



2024

## CSRD Sustainability Statement

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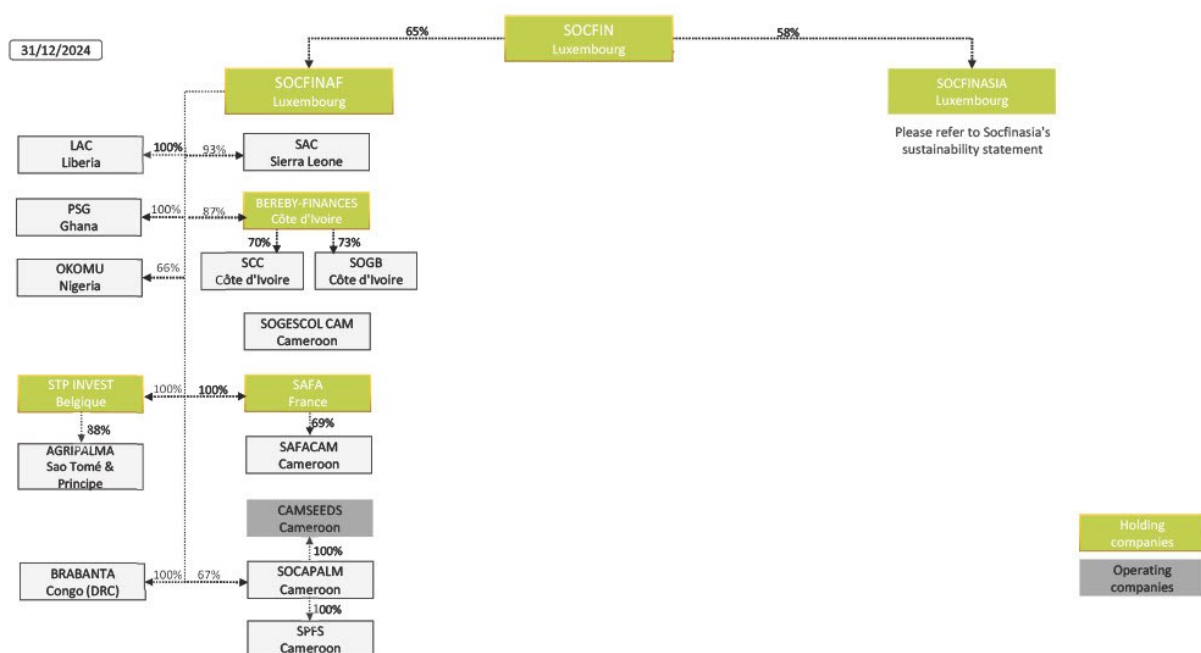
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## Overarching entity-specific disclosures

# Introduction

## Holding structure





# The Group

Founded in 1905, the Socfin Group is active in the development and management of oil palms and rubber trees plantations. Its expertise, industry knowledge and innovation make Socfin an international agro-industrial player.

