev 10%
Smallholder receivables*	37 873	41 661	46 290
Gross impact income statement	-3 787		4 629

Non-discounted total smallholders receivable

On February 11, 2025, the board of directors has proposed the payment of a dividend of maximum KEUR 21 159 (EUR 2.00 gross per ordinary share). In line with the Group's liquidity and currency policy, the exchange risk was covered in 4 forward exchange contracts for the sale of KUSD 20 713 for KEUR 19 000 (average exchange rate of 1.0902) before year-end.

Sensitivity analysis
With regard to the cover of the dividend for the end of the year a devaluation or revaluation of 10% of the EUR versus the USD has the following effect on the profit and loss account:

In KUSD	EUR Dev 10%	Closing rate	EUR Rev 10%
Dividend	17 942	19 736	21 929
Gross Impact income statement	-1 794		2 193

Translational risk
The SIPEF group is an international company and has operations which do not use the USD as their reporting currency. When such results are consolidated into the Group's accounts the translated amount is exposed to variations in the value of such local results are consolidated into the Group's accounts the translated amount is exposed to variations in the value of such local currencies against the USD. SIPEF group does not hedge against such risk (see accounting policies).

As from 1st of January 2007 onwards, the functional currency of most of our activities is the same as the presentation currency, this risk has been largely restricted.

Interest rate risk

The Group's exposure to changes in interest rates relates to the Group's financial debt obligations. At the end of December 2024, the Group's net financial assets/(liabilities) amounted to KUSD -18 087 (2023: KUSD -31 418), of which KUSD 36 519 short-term financial liabilities (2023: KUSD 40 994) and KUSD 19 880 net short-term cash and cash equivalents (2023: KUSD 11 549).

The 'financial liabilities > 1 year' (incl. derivatives) amount to KUSD 1 448 (2023: KUSD 1 974).

Considering that only the 'short-term obligations - credit institutions' (KUSD 5 194, refer to note 19) are of a current nature with variable interest rates, we believe a 0.5% change in interest rate will not have a material impact.

Available funds are invested in short-term deposits.

Environmental risk

The Group manages key environmental-related risks that are linked with land use and conservation through its group-wide commitment to 'no deforestation' and 'no new development in peat areas' (NDP). The scope of this commitment includes SIPEF's smallholder suppliers. SIPEF is using a third-party monitoring platform to ensure effective implementation of this NDP policy. In addition, climate-related risks are being assessed in consultation with experts, with a focus on climate change mitigation (GHG emissions), climate physical risk and climate transition risk, as part of its work to develop and finalise the Group's climate change mitigation and adaptation strategy.

The production volumes, the turnover and margins realised by SIPEF are influenced by climatic conditions such as rainfall, sunshine, temperature and humidity. The potential physical impact of climate change is uncertain and may vary by region and product. SIPEF monitors water tables to design systems to deal with water retention, maintains buffer zones and invests in fire prevention / monitoring. With the growing concern over sustainability, tighter rules may be imposed on companies. SIPEF's palm oil plantations adhere to the RSPO standards and comply with the RSPO principles and criteria. If SIPEF is unable to continue to meet stricter requirements, it may lose its certification, or this may be suspended.

Agricultural activity risk

The primary financial risk associated with the Group's agricultural activity occurs due to the length of time between expending cash on capital expenditures, the purchase or planting and maintenance of the core products and on harvesting and producing the products, and ultimately receiving cash from the sale of the core products to third parties. The Group's strategy to manage this financial risk is to actively review and manage its working capital requirement. In addition, the Group maintains credit facilities at a level sufficient to fund its working capital during the period between cash expenditure and cash inflow. At 31 December 2024, the Group has unused credit facilities in the form of short-term loans of KUSD 84 808.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and cause the other party to incur a loss. This credit risk can be split into a commercial and a financial credit risk. With regard to the commercial credit risk management has established a credit policy and the exposure to this credit risk is monitored on a continuous basis.

In practice a difference is made between:

In KUSD	2024	2023
Receivables from the sale of palm oil	43 339	26 617
Receivables from the sale of bananas and plants	4 013	3 259
Total	**47 353**	**29 876**

The credit risk for the first category is rather limited as these sales are for the most part immediately paid against presentation of documents. Moreover, it concerns a relatively small number of first-class buyers: per product about 90% of the revenue from contracts with customers is realized with a maximum of 10 clients. For palm oil, there is one client who represents over 30% of the total sales. Contrary to the first category the credit risk for the receivables from the sales of bananas and horticulture is higher.

For both categories, there is a weekly monitoring of the open balances due and a proactive system of reminders. Impairments are applied as soon as total or partial payments are seen as unlikely. The elements that are taken into account for these appraisals are the lengths of the delay in payment and the creditworthiness of the client.

The receivables from the sales of bananas and horticulture have the following due date schedule:

In KUSD	2024	2023
Not yet due	2 313	2 115
Due < 30 days	1 650	736
Due between 30 and 60 days	48	391
Due between 60 and 90 days	0	0
Due > 90 days	2	16
Total	**4 013**	**3 259**

During 2024 and 2023, no material impairment on receivables was recorded in the income statement.

The Group applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The Group analysed the impact of IFRS 9 and concluded there is no material impact on the bad debt reserve booked. The Group also assessed whether the historic pattern would change materially in the future and expects no significant impact.

Liquidity risk

A material and structural shortage in our cash flow would damage both our creditworthiness as well as the trust of investors and would restrict the capacity of the Group to attract fresh capital. The operational cash flow provides the means to finance the financial obligations and to increase shareholder value. The Group manages the liquidity risk by evaluating the short term and long-term cash flows. The SIPEF group maintains an access to the capital market through short- and long-term debt programs.

The following table gives the contractually determined (not-discounted) cash flows resulting from liabilities at balance sheet date:

2024 - In KUSD	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years
Financial obligations > 1 year (incl. derivatives)	0	0	0	0	0	0	0
Leasing liabilities > 1 year	1 448	-2 537	- 29	- 603	- 451	- 150	-1 303
Advances received > 1 year	0	0	0	0	0	0	0
Trade & other liabilities < 1 year							
Trade payables	28 512	-28 512	-28 512	0	0	0	0
Advances received	3 934	-3 934	-3 934	0	0	0	0
Financial liabilities < 1 year							
Current portion of amounts payable > 1 year	0	0	0	0	0	0	0
Financial liabilities	35 894	-36 079	-36 079	0	0	0	0
Leasing liabilities < 1 year	626	- 665	- 665	0	0	0	0
Derivatives	1 053	-1 053	-1 053	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0
Total liabilities	**71 465**	**-72 779**	**-70 272**	**- 603**	**- 451**	**- 150**	**-1 303**

2023 - In KUSD	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-3 years	3-4 years	More than 5 years
Financial obligations > 1 year (incl. derivatives)	0	0	0	0	0	0	0
Leasing liabilities > 1 year	1 974	-3 389	- 57	- 695	- 601	- 443	-1 593
Advances received > 1 year	0	0	0	0	0	0	0
Trade & other liabilities < 1 year							
Trade payables	25 243	-25 243	-25 243	0	0	0	0
Advances received	3 411	-3 411	-3 411	0	0	0	0
Financial liabilities < 1 year							
Current portion of amounts payable > 1 year	18 000	-18 327	-18 327	0	0	0	0
Financial liabilities	22 319	-22 519	-22 519	0	0	0	0
Leasing liabilities < 1 year	675	- 718	- 718				
Derivatives	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0
Total liabilities	**71 623**	**-73 607**	**-70 275**	**- 695**	**- 601**	**- 443**	**-1 593**

In order to limit the financial credit risk, SIPEF has spread its more important activities over a small number of banking groups with a first-class rating for creditworthiness. The current maximum credit lines available amount to KUSD 122 775 (2023: KUSD 142 074). In 2024, same as in previous years, there were no infringements on the conditions stated in the credit agreements nor were there any shortcomings in repayments.

Financial instruments measured at fair value in the statement of financial position

Companies within the Group may use financial instruments for risk management purposes. Specifically, these are instruments principally intended to manage the risks associated with fluctuating interest and exchange rates. The counterparties in the related transactions are exclusively first-ranked banks.

Derivative instruments are measured at fair value at initial recognition. The changes in fair value are reported in the income statement unless these instruments are part of hedging transactions.

Fair values of derivatives are:

In KUSD	2024	2023
Interest rate swaps	0	495
Forward exchange transactions	-1 053	285
Fair value (+ = asset; - = liability)	**-1 053**	**780**

In accordance with IFRS 13, financial instruments are grouped into 3 levels based on the degree to which the fair value is observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

As the long-term loan was completely repaid in 2024, the interest rate swap is no longer applicable.

The notional amount from the forward exchange transactions amounts to KUSD 25 907. The forward exchange contracts are not documented in a hedging relationship and accordingly, all changes in fair value are recorded in the financial result.

The fair value of the forward exchange contracts calculated at the closing value at 31 December 2024 were also incorporated in level 2.

Financial instruments per category

The following table presents the financial instruments per category as per end 2024 and end 2023:

2024 - In KUSD	Carrying amount	IFRS 9 category	Fair value	Fair value hierarchy
Financial assets				
Other investments	112	AC	112	Level 2
Receivables > 1 year				
Other receivables	45 581	AC	45 581	Level 2
Total non-current financial assets	**45 693**		**45 693**	
Trade and other receivables				
Trade receivables	47 353	AC	47 353	Level 2
Other receivables	32 859	AC	32 859	Level 2
Investments				
Other investments and deposits	1	AC	1	Level 2
Cash and cash equivalents	19 880	AC	19 880	Level 2
Derivatives	0	FVTPL	0	Level 2
Derivatives	0	Hedge accounting	0	Level 2
Total current financial assets	**100 092**		**100 092**	
Trade and other obligations > 1 year	0	AC	0	Level 2
Financial obligations > 1 year (incl. derivatives)	0	AC	0	Level 2
Leasing liabilities > 1 year	1 448	AC	1 448	Level 2
Advances received > 1 year	0	AC	0	Level 2
Total non-current financial liabilities	**1 448**		**1 448**	
Trade & other obligations < 1 year				
Trade payables	28 512	AC	28 512	Level 2
Other payables	20 373	AC	20 373	Level 2
Advances received	3 934	AC	3 934	Level 2
Financial obligations < 1 year				
Current portion of amounts payable > 1 year	0	AC	0	Level 2
Financial obligations	35 894	AC	35 894	Level 2
Leasing liabilities < 1 year	626	AC	626	Level 2
Derivatives	1 053	FVTPL	1 053	Level 2
Derivatives	0	Hedge accounting	0	Level 2
Total current financial liabilities	**90 391**		**90 391**	

2023 - In KUSD	Carrying amount	IFRS 9 category	Fair value	Fair value hierarchy
Financial assets				
Other investments	112	AC	112	Level 2
Receivables > 1 year				
Other receivables	34 229	AC	34 229	Level 2
Total non-current financial assets	**34 341**		**34 341**	
Trade and other receivables				
Trade receivables	29 876	AC	29 876	Level 2
Other receivables	49 490	AC	49 490	Level 2
Investments				
Other investments and deposits	1	AC	1	Level 2
Cash and cash equivalents	11 549	AC	11 549	Level 2
Derivatives	285	FVTPL	285	Level 2
Derivatives	495	Hedge accounting	0	Level 2
Total current financial assets	**91 696**		**91 201**	
Trade and other obligations > 1 year	0	AC	0	Level 2
Financial obligations > 1 year (incl. derivatives)	0	AC	0	Level 2
Leasing liabilities > 1 year	1 974	AC	1 974	Level 2
Advances received > 1 year	0	AC	0	Level 2
Total non-current financial liabilities	**1 974**		**1 974**	
Trade & other obligations < 1 year				
Trade payables	25 243	AC	25 243	Level 2
Other payables	15 832	AC	15 832	Level 2
Advances received	3 411	AC	3 411	Level 2
Financial obligations < 1 year				
Current portion of amounts payable > 1 year	18 000	AC	18 000	Level 2
Financial obligations	22 319	AC	22 319	Level 2
Leasing liabilities < 1 year	675	AC	675	Level 2
Derivatives	0	FVTPL	0	Level 2
Derivatives	0	Hedge accounting	0	Level 2
Total current financial liabilities	**85 481**		**85 481**	

For an overview of the identified risks within the Group, including those identified in the Double Materiality Assessment, we refer to the 'Corporate Governance Statement'.

27. LEASING

The Group leases office space, land rights and vehicles under a number of lease agreements with a lease term of one year or more. The rent of the office buildings concerns the monthly rental payments for the offices in Indonesia and Singapore. The rent of the offices and ancillary parking space in Belgium has not been included in the leases due to the short-term exemption. For the land rights, the subject of the lease concerns the usufruct of certain land wherefore a fixed annual rental amount is paid. The remaining land rights in PNG have a duration of 99 years for which no rental amount is paid. These assets will be depreciated over a period of 20 years in line with the lifespan of an oil palm. The vehicles concern the limited number of car leases within the Group.

The future operating lease commitments under these non-cancellable leases are due as follows:

In KUSD	2024	2023
Current lease liabilities	626	675
Non-current lease liabilities	1 448	1 974
Total lease liability as at 31 December	**2 073**	**2 649**

The movement during the year of the lease liability can be summarised as follows:

In KUSD	2024	2023
Lease commitments disclosed as at 1 January	**2 649**	**2 910**
Acquisitions	174	337
Financial costs/(income)	190	220
Lease repayments	- 799	- 792
Exchange result	- 140	- 27
Lease liability recognised as at 31 December	**2 073**	**2 649**

The lease repayments are included in the decrease in long term (KUSD 675) and short term (KUSD 124) financial borrowings in the cash flow.

The right-of-use assets can be classified as follows:

Movement (in KUSD)	2024	2023
Total right-of-use assets as at 1 January	**2 549**	**2 785**
Acquisition	176	334
Depreciation	-630	- 571
Total right-of-use assets as at 31 December	**2 094**	**2 549**

	Land rights	Office rent	Car rent	Total
Total right-of-use assets as at 31 December 2023	822	1 428	299	**2 549**
Total right-of-use assets as at 31 December 2024	776	977	341	**2 094**

The total depreciation of the right-of-use assets until 31 December 2024 amounts to KUSD 630 and the financial expenses to KUSD 190. Of the depreciation, KUSD 44 was recorded in the cost of sales of the palm segment of Hargy Oil Palms Ltd and KUSD 586 in the ‘general and administrative expenses’. There are no material expenses related to short term and low value leases. There are no material extension options not included in the calculation.

28. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

Guarantees

No guarantees have been issued in 2024 by third parties as security for the company’s account and no guarantees have been issued to a third party for the account of subsidiaries.

Significant litigation

Nil.

Forward sales

The commitments for the delivery of goods (palm products and bananas) after the year end fall within the normal delivery period of about 3 months from date of sale. Those sales are not considered as forward sales.

Conditional Sale and Purchase Agreement ("CSPA") PT Melania

In 2021, SIPEF signed a conditional sale and purchase agreement with Shamrock Group (SG) on the sale of 100% of the share capital of its Indonesian subsidiary, PT Melania. The most important condition consists of the renewal of the land rights of both rubber and tea activities. Failure to satisfy to the conditions included in the CSPA could result in a (partial) reallocation of the transferred shares.

29. RELATED PARTY TRANSACTIONS

Transactions with directors and members of the executive committee

Key management personnel are defined as the directors and the Group's management committee. The table below shows an overview of total remuneration received:

In KUSD	2024	2023
Directors' fees	581	480
Fixed fees	2 369	2 803
Variable fees	1 487	2 557
Post-employment benefits	341	429
Other	4	139
Market value vested stock option (on vesting date)	66	127
Total	**4 848**	**6 535**

The amounts are paid in EUR. The amount paid in 2024 amounts to KEUR 4 487 (2023: KEUR 6 036). The decrease of KEUR 1 549 is mainly a consequence of the lower variable fee paid in 2024 compared to 2023.

Starting from the financial year 2007, fixed fees shall be paid to the members of the board of directors, the audit committee and the remuneration committee.

Related party transactions are considered immaterial, except for the rental agreement since 1985 between Cabra NV and SIPEF covering the offices and ancillary parking space at Castle Calesberg in Schoten. The annual rent, adjusted for inflation, amounts to KUSD 233 (2023: KUSD 220) and KUSD 94 (2023: KUSD 89) is invoiced for SIPEF's share of maintenance of the buildings, parking space and park area.

SIPEF's relations with board members and management committee members are covered in detail in the "Corporate Governance statement" section.

Other related party transactions

Transactions with related companies are mainly trade transactions and are priced at arms' length. The revenue and expenses related to these transactions are immaterial to the consolidated financial statements as a whole.

Transactions with group companies

Balances and transactions between the Group and its subsidiaries which are related parties of the Group have been eliminated in the consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The following table represents the total of the transactions that have occurred during the financial year between the Group and the joint venture PT Timbang Deli and Verdant Bioscience Pte Ltd at 100%:

	Verdant Bioscience Pte Ltd		PT Timbang Deli	
In KUSD	2024	2023	2024	2023
Total sales during the financial year	0	0	0	0
Total purchases during the financial year	0	0	2 055	2 117
Total receivables as per 31 December	11 688	10 056	47	12
Total payables as per 31 December	300	300	189	128

30. BUSINESS COMBINATIONS, ACQUISITIONS AND DIVESTURES

In 2021, SIPEF signed a conditional sale and purchase agreement with Shamrock Group (SG) on the sale of 100% of the share capital of its Indonesian subsidiary, PT Melania. SG is an Indonesian group that runs several rubber plantations and factories, and specialises in the production and sale of latex gloves. Before the transaction, SIPEF controlled 95% of PT Melania through its Indonesian 95% subsidiary, PT Tolan Tiga. The remaining 5% is owned by an Indonesian pension fund.

As a reminder, PT Melania owned half of the Group's Indonesian rubber operations in Sumatra back in 2021 and the entire tea operations in Java. Initially, 40% of the shares was sold for a payment of USD 19 million. After this first stage the Shamrock Group took over the management of the rubber activities. The second tranche of 60% of the shares (of which 55% are held by SIPEF) will be transferred no later than 2024 for USD 17 million, after the renewal of the permanent land rights (HGU) for the whole of the rubber and tea business. The gross transaction price for 100% of the shares is USD 36 million.

The land titles for the tea operations in Java have been successfully renewed. However, the renewal of the land titles for the rubber estates in Sumatra is still pending. As a result, the transfer of the remaining shares could not yet take place. Post balance sheet, the purchaser sent a termination letter regarding the conditional sale and purchase agreement. The SIPEF group has contested the legal validity of this termination letter. Considering the above, the fair value of the asset held for sale of PT Melania has been decreased by a total of KUSD 6 394. Consequently, the total capital gain realized on the sale amounts to KUSD 5 246, compared to the originally recorded capital gain of KUSD 11 640 in 2021.

As at 31 December 2023, an amount of KUSD 8 456 had already been paid for expenses related to the SPA. In 2024, an additional KUSD 4 179 was paid. This relates to the cash paid to fulfil the conditions for the sale of PT Melania, mostly relating to the payment of the remaining pension provisions and the necessary cash to operate the tea plantation. This brings the total amount disbursed to KUSD 12 635 as at 31 December 2024. The advance which was already received at CD 1 (KUSD 9 147) has been fully utlised in 2024.

The final net sales price and potential capital gain on the sale of PT Melania will largely depend on the timing and cost of the renewal of the permanent concession rights (HGU), as well as the compensation for the accrued social rights of the employed personnel, which will be almost entirely taken over. The Group also remains responsible for financing the tea activities until the final transfer of the shares. The capital gain on the sale of PT Melania may be revised in the future depending on a reassessment of these cost estimates.