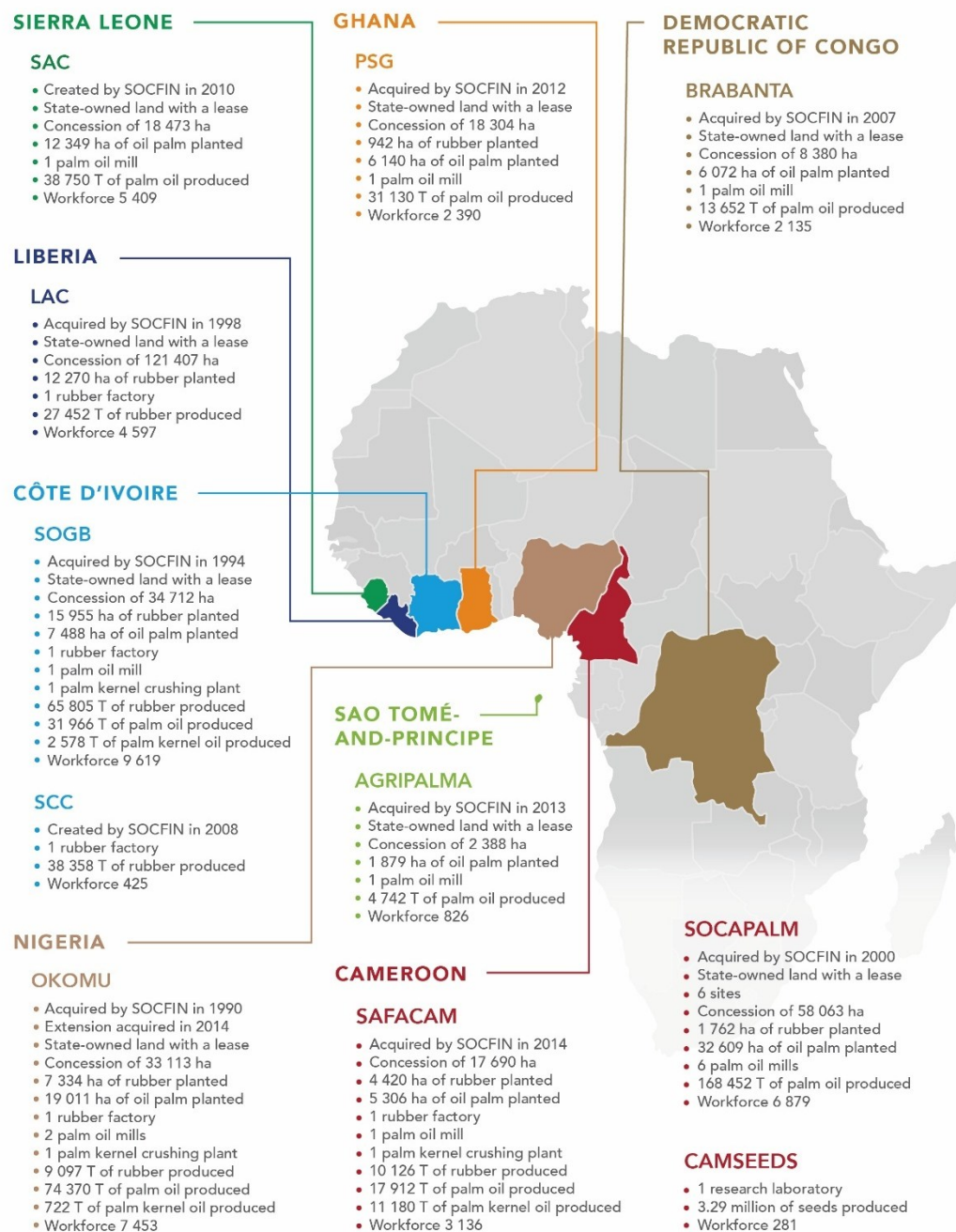
Present in 8 countries in Central and West Africa (Socfinaf), as well as 2 countries in Southeast Asia (Socfinasia), Socfin is a major player in the regional economic development through its responsible tropical agriculture, addressing basic social needs while protecting the environment.

The Socfin Group has more than a century of field expertise, it is a pioneer in long-term rural development thanks to responsible tropical agriculture. Taking into account the evolving development challenges, the Socfin Group is working consistently to improve its activities and become a leader in responsible tropical agriculture.

Socfinaf produces and sells 3 types of products:

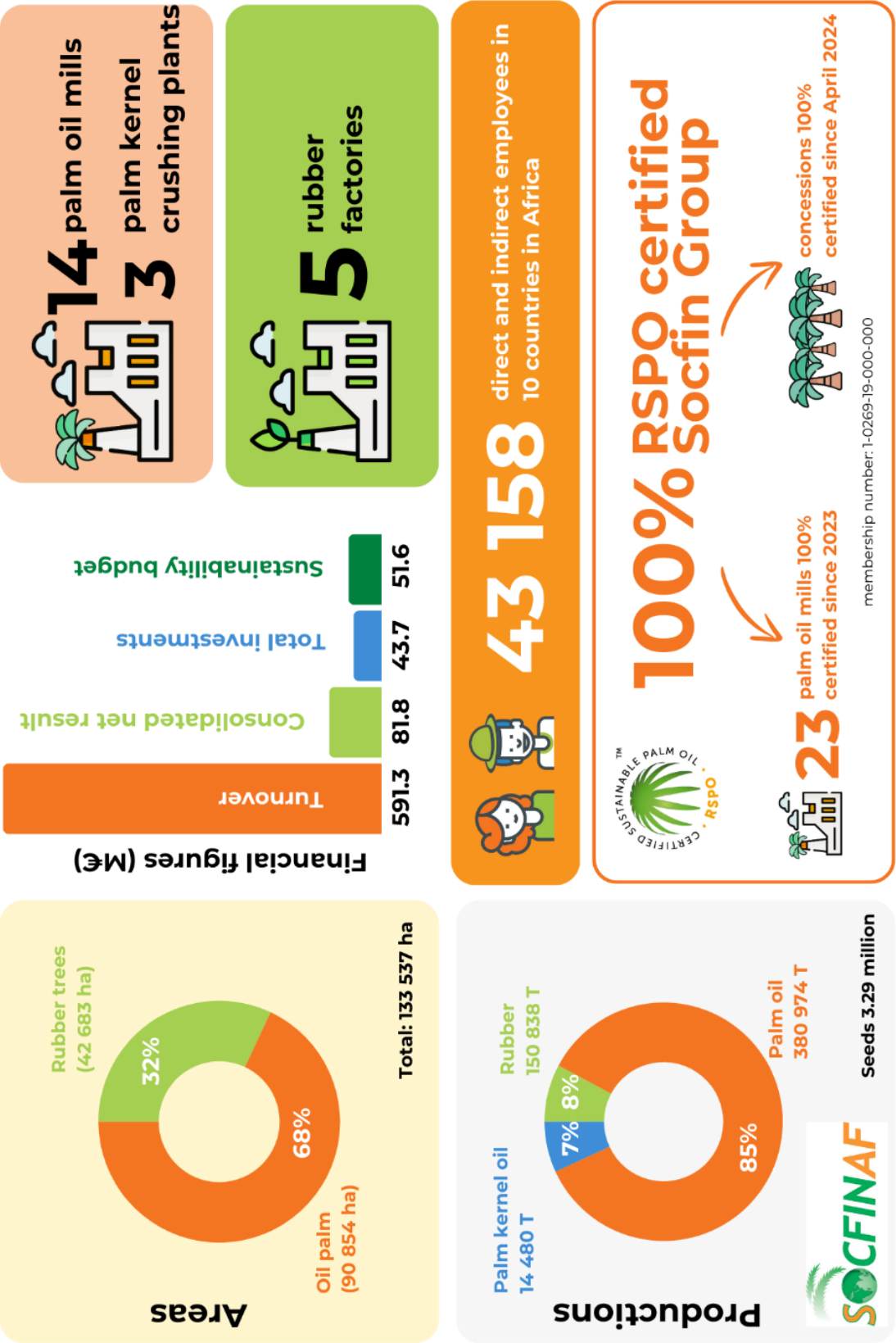
- Natural Rubber: From trees of selected varieties, natural rubber is a renewable raw material with many advantages. Rubber trees also constitute a considerable carbon sink;
- Palm oil: This is the most widely used vegetable oil in the world. The oil palm is the plant whose cultivation is the most economical in terms of land use and the most sustainable; and
- Seeds: Research in the field of oil palm, as well as the experience acquired, position the Socfin Group among the world leaders in seed production regarding oil palm.