SIPEF has made a best estimate of the costs related to the sale of PT Melania. Below we present the calculation of the net selling price:

In KUSD	2024	2023
Total consideration to be received	36 000	36 000
Estimated costs related to the sale	-18 149	-11 418
Net sales price (100% of the shares)	17 851	24 582
Net sales price for 95%	16 959	23 353
Of which:		
40% of the shares	9 833	9 833
55% of the shares	7 126	13 520

31. EARNINGS PER SHARE (BASIC AND DILUTED)

From continuing and discontinued operations	2024	2023
Basic earnings per share		
Basic earnings per share - calculation (USD)	6.33	6.99
Basic earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	65 838	72 735
Denominator: the weighted average number of ordinary shares outstanding	10 405 284	10 403 105
The weighted average number of ordinary shares outstanding is calculated as follows:		
Number of ordinary shares outstanding at January 1	10 399 328	10 400 395
Effect of shares issued / share buyback programs	5 956	2 710
Effect of the capital increase	0	0
The weighted average number of ordinary shares outstanding at December 31	10 405 284	10 403 105
Diluted earnings per share		
Diluted earnings per share - calculation (USD)	6.32	6.98
The diluted earnings per share is calculated as follows:		
Numerator: net result for the period attributable to ordinary shareholders (KUSD)	65 838	72 735
Denominator: the weighted average number of dilutive ordinary shares outstanding	10 415 312	10 417 254
The weighted average number of dilutive ordinary shares outstanding is calculated as follows:		
The weighted average number of ordinary shares outstanding at December 31	10 405 284	10 403 105
Effect of stock options on issue	10 028	14 149
The weighted average number of dilutive ordinary shares outstanding at December 31	10 415 312	10 417 254

32. EVENTS AFTER THE BALANCE SHEET DATE

Post balance sheet, the purchaser sent a termination letter regarding the conditional sale and purchase agreement of PT Melania. SIPEF group has contested the legal validity of this termination letter. After considering the above, the fair value of the asset held of sale of PT Melania has been decreased by a total of KUSD 6 394, which was already recognised in the results of the 2024 financial year.

33. SERVICES PROVIDED BY THE AUDITOR AND RELATED FEES

The statutory auditor of the SIPEF group is Ernst & Young Bedrijfsrevisoren BV represented by Christoph Oris. The fees for the annual report of SIPEF were approved by the general meeting after review and approval of the audit committee and by the board of directors. These fees correspond to an amount of KUSD 266 in 2024 (2023: KUSD 130). The increase is due to the additional fee of KUSD 131 related to limited review of the CSRD reporting for the Group. EY has provided services for KUSD 729 in 2024 (2023: KUSD 597), of which KUSD 0 (2023: KUSD 0) are for non-audit services.

ESEF information

ESEF INFORMATION	
Homepage of reporting entity	www.sipef.com
LEI code of reporting entity	549300NN3PC8KDD43S24
Name of reporting entity or other means of identification	SIPEF
Domicile of entity	Belgium
Legal form of entity	Naamloze vennootschap
Country of incorporation	Belgium
Address of entity's registered office	Calesbergdreef 5, 2900 Schoten, Belgium
Principal place of business	Indonesia, Papua New Guinea and Côte d'Ivoire
Description of nature of entity's operations and principal activities	Tropical agriculture
Name of parent entity	SIPEF
Name of ultimate parent of group	SIPEF
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	No change in name of reporting entity
Length of life of limited life entity	
Period covered by financial statements	

Statutory auditor’s report on consolidated financial statements

Independent auditor’s report to the general meeting of SIPEF NV for the year ended 31 December 2024

In the context of the statutory audit of the Consolidated Financial Statements) of SIPEF NV (the “Company”) and its subsidiaries (together the “Group”), we report to you as statutory auditor. This report includes our opinion on the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the statement of consolidated comprehensive income and the consolidated cash flow statement for the year ended 31 December 2024 and the disclosures including material accounting policy information (all elements together the “Consolidated Financial Statements”) as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders’ meeting of 12 June 2024, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders’ meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2026. We performed the audit of the Consolidated Financial Statements of the Group during 4 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of SIPEF NV, that comprise of the consolidated balance sheet on 31 December 2024, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity and, the consolidated cash flow statement of the year and the disclosures including, material accounting policy information, which show a consolidated balance sheet total of USD 1.122.372 thousand and of which the consolidated income statement shows a profit for the year of USD 70.247 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (“ISA’s”) applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board (“IAASB”) that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the Consolidated Financial Statements” section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Impairment assessment of goodwill

Description of the key audit matter

The goodwill amounts to USD 104.782 thousand as at 31 December 2024, and relates to the palm oil segment in Indonesia and Papua New Guinea. Goodwill must be tested for impairment on at least an annual basis. The determination of recoverable amount requires judgement on the part of management in both identifying and then valuing the relevant single Cash Generating Units ("CGU"). As disclosed in note 8 – Goodwill and Other intangible assets of the Consolidated Financial Statements, the recoverable value was determined by using a discounted cash flow model. The cash flow model estimates the relevant cash flows expected to be generated in the future and discounted to the present value using a discount rate ("WACC").

This estimation requires the management to use of a number of variables and market conditions such as future prices and growth rates regarding volume, the timing of future operating expenses and discount rate, and long-term growth rates. As a result, the determination of the recoverable value of the CGU is subjective in nature due to management's estimates of the future performance of the palm oil segment, in particular the expected long-term crude palm oil prices and the WACC.

Changes in certain assumptions used in the model can lead to significant changes in the assessment of the recoverable value. This matter is considered a key audit matter because of the degree of judgment required in these estimates.

Summary of the procedures performed

- We obtained an understanding of management's review process of the discounted cash flow model used and the approval by the Board of Directors of the underlying business plan;
- We assessed the determination of the CGU's based on our understanding of the nature of the Company and their operations, and assessed whether this is consistent with the internal reporting of the business;
- With the help of our internal valuation specialists, we have assessed the suitability and mathematical accuracy of the cash flow model used by management in determining the recoverable amount of the CGUs evaluated;
- We compared the cash flow forecasts to approved budgets and other relevant market and economic information, in particular with regard to expected long-term prices for crude palm oil ("CPO");
- With the help of our internal valuation specialists, we evaluated management's key assumptions, such as long term growth rate and WACC, used in the impairment calculations;
- We assessed the sensitivity analysis prepared by management in respect of the effects of changes in the assumptions on the value in use;
- We independently performed sensitivity analyses around the key assumptions used in the discounted cash flow model;
- We assessed the robustness of the budgeting process by management by comparing the historical accuracy of management forecasts, we verified if the future cash flows were based on the approved business plan by the Board of Directors;
- We reviewed the adequacy of the disclosures in the note 8 – Goodwill and Other intangible assets of the Consolidated Financial Statements concerning those key assumptions.

Recoverability of the deferred tax assets

Description of the key audit matter

The deferred tax assets recognized amount to USD 16.478 thousand as at 31 December 2024 on unutilized cumulative tax losses carried forward. The recognition of deferred tax assets entails a significant level of judgement by the Board of Directors in assessing the quantification, probability and sufficiency of future taxable profits against which they may be offset and future reversals of existing taxable temporary differences.

Due to the judgement required of the Board of Directors in interpreting the criteria set forth in local tax legislations in force and the risk that may arise from a different interpretation of such legislations, as well as the uncertainty associated with recovering the amounts recognized as deferred tax assets and the expected recovery period, we consider this to be a key audit matter.

Summary of the procedures performed

- We obtained an understanding of the internal controls associated with the process of estimating the recoverability of the deferred tax assets;
- We assessed the reasonableness of the forecasted taxable results and the main assumptions considered by management in estimating the future taxable profits necessary for offset;
- We involved our local tax experts in the relevant locations to understand potential impacts of local tax regulations on the forecasted taxable results used by management to determine the recoverability of the deferred tax assets;
- We compared the result forecasts used as a basis for recognizing tax losses with the historical results and evaluated the reasonableness of the time period in which management expects to offset these assets;
- We agreed the profit and loss forecasts used as a basis for recognizing tax losses with the approved budgets;
- We assessed whether the information disclosed in note 23 – Income taxes of the Consolidated Financial Statements on the recoverability of the aforementioned deferred tax assets meets the requirements of IFRS.

Gain on sale transaction PT Melania

Description of the key audit matter

As disclosed in note 30 and 32 of the Consolidated Financial Statements, PT Melania was deconsolidated due to the loss of control at the end of April 2021, when SIPEF and the Shamrock Group entered into a conditional sale and purchase agreement of the shares of PT Melania.

As a result, PT Melania has been accounted for as a joint venture held for sale and has been measured at fair value, equaling the net selling price of USD 16.959 thousand of which 55% is still retained in the balance sheet as assets held for sale per 31 December 2024 or USD 7.126 thousand.

The sale and purchase agreement includes several key terms and conditions around future expenses still to be covered by SIPEF to fulfill conditions precedent. Significant judgments and estimates had to be made by management to determine those expected future costs included in the measurement of the fair value of the assets held for sale. The final net sale price and any capital gain on the sale of PT Melania depends largely on the cost and timing of renewing the permanent land rights and on the compensation for the accumulated social rights of the employed personnel. The gain on the sale of PT Melania may need to be adjusted going forward depending on revision of the estimate of these costs in the future.

In 2025, the purchaser sent a termination letter regarding the conditional sale and purchase agreement of PT Melania. SIPEF group has contested the legal validity of this termination letter. As a result, the classification as asset held for sale as at 31 December 2024 of PT Melania required judgment of management considering the ongoing discussion with the purchaser about the termination letter received.

Summary of the procedures performed

- We have read the sales agreement to gain an understanding of the key terms and conditions of the transaction;
- We evaluated the accounting treatment for the transaction (recognition of the gain, presentation as held for sale at year-end);
- We assessed the estimation of the net selling price as calculated by the management including the significant judgements and estimates made by management in evaluating certain key terms and conditions such as certain expenses still to be covered by SIPEF to fulfill the conditions precedent;

- We assessed the appropriateness of the financial information disclosed in note 30 to the Consolidated Financial Statements concerning this transaction, as well as in note 32 Events after the balance sheet date.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with the IFRS Accounting Standards and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the Board of Directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regard to the going concern assumption used by the Board of Directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, including the consolidated sustainability information.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, as well as to report on these matters.

Aspects relating to Board of Directors' report

The Board of Directors' report on the Consolidated Financial Statements contains the consolidated sustainability information that is subject to our separate limited assurance report. This section does not cover the assurance on the consolidated sustainability information included in the annual report.

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contains any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

No additional services, that are compatible with the audit of the Consolidated Financial Statements as referred to in Article 3:65 of the Code of companies and associations and for which fees are due, have been carried out.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The Board of Directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of SIPEF NV per 31 December 2024 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/stori) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Antwerp, 28 April 2025

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Oris Christoph

Christoph Oris *
Partner
*Acting on behalf of a BV/SRL

25CO0116

Statutory auditor's report on other legal and regulatory requirements

Statutory Auditor's limited assurance report on SIPEF NV's consolidated sustainability statement

At the attention of the general meeting of shareholders,

As part of the limited assurance engagement on the consolidated sustainability statement of SIPEF NV (the "Company" or the "Group"), we are providing you with our report on this engagement.

We were appointed by the general meeting of 12 June 2024, in accordance with the proposal of the Board of Directors, following the recommendation of the Audit Committee of SIPEF NV, to carry out a limited assurance engagement on the Company's consolidated sustainability information, included in Sustainability Statement of SIPEF's Integrated annual report as of and for the year ended on 31 December 2024 (the "sustainability statement").

Our mandate expires on the date of the general meeting deliberating on the annual financial statements for the year ending 31 December 2026. We have carried out our assurance engagement on the sustainability statement of SIPEF NV for one financial year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of SIPEF NV.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement, in all material respects:

- is not prepared in accordance with the requirements referred to in Article *3:32/2* of the Belgian Code of Companies and Associations, including compliance with applicable European sustainability information standards (the European Sustainability Reporting Standards ("ESRSs"))
- is not compliant with the process carried out by the Company ("the Process") to identify the information included in the sustainability statement in accordance with the ESRS's as set out in the note Double materiality assessment; and
- is not compliant with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as disclosed in subsection EU Taxonomy disclosures within the environmental section of the sustainability statement.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), applicable in Belgium and issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Statutory Auditor's responsibilities section of our report related to our limited assurance engagement under the section "Statutory Auditor's responsibilities in relation with the limited assurance engagement on the sustainability information".

We have complied with all ethical requirements relevant to the assurance of sustainability engagement in Belgium, including those relating to independence.

Our firm applies International Standard on Quality Management 1 ("ISQM 1"), which requires our firm to 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.

We have obtained from the Company's Board of Directors and its appointees the explanations and information necessary for our limited assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The scope of our work is only restricted to the limited assurance engagement on the Company's sustainability statement with respect to the current reporting period. Our assurance does not extend to information relating to the comparative figures.

Responsibilities of the Board of Directors in relation to the preparation of sustainability information

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in the note Double materiality assessment of the sustainability statement. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders.
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability statement, which contains the sustainability information as determined in the Process:

- in accordance with the requirements referred to in Article *3:32/2* of the Belgian Code of Companies and Associations, including compliance with applicable ESRS's;
- in compliance with the requirement provided by Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as described in the disclosures in subsection EU Taxonomy disclosures within the environmental section of the sustainability statement.

This responsibility includes:

- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected. Actual results are likely to differ from projections because the future events will not generally occur as expected, and such differences could be material.

Statutory Auditor's responsibilities in relation with the limited assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work performed in an engagement with a view to obtaining limited assurance is less extensive than in the case of an engagement with a view to obtaining reasonable assurance. The procedures performed in a limited assurance engagement for which we refer to the 'Summary of work carried out' section which differ in nature and timing are less extensive compared to a reasonable assurance engagement. We therefore do not express a reasonable audit opinion in the frame of this engagement.

As the forward-looking information included in the Sustainability Information, and the assumptions on which it is based, relate to the future, they may be affected by events that may occur and/or by actions taken by the Company. Actual results are likely to differ from the assumptions made, as the events assumed will not necessarily occur as expected, and such differences could be material. Accordingly, our conclusion does not guarantee that the actual results reported will correspond to those contained in the forward-looking sustainability information.

Our responsibilities in respect of the Sustainability statement, in relation to the Process, include:

- understanding the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in note Double materiality assessment.

Our other responsibilities in respect of the Sustainability statement include:

- to understand the Company's control environment and the processes and information systems relevant to the preparation of sustainable information, but without evaluating the design of specific control activities, obtaining substantive information on their implementation or testing the effectiveness of the internal control measures in place;
- identify areas where material misstatements of sustainability information are likely to occur, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. The procedures 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.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process through:
    - requesting information to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents), and
    - assessing the Company's internal documentation of its Process;
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by SIPEF NV was consistent with the description of the Process set out in note Double materiality assessment.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- obtained an understanding of the Company's reporting processes relevant to the preparation of its sustainability statement by:
    - interviewing management and relevant staff responsible for consolidating and implementing internal control measures related to sustainability information;
    - when deemed appropriate, obtaining supporting documentation for the relevant reporting processes.
- evaluated whether the information identified by the Process is included in the sustainability statement;

  evaluated the compliance of the structure and the preparation of sustainability information with ESRS standards;
- performed inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;

  performed substantive assurance procedures, based on a sample, on selected information in the sustainability statement;
- For a number of locations contributing to the quantitative information included in the sustainability information, we have carried out limited detailed testing of the data collection and calculation processes, as well as validation procedures related to the quantitative information, based on professional judgement and on a sample basis;
- evaluated assurance information on the methods for developing estimates and forward-looking information; evaluated as described in the section "Statutory Auditor's responsibilities in relation with the limited assurance engagement on the sustainability information";
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement;
- reconciling inputs to revenue, capital expenditure, and operating expenses, with underlying financial information of the Company.

Statements regarding independence

Our audit firm and our network have not performed any engagements that are incompatible with the limited assurance engagement, and our audit firm has remained independent of the company during our term of office.

Antwerp, 28 April 2025

EY Réviseurs d'Entreprises SRL
Statutory Auditor
represented by

Oris Christoph

Christoph Oris
Partner*
* Acting on behalf of a BV/SRL

25CO0118

Parent company summarised statutory accounts

The annual accounts of SIPEF are given below in summarized form. In accordance with the Belgian Code on Companies, the annual accounts of SIPEF, together with the management report and the auditor's report will be deposited with the National Bank of Belgium.

These documents may also be obtained on request from:

SIPEF, Calesbergdreef 5, B-2900 Schoten

Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the SIPEF Group.

The statutory auditor's report is unqualified and certifies that the annual accounts of SIPEF NV give a true and fair view of the company's net equity and financial position as of 31 December 2024 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

The balance sheet total of the company as per 31 December 2024 amounts to KUSD 410 970 compared to KUSD 412 045 in previous year.

The 'financial assets - receivables from affiliated companies' have increased with KUSD 6 519 mainly due to reclassification of the loan to our associate Verdant Bioscience Pte Ltd (KUSD 10 054) from short-term to long-term. The 'amounts receivable within one year' have decreased by KUSD 6 210 due to reclassification of the loan to our associate Verdant Bioscience Pte Ltd (KUSD -10 054) from short-term to long-term, repayments from the subsidiaries (KUSD -6 202) and offset by a higher trade receivable balance per year-end (KUSD 10 446).

On the liabilities side, the increase of KUSD 15 186 in 'amounts payable within one year' is related to:

- A decrease due the repayment of the last part of the long-term financial loan of KUSD -18 000.
- An increase in short-term financial debt of KUSD 13 575 because the long-term financial debt were replaced by short-term financial debts.
- An increase in trade payables with KUSD 21 997 due to a higher outstanding position with Hargy Oil Palms at year-end
- A decrease in the other amounts payable within one year mainly due to a lower dividend payable (KUSD -2 127) per year-end.

The equity of SIPEF before profit appropriation amounts to KUSD 283 760, which corresponds to USD 26.82 per share.

The individual results of SIPEF are large determined by dividends and financial income from interests received on intragroup current accounts. As SIPEF does not directly hold all of the Group's participating interest, the consolidated result of the Group is a more accurate reflection of the underlying economic development.

The statutory profit for the year 2024 amounts to KUSD 6 791 compared to a profit of KUSD 10 806 in the previous year.

On February 11, 2025, a dividend of maximum KEUR 21 159 (EUR 2.00 gross per ordinary share) has been recommended by the board of directors. After deduction of the withholding tax (30%), the net dividend will amount to EUR 1.40 per share. Since the treasury shares are not entitled to a dividend in accordance with Article 7:217 §3 of the Code of Companies and Associations, the total dividend amount depends on the number of treasury shares for account of SIPEF, on June 11, 2025 at 11.59 pm CET (i.e. the day be-fore the ex-date). The board of directors proposes to be authorised accordingly to enter the final total dividend amount (and the resulting change) in the statutory financial statements. The maximum proposed total amount is KEUR 21 159. If the annual general meeting approves this dividend proposal, the dividend will be payable from July 2, 2025.

Taking into account the number of treasury shares held on the date of establishment of the annual report (162 016 shares), the board of directors proposes to allocate the result (in KUSD) as follows:

- Profit carried forward from previous year: KUSD 108 472
- Profit of the year: KUSD 6 791
- Total available for appropriation: KUSD 115 263
- Addition to the legal reserve: KUSD 0
- Addition to the other reserves: KUSD 0
- Dividend: KUSD -21 642
- Result to be carried forward: KUSD 93 618

Condensed balance sheet

(after appropriation)

In KUSD	2024	2023
Assets		
Fixed assets	**348 048**	**341 590**
Formation expenses	0	0
Intangible assets	119	138
Tangible assets	215	257
Financial assets	347 714	341 196
Current assets	**62 922**	**70 454**
Amounts receivable after more than one year	0	0
Stocks and contracts in progress	1 329	1 233
Amounts receivable within one year	49 074	55 284
Investments	9 617	11 153
Cash at bank and in hand	2 624	2 167
Other current assets	278	618
Total assets	**410 970**	**412 045**
Liabilities		
Equity	**262 118**	**276 973**
Capital	44 734	44 734
Share premium account	107 970	107 970
Reserves	15 797	15 796
Profit/ (loss) carried forward	93 618	108 472
Provisions and deferred taxation	**0**	**0**
Provisions for liabilities and charges	0	0
Creditors	**148 853**	**135 072**
Amounts payable after more than one year	0	0
Amounts payable within one year	148 799	133 609
Accrued charges and deferred income	54	1 463
Total liabilities	**410 970**	**412 045**

Condensed income statement

In KUSD	2024	2023
Operating income	233 514	234 096
Operating charges	- 231 171	- 229 832
Operating result	**2 342**	**4 264**
Financial income	14 183	11 463
Financial expenses	- 8 553	- 2 294
Financial result	**5 629**	**9 169**
Result for the period before taxes	**7 972**	**13 433**
Income taxes	- 1 181	- 2 628
Result for the period	**6 791**	**10 806**

Appropriation account

In KUSD	2024	2023
Profit/ (loss) to be appropriated	**115 263**	**131 429**
Profit / (loss) for the period available for appropriation	6 791	10 806
Profit / (loss) brought forward	108 472	120 623
Appropriation account	**115 260**	**131 429**
Transfers to legal reserve	0	0
Transfers to other reserves	0	0
Result to be carried forward	93 618	108 472
Dividends	21 642	22 957
Remuneration to directors	0	0

5.
Annexes

Annex 1 – Sustainability targets and achievements

ENVIRONMENTAL INFORMATION

FOCUS AREA: ENVIRONMENTAL STEWARDSHIP
GOALS: GHG emissions reduction and long-term climate resilience
APPROACH: To implement a comprehensive climate transition plan that integrates sustainable energy practices, circular economy principles, optimised land use, and water resource management, while protecting biodiversity and fostering a sustainable, low-carbon future for the oil palm industry.

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 1	**Climate change miti-gation, Energy**	1.1	Methane capture: Install methane capture at all mills. **	5	Set in FY2024	10	Mills	2030	IDN PNG	**New target**
		1.2	Site based monitoring of GHG emissions through direct measurements at all organic soil estates. **	0	Set in FY2024	3	Estates	2028	IDN	**New target**
		1.3	28% reduction net emissions inten-sity from 2021 baseline. (Scope 1 & 2) for OP.[1]	To be revised	Set in FY2021	28	%	2030	IDN PNG	**On track** To start revision in FY2025
KPI 2	**Climate change adaptation**	1.4	Protection of coastal shorelines and prevention of flooding through mangrove planting and coastal buffer restoration	0	Set in FY2021	6.5	Hectares	2027*	PNG	**On track** Ongoing active mangrove planting within the coastal buffer zone. 796 seedlings planted in 2024.
						35	Hectares	2027*	IDN	**On track** Assisted natural regeneration in progress. 581 seedlings were planted within the coastal buffer zone in 2024.

(1) Note: The target was set prior to this reporting period and is not included in the scope of the CSRD limited assurance conducted for this Sustainability Statement. It will be revised in 2025 to align with the requirements of the ESRS.

* UPDATED TARGET FROM FY2023
** NEW TARGET AS OF FY2024

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 2	**Climate change adaptation**	1.5	5 regenerative agriculture pilots started with a model to scale up. **	0	Set in FY2024	5	Pilots	2026	IDN PNG	**New target**
		1.6	Installation of rainwater harvesting system at all palm oil mills. **	0	Set in FY2024	10	Mills	2030	IDN PNG	**New target**
		1.7	Installation of water recycling basin at one banana packing station.**	0	Set in FY2024	1	Packing station	2025	CIV	**New target**

FOCUS AREA: ENVIRONMENTAL STEWARDSHIP
GOAL: Minimise impacts on natural resources and the environment
APPROACH: To safeguard natural resources through optimised land use, efficient water management, waste and pollution reduction, and the re-use of by-products

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 3	**Air pollutant released****	1.8	Zero non-conformance against local regulations and industry regulation on smoke density in palm oil mills.** Note: Required by legislation.	Not applicable	Set in FY2024	0	Case	Annual	IDN PNG	**New target**

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 4	**Waste-water discharged**	1.9	Zero non-conformance against local regulations and industry regulation on effluent limits in palm oil mills and packing stations.* Note: Required by legislation.	Not applicable	Set in FY2020	0	case	Annual	IDN PNG CIV	**Not achieved** 3 mills exceeded TSS limits in PNG See section 'E2: Pollution' for more information
KPI 5	**Water usage**	1.10	Annual average of water usage intensity per tonne of FFB processed in palm oil mills meets efficiency targets set for each location.* **PNG** HPOM ≤1.3 NPOM ≤1.3 BPOM ≤1.3 **IDN** BMPOM ≤ 1 MMPOM ≤1 BTPOM ≤ 1 DILPOM ≤ 1.5 PLPOM ≤ 1 UMWPOM ≤ 1.5 AMRPOM ≤ 1	Not applicable	Set in FY2020	target per each mill	m^3 water/ tonne FFB processed	Annual	IDN PNG	**Not achieved** 1 mill exceeded target in IDN See section 'E3: Water' for more information

* UPDATED TARGET FROM FY2023
** NEW TARGET AS OF FY2024

FOCUS AREA: ENVIRONMENTAL STEWARDSHIP
GOAL: Sustainable land use and biodiversity conservation, including no deforestation and no new developments on peat
APPROACH: To promote and support the development of regenerative landscapes through conservation, restoration regenerative practices, respect for land and community rights, and partnerships with key stakeholders.

Relevance of mitigation hierarchy level
Target 1.11 & 1.12: Avoidance
Target 1.13, 1.14, 1.15: Avoidance, Restoration and Rehabilitation

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 6	**Land use change, Land degradation**	1.11	Fire: Zero incidents of fire in own concessions under the Company's management control and supplier areas.	Not applicable	Set in FY2020	0	case	Annual	IDN PNG	● **Not achieved** Cases of fire: • **Within own concessions:** Seven fire incidents were confirmed in Indonesia, where the origins were linked to community lands that have not been compensated and fall outside SIPEF's direct control. In some cases, the fires caused minor impacts to SIPEF's planted areas. One additional case was confirmed in Papua New Guinea, where a house accidentally caught fire. • **Supplier areas:** Two fire incidents were confirmed in smallholder areas in Indonesia and Papua New Guinea. These areas are not part of SIPEF's sourcing base, and any adverse impacts are currently undergoing rehabilitation. See section 'E4: Biodiversity and ecosystems' for more information
		1.12	Deforestation: Zero incidents of deforestation in own concessions under the Company's management control and supplier areas.	Not applicable	Set in FY2020	0	case	Annual	IDN PNG	● **Achieved** No incidents recorded of deforestation See section 'E4: Biodiversity and ecosystems' for more information

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 7	**Species protection, Land degradation**	1.13	Landscape level approaches to oil palm cultivation: Establish one landscape level approach to nature positive oil palm cultivation and community engagement in Papua New Guinea. **	Not applicable	Set in FY2024	1	site	2030	PNG	● **New target**
		1.14	Restore 256 hectares of degraded land within SBI from baseline year 2021.	0	Set in FY2021	256	hectares	2024	IDN	● **Achieved** 286.44 hectares were restored, exceeding the target by 30.44 hectares. See section 'E4: Biodiversity and ecosystems' for more information
		1.15	Restore 1 123 hectares of degraded land within SBI, with baseline starting from FY2024. **	0	Set in FY2024	1 123	hectares	2033	IDN	● **New target**

*	UPDATED TARGET FROM FY2023
**	NEW TARGET AS OF FY2024

SOCIAL INFORMATION

FOCUS AREA: RESPECTING EMPLOYEES AND COMMUNITIES
GOAL: Respect human, labour, and community rights, in accordance with local laws and international frameworks
APPROACH: To uphold workers' rights, ensure fair labour practices, and maintain a safe and respectful workplace free from discrimination, violence, and exploitation, and empowering employees through continuous development.

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 8	**Work-life balance**	1.16	10 childhood schools submitted for registration with the local authorities in PNG. **	0	Set in FY2024	10	schools	2025	PNG	**New target**
KPI 9	**Health and safety**	1.17	No work-related fatalities.	Not applica-ble	Annual	0	case	Annual	IDN PNG CIV	**Achieved** No fatalities recorded
		1.18	Reduce LTIFR by 8.5%*	4.34	FY2023	3.97	rate	2027	IDN	**On track** See section 'S1: Own workforce' for more information
				6.82	FY2024	6.24	rate	2027	PNG	
				7.38	FY2024	6.75	rate	2027	CIV	

FOCUS AREA: RESPONSIBLE SUPPLY CHAIN MANAGEMENT

GOAL:

- Support smallholders in their journey towards improved, sustainable, and certified production
- Support smallholders to earn higher incomes and have better access to international markets
- Screen and monitor suppliers to ensure compliance with SIPEF policies

APPROACH: To enhance the livelihoods of smallholders by providing access to sustainable farming practices

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 10	**Smallholders' engagements**	1.19	Training on RPuP to be provided to scheme smallholders. **	0	Set in FY2024	100	%	2026	PNG	● **New target**
		1.20	Training on updated RPuP to be provided to independent smallholders. 20 non-RSPO certified independent smallholder groups' board of cooperatives (Koperasi) to be trained. **	0	Set in FY2024	20	Board of coop-era-tives	2025	IDN	● **New target**
		1.21	Certification for scheme smallholders: RSPO certification for suppliers of PT Agro Kati Lama, PT Agro Muara Rupit and PT Agro Rawas Ulu.	0	Set in FY2022	100	%	2030*	IDN	● **On track** Ongoing prepara-tion for certification
		1.22	Certification for Independent smallholders: Engage with 19 cooperatives of inde-pendent smallholders to achieve RSPO group certification. **	0	Set in FY2024	19	Coope-ratives	2026	IDN	● **New target**

* UPDATED TARGET FROM FY2023
** NEW TARGET AS OF FY2024

FOCUS AREA: HIGH-QUALITY, SUSTAINABLE, TRACEABLE, CERTIFIED PRODUCTS

GOAL:

- Full compliance with leading sustainability standards and certifications
- Maintain 100% traceability for all products
- Implement the highest food safety and quality standards

APPROACH: Supplying high-quality, sustainable, traceable and certified products, which is key for SIPEF to differentiate itself from others and diversify into targeted markets.

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 11	**Food safety**	1.23	Achieve food safety certification for all ten palm oil mills in Indonesia and Papua New Guinea. **	0	Set in FY2024	10	mills	2028	IDN PNG	**New target**
		1.24	Chloride reduction programme: Installation of CPO washing plants at three mills. **	0	Set in FY2024	3	mills	2026	IDN PNG	**New target**

GOVERNANCE INFORMATION

FOCUS AREA: GOOD BUSINESS CONDUCT

GOAL:

- Foster a culture of ethical conduct amongst management, staff, and contractors
- Implementing systems and processes to ensure the practice of ethical conduct
- Maintain robust policies, procedures and measures to address any risks, including those associated with bribery or corruption

APPROACH: To maintain trust and promote ethical behaviour by ensuring compliance with all legal and regulatory requirements

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 12	**Corruption and bribery**	1.25	Annual training to be carried out for functions-at-risk within own operations. **	0	Set in FY2024	100	%	Annual	IDN PNG CIV BEL SGP	**New target**

CERTIFICATION

NO.	KPI	TARGET		BASELINE VALUE	BASE YEAR	TARGET VALUE	TARGET UNIT	TARGET YEAR	COUNTRY	STATUS 2024
KPI 13	**Certification**	1.26	Achieving 100% RSPO certification for SIPEF's own oil palm estates.	Not applicable	FY2021	100	%	2030*	IDN PNG	75% of RSPO certified own planted areas achieved

Methodologies to define targets

Several rounds of consultations were organised by the Global Sustainability Team with regional teams in Indonesia, Papua New Guinea, and Côte d'Ivoire. These involved both the sustainability teams, regional executive committees and other relevant departments, depending on the topic, to gather input and approval for the development of KPIs and targets.

The proposed KPIs and targets were then presented to the SIPEF executive committee for review, and were then subsequently submitted to the SIPEF audit committee and board of directors for final approval. They were defined based on SIPEF's sustainability ambitions, applicable industry and legal standards (as referenced in the table above), and the expertise of internal specialists. No significant assumptions were used in defining the targets. For GHG emissions, targets were informed by science-based guidance, while other environmental targets were based on internal expertise and best industry practices.

For sustainability matters where targets have not yet been set, SIPEF aims to conduct baseline assessments and establish targets where relevant. In the meantime, performance continues to be monitored in accordance with corporate policies, certification requirements, and applicable legal obligations.

Changes in the targets set

NEW TARGETS

Environmental [8]: Target #1.1, 1,2, 1.5,1.6,1.7, 1.8,1.13,1.15

Social [6]: Target #1.16, 1.19,1.20,1.22, 1.23, 1.24

Governance [1]: Target #1.25

REVISED TARGETS

Revisions were made based on consultations assessing the achievability and relevance of previously set targets.

Environmental [3]

- Target #1.4: Updated target year (improved achievability)
- Target #1.9: Expanded scope to include packing stations
- Target #1.10: Adjusted intensity to align with soil types of supply bases where mills operate

Social [2]

- Target #1.18: Updated baseline value, base year, target value, and target year to reflect more accurate, up-to-date statistics
- Target #1.21: Updated target year (achievability), pending completion of the HGU process

Certification [1]

- Target #1.26: Updated target year (achievability), pending HGU process

Annex 2 – Base Data

ABOUT SIPEF

Group production (in tonnes - excluding PT Melania)

FRESH FRUIT BUNCHES PRODUCED	YTD 2024	YTD 2023	% CHANGE
OWN			
Indonesia	1 069 984	1 049 691	1.93%
Tolan Tiga group	282 262	282 821	-0.20%
Umbul Mas Wisesa group	180 246	186 328	-3.26%
Agro Muko group	343 696	362 376	-5.16%
South Sumatra group	263 780	218 165	20.91%
Papua New Guinea	284 785	367 340	-22.47%
Hargy Oil Palms Ltd	284 785	367 340	-22.47%
TOTAL OWN	**1 354 769**	**1 417 031**	**-4.39%**
OUTGROWERS			
Indonesia	63 841	60 848	4.92%
Tolan Tiga group	8 011	10 304	-22.25%
Umbul Mas Wisesa group	878	812	8.12%
Agro Muko group	14 693	17 356	-15.34%
South Sumatra group	40 260	32 377	24.35%
Papua New Guinea	201 965	232 414	-13.10%
Hargy Oil Palms Ltd	201 965	232 414	-13.10%
TOTAL OUTGROWERS	**265 807**	**293 262**	**-9.36%**
TOTAL FRESH FRUIT BUNCHES PRODUCED	**1 620 575**	**1 710 292**	**-5.25%**

FRESH FRUIT BUNCHES SOLD	YTD 2024	YTD 2023	% CHANGE
Indonesia	27 261	42 588	-35.99%
Tolan Tiga group	307	2 631	-88.32%
Umbul Mas Wisesa group	25 073	34 467	-27.26%
Agro Muko group	1 881	5 490	-65.73%
South Sumatra group	0	0	
TOTAL FRESH FRUIT BUNCHES SOLD	**27 261**	**42 588**	**-35.99%**

FRESH FRUIT BUNCHES PROCESSED	YTD 2024	YTD 2023	% CHANGE
Indonesia	1 106 564	1 067 951	3.62%
Tolan Tiga group	289 966	290 494	-0.18%
Umbul Mas Wisesa group	156 051	152 673	2.21%
Agro Muko group	356 507	374 241	-4.74%
South Sumatra group	304 040	250 543	21.35%
Papua New Guinea	486 750	599 755	-18.84%
Hargy Oil Palms Ltd	486 750	599 755	-18.84%
TOTAL FRESH FRUIT BUNCHES PROCESSED	**1 593 314**	**1 667 704**	**-4.46%**

OIL EXTRACTION RATE	YTD 2024	YTD 2023	% CHANGE
Indonesia	22.4%	22.9%	-2.07%
Tolan Tiga group	22.5%	22.7%	-0.51%
Umbul Mas Wisesa group	21.8%	22.9%	-4.92%
Agro Muko group	22.3%	23.0%	-2.96%
South Sumatra group	22.7%	22.9%	-1.05%
Papua New Guinea	23.5%	24.5%	-3.99%
Hargy Oil Palms Ltd	23.5%	24.5%	-3.99%
TOTAL OIL EXTRACTION RATE	**22.7%**	**23.5%**	**-3.04%**

PALM OIL	YTD 2024	YTD 2023	% CHANGE
OWN			
Indonesia	234 094	231 569	1.09%
Tolan Tiga group	63 551	64 044	-0.77%
Umbul Mas Wisesa group	33 827	34 832	-2.89%
Agro Muko group	76 658	82 490	-7.07%
South Sumatra group	60 058	50 202	19.63%
Papua New Guinea	67 125	90 060	-25.47%
Hargy Oil Palms Ltd	67 125	90 060	-25.47%
TOTAL OWN	**301 220**	**321 629**	**-6.35%**
OUTGROWERS			
Indonesia	13 948	12 883	8.27%
Tolan Tiga group	1 814	1 773	2.27%
Umbul Mas Wisesa group	172	152	13.04%
Agro Muko group	3 015	3 695	-18.40%
South Sumatra group	8 948	7 263	23.20%
Papua New Guinea	47 236	56 703	-16.69%
Hargy Oil Palms Ltd	47 236	56 703	-16.69%
TOTAL OUTGROWERS	**61 185**	**69 586**	**-12.07%**
TOTAL PALM OIL	**362 404**	**391 215**	**-7.36%**

PALM KERNELS	YTD 2024	YTD 2023	% CHANGE
OWN			
Indonesia	47 926	46 579	2.89%
Tolan Tiga group	15 742	15 912	-1.07%
Umbul Mas Wisesa group	6 771	6 388	5.99%
Agro Muko group	15 547	15 792	-1.55%
South Sumatra group	9 866	8 487	16.25%
TOTAL OWN	**47 926**	**46 579**	**2.89%**
OUTGROWERS			
Indonesia	2 459	2 353	4.52%
Tolan Tiga group	383	385	-0.27%
Umbul Mas Wisesa group	34	28	21.31%
Agro Muko group	638	755	-15.49%
South Sumatra group	1 404	1 186	18.42%
TOTAL OUTGROWERS	**2 459**	**2 353**	**4.52%**
TOTAL PALM KERNELS	**50 385**	**48 932**	**2.97%**

PALM KERNEL OIL	YTD 2024	YTD 2023	% CHANGE
Papua New Guinea	9 478	12 411	-23.63%
Hargy Oil Palms Ltd - Own	5 584	7 690	-27.39%
Hargy Oil Palms Ltd - Outgrowers	3 895	4 721	-17.50%
TOTAL PALM KERNEL OIL	**9 478**	**12 411**	**-23.63%**

RUBBER	YTD 2024	YTD 2023	% CHANGE
OWN			
Indonesia	59	827	-92.87%
Tolan Tiga group	0	151	-100.00%
Agro Muko	59	676	-91.27%
TOTAL OWN	**59**	**827**	**-92.87%**
OUTGROWERS			
Indonesia	0	141	-100.00%
Tolan Tiga group	0	141	-100.00%
TOTAL OUTGROWERS	**0**	**141**	**-100.00%**
TOTAL RUBBER	**59**	**968**	**-93.90%**

BANANAS	YTD 2024	YTD 2023	% CHANGE
Côte d'Ivoire	51 038	40 976	24.56%
Azaguié	9 922	11 701	-15.20%
Agboville	8 938	8 004	11.66%
Motobé	6 165	6 424	-4.04%
Lumen	19 389	12 676	52.96%
Akoudié	6 624	2 171	205.10%
TOTAL BANANAS	**51 038**	**40 976**	**24.56%**

Planted Area (in hectares)

Total planted area of consolidated companies excluding PT Timbang Deli and PT Melania.