## 8 countries where we promote respectful and transformative tropical agricultural practices



Key figures

Key figures Socfinaf - 2024



Palm kernel oil  
14 480 T

7%

Rubber  
150 838 T

8%

Palm oil  
380 974 T

85%

Seeds 3.29 million

Productions

14 palm oil mills

3 palm kernel crushing plants

5 rubber factories

direct and indirect employees in 10 countries in Africa

43 158

100% Rspo certified Socfin Group

23 palm oil mills 100% certified since 2023

concessions 100% certified since April 2024

membership number: 1-0269-19-000-000

# Entity-specific – Partnerships for sustainable development at a glance

## [Entity-specific] Certifications and partnerships in general

### **Overview of certifications and partnerships**

Our partnerships are based on shared values essential for project success: transparency and mutual respect. We are convinced of the effectiveness of building win-win partnerships with development organisations or universities that share our mission, and therefore continuously seek to develop synergies that bring together complementary expertise. This ensures the realisation of adapted sustainability projects with a long-term positive impact on the regions.

RSPO, GPSNR and EF: At Group level, our main partnerships and certifications are with RSPO (Roundtable for Sustainable Palm Oil), GPSNR (Global Platform for Sustainable Natural Rubber), and EF (the Earthworm Foundation). These are detailed in their respective sections below.

ISO: In addition to these, most of Socfinaf's operations are now ISO 14001:2015 certified. Similarly, the quality management system proposed by the ISO 9001 certification provides a suitable structure for our approach, and is also highly valued by the rubber industry, more specifically the tyre manufacturers.

Other certification initiatives: We had our first successful experience with bio palm oil in Agripalma, on our plantation in Sao Tomé-and-Príncipe. Certification in accordance with the European standard for biological agriculture was obtained in 2017 and thereafter renewed yearly.

Local partnerships for local and rural development: With the objective of stimulating local entrepreneurship, the sites call as much as possible upon local Small and Medium Sized Enterprises (SME) and Very Small Businesses (VSB). For example, our subsidiaries in Cameroon partner with Agricultural Family Schools (AFS) to educate young people in the region in professions and rural entrepreneurship (agricultural production, small livestock, crafts, processing, etc.), thus facilitating local socio-economic development. Another example is that of Agripalma, our subsidiary in Sao Tomé, which since the end of 2019 has formed a partnership with the Real Madrid Foundation to link sports and education and as such contribute to children's well-being.

## Certifications by subsidiary

Sites	RSPO	ISO 9001	ISO 14001	ISO 45001	Organic
SAC	V		V		
LAC	N/A	V			
SOGB	V	V	V		
SCC	N/A	V	V		
PSG	V				
Okomu	V	V	V	V	
Safacam	V	V			
Socapalm	V		V		
Brabanta	V				
Agripalma	V				V
% of sites	100%	50%	50%	10%	10%

V = Obtained

Note: ISO 9001 all rubber factories of Socfinaf are certified.

# [Entity-specific] Global Platform for Sustainable Natural Rubber (GPSNR)

## **GPSNR Participation**

In October 2018, the Global Platform for Sustainable Natural Rubber (GPSNR) was founded by a group of industry leaders, including the Socfin Group, to drive sustainability in the natural rubber supply chain.

GPSNR is an industry-led initiative committed to improving the socio-economic and environmental performance of the natural rubber sector. As an active member, the Group upholds GPSNR's 12 Principles of Sustainable Natural Rubber and aligns with its eight overarching themes guiding its Policy Framework. These include commitments to legal compliance, community livelihoods, healthy, functioning ecosystems (including no deforestation), and respecting all human rights.

The Group fully complies with GPSNR's reporting requirements, with its subsidiaries' disclosures publicly available on the platform's website each year.

Demonstrating its ongoing engagement, the Group also actively participates in GPSNR working groups, such as the Assurance Model Taskforce in 2024.

Since the General Assembly in December 2024, Socfin has been re-elected to hold a seat at the Executive Committee of GPSNR.

# [Entity-specific] Roundtable for Sustainable Palm Oil (RSPO)

## **RSPO cycles of certification**

The RSPO certification process may be found in the RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard. A summary is provided here:

### Certification standards:

- Compliance with the RSPO Principles & Criteria (P&C), supported by the RSPO P&C Audit Checklist and National Interpretations where applicable,
- Compliance with the Supply Chain Certification Standard (SCCS),
- Compliance with the New Planting Procedure (NPP) for new oil palm developments.