	2024			2023		
	MATURE	IMMATURE	PLANTED	MATURE	IMMATURE	PLANTED
OIL PALMS	**68 879**	**16 622**	**85 500**	**67 222**	**14 949**	**82 171**
Indonesia	56 434	15 517	71 951	54 917	13 705	68 621
Tolan Tiga group	10 915	3 193	14 107	11 455	2 496	13 950
PT Tolan Tiga	6 981	1 052	8 033	6 960	1 075	8 035
PT Eastern Sumatra	2 273	636	2 910	2 500	593	3 093
PT Kerasaan	1 661	488	2 149	1 994	327	2 322
PT Bandar Sumatra	0	1 016	1 016	0	500	500
Umbul Mas Wisesa group	9 242	658	9 899	9 924	0	9 924
PT Umbul Mas Wisesa	6 389	658	7 046	7 043	0	7 043
PT Toton Usaha Mandiri	1 135	0	1 135	1 135	0	1 135
PT Citra Sawit Mandiri	1 718	0	1 718	1 746	0	1 746
Agro Muko group	17 401	5 609	23 010	17 484	4 066	21 549
PT Agro Muko	15 022	4 670	19 692	14 995	3 474	18 469
PT Mukomuko Agro Sejahtera	2 379	939	3 318	2 489	592	3 081
South Sumatra group	18 876	6 058	24 934	16 054	7 143	23 197
PT Agro Kati Lama	4 270	963	5 233	4 022	779	4 801
PT Agro Muara Rupit	5 395	4 079	9 474	4 980	3 371	8 352
PT Agro Rawas Ulu	2 534	218	2 752	2 405	205	2 610
PT Dendymarker Indah Lestari	6 677	799	7 475	4 646	2 788	7 434
Papua New Guinea	12 445	1 105	13 550	12 305	1 244	13 550
Hargy Oil Palms Ltd	12 445	1 105	13 550	12 305	1 244	13 550
RUBBER	**0**	**0**	**0**	**1 901**	**0**	**1 901**
Indonesia	0	0	0	1 901	0	1 901
Tolan Tiga group	0	0	0	649	0	649
PT Bandar Sumatra	0	0	0	649	0	649
Agro Muko group	0	0	0	1 251	0	1 251
PT Agro Muko	0	0	0	1 251	0	1 251
BANANAS	**1 257**	**0**	**1 257**	**1 229**	**0**	**1 229**
Côte d'Ivoire	1 257	0	1 257	1 229	0	1 229
Plantations J. Eglin SA	1 257	0	1 257	1 229	0	1 229
PINEAPPLE FLOWERS	**0**	**0**	**0**	**29**	**0**	**29**
Côte d'Ivoire	0	0	0	29	0	29
Plantations J. Eglin SA	0	0	0	29	0	29
TOTAL	**70 136**	**16 622**	**86 756**	**70 381**	**14 949**	**85 330**

Planted Area (in hectares)[1]

Total planted area of consolidated companies (share of the Group) excluding PT Timbang Deli and PT Melania.

	TOTAL	BENEFICIAL INTEREST - %	SHARE OF THE GROUP
OIL PALMS	**85 500**	**94.15%**	**80 500**
Indonesia	71 951	93.05%	66 951
Tolan Tiga group	14 107	80.96%	11 421
PT Tolan Tiga	8 033	95.00%	7 631
PT Eastern Sumatra	2 910	90.25%	2 626
PT Kerasaan	2 149	54.15%	1 164
PT Bandar Sumatra	1 016	90.25%	917
Umbul Mas Wisesa group	9 899	95.00%	9 404
PT Umbul Mas Wisesa	7 046	95.00%	6 694
PT Toton Usaha Mandiri	1 135	95.00%	1 078
PT Citra Sawit Mandiri	1 718	95.00%	1 632
Agro Muko group	23 010	93.71%	21 562
PT Agro Muko	19 692	95.05%	18 717
PT Mukomuko Agro Sejahtera	3 318	85.74%	2 845
South Sumatra group	24 934	98.51%	24 564
PT Agro Kati Lama	5 233	100.00%	5 233
PT Agro Muara Rupit	9 474	100.00%	9 474
PT Agro Rawas Ulu	2 752	100.00%	2 752
PT Dendymarker Indah Lestari	7 475	95.05%	7 105
Papua New Guinea	13 550	100.00%	13 550
Hargy Oil Palms Ltd	13 550	100.00%	13 550
RUBBER	**0**	**0.00%**	**0**
Indonesia	0	0.00%	0
Tolan Tiga group	0	0.00%	0
PT Bandar Sumatra	0	90.25%	0
Agro Muko group	0	0.00%	0
PT Agro Muko	0	90.25%	0
BANANAS	**1 257**	**100.00%**	**1 257**
Côte d'Ivoire	1 257	100.00%	1 257
Plantations J. Eglin SA	1 257	100.00%	1 257
PINEAPPLE FLOWERS	**0**	**0.00%**	**0**
Côte d'Ivoire	0	0.00%	0
Plantations J. Eglin SA	0	0.00%	0
TOTAL	86 756	94.24%	**81 757**

(1) Actual planted hectares

Age Profile (in hectares)

OIL PALMS						
YEAR	TOLAN TIGA GROUP	UMBUL MAS WISESA GROUP	AGRO MUKO GROUP	SOUTH SUMATRA GROUP	HARGY OIL PALMS	TOTAL
2024	1 280	658	2 256	1 796	597	6 586
2023	1 265	0	2 300	2 077	369	6 012
2022	647	0	1 052	2 021	875	4 596
2021	597	0	1 066	2 801	673	5 136
2020	0	0	114	3 003	63	3 180
2019	278	0	1 519	2 919	335	5 051
2018	303	0	1 067	2 536	547	4 452
2017	397	45	971	2 730	596	4 740
2016	327	180	396	2 597	219	3 720
2015	678	67	1 071	1 423	741	3 980
2014	709	0	1 012	778	1 386	3 886
2013	431	0	1 240	253	947	2 872
2012	748	202	1 504	0	1 628	4 082
2011	736	604	26	0	811	2 177
2010	625	1 411	347	0	619	3 002
2009	103	1 632	536	0	294	2 564
2008	396	1 823	223	0	239	2 681
2007	300	2 064	233	0	1 557	4 154
2006	508	280	779	0	896	2 463
2005	489	910	516	0	157	2 072
2004	116	0	730	0	0	846
2003	694	0	120	0	0	814
2002	233	0	63	0	0	296
2001	296	0	549	0	0	845
2000	302	0	725	0	0	1 027
1999	370	0	1 153	0	0	1 523
Before 1999	1 278	23	1 442	0	0	2 743
	14 107	**9 899**	**23 010**	**24 934**	**13 550**	**85 500**
AVERAGE AGE	**11.83**	**14.55**	**10.49**	**4.80**	**10.24**	**9.48**

Evolution of key data over 5 years

		2024	2023	2022	2021	2020
ACTIVITIES						
Total own production of consolidated companies (in tonnes)	palm oil	301 220	321 629	329 090	316 740	271 472
	rubber	59	968	1 923	3 182	5 300
	bananas	51 038	40 976	32 270	32 200	31 158
Average market price (USD/tonne)	palm oil*	1 084	964	1 345	1 195	715
	palm oil**	906	833	1 124	1 001	822
	rubber***	2 227	1 577	1 810	2 071	1 728
	bananas****	807	830	762	616	628
Own FFB production (in tonnes/ha)	Indonesia	18.96	19.11	19.67	19.86	18.74
	Papua New Guinea	22.88	29.85	33.43	28.51	21.16
Palm oil extraction rate (in %)	Indonesia	22.42%	22.89%	23.09%	22.99%	22.79%
	Papua New Guinea	23.50%	24.47%	25.33%	25.58%	24.64%
STOCK EXCHANGE SHARE PRICE (IN EUR)						
Maximum		58.80	62.30	70.80	60.80	56.70
Minimum		48.40	51.30	52.70	43.85	38.00
Closing 31/12		56.80	53.00	58.90	56.90	43.20
Stock Exchange capitalisation at 31/12 (in KEUR)		600 906	560 704	623 122	601 964	457 027
RESULTS (IN KUSD)						
Turnover		443 810	443 886	527 460	416 053	274 027
Gross profit		159 606	149 673	221 031	169 218	62 357
Operating result		104 105	107 978	178 312	139 416	30 778
Share of the group in the result		65 838	72 735	108 157	93 749	14 122
Cash flow from operating activities after taxes		133 043	122 632	165 295	160 311	73 262
Free cash flow		38 295	5 813	79 511	112 270	21 299
BALANCE SHEET (IN KUSD)						
Operating fixed assets (1)		778 571	751 674	696 645	667 267	670 637
Shareholders' equity		898 427	853 777	817 803	727 329	638 688
Net financial assets (+)/obligations (-)		- 18 087	- 31 418	122	- 49 192	- 151 165
Investments in intangible and operating fixed assets (1)		86 858	106 985	79 294	68 692	51 763
DATA PER SHARE (IN USD)						
Number of shares		10 579 328	10 579 328	10 579 328	10 579 328	10 579 328
Number of own shares		162 016	180 000	178 933	178 000	160 000
Equity		86.24	82.10	78.63	69.93	61.30
Basic earnings per share (2)		6.33	6.99	10.40	9.00	1.36
Cash flow from operating activities after taxes (2)		12.79	11.79	15.89	15.39	7.03
Free cash flow (2)		3.68	0.56	7.64	10.78	2.04

(1) Operating fixed assets = biological assets - bearer plants, other property, plant & equipment and investment property
(2) Denominator 2024 = weighted average number of shares issued (10 405 284 shares)
* Oilworld price data
** Bursa Malaysia Derivatives Exchange price data
*** World bank commodity price data
****CIRAD price data (in EUR)

SUSTAINABILITY CERTIFICATIONS

1. Sustainability standards and certification

STANDARDS & CERTIFICATIONS[1] (NUMBER OF CERTIFICATES)	PRODUCT	2024	2023
RSPO: Roundtable on Sustainable Palm Oil	Palm oil	8	8
ISCC: International Sustainability and Carbon Certification	Palm oil	4	4
ISPO: Indonesian Sustainable Palm Oil	Palm oil	8	8
ISO 14001:2015	Palm oil	1	1
ISO 9001:2015	Palm oil	1	1
GLOBALG.A.P.	Bananas	2	2
Rainforest Alliance[2]	Bananas	2	3
Fairtrade	Bananas	2	2
Sedex	Bananas	1	1
TOTAL		**29**	**30**

NOTES:
(1) This data is not covered in the scope of CSRD limited assurance.
(2) Excluded certificate from tea operation from 2024 onwards.

2. RSPO and ISPO certification progress: palm oil mills and kernel crushing plants

PALM OIL OPERATIONS (NUMBER OF MILLS AND KERNEL CRUSHING PLANTS)	2024	2023
INDONESIA		
RSPO & ISPO certified mills – Identity Preserved	5	5
RSPO & ISPO certified mills – Mass Balance	1	1
Uncertified mill [1]	1	0
PAPUA NEW GUINEA		
RSPO certified mills – Identity Preserved	3	3
RSPO certified kernel crushing plants – Segregation	2	2

NOTE:
(1) New palm oil mill in South Sumatra in 2024.

3. RSPO certified area of oil palm operations

OIL PALM OPERATIONS (HECTARES)	2024	2023
SIPEF GROUP		
RSPO certified planted area – own plantations[1]	64 357	62 522
RSPO certified planted area – scheme smallholders	18 634	18 639
RSPO certified planted area – independent smallholders	60	60
TOTAL RSPO CERTIFIED PLANTED AREA	**83 051**	**81 221**
INDONESIA		
RSPO certified planted area – own plantations[2]	50 808	48 972
RSPO certified planted area – scheme smallholders	3 827	3 832
RSPO certified planted area – independent smallholders	60	60
RSPO CERTIFIED PLANTED AREA	**54 695**	**52 865**
PAPUA NEW GUINEA		
RSPO certified planted area – own plantations	13 550	13 550
RSPO certified planted area – scheme smallholders	14 807	14 807
RSPO CERTIFIED PLANTED AREA	**28 356**	**28 356**

NOTES:
(1) IAR2023 error corrected.
(2) The higher RSPO certified own planted area in Indonesia, was contributed by the new RSPO certified production unit in North Sumatra (CSM).

4. RSPO certified FFB volumes received in oil palm operations

OIL PALM OPERATIONS (TONNES)	2024	2023
SIPEF GROUP		
RSPO certified FFB – own plantations	1 181 902	1 219 857
RSPO certified FFB – scheme smallholders	229 540	252 378
RSPO certified FFB – independent smallholders	806	679
RSPO certified FFB – outgrower	7 703	7 672
TOTAL RSPO CERTIFIED FFB	**1 419 950**	**1 480 586**
INDONESIA		
RSPO certified FFB – own plantations	897 117	852 517
RSPO certified FFB – scheme smallholders	27 574	19 964
RSPO certified FFB – independent smallholders	806	679
RSPO certified FFB – outgrower	7 703	7 672
RSPO CERTIFIED FFB	**933 200**	**880 832**
PAPUA NEW GUINEA		
RSPO certified FFB – own plantations	284 785	367 340
RSPO certified FFB – scheme smallholders	201 965	232 414
RSPO CERTIFIED FFB	**486 750**	**599 754**

5. RSPO certified CPO, PK, PKO volumes of oil palm operations

PALM OIL OPERATIONS (TONNES)	2024	2023
RSPO CERTIFIED CPO	**314 924**	**348 297**
Indonesia	200 563	201 534
Papua New Guinea	114 362	146 763
RSPO CERTIFIED PK	**67 054**	**72 938**
Indonesia	42 911	41 708
Papua New Guinea	24 143	31 230
RSPO CERTIFIED PKO	**9 478**	**12 412**
Indonesia	0	0
Papua New Guinea	9 478	12 412

ENVIRONMENTAL INFORMATION

6. Energy: Total energy consumption

ENERGY CONSUMPTION (MWH)	2024
SIPEF GROUP	
A. NON-RENEWABLE SOURCES (MWh)	
1. Fuel consumption from coal and coal products	0
2. Fuel consumption from crude oil and petroleum products	98 999
3. Fuel consumption from natural gas	647
4. Fuel consumption from other fossil fuel sources	1 876
5. Purchased electricity, heat, steam and cooling from fossil fuel sources	13 172
TOTAL FOSSIL ENERGY CONSUMPTION	**114 694**
B. RENEWABLE SOURCES (MWh)	
6. Fuel consumption for renewable sources, including biomass	32 787
7. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	0
8. The consumption of self-generated non-fuel renewable energy	0
TOTAL RENEWABLE ENERGY CONSUMPTION	**32 787**
9. Consumption from nuclear sources	0
TOTAL ENERGY CONSUMPTION (MWh)	**147 481**
Share of fossil sources in total energy consumption (%)	78%
Share of renewable sources in total energy consumption (%)	22%
Share of consumption from nuclear sources in total energy consumption (%)	0%
SIPEF net revenue (KUSD) [1]	443 810
Energy intensity based on net revenue (MWh/KUSD)	0.33

NOTE:

(1) Refer to note 7: OPERATIONAL RESULT AND SEGMENT INFORMATION.

7. Gross GHG emissions Scopes 1,2,3

GROSS GHG EMISSIONS	2024
SCOPE 1 GHG EMISSIONS (tCO_2e)	
Gross Scope 1 GHG emissions	1 090 257
Percentage of Scope 1 from regulated emissions trading schemes	0
SCOPE 2 GHG EMISSIONS (tCO_2e)	
Gross location-based Scope 2 GHG emissions	10 758
Gross market-based Scope 2 GHG emissions	10 758
SCOPE 3 GHG EMISSIONS (tCO_2e)	
1. Purchased goods and services	58 889
2. Capital goods	18 884
3. Fuel and energy-related activities	6 822
4. Upstream transportation and distribution	5 857
6. Business travelling	1 876
9. Downstream transportation	4 832
TOTAL GHG EMISSIONS (tCO_2e)	
Total GHG emissions (location-based)	**1 198 175**
Total GHG emissions (market-based)	**1 198 175**
BIOGENIC EMISSIONS OF CO_2 FROM THE COMBUSTION OR BIODEGRADATION OF BIOMASS (tCO_2e)	529 807
SIPEF NET REVENUE (KUSD)[1]	443 810
TOTAL GROSS GHG EMISSIONS INTENSITY BASED ON NET REVENUE (tCO_2e/KUSD)	
Total gross GHG emissions intensity based on net revenue (location-based)	2.7
Total gross GHG emissions intensity based on net revenue (market-based)	2.7
TOTAL GROSS GHG EMISSIONS BY CROP (tCO_2e/TONNE PRODUCT)	
Oil Palm (tCO_2e/t CPO)	3.24
Bananas (tCO_2e/t bananas)	0.47

NOTE:
(1) Refer to note 7: OPERATIONAL RESULT AND SEGMENT INFORMATION.

8. GHG removals

GHG REMOVALS	2024
TOTAL GHG REMOVALS FROM OWN OPERATIONS (tCO_2e)	**324 019**

9. Wastewater discharged quality

PALM OIL MILL	POME DISCHARGE DESTINATION	LEGAL LIMITS BOD (MG/L)	LEGAL LIMITS COD (MG/L)	LEGAL LIMITS TSS (MG/L)	2024 BOD EXCEEDED LIMITS	2024 COD EXCEEDED LIMITS	2024 TSS EXCEEDED LIMITS
INDONESIA							
Agro Muara Rupit	Discharge into water body	100	350	250	0	0	0
Bunga Tanjung	Discharge into water body	100	350	250	0	0	0
Mukomuko	Discharge into water body	100	350	250	0	0	0
Dendymarker Indah Lestari	Discharge into water body	100	350	250	0	0	0
Umbul Mas Wisesa	Discharge into water body	100	350	250	0	0	0
Bukit Maradja	Land application and use for compost	5 000	N/A	N/A	0	N/A	N/A
Perlabian	Land Application	5 000	N/A	N/A	0	N/A	N/A
PAPUA NEW GUINEA							
Hargy	Discharge into water body	100	N/A	500	0	0	1
Barema	Land Application	4 000	N/A	1 000	0	0	2
Navo	Land Application	4 000	N/A	1 000	0	0	3
CÔTE D I'VOIRE							
Agboville	Dam	150	500	50	0	0	0
Azaguié 2	Dam	150	500	50	0	0	0
Akoudié	River	150	500	50	0	0	0
Azaguié 1	River	150	500	50	0	0	1
Lumen 1	River	150	500	50	1	1	0
Lumen 2	River	150	500	50	1	1	0
Motobé	River	150	500	50	1	0	0

10. Air emission monitoring in palm oil mills

PALM OIL MILL	LEGAL LIMIT	2024 EXCEEDED LIMITS
INDONESIA		
Agro Muara Rupit	Opacity <30%	0
Bunga Tanjung	Opacity <30%	0
Mukomuko	Opacity <30%	0
Dendymarker Indah Lestari	Opacity <30%	0
Umbul Mas Wisesa	Opacity <30%	0
Bukit Maradja	Opacity <30%	0
Perlabian	Opacity <30%	0
PAPUA NEW GUINEA		
Hargy	< Ringelmann 2 (40%) opacity for more than 20% of the operating time	0
Barema		0
Navo		0

11. Water management

WATER MANAGEMENT	2024
PALM OIL PROCESSING (m^3)	
Water consumption	914 966
Water recycled and re-used	504 545
Water stored	566 972
BANANA PLANTATIONS AND PACKING STATIONS (m^3)	
Water consumption	10 322 188
Water recycled and re-used	46 524
Water stored	0
SIPEF GROUP (m^3)	
Water consumption	11 237 154
Total net revenue (Million EUR) [1]	411
Total water consumption intensity/net revenue (m^3/million EUR)	27 341

NOTE:
(1) Refer to note 7: OPERATIONAL RESULT AND SEGMENT INFORMATION

12. Water usage intensity in palm oil mills and banana operations by product

WATER USAGE INTENSITY	TARGET	2024	2023
INDONESIA (m^3/TONNE FFB PROCESSED)			
Agro Muara Rupit palm oil mill	≤1	1.24	-
Bukit Maradja palm oil mill	≤1	0.90	0.89
Bunga Tanjung palm oil mill	≤1	0.81	0.50
Dendymarker Indah Lestari palm oil mill	≤1.5	0.95	0.99
Mukomuko palm oil mill	≤1	0.81	0.84
Perlabian palm oil mill	≤1	0.77	0.92
Umbul Mas Wisesa palm oil mill	≤1.5	1.35	1.35
PAPUA NEW GUINEA (m^3/TONNE FFB PROCESSED)			
Barema palm oil mill	≤1.3	1.06	0.94
Hargy palm oil mill	≤1.3	1.00	0.90
Navo palm oil mill	≤1.3	1.23	1.56
CÔTE D I'VOIRE (m^3/TONNE BANANA PRODUCTION)			
Estates and Packing Stations	No target	212.85	178.12

13. Protection of own conservation areas

WITHIN SIPEF CONCESSIONS BY COUNTRY (IN HECTARES)	2024	2023
CONSERVATION AREAS (HCV, HCS)		
Indonesia	9 478	9 737
Papua New Guinea	5 626	5 626
Côte d'Ivoire	216	216
TOTAL	**15 320**	**15 577**

14. Monitoring of tree cover loss

AREAS MONITORED (IN HECTARES)	2024		
	SIPEF OWN CONCESSION	SUPPLIERS' AREAS	TOTAL AREAS MONITORED
TOTAL	**133 305**	**24 486**	**157 791**

15. Tree cover loss monitoring in own concession and within supplier's areas

COUNTRY/PROVINCE	2024			
	WITHIN COMPANY'S CONTROL		WITHIN SUPPLIER'S AREAS	
	VERIFIED INCIDENTS WITHIN COMPANY'S CONTROL	AREAS IMPACTED (IN HECTARES)	VERIFIED INCIDENTS WITHIN SUPPLIER'S AREAS	AREA IMPACTED (IN HECTARES)
INDONESIA	**0**	**0**	**0**	**0**
North Sumatra	0	0	0	0
Bengkulu	0	0	0	0
South Sumatra	0	0	0	0
PAPUA NEW GUINEA	**0**	**0**	**0**	**0**
TOTAL	**0**	**0**	**0**	**0**

COUNTRY/PROVINCE	2023			
	WITHIN COMPANY'S CONTROL		WITHIN SUPPLIER'S AREAS	
	VERIFIED INCIDENTS WITHIN COMPANY'S CONTROL	AREAS IMPACTED (IN HECTARES)	VERIFIED INCIDENTS WITHIN SUPPLIER'S AREAS	AREA IMPACTED (IN HECTARES)
INDONESIA	**1**	**6.6**	**0**	**0**
North Sumatra	0	0	0	0
Bengkulu	0	0	0	0
South Sumatra	1	6.6	0	0
PAPUA NEW GUINEA	**0**	**0**	**0**	**0**
TOTAL	**1**	**6.6**	**0**	**0**

16. Monitoring of fire within own concessions

COUNTRY/PROVINCE	2024		2023	
	WITHIN OWN CONCESSIONS		WITHIN OWN CONCESSIONS	
	HOTSPOTS VERIFIED WITHIN COMPANY'S CONTROL	AREAS IMPACTED (IN HECTARES)	HOTSPOTS VERIFIED WITHIN COMPANY'S CONTROL	AREAS IMPACTED (IN HECTARES)
INDONESIA	**6**	**10.7**	**39**	**160.5**
North Sumatra	0	0.0	0	0
Bengkulu	0	0.0	0	0
South Sumatra	6	10.7	39	160.5
PAPUA NEW GUINEA	**1**	**0.01**	**0**	**0**
TOTAL	**7**	**10.71**	**39**	**160.5**

17. Fire Monitoring within supplier areas

COUNTRY/PROVINCE	2024		2023	
	WITHIN SUPPLIER AREAS		WITHIN SUPPLIER AREAS	
	HOTSPOTS	AREAS IMPACTED (IN HECTARES)	HOTSPOTS	AREAS IMPACTED (IN HECTARES)
INDONESIA	**1**	**10**	**4**	**0**
North Sumatra	0	0	4	0
Bengkulu	0	0	0	0
South Sumatra	1	10	0	0
PAPUA NEW GUINEA	**1**	**1**	**14**	**2.2**
TOTAL	**2**	**11**	**18**	**2.2**

18. SIPEF Biodiversity Indonesia

SBI BIODIVERSITY MONITORING (AS AT 31 DECEMBER)	UNIT	TARGET BY 2024	2024	2023
Degraded area restored	hectares	256	286.44	224
Number of agroforestry growers engaged	# of individuals	369	376	376

19. Coastal restoration programme

COUNTRY	UNIT	TARGET BY 2027	COASTAL RESTORATION	2024
Indonesia	hectares	35	35 hectares of coastal buffer will be restored	Assisted natural regeneration in progress. 581 seedlings were planted within the coastal buffer zone in 2024.
Papua New Guinea	hectares	6.5	Complete the planting of mangrove of 6.5 hectares	Ongoing active mangrove planting within the coastal buffer zone. 796 seedlings planted in 2024.

SOCIAL INFORMATION

20. Employees by gender

GENDER	2024	2023
Male	18 066	17 212
Female	6 138	5 846
Other	0	Not reported
Not Reported	0	Not reported
TOTAL	**24 204**	**23 057**

21. Employees by country

COUNTRY	2024	2023
Belgium	23	24
Côte d'Ivoire	2 640	2 483
Indonesia	16 856	15 547
Papua New Guinea	4 668	4 989
Singapore	17	14
TOTAL	**24 204**	**23 057**

22. Employees by contract type by gender per country

CONTRACT TYPE	2024				
	FEMALE	MALE	OTHER	NOT REPORTED	TOTAL
SIPEF GROUP					
Permanent	2 872	13 696	0	0	16 568
Temporary	3 266	4 370	0	0	7 636
TOTAL EMPLOYEES	**6 138**	**18 066**	**0**	**0**	**24 204**

23. Employees turnover

SIPEF GROUP	2024
Total employees' turnover	5 162
RATE OF EMPLOYEE TURNOVER	**21%**

24. Employees by gender, per crop

CROP	2024			2023		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Oil Palm	4 616	14 981	19 597	No full breakdown provided in IAR2023, total female and male in 2023 provided for reference.		
Bananas	822	1 818	2 640			
Tea	678	1 249	1 927			
Headquarter[1]	22	18	40			
TOTAL	**6 138**	**18 066**	**24 204**	**5 846**	**17 212**	**23 057**

NOTE:
(1) Singapore and Belgium offices.

25. Employees by contract type per crop

CROP	2024			2023			
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	LONG TERM CONTRACT	TEMPORARY	TOTAL
Oil Palm	14 016	5 581	19 597	13 575	3 993	839	18 407
Bananas	1 411	1 229	2 640	2 332	0	118	2 450
Tea	1 101	826	1 927	Not reported in IAR2023			
Headquarter[1]	40	0	40				
TOTAL	**16 568**	**7 636**	**24 204**	**15 907**	**3 993**	**957**	**20 857**

NOTE:
(1) Singapore and Belgium offices.

26. Collective bargaining coverage[1]

COUNTRY	2024		
	COVERED	TOTAL EMPLOYEES	COVERED (%)
Indonesia	9 657	16 856	57%
Côte d'Ivoire	2 640	2 640	100%
Belgium	19	23	83%
Singapore	0	17	0%
Papua New Guinea	0	4 668	0%
SIPEF GROUP	**12 316**	**24 204**	**51%**

NOTE:
(1) Others that are not covered by collective bargaining agreements are covered by contractual agreements.

27. Gender diversity of board of directors per country

	2024				
COUNTRY	FEMALE	MALE	TOTAL	FEMALE (%)	MALE (%)
Belgium	4	7	11	36%	64%
Indonesia	1	6	7	14%	86%
Singapore	1	2	3	33%	67%
Papua New Guinea	1	2	3	33%	67%
Côte d'Ivoire	0	5	5	0%	100%

28. Gender diversity of executive committee members per country

	2024				
COUNTRY	FEMALE	MALE	TOTAL	FEMALE (%)	MALE (%)
Belgium	1	3	4	25%	75%
Indonesia	3	20	23	13%	87%
Papua New Guinea	1	7	8	12.5%	87.5%
Côte d'Ivoire	0	4	4	0%	100%
Singapore	No executive committee				

29. Distribution of employees by age group

	2024			
COUNTRY	< 30 YEARS	30 – 50 YEARS	> 50 YEARS	TOTAL
Belgium	2	14	7	23
Indonesia	4 266	11 441	1 149	16 856
Papua New Guinea	1 053	3 245	370	4 668
Côte d'Ivoire	887	1 556	197	2 640
Singapore	0	12	5	17
TOTAL	**6 208**	**16 268**	**1 728**	**24 204**

30. Amenities provided

AMENITIES PROVIDED[1]	UNIT	2024	2023
Housing	# unit of house	12 135	11 828
Schools established by SIPEF[2]	# school	50	45
Clinics provided by SIPEF[3]	# clinic	47	45
Day care facilities provided by SIPEF[4]	# day care	43	42

NOTES:

(1) This data is not covered in the scope of CSRD limited assurance.

(2) In 2024, five new schools built in Indonesia.

(3) In 2024, one clinic in Côte d'Ivoire, built in 2023, is still not operational and is therefore excluded from the total clinic count. Meanwhile, three new clinics opened in Indonesia.

(4) In 2024, a new daycare was established in Côte d'Ivoire.

31. Training hours

	2024			
COUNTRY	TRAINING HOURS (FEMALE)	TRAINING HOURS (MALE)	AVERAGE TRAINING HOURS (FEMALE)	AVERAGE TRAINING HOURS (MALE)
Belgium	169	180	10.56	25.71
Indonesia	5 527	19 810	1.30	1.57
Papua New Guinea	3 718	16 184	3.59	4.46
Côte d'Ivoire	4 320	9 603	5.26	5.28
Singapore [1]	0	0	0	0
TOTAL	**13 734**	**45 777**	**2.24**	**2.54**

NOTE:
(1) Training hours for Singapore office and Cibuni Tea Estate are not available for 2024.

32. Safety data and Lost Time Injury Frequency Rate (LTIFR)

		2024			
COUNTRY[1]	UNIT	CÔTE D'IVOIRE	INDONESIA	PAPUA NEW GUINEA	SIPEF GROUP
Fatalities - work-related accidents	# cases	-	-	-	-
Lost time injury - work-related accidents	# cases	53	135	189	377
Lost work days - work-related accidents	# days	179	826	456	1461
Total hours worked	# hours	6 919 968	32 052 804	11 572 704	50 545 476

COUNTRY[1]	BASELINE YEAR	TARGET LTIFR (FY2027)	2024	2023
Côte d'Ivoire	2024	6.75	7.66	6.13
Papua New Guinea	2024	6.24	16.33	24.90
Indonesia	2023	3.97	4.20	4.34
Singapore		Not available		
Belgium				

NOTE:
(1) Safety data and LTIFR are not tracked for Singapore and Belgium, as these locations consist only of administrative offices.

33. Gender pay gap

COUNTRY	CURRENCY	2024 GENDER PAY GAP (%)
Belgium	EUR	52%
Singapore	SGD	62%
Indonesia	IDR	12%
Papua New Guinea	PGK	13%
Côte d'Ivoire	XOF	33%

34. Remuneration ratio

COUNTRY	CURRENCY	2024 ANNUAL TOTAL REMUNERATION RATIO
Belgium	EUR	8.80
Singapore	SGD	5.26
Indonesia	IDR	187.21
Papua New Guinea	PGK	145.27
Côte d'Ivoire	XOF	189.74

35. Incidents of discrimination including harassment

	2024	
COUNTRY	# WORK-RELATED INCIDENTS OF DISCRIMINATION AND HARASSMENT REPORTED (NUMBER OF CASES)	AMOUNT OF FINES, PENALTIES, AND COMPENSATION (USD)
SIPEF group	0	0

36. Incidents of severe human rights

	2024	
COUNTRY	INCIDENTS OF SEVERE HUMAN RIGHTS (NUMBER OF CASES)	AMOUNT OF FINES, PENALTIES, AND COMPENSATION (USD)
SIPEF group	0	0

37. Workers in the value chain: scheme smallholders' programme

	2024				2023			
SMALLHOLDER PROGRAMMES	NUMBER OF SMALL-HOLDERS	NUMBER OF RSPO CERTIFIED SMALL-HOLDERS	PLANTED AREA (HECTARES)	RSPO CERTIFIED PLANTED AREA (HECTARES)	NUMBER OF SMALL-HOLDERS	NUMBER OF RSPO CERTIFIED SMALL-HOLDERS	PLANTED AREA (HECTARES)	RSPO CERTIFIED PLANTED AREA (HECTARES)
SIPEF scheme smallholders	5 511	4 879	21 003	18 634	5 510	4 878	21 059	18 639
INDONESIA	**1 865**	**1 233**	**6 196**	**3 827**	**1 864**	**1 232**	**6 253**	**3 832**
Smallholder cooperative (*Koperasi*)	1 815	1 183	5 611	3 243	1 814	1 182	5 666	3 245
Village smallholders[1] (*Kebun Masyarakat Desa*)	50	50	585	585	50	50	587	587
PAPUA NEW GUINEA	**3 646**	**3 646**	**14 807**	**14 807**	**3 646**	**3 646**	**14 807**	**14 807**
Associated smallholders	3 646	3 646	14 807	14 807	3 646	3 646	14 807	14 807

NOTE:
(1) The number of village smallholders has been updated to follow the group-based classification instead of individual counts.

38. Workers in the value chain: independent smallholders' programme

	2024			2023		
SMALLHOLDER PROGRAMMES	NUMBER OF SMALLHOLDERS	NUMBER OF RSPO CERTIFIED SMALLHOLDERS	RSPO CERTIFIED PLANTED AREA (HECTARES)	NUMBER OF SMALLHOLDERS	NUMBER OF RSPO CERTIFIED SMALLHOLDERS	RSPO CERTIFIED PLANTED AREA (HECTARES)
SIPEF'S INDEPENDENT SMALLHOLDERS SUPPLYING TO SIPEF[1]						
INDONESIA						
Independent smallholders	29	29	60	29	30	60

NOTE:
(1) The scope of the independent smallholders is updated to those who are supplying to SIPEF palm oil mills only.

GOVERNANCE

39. ACAB training

ACAB TRAINING	AT-RISK FUNCTIONS	OTHER OWN WORKERS[1]
TRAINING COVERAGE		
Total employees received training	478	68
DELIVERY METHOD AND DURATION		
Average hours of in-person and online training	2.5	2.5
FREQUENCY		
How often the training is required	Annually	Annually
TOPICS COVERED		
Definition of corruption	x	x
Policy	x	x
Procedures on suspicion/ detection of corruption	x	x
Relevant laws and penalties	x	x
Other	x	x

NOTE:
(1) Other own workers may include managers and administrative, management and supervisory body.

40. Corruption and Bribery Incidents

ACAB INCIDENTS	NUMBER OF CONVICTIONS	AMOUNT OF FINES FOR VIOLATION	ANY ACTIONS TAKEN TO ADDRESS BREACHES IN PROCEDURES AND STANDARDS OF ANTI-CORRUPTION AND ANTI-BRIBERY
SIPEF group	0	0	None

Annex 3
EU Taxonomy - Accounting policies

The assessment of the Taxonomy-eligibility and Taxonomy-non-eligibility of SIPEF's Turnover, Capex, and Opex was carried out in accordance with the specifications and definitions set out in Annex I of the Art. 8 Delegated Act. The accounting policies utilised in this process are described as follows:

Turnover KPI

The proportion of Taxonomy-eligible economic activities in the Group's total turnover has been calculated as the part of net turnover derived from products and services associated with Taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator). The denominator of the turnover KPI is based on the Group's consolidated net turnover in accordance with IAS 1 .82(a). Further details on the Group's accounting policies regarding the Group's consolidated net turnover, can be found in the consolidated financial statements.

With regard to the numerator, SIPEF has not identified any Taxonomy-eligible activities as explained above.

Reconciliation

The Group's consolidated net turnover can be reconciled to the consolidated financial statements, in the income statement (Financial Statements – 'revenue').

Capex KPI

The Capex KPI is defined as Taxonomy-eligible Capex (numerator) divided by the Group's total Capex (denominator). Regarding the numerator, an explanation is provided below.

Total Capex consists of additions to tangible and intangible fixed assets during the financial year, before depreciation, amortisation, and any re-measurements, including those resulting from revaluations and impairments, as well as excluding changes in fair value. It includes additions to fixed assets (IAS 16), intangible assets (IAS 38) and right-of-use assets (IFRS 16). Additions resulting from business combinations are also included (but this is not applicable in 2024). Goodwill is not included in Capex as it is not defined as an intangible asset in accordance with IAS 38. Further details on the accounting policies regarding the Group's Capex can be found in the consolidated financial statements.

Reconciliation

The Group's total Capex can be reconciled to the consolidated financial statements as the total of acquisition of intangible assets, acquisition of biological assets and acquisition of property, plant and equipment in the consolidated cash flow.

Opex KPI

The Opex KPI is defined as Taxonomy-eligible Opex (numerator) divided by the total Opex (denominator). Regarding the numerator, an explanation is provided below.

Total Opex consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

This includes:

- Research and development expenditure, which is not applicable to the SIPEF group. Although the SIPEF group does have research and development expenditures concentrated in its minority subsidiaries Verdant Bioscience Pte Ltd and PT Timbang Deli, which are included in the consolidation as equity consolidated companies and are not included in the Opex calculation.
- The volume of non-capitalised leases, which was determined in accordance with IFRS 16 and includes expenses for short-term leases and low-value leases. Further information can be found in the note on leasing of the consolidated financial statements.
- Maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment and biological assets (bearer plants). These were determined based on the maintenance and repair costs allocated to the respective assets. The maintenance of the biological assets - bearer plants contain all costs related to keeping the biological assets (bearer plants) in a good productive state. Primary examples of this include all expenses linked with fertiliser application, pruning, pest and disease control.

The related cost items can be found in various line items in the Group’s income statement, including the cost of sales (maintenance of operational PP&E and biological assets – bearer plants) and general and administrative expenses (such as maintenance of IT systems), if applicable.

In general, these costs include labour costs, costs for services, and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. These costs are directly allocated to property, plant and equipment.

As the SIPEF group has not identified Taxonomy-eligible economic activities, the Group does not record Capex/Opex-related assets or processes that are associated with Taxonomy-eligible economic activities in the numerator of the Capex KPI and the Opex.

Turnover

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA					
ECONOMIC ACTIVITIES[1]	CODE[2]	TURNOVER[3]	PROPORTION OF TURNOVER, YEAR N[4]	CLIMATE CHANGE MITIGATION[5]	CLIMATE CHANGE ADAPTATION[6]	WATER[7]	POLLUTION[8]	CIRCULAR ECONOMY[9]	BIODIVERSITY[10]
		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
N/A		0	0%	N/A	N/A	N/A	N/A	N/A	N/A
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Electricity generation from bioenergy	CCM 4.8	85 832	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		85 832	0%	0%	0%	0%	0%	0%	0%
A. TURNOVER OF TAXONOMY ELIGIBLE ACTIVITIES (A.1+A.2)		**85 832**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. TURNOVER OF TAXONOMY-NON-ELIGIBLE ACTIVITIES		**443 724 505**	**100%**						
TOTAL (A+B)		**443 810 377**	**100%**						

PROPORTION OF TURNOVER/ TOTAL TURNOVER PER OBJECTIVE	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation (CCM)	0%	0%
Climate Change Adaptation (CCA)	0%	0%
Water and Marine Resources (WTR)	0%	0%
Pollution Prevention and Control (PPC)	0%	0%
Circular Economy (CE)	0%	0%
Biodiversity and Ecosystems (BIO)	0%	0%

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL: Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
CLIMATE CHANGE MITIGATION(11)	CLIMATE CHANGE ADAPTATION(12)	WATER(13)	POLLUTION(14)	CIRCULAR ECONOMY(15)	BIODIVERSITY(16)	MINIMUM SAFEGUARD(17)	PROPORTION OF TAXONOMY-ALIGNED (A.1.) OR ELIGIBLE (A.2.) TURNOVER, YEAR N-1(18)	CATEGORY ENABLING ACTIVITY(19)	CATEGORY TRANSITIONAL ACTIVITY(20)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	T
-	-	-	-	-	-	-	0%	-	-
-	-	-	-	-	-	-	0%	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**0%**	**-**	**-**

Capital Expenditure (Capex)

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA					
ECONOMIC ACTIVITIES[1]	CODE[2]	CAPEX[3]	PROPORTION OF CAPEX, YEAR N[4]	CLIMATE CHANGE MITIGATION[5]	CLIMATE CHANGE ADAPTATION[6]	WATER[7]	POLLUTION[8]	CIRCULAR ECONOMY[9]	BIODIVERSITY[10]
		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
N/A		0	0%	N/A	N/A	N/A	N/A	N/A	N/A
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Electricity generation from bioenergy	CCM 4.8	2 513 010	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capex of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2 513 010	2.9%	2.9%	0%	0%	0%	0%	0%
A. CAPEX OF TAXONOMY ELIGIBLE ACTIVITIES (A.1+A.2)		**2 513 010**	**2.9%**	**2.9%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. CAPEX OF TAXONOMY-NON-ELIGIBLE ACTIVITIES		**84 344 644**	**97.1%**						
TOTAL (A+B)		**86 857 654**	**100%**						

PROPORTION OF CAPEX/ TOTAL CAPEX PER OBJECTIVE	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation (CCM)	0%	2.9%
Climate Change Adaptation (CCA)	0%	0%
Water and Marine Resources (WTR)	0%	0%
Pollution Prevention and Control (PPC)	0%	0%
Circular Economy (CE)	0%	0%
Biodiversity and Ecosystems (BIO)	0%	0%

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL: Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
CLIMATE CHANGE MITIGATION[11]	CLIMATE CHANGE ADAPTATION[12]	WATER[13]	POLLUTION[14]	CIRCULAR ECONOMY[15]	BIODIVERSITY[16]	MINIMUM SAFEGUARD[17]	PROPORTION OF TAXONOMY-ALIGNED (A.1.) OR ELIGIBLE (A.2.) CAPEX, YEAR N-1[18]	CATEGORY ENABLING ACTIVITY[19]	CATEGORY TRANSITIONAL ACTIVITY[20]
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	T
-	-	-	-	-	-	-	0%	-	-
-	-	-	-	-	-	-	0%	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**0%**	**-**	**-**

Operating Expenditure (Opex)

FINANCIAL YEAR	2024			SUBSTANTIAL CONTRIBUTION CRITERIA					
ECONOMIC ACTIVITIES[1]	CODE[2]	OPEX[3]	PROPORTION OF OPEX, YEAR N[4]	CLIMATE CHANGE MITIGATION[5]	CLIMATE CHANGE ADAPTATION[6]	WATER[7]	POLLUTION[8]	CIRCULAR ECONOMY[9]	BIODIVERSITY[10]
		USD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
N/A		0	0%	N/A	N/A	N/A	N/A	N/A	N/A
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		0	0%	0%	0%	0%	0%	0%	0%
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%
Of which Transitional		0	0%	0%	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
N/A		0	0%	N/A	N/A	N/A	N/A	N/A	N/A
Opex of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		0	0%	0%	0%	0%	0%	0%	0%
A. OPEX OF TAXONOMY ELIGIBLE ACTIVITIES (A.1+A.2)		**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
B. OPEX OF TAXONOMY-NON-ELIGIBLE ACTIVITIES		**48 449 962**	**100%**						
TOTAL (A+B)		**48 449 962**	**100%**						

PROPORTION OF OPEX/ TOTAL OPEX PER OBJECTIVE	TAXONOMY-ALIGNED PER OBJECTIVE	TAXONOMY-ELIGIBLE PER OBJECTIVE
Climate Change Mitigation (CCM)	0%	0%
Climate Change Adaptation (CCA)	0%	0%
Water and Marine Resources (WTR)	0%	0%
Pollution Prevention and Control (PPC)	0%	0%
Circular Economy (CE)	0%	0%
Biodiversity and Ecosystems (BIO)	0%	0%

Y: Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N: No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
EL: Eligible, Taxonomy-eligible activity for the relevant environmental objective
N/EL: Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)									
CLIMATE CHANGE MITIGATION[11]	CLIMATE CHANGE ADAPTATION[12]	WATER[13]	POLLUTION[14]	CIRCULAR ECONOMY[15]	BIODIVERSITY[16]	MINIMUM SAFEGUARD[17]	PROPORTION OF TAXONOMY-ALIGNED (A.1.) OR ELIGIBLE (A.2.) OPEX, YEAR N-1[18]	CATEGORY ENABLING ACTIVITY[19]	CATEGORY TRANSITIONAL ACTIVITY[20]
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	E	-
N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	T
-	-	-	-	-	-	-	0%	-	-
-	-	-	-	-	-	-	0%	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**0%**	**-**	**-**

Annex 4 – General basis for preparation of the Sustainability Statement

This report has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), following the requirements set out by the European Sustainability Reporting Standards (ESRS) issued by the European Commission, and covers SIPEF's sustainability performance for the period of 1 January to 31 December 2024.

Information on intellectual property

SIPEF group has not used the option to omit information corresponding to intellectual property. No information on intellectual property, know-how, or the results of innovation was omitted in the Sustainability statement.

Information on matters in the course of negotiation

SIPEF did not apply the exemption from disclosing impending developments or matters in course of negotiation, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

Sustainability data methodologies overview

Sustainability data is collected from SIPEF's operating units and offices across Indonesia, Papua New Guinea, Côte d'Ivoire, Belgium, and Singapore. Where precise data is unavailable, reasonable assumptions, estimates, and management judgment have been applied, which may introduce a degree of uncertainty. Most data is based on internal records and primary sources. Details on methodologies, assumptions, and uncertainties are provided alongside the relevant disclosures and further elaborated in Annexes 1 and 2.

No metrics included in this report have been validated by an external body other than the appointed assurance provider. SIPEF is committed to continuously improving the quality and transparency of its sustainability reporting to provide a true and fair view of its impacts and performance.

VALUE CHAIN ESTIMATIONS

At SIPEF, value chain estimations are applied to Scope 3 GHG emissions. For more information, please refer to the E1: Climate change section of this report.

HIGH LEVEL OF MEASUREMENT UNCERTAINTY
SIPEF acknowledges that Scope 3 GHG emissions are subject to a high level of measurement uncertainty due to the complexity of value chain emissions and limited access to reliable upstream and downstream data. To address this, SIPEF applies the following estimation methods:

- Activity-based estimation using emission factors from internationally recognised sources such as the IPCC and EPA, where activity data is available.
- Where detailed activity data is not accessible, spend-based methods are used, relying on financial data to estimate emissions.
- Materiality thresholds are applied to determine which Scope 3 categories are included, particularly where emissions are likely to be immaterial or data is highly uncertain or unverifiable.

For more information, please refer to the E1: Climate change section of this report.

CHANGES AND CORRECTIONS
Any changes in the preparation or presentation of sustainability information, or corrections of reporting errors from prior periods, are clearly addressed alongside the relevant disclosure requirements and detailed in Annexes 1 and 2.

NO.	TOPIC	METRIC	METHODOLOGIES AND ASSUMPTIONS
1.	Certification	RSPO, ISPO	Certification figures are based on the active RSPO and ISPO certification status as of December 2024. They include the classification of supply chain models in accordance with RSPO definitions (i.e., Identity Preserved, Segregation, and Mass Balance). Planted areas are determined from the hectarage statement for the same reporting period. The volumes of RSPO-certified Fresh Fruit Bunches (FFB) and certified products—including Crude Palm Oil (CPO), Palm Kernel (PK), and Palm Kernel Oil (PKO)—are calculated using actual production data as of December 2024.
2.	Climate	Energy	SIPEF's energy use in its own operations contributes to its Scope 1 and Scope 2 emissions, and includes energy from both non-renewable sources (such as fossil fuels and electricity) and renewable sources (such as biomass). In palm oil mills, biomass combustion involves the use of by-product materials such as fibre, shell, and wood as fuel sources. Energy intensity (MWh/KUSD) is calculated by dividing total energy consumption by net revenue (in thousand USD).

NO.	TOPIC	METRIC	METHODOLOGIES AND ASSUMPTIONS
3.	Climate	GHG gross emissions	**Scope 1:** Direct emissions originating from SIPEF-owned and managed plantations, mills, packing stations, and offices. These emissions result from land use change, palm oil mill effluent (POME), and the use of various inputs, including fertilisers, fuels, chemicals, lubricants, and refrigerants. **Scope 2:** Indirect emissions from the energy purchased externally from the national grid according to the Group's location-based approach. The Group currently reports Scope 2 emissions using the location-based method, and uses this as a proxy to estimate market-based emissions. **Scope 3:** Indirect emissions from upstream and downstream activities within SIPEF's value chain. These are reported under the following categories: Category 1 – Purchased goods and services, Category 2 – Capital goods, Category 3 – Fuel- and energy-related activities, Category 4 – Upstream transportation and distribution, Category 6 – Business travel, Category 9 – Downstream transportation and distribution. Categories 1, 2, and 6 are calculated using a spend-based approach, while Categories 3, 4, and 9 are based on activity-based emissions calculations. As part of SIPEF's Scope 3 GHG inventory assessment, the following categories have been excluded from current reporting. These exclusions are based on an evaluation of materiality, data availability, operational control, and business relevance. • Excluded due to immaterial impact on total emissions: Category 5 - Waste generated in operations, Category 7 - Employee commuting and Category 15 – Investments. • Excluded due to lack of visibility and control over product use. These categories relate to emissions from downstream activities, where SIPEF has no visibility or influence over how sold intermediate products are processed, used, or disposed of. Given the wide range of potential applications, each with different emissions profiles, accurate estimation is currently unfeasible: Category 10 - Processing of sold products, Category 11- Use of sold products and Category 12 - End-of-life treatment of sold products. • Excluded due to non-relevance to SIPEF's business activities: Category 8 - Upstream leased assets, Category 13 - Downstream leased assets, Category 14 – Franchises. GHG emissions intensity • Per net revenue: Total GHG emissions expressed as tonnes of CO_2 equivalent per thousand USD of net revenue ($tCO_2e/KUSD$). • Per product: Total GHG emissions per unit of product (e.g. per tonne of palm oil, bananas), showing the carbon footprint of each product.
4.		GHG removals	Carbon removals from conservation and reserve areas are calculated based on plant growth and annual sequestration per hectare.
5.		Climate change adaptation	Coastal restoration programmes in Indonesia and Papua New Guinea are implemented to address potential water-related risks by restoring coastal buffer zones within SIPEF's own operations.

NO.	TOPIC	METRIC	METHODOLOGIES AND ASSUMPTIONS
6.	Pollution	Water discharged	Water quality is monitored via Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and Total Suspended Solids (TSS), measured in milligrams per litre (mg/L). Sampling is carried out at mills on a monthly basis, and at banana packing stations twice yearly, with testing conducted by an external laboratory.
7.		Air emissions	Indonesia mills use opacity monitoring (≤30%), and the mills in Papua New Guinea use the Ringelmann Index (≤2 for ≤20% of time). Parameters are verified through regular external and government inspections.
8.	Water	Water management	Banana production has the highest water use due to irrigation requirements, whereas oil palm cultivation primarily relies on rainfall. In Côte d'Ivoire, water sources include rainfall, rivers, dams, and wells. Water from banana packing stations is either reused for irrigation or safely discharged. In 2024, due to the difficulty of accurately measuring water use by banana plants, all water withdrawn is considered fully consumed. Palm oil mills source water from rivers or boreholes, and some facilities reuse treated POME or discharge it in compliance with regulatory requirements. Water consumption is calculated as the difference between total water withdrawal and discharge. Water use per product is expressed as water withdrawal per tonne of FFB or bananas.
9.	Biodiversity	Conservation areas	Conservation areas are identified through external HCV-HCSA (or similar) assessments and are protected as part of SIPEF's NDP commitment.
10.		Tree cover loss monitoring	An external partner is engaged to monitor the implementation of SIPEF's NDP policy across its own concessions and supplier areas, providing quarterly updates. Impacted areas are identified through alert systems and are verified by local teams through on-the-ground investigations.
11.		Fire monitoring	Fire alerts from RSPO are monitored across SIPEF's own concessions and supplier areas. Impacted areas are confirmed through on-the-ground investigations conducted by local teams.
12.		SBI	Degraded area restored refers to the total hectares of forest rehabilitated, while agroforestry growers engaged represents the number of community farmers actively collaborating with SIPEF.
13.	Own Workforce	Number of employees	Headcount is reported as of 31 December 2024 and is further disaggregated by country, gender, contract type, and crop. There is no cross-reference available between the reported headcount and the figures in the financial statements.
14.		Employment type	There are two types of employment contracts: • **Permanent:** An employment contract for an indefinite period. • **Temporary:** An employment contract for a fixed period that ends either when the specified time expires or when a particular task or event is completed (e.g., project completion or the return of a replaced employee).
15.		Employee turnover	Total number of employees who have left SIPEF during the reporting period voluntarily, due to dismissal, retirement, or death. The percentage of turnover is calculated based on total turnover divided by the total number of employees as at 31 December 2024.
16.		Collective bargaining	Collective bargaining coverage includes employees whom SIPEF is required to cover under local regulations. Through their unions, employees negotiate with the Company on matters such as pay, benefits, working hours, leave, and safety. The coverage percentage is calculated as the number of employees covered as of 31 December 2024, divided by the total number of employees at that time.

NO.	TOPIC	METRIC	METHODOLOGIES AND ASSUMPTIONS
17.	Own Workforce	Diversity: Top management	At SIPEF, top management includes the board of directors and executive committee members (in all countries except Singapore).
18.		Diversity: Age	The age diversity of all employees is calculated as of 31 December 2024, based on each employee's date of birth. Employees are categorised into the following age groups: below 30 years old, between 30 and 50 years old (inclusive), above 50 years old.
19.		Training	Total training hours are recorded and used to calculate the average training hours by gender, based on the total number of male and female employees with active status as of 31 December 2024.
20.		Safety: Lost Time Injury (LTI)	A Lost Time Injury (LTI) is a work-related accident or injury that prevents an employee from doing their regular job. It must be confirmed by a medical certificate to be officially recorded.
21.		Safety: Lost Work Day	Lost work days from an LTI are counted starting from the next working day after the incident occurred during working hours.
22.		Safety: Total hours worked	Hours worked is the estimated total number of hours employees worked during the reporting period, including paid leave like annual leave and public holidays. It is based on the legal working hours in each country and calculated using: *Hours worked = Headcount × Weeks per month × Hours per week*
23.		Lost time injury frequency rate (LTIFR)	This calculation is performed per country, based on data from the reporting year, and expresses the number of LTIs per one million hours worked. It is calculated using the following formula: *LTIFR = (Total number of LTIs/Total hours worked) x 1 000 000*
24.		Gender pay gap	The percentage of gender pay gap is calculated using the following formula: *(Average gross pay of male employees – Average gross pay of female employees) / Average gross pay level male employees x 100*
25.		Remuneration ratio	The remuneration ratio compares the annual pay of the highest-paid individual to the median pay of all other employees in each country, excluding the highest-paid individual. Total pay includes salary, bonuses, and regular financial benefits. It is calculated using: *Remuneration Ratio = Highest annual pay / Median annual pay of other employees*
26.		Incidents and complaints	All grievances received are documented through SIPEF's Grievance Solution system. Each case is reviewed and categorised based on its nature and severity, including incidents related to: discrimination, harassment and severe human rights violations, if any are identified. No cases were identified in the 2024 reporting period.
27.	Workers in value chain	Smallholders' programmes	The number of smallholders is based on SIPEF's official list in Indonesia and Papua New Guinea. The RSPO-certified smallholders are those registered under valid RSPO certificates. Total and certified planted areas are based on hectarage statement as of December 2024.
28.	Good business conduct	ACAB training	The number of training sessions attended is reported at Group level, covering both at-risk functions and other own workers for the 2024 reporting period.
29.		Corruption and bribery incidents	All grievances are recorded using SIPEF's Grievance Solution system and are reviewed and categorised by type and severity. This includes cases related to corruption and bribery, if identified. Any convicted cases, if they occur, will be included in the reporting scope. No cases were identified in the 2024 reporting period.

Annex 5 – ESRS disclosure requirements index and incorporation by reference

The following table lists all ESRS Disclosure Requirements (DRs) from ESRS 2 and the nine topical standards identified as material to SIPEF, covering a total of 45 sustainability matters. The DRs under ESRS E5 – Circular Economy – have been omitted in full, as this topic was assessed as not material.

The table also explains any omissions or "not applicable" DRs and data points within the nine topical standards. For each applicable DR, the table indicates where the information is reported in the Integrated Annual Report—namely, the Sustainability Statement, Company Report, Corporate Governance Statement, Financial Statements, or Annexes.

Where DRs are addressed outside the Sustainability Statement, they are incorporated by reference, with precise details provided in the table on the corresponding section title and page number(s) in the Integrated Annual Report. In cases of omission or non-applicability, this is briefly explained under the "Additional Information" column. The table also references relevant data points from other EU legislation: (1) SFDR, (2) Pillar 3, (3) Benchmark Regulation, and (4) EU Climate Law. Where relevant, the use of other sustainability reporting standards or frameworks is also noted and explained within the table.

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
ESRS 2 - GENERAL DISCLOSURES					
BP-1	General basis for preparation of the Sustainability Statement	Sustainability Statement - General information; Annex 4	88-89, 446-450		
BP-2	Disclosure in relation to specific circumstances	Sustainability Statement - General information; Annex 4; Annex 5	88-89, 446-450, 451-462	*Where relevant, specific circumstances in accordance with BP-2 DRs have been reported alongside topic and data disclosures throughout the Environmental, Social and Governance information sections of the Sustainability Statement*	
GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Statement - General information; Corporate Governance Statement; Company report	34-35, 100-104, 286-304		(1), (2)

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability Statement - General information; Corporate Governance Statement	101-102, 292-203, 298		
GOV-3	Integration of sustainability-related performance in incentives schemes	Corporate Governance Statement	308-309, 315		
GOV-4	Statement on sustainability due diligence	Sustainability Statement - General information	108-109		(1)
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability Statement - General information	110-111		
SBM-1	Strategy, business model and value chain *(products, markets, employees, revenue, strategy, business model, value chain)*	Company Report	18-19, 26-45		(1), (2), (3)
SBM-1	Strategy, business model and value chain *(banned products, ESRS sectors, fossil fuel, chemical, controversial weapons, tobacco)*	Company Report	37	*Omitted: SIPEF does not produce any products that are banned in certain markets, nor is SIPEF active in fossil fuel sectors, chemicals production, controversial weapons, or the cultivation and production of tobacco*	
SBM-1	Strategy, business model and value chain *(strategy, sustainability goals,)*	Sustainability Statement - General information; Company Report	26-33, 40-41, 46-61, 90-93, 118, 156, 256		
SBM-2	Interests and views of stakeholders	Sustainability Statement - General information	111-117		
SBM-3	Material, impacts, risk and opportunities and their interaction with strategy and business model	Sustainability Statement; Corporate Governance Statement	119-151, 157-255, 257-281, 318-324	*SBM-3 is reported in the environmental, social and governance sections of the statement, alongside topical and data disclosures for each sustainability matter material to SIPEF*	
IRO-1	Description of the process to identify and assess material, impact, risks and opportunities	Sustainability Statement - General information	94-99		
IRO-2	Disclosure requirements in ESRS covered by the undertaking's Sustainability statements	Sustainability Statement; Annex 5	97, 451-462		

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
ESRS E1 - CLIMATE CHANGE					
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	Corporate Governance Statement	315		
E1-1	Transition plan for climate change mitigation	Sustainability Statement - E1: Climate change	119, 130	*Omitted: not available, as this is the first year of gross GHG emissions reporting. Prior to 2024, only net emissions were calculated, and the disclosed target was based on net values. Recalculation of historical data and development of gross-based targets are underway.*	(2), (3), (4)
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to climate change	Sustainability Statement - E1: Climate change	120-128	*Sustainability matters: climate change mitigation, energy, climate change adaptation*	
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Sustainability Statement - E1: Climate change	120, 125-127		
E1-2	Policies related to climate change mitigation and adaptation	Sustainability Statement - E1: Climate change	128		
E1.MDR-P	Policies to manage material impacts, risks and opportunities related to climate change	Sustainability Statement - E1: Climate change	128		
E1-3	Actions and resources in relation to climate change policies	Sustainability Statement - E1: Climate change; EU Taxonomy disclosures	129-130, 152-154		
E1.MDR-A	Actions and resources related to climate change mitigation and adaptation	Sustainability Statement - E1: Climate change	129-130		
E1-4	Targets related to climate change mitigation and adaptation	Sustainability Statement - E1: Climate change	119, 129-130	*Omitted: not available, as this is the first year of gross GHG emissions reporting. Prior to 2024, only net emissions were calculated, and the disclosed target was based on net values. Recalculation of historical data and development of gross-based targets are underway.*	

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
E1.MDR-T	Targets related to climate change mitigation and adaptation	Sustainability Statement - E1: Climate change; Annex 1	119, 129-130, 406-407		
E1-5	Energy consumption and mix	Sustainability Statement - E1: Climate change; Annex 2	124, 426		(1)
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Sustainability Statement - E1: Climate change; Annex 2; Annex 4	120-124, 427, 446-450		(1), (2), (3)
ESRS E2 - POLLUTION					
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Sustainability Statement - E2: Pollution	132-133	*Note: no material pollution-related risks or opportunities were identified by SIPEF and are therefore not disclosed.* *Sustainability matters: pollution of air, pollution of water*	
E2-1	Policies related to pollution	Sustainability Statement - E2: Pollution	133		
E2.MDR-P	Policies to manage its material impacts, risks and opportunities related to pollution	Sustainability Statement - E2: Pollution	133		
E2-2	Actions and resources related to pollution	Sustainability Statement - E2: Pollution	133-135		
E2.MDR-A	Action plans and resources to manage material impacts, risks, and opportunities related to pollution	Sustainability Statement - E2: Pollution	133-135		
E2-3	Targets related to pollution	Sustainability Statement - E2: Pollution; Annex 1	131, 133-135, 407-408		
E2.MDR-T	Tracking effectiveness of policies and actions through targets	Sustainability Statement - E2: Pollution; Annex 1	131, 133-135, 407-408		
E2-4	Pollution of air, water and soil	Omitted	N/A	*Not applicable: SIPEF's operations are located outside of the EU. Regulation (EC) No 166/2006, which established the European Pollutant Release and Transfer Register, does not apply.*	
E2-5	Substances of concern and substances of very high concern	Omitted	N/A	*Not material: substances of concern and very high concern were not identified as material in SIPEF's assessment.*	

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
E2-6	Anticipated financial effects from material pollution-related risks and opportunities	Sustainability Statement - E2: Pollution	132	*No material pollution-related risks and opportunities identified, and no material incidents and deposits expected to have negative financial effects. Phase-in for E2-6: 40c, 39a, 39b, 39c, 41.*	
ESRS E3 - WATER RESOURCES					
E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Sustainability Statement - E3: Water	137	*Note: no material water-related risks or opportunities were identified by SIPEF and are therefore not disclosed.* *Sustainability matters: water consumption, water withdrawals, water discharges*	
E3-1	Policies related to water and marine resources	Sustainability Statement - E3: Water	138		(1)
E3.MDR-P	Policies to manage material impacts, risks and opportunities related to water and marine resources	Sustainability Statement - E3: Water	138		
E3-2	Actions and resources related to water and marine resources	Sustainability Statement - E3: Water	138-140	*Note: marine resources are not applicable to SIPEF's operations and were not identified as material.*	
E3.MDR-A	Action plans and resources to manage material impacts, risks, and opportunities related water and marine resources	Sustainability Statement - E3: Water	138-140		
E3-3	Targets related to water and marine resources	Sustainability Statement - E3: Water; Annex 1	131, 139-140, 408		
E3.MDR-T	Targets set to manage material impacts, risks and opportunities	Sustainability Statement - E3: Water; Annex 1	131, 139-140, 408		
E3-4	Water consumption	Sustainability Statement - E3: Water	138-139		(1)
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Sustainability Statement - E3: Water	137	*Phase-in for E3-5: 33a, 33b, 33c*	

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
ESRS E4 - BIODIVERSITY AND ECOSYSTEMS					
E4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to climate change	Sustainability Statement - E4: Biodiversity and ecosystems	142-145	*Sustainability Matters: Land-use change, Land degradation, Species population size, Species global extinction risk*	
E4.IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	Sustainability Statement - E4: Biodiversity and ecosystems	142-145		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Sustainability Statement - E4: Biodiversity and ecosystems	145		
E4-2	Policies related to biodiversity and ecosystems	Sustainability Statement - E4: Biodiversity and ecosystems	145		(1)
E4.MDR-P	Policies to manage its material impacts, risks and opportunities related to biodiversity and ecosystems	Sustainability Statement - E4: Biodiversity and ecosystems	145		
E4-3	Actions and resources related to biodiversity and ecosystems	Sustainability Statement - E4: Biodiversity and ecosystems	146-151	*Partially omitted: SIPEF does not use biodiversity offsets in its action plan*	
E4.MDR-A	Action plans and resources to manage material impacts, risks, and opportunities related to biodiversity and ecosystems	Sustainability Statement - E4: Biodiversity and ecosystems	146-151		
E4-4	Targets related to biodiversity and ecosystems	Sustainability Statement - E4: Biodiversity and ecosystems; Annex 1	141, 148-151, 409-410	*Partially omitted: SIPEF does not apply ecological thresholds as per ESRS E4-4 definitions. Therefore 32a (i,ii,iii) and 32b are omitted.*	
E4. MDR-T	Targets set to manage material impacts, risks and opportunities	Sustainability Statement - E4: Biodiversity and ecosystems ; Annex 1	141, 148-151, 409-410		
E4-5	Impact metrics related to biodiversity and ecosystems change	Sustainability Statement - E4: Biodiversity and ecosystems	146-151		
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	Sustainability Statement - E4: Biodiversity and ecosystems	145	*Phase-in for E4-6: 45a, 45b, 45c*	

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
ESRS S1 - OWN WORKFORCE					
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to consumers and end users	Sustainability Statement - S1: Own workforce	161-192	*Note: no material own workforce-related risks or opportunities were identified by SIPEF and are therefore not disclosed.* *Sustainability matters: secure employment, no exploitation (child labour, forced labour), adequate wages, freedom of association, collective bargaining, working time, work-life balance, health and safety, training and skills development, gender equality and equal pay for work of equal value, diversity, measures against violence and harassment in the workplace*	
S1-1	Policies related to Own workforce	Sustainability Statement - S1: Own workforce	161, 166, 168, 173, 176, 179, 183, 186, 191-192		
S1.MDR-P	Policies to manage material impacts, risks and opportunities related to workers in the value chain	Sustainability Statement - S1: Own workforce	161, 166, 168, 173, 176, 179, 183, 186, 191-192		
S1-2	Processes for engaging with Own workforce and workers' representatives about impacts	Sustainability Statement - S1: Own workforce	193		
S1-3	Processes to remediate negative impacts and channels for Own workforce to raise concerns	Sustainability Statement - S1: Own workforce	194-195		(1)
S1-4	Taking action on material impacts on Own workforce, and approaches to managing material risks and pursuing material opportunities related to Own workforce, and effectiveness of those actions	Sustainability Statement - S1: Own workforce	161-192		

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
S1.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to its Own workforce	Sustainability Statement - S1: Own workforce	161-192		
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - S1: Own workforce; Annex 1	157, 164, 167, 171, 174, 178, 181-182, 185, 190, 192, 411		
S1.MDR-T	Targets set to manage material impacts, risks and opportunities related to Own workforce	Sustainability Statement - S1: Own workforce; Annex 1	157, 164, 167, 171, 174, 178, 181-182, 185, 190, 192, 411		
S1-6	Characteristics of the undertaking's employees	Sustainability Statement - S1: Own workforce; Annex 2	158, 432-437		
S1-7	Characteristics of non-employees in the undertaking's Own workforce	Omitted	N/A	*Phase-in for S1-7: 55a, 55b (I,ii), 55c, 57*	
S1-8	Collective bargaining coverage and social dialogue	Sustainability Statement - S1: Own workforce; Annex 2	172-174, 432-437	*Partially omitted: phase-in for S1-8: AR 70*	
S1-9	Diversity metrics	Sustainability Statement - S1: Own workforce; Annex 2; Annex 4	187, 432-437, 450		
S1-10	Adequate wages	Sustainability Statement - S1: Own workforce	168-171	*Partially omitted: All employees are paid adequate wage, in line with applicable benchmarks*	
S1-11	Social protection	Omitted	N/A	*Phase-in for S1-11: 74a, 74b, 74c, 74d, 74e, 75, 76*	
S1-12	Persons with disabilities	Omitted	N/A	*Not material: employment and inclusion of persons with disabilities was not identified as material*	
S1-13	Training and skills development metrics	Sustainability Statement - S1: Own workforce; Annex 2	184, 432-437	*Partially omitted: Phase-in for S1-13: AR 77, AR78*	
S1-14	Health and safety metrics	Sustainability Statement - S1: Own workforce; Annex 2	181-182, 432-437	*Partially omitted: phase-in for S1-14: 88d, 88e*	(1)
S1-15	Work-life balance metrics	Omitted	N/A	*Phase-in for S1-15: 93a, 93b, 94*	
S1-16	Remuneration metrics (pay gap and total remuneration)	Sustainability Statement - S1: Own workforce; Annex 2	171, 187, 432-437		(1), (3)
S1-17	Incidents, complaints and severe human rights impacts	Sustainability Statement - S1: Own workforce; Annex 2	195, 432-437		(1)

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
ESRS S2 - WORKERS IN THE VALUE CHAIN					
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to workers in the value chain	Sustainability Statement - S2: Workers in the value chain	197-225	*Note: no material risks or opportunities related to workers in the value chain were identified by SIPEF and are therefore not disclosed.* *Sustainability matters: secure employment, working time, adequate wages, child labour, health and safety, training and skills development, diversity, gender equality and equal pay, measures against violence and harassment in the workplace, privacy*	
S2-1	Policies related to value chain workers	Sustainability Statement - S2: Workers in the value chain	203, 208, 210-211, 213, 216-217, 219, 222, 224, 225		(1)
S2.MDR-P	Policies to manage material impacts, risks and opportunities related to workers in the value chain	Sustainability Statement - S2: Workers in the value chain	203, 208, 210-211, 213, 216-217, 219, 222, 224, 225		
S2-2	Processes for engaging with value chain workers about impacts	Sustainability Statement - S2: Workers in the value chain	200		
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Sustainability Statement - S2: Workers in the value chain	201		
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Sustainability Statement - S2: Workers in the value chain	197-226		
S2.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to value chain workers	Sustainability Statement - S2: Workers in the value chain	197-226		

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - S2: Workers in the value chain; Annex 1	196, 206-207, 209, 212, 214, 218, 220, 223, 224, 226, 408		
S2.MDR-T	Targets set to manage material impacts, risks and opportunities related to value chain workers	Sustainability Statement - S2: Workers in the value chain; Annex 1	196, 206-207, 209, 212, 214, 218, 220, 223, 224, 226, 408		
ESRS S3 - AFFECTED COMMUNITIES					
S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to affected communities	Sustainability Statement - S3: Affected communities	227-243	*Note: no material risks or opportunities related to affected communities were identified by SIPEF and are therefore not disclosed.* *Sustainability matters: Free, prior, and informed consent (FPIC), security-related impacts, adequate food*	
S3-1	Policies related to affected communities	Sustainability Statement - S3: Affected communities	230, 232, 235		(1)
S3.MDR-P	Policies to manage material impacts, risks and opportunities related to affected communities	Sustainability Statement - S3: Affected communities	230, 232, 235		
S3-2	Processes for engaging with affected communities about impacts	Sustainability Statement - S3: Affected communities	228		
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Sustainability Statement - S3: Affected communities	236-237		
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Sustainability Statement - S3: Affected communities	230-231, 233, 235, 236		
S3.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to value chain workers	Sustainability Statement - S3: Affected communities	230-231, 233, 235, 236		

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - S3: Affected communities	227, 231, 233, 236	*Omitted: targets have not yet been set for materal impacts related to affected communities*	
S3.MDR-T	Targets set to manage material impacts, risks and opportunities related to value chain workers	Sustainability Statement - S3: Affected communities	227, 231, 233, 236	*Omitted: targets have not yet been set for materal impacts related to affected communities*	
ESRS S4 - CONSUMERS AND END-USERS					
S3.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model related to consumers and end users	Sustainability Statement - S4: Consumers and end-users	239-252	*Note: scope excludes end-users as SIPEF supplies raw materials, and does not manufacture or distribute final consumer goods* *Sustainability matters: access to (quality) information, health and safety (consumers)*	
S4-1	Policies related to consumers and end-users	Sustainability Statement - S4: Consumers and end-users	241, 252		(1)
S4.MDR-P	Policies to manage material impacts, risks and opportunities related to consumers and end-users	Sustainability Statement - S4: Consumers and end-users	241, 252		
S4-2	Processes for engaging with consumers and end-users about impacts	Sustainability Statement - S4: Consumers and end-users	255		
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Sustainability Statement - S4: Consumers and end-users	255		
S4-4	Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Sustainability Statement - S4: Consumers and end-users	242-245, 252-254		(1)
S4.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to consumers and end-users	Sustainability Statement - S4: Consumers and end-users	242-245, 252-254		

DISCLOSURE REQUIREMENT		SECTION/ REPORT	PAGE(S)	ADDITIONAL INFORMATION	REFERENCE TO DATAPOINTS FROM OTHER EU LEGISLATIONS
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Sustainability Statement - S4: Consumers and end-users; Annex 1	238, 244, 254, 413		
S4.MDR-T	Targets set to manage material impacts, risks and opportunities related to consumers and end-users	Sustainability Statement - S4: Consumers and end-users; Annex 1	238, 244, 254, 413		
ESRS G1- BUSINESS CONDUCT					
G1.GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Statement - General information; G1: Business conduct	34-35, 100-104, 265, 273, 275, 277, 281, 286-304		
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability Statement - G1: Business conduct	258-280	*Sustainability matters: corporate culture, corruption and bribery (prevention and detection including training, incidents), protection of whistleblowers*	
G1-1	Business conduct policies and corporate culture	Sustainability Statement - G1: Business conduct	265-266, 272-274, 281		(1)
G1.MDR-P	Policies in place to manage its material impacts, risks and opportunities related to business conduct and corporate culture	Sustainability Statement - G1: Business conduct	265-266, 272-274, 281		
G1-2	Management of relationships with suppliers	Omitted	N/A	*Not material: management of relationships with suppliers was was not identified as material.*	
G1-3	Prevention and detection of corruption and bribery	Sustainability Statement - G1: Business conduct	274-275, 278		
G1.MDR-A	Action plans and resources to manage its material impacts, risks, and opportunities related to corruption and bribery	Sustainability Statement - G1: Business conduct	258-281		
G1-4	Incidents of corruption or bribery	Sustainability Statement - G1: Business conduct; Annex 2	278-279, 437		(1), (3)
G1-5	Political influence and lobbying activities	Omitted	N/A	*Not material: political influence and lobbying activities was assessed as not applicable, and not material.*	
G1-6	Payment practices	Omitted	N/A	*Not material: payment practices was assessed as not applicable, and not material.*	

Other information about the Company

Term

The Company exists for an indefinite term.

Capital

Subscribed capital

SIPEF has been granted official approval from the Federal Public Service (FPS) Economy, as from 1 January 2016, to keep its accounts and draw up its financial statements in US dollars, the functional currency of SIPEF.

At 31 December 2024, the fully paid-up registered capital was USD 44 733 752.04. It is represented by 10 579 328 shares without nominal value.

All shares representing the capital have the same rights.

Each share gives the right to one vote. SIPEF has issued no other categories of shares, such as shares without voting rights or preferential shares.

Authorised capital

The extraordinary general meeting of 14 June 2023 passed a resolution to extend by five years the authorisation granted to the board of directors to increase the capital of USD 44 733 752.04 on one or more occasions, according to the terms stipulated in the Articles of Association.

That authorisation is valid for a period of five years, from 24 July 2023, the date of publication in the Appendices to the “Belgisch Staatsblad”, up to and including 23 July 2028.

The extraordinary general meeting of 14 June 2023 decided that, if the Company receives an announcement from the Financial Services and Markets Authority (FSMA) that it has been informed of a public bid to acquire the shares of the Company, in accordance with article 7:202 §2, 2° of the Companies Code, the board of directors can only use its authorisation with regard to the authorised capital, if this notification is made no later than three years after the date of the extraordinary general meeting that renewed the authorisation in question, being from 14 June 2023 up to and including 13 June 2026.

At 31 December 2024, the fully authorised capital was USD 44 733 752.04.

Based on this amount, no more than 10 579 328 new shares can be issued.

Treasury shares

The extraordinary general meeting of 14 June 2023 renewed for a period of five years the authorisation given to the board of directors, as a result of which the board, with due consideration for the legal provisions, may obtain a maximum number of 2 115 865 own shares being 20% of the issued capital, according to the modalities specified in the Articles of Association.

That authorisation is valid for a period of five years, from 24 July 2023, the date of publication in the Appendices to the Belgisch Staatsblad, up to and including 23 July 2028.

This extraordinary general meeting also renewed the authorisation granted to the board of directors to obtain own shares, if this purchase is necessary to avoid an imminent serious disadvantage for the Company. That authorisation is valid for a period of three years, from 24 July 2023, the date of publication in the Appendices to the Belgisch Staatsblad, up to and including 23 July 2026.

The purchase and sale of own shares in 2024 are described in Note 22 of this integrated annual report.

At 31 December 2024, SIPEF owns 162 016 treasury shares (1.53% of the total number of outstanding shares) which are reserved for the exercise of granted and not yet exercised options.

Documents available to the public

Access to the information for the shareholders and website

SIPEF has a website where shareholders can access all information on the Company.

→ www.sipef.com

This website is regularly updated and contains the information required under the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market and the Companies Code.

Among other things, the website contains the financial statements and annual reports, all press releases published by the Company, and all useful and necessary information on the general meetings and the participation of the shareholders in these meetings, particularly the conditions provided by the Articles of Association for the convening of the (ordinary and extraordinary) general meetings of the shareholders.

Lastly, the results of the votes and the minutes of the general meetings are also published on the website.

Places where documents accessible to the public can be consulted

The coordinated Articles of Association of the Company can be inspected at the Registry of the Commercial Court in Antwerp, at the Company's registered office and on its website.

→ www.sipef.com/hq/investors/shareholders-information/corporate-governance

The annual financial statements are deposited with the National Bank of Belgium and can be consulted on the website of SIPEF.

The resolutions concerning the appointment and the removal of the members of the executive bodies of the Company are published in the Appendices to the Belgisch Staatsblad.

The financial notices of the Company are published in the financial press. The other documents available for public inspection can be consulted at the Company's registered office.

The annual report of the Company is sent every year to registered shareholders and to everyone who has expressed a wish to receive the report. It is available free of charge at the registered office.

The annual reports of the three most recent financial years and all other documents mentioned in this paragraph can be consulted on the Company's website.

Glossary

General

3-MCPD Monochloropropane-1,2-diol (3-MCPD) -- 3-Monochloropropane-1,2-diol is a common contaminant formed in heat-processed fat-containing foods from glycerol or acyl glycerides in the presence of chloride ions. 3-MCPDE are the esters formed during the same process.

Bialla Oil Palm Grower Association (BOPGA) -- An association that supports smallholders, out-growers in oil palm-growing regions.

Biochemical oxygen demand (BOD) -- The amount of oxygen needed by bacteria and microorganisms in an anaerobic environment to decompose organic matter. Testing for BOD is done to assess the amount of organic matter in water.

Bio-CNG -- Compressed natural gas produced from biogas, used as a cleaner energy alternative.

Bursa Malaysia Derivatives Exchange (MDEX) -- The Palm oil quote at the Malaysian Derivatives Exchange (MDEX) is the global leader in price discovery for palm oil. This will be the leading pricing mechanism to determine prices locally as well as overseas. To convert a MDEX quote to a CIF European port one will add the prevailing export tax as well as the corresponding sea freight cost.

CDP -- CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

Chemical oxygen demand (COD) -- The amount of oxygen that can be consumed by reactions in a given volume of a solution, that measures oxidisable contaminants in surface water and wastewater.

Circular economy -- A model of production and consumption to minimise waste and maximise resource efficiency by keeping materials, products, and resources in use for as long as possible.

Climate change adaptation -- Actions taken to adjust to the current or expected effects of climate change, reducing risks and enhancing resilience. This includes measures like improving infrastructure, adopting sustainable agriculture, and developing early warning systems.

Climate change mitigation -- Efforts to reduce or prevent greenhouse gas emissions to limit global warming. This includes actions like increasing energy efficiency, transitioning to renewable energy, enhancing carbon sequestration, and adopting sustainable practices.

Code of conduct -- The SIPEF Code of Conduct contains the defined set of rules, principles, values and expectations for employees, set out by SIPEF for the Group to achieve responsible behaviour and integrity.

Collective Bargaining Agreements (CBA) -- Collective Bargaining Agreements are legal contracts that regulate the terms and conditions of employees at work.

Corporate governance -- The organisation and processes of the managing bodies that define the strategy and monitor its implementation.

Corporate Sustainability Reporting Directive (CSRD) -- The CSRD is a European Union legislation that amends the existing Non-Financial Reporting Directive (NFRD), modernising and strengthening the requirements regarding the social and environmental information that companies falling within its scope must report on an annual basis. It also mandates audit (assurance) to ensure the accuracy and reliability of reported data.

Cost, Insurance, and Freight (CIF) Rotterdam -- Cost, Insurance and Freight is the selling price to cover all costs including insurance and freight up to the port of destination, which is Rotterdam in this case. The buyer will pay for the goods delivered in Rotterdam. The CIF Rotterdam price is a worldwide reference in the palm oil market.

Crude Palm Kernel Oil (CPKO) -- Crude Palm Kernel Oil is an edible plant oil derived from the kernel of the oil palm.

Crude Palm Oil (CPO) -- Crude Palm Oil is an edible oil which is extracted from the pulp of the fruit of the oil palm.

Do No Significant Harm (DNSH) -- A principle requiring that any economic activity or investment supporting one environmental objective must not cause significant harm to other environmental objectives. This concept, known as "Do No Significant Harm" (DNSH), is a key criterion in the EU Taxonomy for classifying an activity as 'green', ensuring that environmental benefits in one area do not come at the expense of others.

Double Materiality (DM) -- A reporting principle that considers both the impact of sustainability matters on a company's financial performance (financial materiality) and the company's impacts on people and the environment (impact materiality). Required under the CSRD, it guides companies in identifying material impacts, risks, and opportunities for sustainability reporting.

Emergency Response plan (ERP) -- A formalised strategy outlining the steps and responsibilities in case of critical incidents like accidents, fires, or natural disasters.

Empty fruit bunches (EFB) -- Empty fruit bunches are the fibrous remains of fresh fruit bunches (FFB) after the fruit has been removed for palm oil pressing.

Environmental Impact Assessment (EIA) -- A process used to assess the potential environmental effects of a proposed project. Conducting an EIA is a requirement under the Roundtable on Sustainable Palm Oil (RSPO) Principles & Criteria (P&C).

EU Taxonomy -- EU Taxonomy is the regulation that determines which investments can be classified as 'green' and which contribute to the realisation of the EU Green Deal. The classification is based on technical screening criteria (TSC) and minimum criteria for the avoidance of significant harm ('DNSH' or 'Do No Significant Harm').

European Sustainability Reporting Standards (ESRS) -- The ESRS set out the official sustainability reporting requirements that EU companies falling in scope of the CSRD must follow.

European Union Deforestation Regulation (EUDR) -- A regulation introduced by the European Union aimed at preventing deforestation and forest degradation linked to products sold in the EU market. It requires companies to ensure that certain commodities are not sourced from land that was deforested or degraded.

Ex-mill gate selling price -- The price at which crude palm oil is sold directly from the mill, excluding transport and additional costs.

F_1 Hybrid (Oil Palm) -- First generation hybrid varieties designed for higher yield and resilience.

Financial Materiality -- Refers to sustainability-related risks and opportunities that could impact a company's financial performance, position, or cash flows, influencing investor decisions under CSRD and ESRS.

Forest 500 -- Forest 500 identifies the 350 companies and 150 financial institutions with the greatest exposure to tropical deforestation risk, and annually assesses them on the strength and implementation of their deforestation and human rights commitments.

Free Fatty Acids (FFA) -- Free Fatty Acids are found in palm oil, as in all oils. The major FFA in palm oil are palmitic and oleic. Crude palm oil quality and price are dependent on the FFA content at time of shipping.

Free On Board (FOB) -- Free on Board is the selling price indicating that the seller pays for the transportation of the goods to the port of shipment plus loading costs. The buyer pays, in addition to the goods, the cost of freight, insurance, unloading and transportation from the port of arrival to the final destination.

Free, Prior and Informed Consent (FPIC) -- Free, prior and informed consent is a specific right that pertains to indigenous peoples and local communities and is recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). It allows indigenous peoples and local communities with demonstrable user rights over an area to give or withhold consent to a project that may affect them or their territories.

Fresh Fruit Bunches (FFB) -- Fresh Fruit Bunches are the palm fruits that grow in bunches on the oil palm, and the raw material to be transported to a palm oil mill for processing. The mill process extracts the palm oil from the flesh of each individual piece of fruit on the bunch.

GeoSIPEF -- SIPEF's digital platform for tracking production locations, certified product volumes, and environmental monitoring.

GHG Protocol -- Framework used globally for measuring and managing greenhouse gas emissions.

GLOBALG.A.P. -- This is a worldwide recognised farm certification program that translates consumer requirements into Good Agricultural Practices among multiple retailers and their suppliers.

Glycidyl Esters (GE) -- Glycidyl esters are contaminants formed during food production and preparation at high temperature.

Greenhouse gas emissions - scope 1 -- Direct greenhouse gas (GHG) emissions from sources owned or controlled by a company.

Greenhouse gas emissions - scope 2 -- Indirect greenhouse gas (GHG) emissions from the consumption of purchased energy.

Greenhouse gas emissions – scope 3 -- Indirect emissions from upstream and downstream activities within the company's value chain.

Greenhouse Gases (GHG) -- Greenhouse gases are gases present in and/or emitted into the Earth's atmosphere, including among others, carbon dioxide and methane, that contribute to the greenhouse effect and can lead to changes in temperature.

H1 Food-Grade lubricants -- Lubricants that are safe for incidental food contact in processing machinery.

Hak Guna Usaha (HGU) -- *Hak Guna Usaha* is a cultivation licence issued by the Indonesian Government.

High Carbon Stock Approach (HCSA) -- The High Carbon Stock Approach is a methodology that distinguishes forest areas for protection from degraded lands, with low carbon and biodiversity values that may be developed. The methodology was developed with the aim of ensuring a widely accepted practical, transparent, robust and scientifically credible approach to implement commitments to halt deforestation in the tropics, while ensuring the rights and livelihoods of local peoples are respected.

High Conservation Value (HCV) -- The High Conservation Value concept was originally developed by the Forest Stewardship Council (FSC) in 1999 for use in forest management certification. In 2005, the HCV Network (HCVN, formally HCV Resource Network) was established, and the scope was widened from 'HCV Forest' to 'HCV Area'. It is now a keystone principle of sustainability standards for palm oil, soy, sugar, biofuels and carbon, as well as being widely used for landscape mapping, conservation and natural resource planning and advocacy.

Human Rights Due Diligence (HRDD) -- A process used to identify, prevent, mitigate, and account for human rights risks and impacts in their operations and value chains.

Identity Preserved (IP) -- A supply chain model in which RSPO-certified palm oil remains physically segregated from non-certified palm oil at every stage, ensuring full traceability to a specific certified mill and its supply base.

Impact Materiality -- Assesses environmental and social impacts. Under CSRD and ESRS, a matter is material if it is relevant to stakeholders based on its scale, scope, or likelihood, regardless of financial impact.

Indonesia Sustainable Palm Oil (ISPO) -- The Indonesian Sustainable Palm Oil system is a policy adopted by the Ministry of Agriculture on behalf of the Indonesian Government. The aims are to improve the competitiveness of Indonesian palm oil in the global market; reduce GHG emissions; draw attention to environmental issues and also lead the ISPO GHG Working Group. The ISPO Commission and the GHG Working Group have worked together to formulate the calculation guidelines for palm oil plantations in Indonesia. These guidelines will be used as a reference and be incorporated by the Government into the latest ISPO standard.

Integrated landscape approach -- A collaborative, multi-stakeholder strategy designed to reconcile competing land uses and promote sustainable outcomes within a defined geographical area, by balancing environmental, social, and economic objectives.

Integrated Pest Management (IPM) -- Integrated Pest Management is an ecosystem approach to crop production that combines different management strategies and practices to grow healthy crops and minimise the use of pesticides.

International Sustainability and Carbon Certification (ISCC) -- International Sustainability and Carbon Certification is an independent certification scheme designed to demonstrate that biomass and bioenergy, and other biomass-based products used as ingredients by the feed, food and chemical industries, comply with requirements related to sustainability and GHG emissions. The scheme aims to reduce GHG emissions; ensure that biomass is not produced on land with high carbon stock or high biodiversity; ensure the application of good agricultural practices related to soil, water and air; and finally, ensure respect for human, labour and land rights.

Inti -- The nucleus estate of a plantation company in Indonesia is referred to as inti. They are stated as 'own' in the Group production figures.

ISO 14064-1 -- An international standard that provides guidelines for quantifying, monitoring, reporting, and verifying greenhouse gas (GHG) emissions and removals at the organizational level.

ISO14001 -- An international standard that sets out the criteria for an effective environmental management system.

Key performance indicators (KPIs) -- Measurable values that indicate how effectively the organization is achieving specific objectives.

Lost Time Injury Frequency Rate (LTIFR) -- Safety performance metric used to measure the frequency of workplace injuries that result in lost workdays due to injury.

Mass Balance (MB) -- A supply chain model that permits the blending of RSPO-certified and non-certified palm oil, as long as the volume of certified palm oil sold corresponds to the volume purchased.

Maximum Residue Levels (MRLs) -- Regulatory limits on pesticide residues allowed in food products.

Mineral Oil Aromatic Hydrocarbons (MOAH) -- A group of mineral oil compounds that contain aromatic rings, including mono- and poly-aromatic hydrocarbons. May pose health risks, such as potential carcinogenic effects.

Mineral Oil Saturated Hydrocarbons (MOSH) -- A group of mineral oil compounds made up of saturated hydrocarbons, such as alkanes and cycloalkanes, which are often used in packaging and industrial products. Can accumulate in the liver and lymphoid system, leading to inflammation.

NACE codes -- A European industry standard classification system used to categorize economic activities.

No Deforestation, No Peat, No Exploitation (NDPE) -- A sustainability commitment in the palm oil and other commodity sectors aimed at eliminating deforestation, peatland development, and exploitation of people and communities from supply chains. NDPE policies require producers to conserve natural forests, avoid planting on peat soils of any depth, and respect human rights, including the rights of workers, Indigenous peoples, and local communities.

Occupational Health and Safety (OHS) -- Standards, practices, and systems put in place to ensure the well-being, health, and safety of workers across palm oil operations.

Oil Palm Growers Association (OPIC) -- An association that supports smallholders and out-growers in oil palm-growing regions.

Oil Palm Research Association (OPRA) -- An association that delivers extension services and research and development support to smallholders.

Organisation for Economic Co-operation and Development (OECD) -- The Organisation for Economic Co-operation and Development is an international organization that works to promote policies that improve the economic and social well-being of people.

Palm Kernel (PK) -- The Palm Kernel is the edible seed of the oil palm fruit.

Palm Kernel Oil (PKO) -- Palm Kernel Oil is an edible vegetable oil derived from the kernel of the oil palm fruit.

Palm Oil Mill Effluent (POME) -- Palm Oil Mill Effluent is wastewater generated from palm oil milling activities. With its high organic content, POME is a source with great potential for biogas production and/or composting.

Perjanijan Kerja Waktu Tertentu (PKWT) -- *Perjanjian Kerja Waktu Tertentu* (Bahasa Indonesia: Provision of Work, Time Certain; labour agreement) refers to long-term renewable contracts.

Personal Protective Equipment (PPE) -- Equipment worn to minimise exposure to workplace hazards, such as gloves, goggles, helmets, and masks.

Plasma -- Cooperative programs for plantation development in Indonesia oblige oil palm plantation companies by law to assist individual farmers to develop their agricultural land and manage oil palm planted areas, called 'plasma' areas. Their production is stated as 'outgrowers' in the Group production figures.

PROPER -- An initiative by Indonesia's Ministry of Environment and Forestry that serves as the country's environmental performance rating program for industries, aimed at improving corporate environmental practices.

Rainforest Alliance -- The Rainforest Alliance is an international non-profit organisation working at the intersection of business, agriculture and forestry to make responsible business the new normal, and awarding certifications. It is an alliance of companies, farmers, foresters, communities and consumers committed to creating a world where people and nature thrive in harmony.

Regenerative agriculture -- Sustainable farming approach focused on improving soil health, biodiversity, water cycles, and carbon sequestration while maintaining or increasing agricultural productivity.

Remediation and Compensation Procedure (RaCP) -- A set of rules and steps that companies must follow if they have cleared land in violation of sustainability standards (like RSPO rules).

Responsible Plantations Policy (RPP) -- The Group's highest-level sustainability policy, which defines the guidelines for SIPEF's management of new developments, as well as continuous improvement in the management of existing plantations.

Responsible Purchasing Policy (RPuP) -- The Policy guides the Group's responsible sourcing requirements for engaging with third-party FFB suppliers (restricted to smallholders), and sets out criteria for working with them towards certification.

Risk management -- Risk management is the structured handling of risks (by audit & control, procedures, manuals, committees, etc.).

Roundtable on Sustainable Palm Oil (RSPO) -- RSPO is a non-profit global certification scheme that unites stakeholders from the palm oil industry: palm oil producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social NGOs, to develop and implement global standards for sustainable palm oil. A set of environmental and social criteria has been developed, with which companies must comply in order to produce Certified Sustainable Palm Oil (CSPO). When properly applied, these criteria can help to minimise the negative impacts of palm oil cultivation on the environment and communities in palm oil producing regions. The RSPO members have committed to produce, source and/or use sustainable palm oil certified by the RSPO.

RSPO New Planting Procedure (NPP) -- The RSPO New Planting Procedure was introduced with the aim of providing a framework for the responsible development of new land for oil palm cultivation. The NPP includes a set of assessments and verification activities carried out by both growers and certification bodies before any new oil palm development commences. The assessments ensure that new oil palm plantings will not negatively impact primary forest, High Conservation Value (HCV) areas, High Carbon Stock (HCS), fragile and marginal soil, or local peoples' lands. A successful NPP ensures that all indicators of the RSPO Principles and Criteria (P&C), related to new developments, are being implemented.

Segregated (SG) -- A supply chain model where RSPO certified palm oil products are kept separate from non-certified palm oil throughout the supply chain, while permitting the mixing of certified products from different certified sources.

Social Impact Assessment (SIA) -- Systematic process of identifying, evaluating, and managing the positive and negative social effects, both intended and unintended, of planned interventions such as policies, programs, or projects, and any resulting social changes caused by those intervention.

Standard Operating Procedures (SOP) -- Standard Operating Procedures are step-by-step instructions compiled by an organisation or company on how a process works, in order to help employees carry out routine operations.

Sustainability Policy Transparency Toolkit (SPOTT) -- The Sustainability Policy Transparency Toolkit is a free, online platform supporting sustainable commodity production and trade. By tracking transparency, SPOTT incentivises the implementation of corporate best practice. SPOTT assesses commodity producers and traders on their public disclosure regarding their organisation, policies and practices related to environmental, social and governance issues.

Total suspended solids (TSS) -- The dry weight of suspended particles in a sample of water that can be trapped by a filter.

Value Chain -- The full lifecycle of a product, including supply and distribution.

Zoological Society of London (ZSL) -- Zoological Society of London is a science-driven conservation charity, working to restore wildlife in the United Kingdom and around the world.

IFRS terminology

AC -- Amortised Cost (AC) is one of the three classification categories for financial assets under IFRS 9.

Associated companies -- Entities in which SIPEF has a significant influence and that are processed using the equity-method.

Biological assets - bearer plants -- The bearer plants (palm and rubber trees, banana plants, ...) on which the biological produce grows.

Biological assets - agricultural produce -- The harvested product coming from biological assets - bearer plants.

CGU -- Cash Generating Unit or Cash flow Generating Unit

Capital expenditure -- Cash paid for the acquisition of tangible and intangible assets presented in cash flows from investing activities, and cash paid on the lease liabilities (excluding interests paid), presented in cash flows from financing activities.

Earnings per share basic -- Net result for the period (Group share) / Average outstanding shares over the period.

Earnings per share diluted -- Net result for the period (Group share)/ [Average number of outstanding shares over the period - own shares + (number of possible new shares that have to be issued within the framework of the existing outstanding stock options plans x dilution effect of the stock option plans)].

FVOCI -- Fair Value through Other Comprehensive Income (FVOCI) is one of the three classification categories for financial assets under IFRS 9.

FVPL -- Fair Value through Profit or Loss (FVPL) is one of the three classification categories for financial assets under IFRS 9.

GAAP -- The Generally Accepted Accounting Principles (GAAP) are a set of accounting rules, standards, and procedures issued and frequently revised by the Financial Accounting Standards Board (FASB).

IAS -- International Accounting Standards

IFRS -- International Financial Reporting Standards are a set of accounting rules adopted by the European Union for the financial statements of public companies that are intended to make them consistent, transparent, and easily comparable around the world. The IFRS are issued by the London-based Accounting Standards Board (IASB) and address record keeping, account reporting, and other aspects of financial reporting. Since 2005, all publicly listed companies within the European Union need to comply with these standards in their external financial reporting.

Investments -- Investments is the amount paid for the acquisition of 'intangible assets' and 'property, plant and equipment'. Reference is made to the consolidated cash flow from investing activities.

IRS -- Interest Rate Swap

Joint Control -- Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint ventures -- Entities that are controlled jointly. These companies are consolidated following the equity method.

KUSD -- Rounded off of financial figures to the nearest thousand in United States dollar.

Level 1 -- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 -- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 -- Level 3 inputs are unobservable inputs for the asset or liability.

Management report -- The management reporting of the group is a monthly internal reporting of the economic figures of the group companies, (jointly) controlled by SIPEF. The economic figures consist of both financial - and performance figures. The presentation of the figures is done by operational segment.

Materiality -- Organisations are faced with a wide range of topics on which they could report. The relevant topics are those that may reasonably be considered important for reflecting the organisation's economic, environmental, and social impacts, or influencing the decisions of stakeholders, and therefore potentially merit inclusion in an annual report. Materiality is the threshold at which topics become sufficiently important that they should be reported.

Net financial position/debt -- Cash and cash equivalents + other investments and deposits - interest bearing financial debts at more than one year - interest bearing financial debts within the maximum of one year -. It is a key measure of the strength of the Group's financial position and is widely used by credit rating agencies.

OCI -- Other Comprehensive Income. Revenues, expenses, gains, and losses that are excluded from net income on the income statement.

Segment -- A segment is an aggregation of operating activity lines to report on. More information about the different SIPEF segments and their nature can be found in the financial statements of this Integrated Annual Report.

SPA -- Sale and Purchase Agreement

Subsidiaries -- Fully consolidated entities under SIPEF control.

USD -- The United States dollar is the legal tender currency of the United States, and also serves as a global reserve currency in international trade and financial markets.

WACC -- Weighted Average Cost of Capital

Financial performance measures

EBITDA -- Earnings Before Interest and Taxes, Depreciation, and Amortisation. EBIT + depreciation and additional impairments/increases on assets.

Working capital -- Inventories + trade receivables + other receivables + recoverable taxes - trade payables - payables taxes - other payables.

Responsible persons

Responsibility for the financial information

Petra Meekers
managing director

Bart Cambré
chief financial officer

Statutory Auditor

EY Bedrijfsrevisoren BV

Represented by
Christoph Oris,
Borsbeeksebrug 26
2600 Antwerpen (Berchem)
Belgium

Declaration of the persons responsible for the financial statements and for the management report

Luc Bertrand, chairman and Petra Meekers, managing director declare that, to their knowledge:

- the consolidated financial statements for the financial year ended on 31 December 2024 were drawn up in accordance with the 'International Financial Reporting Standards' (IFRS) and provide an accurate picture of the consolidated financial position and the consolidated results of the SIPEF group and its subsidiary companies that are included in the consolidation.

- the financial report provides an accurate overview of the main events and transactions with affiliated parties, which occurred during the financial year 2024 and their effects on the financial position, as well as a description of the main risks and uncertainties for the SIPEF group.

For further information

SIPEF

Kasteel Calesberg
Calesbergdreef 5
2900 Schoten
Belgium

RPR: Antwerpen
VAT: BE 0404 491 285

Website: www.sipef.com

For more information about SIPEF:
Tel.: +32 3 641 97 00

Dit Geïntegreerd Jaarverslag is ook verkrijgbaar in het Nederlands.

Translation: this Integrated Annual Report is available in Dutch and English. The Dutch version is the original; the other language version is a free translation. We have made every reasonable effort to avoid any discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

The official Integrated Annual Report of the SIPEF group in ESEF format can be found on the SIPEF website, under the section ‘investors’. All other formats are considered to be unofficial versions of the Integrated Annual Report.

Concept and realisation: Focus advertising

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