### Accreditation requirements:

- Certification Bodies (CBs) must be accredited by an Accreditation Body (AB) approved by RSPO,
- The AB ensures CBs operate with competence, credibility, and consistency in their certification assessments.

### Certification process:

- Unit of certification: The mill and its supply base, including both company-owned estates and scheme smallholders,
- Audit process: Carried out by an accredited CB (through an accreditation body appointed by RSPO), which evaluates compliance through document review, site visits, and stakeholder consultations,
- Initial certification audit: May be conducted as a one-stage or two-stage audit,
- Stakeholder consultation: Public announcements are made at least one month before audits, inviting stakeholder input,
- Decision-making: The CB makes the final certification decision based on compliance with RSPO P&C,
- Surveillance audits: Conducted annually to ensure ongoing compliance,
- Recertification audits: Conducted every five years to renew certification.

### Certification requirements and compliance:

- Time-bound plan: Companies must certify all management units within five years of RSPO membership,
- Handling non-compliances:
  - Major non-compliances must be resolved before certification is granted,
  - Minor non-compliances must be addressed within one year, or they escalate to major non-compliances,
  - Certificates can be suspended or withdrawn if non-compliances are not addressed within the set timelines.
- Public reporting: RSPO requires CBs to publish audit summary reports, certification details, and grievance procedures on public platforms.

This structured certification process ensures that palm oil producers adhere to sustainability standards, legal requirements, and best management practices while maintaining transparency and stakeholder engagement.

#### RSPO certified palm oil mills

14 out of 14.

#### RSPO certified palm kernel crushing plants

3 out of 3.

#### RSPO certified plantations

179 545 ha (100% of oil palm concessions).

#### RSPO main numbers at Socfinaf

FFB Supply - obtained from Traceability Forms	Unit	Socfinaf
Total FFB volume produced by estates managed or controlled by your company	T	1 348 477
Total certified FFB volume produced by certified estates managed or controlled by your company	T	1 278 293
Total FFB volume supplied by independent smallholders (< 50 ha)	T	126 572
Total certified FFB volume supplied by independent smallholders (< 50 ha)	T	-
Total FFB volume supplied by outgrowers (50 - 500 ha)	T	124 668
Total certified FFB volume supplied by outgrowers (50 - 500 ha)	T	-
Total FFB volume supplied by other third-party suppliers	T	84 620
Total certified FFB volume supplied by other third-party suppliers	T	-
<b>RSPO production</b>		
FFB processed	T	1 684 239
Of which RSPO certified FFB	T	1 276 497
<i>% production certified</i>	%	76
CPO produced	T	401 048
Of which RSPO certified palm oil	T	289 881
<i>% production certified</i>	%	72%
PK produced	T	71 612
Of which RSPO certified PK	T	50 567
<i>% production certified</i>	%	71
PKO produced	T	14 481
Of which RSPO certified PKO	T	10 324
<i>% production certified</i>	%	71



RSPO product sales		
RSPO Certified Sustainable (CS) CPO sold as:	T	
<i>Identity Preserved (IP)</i>	T	2 788*
<i>Segregated (SG)</i>	T	-
<i>Mass Balance (MB)</i>	T	11 861*
RSPO CS CPO sold as RSPO credits	T	141 064
RSPO CS CPO sold as conventional	T	282 935
RSPO Certified Sustainable (CS) PK sold as:	T	
<i>Identity Preserved (IP)</i>	T	-
<i>Segregated (SG)</i>	T	-
<i>Mass Balance (MB)</i>	T	19 431
RSPO CS PK sold as conventional	T	26 983

RSPO Certified Sustainable (CS) PKO sold as:	T	
<i>Identity Preserved (IP)</i>	T	-
<i>Segregated (SG)</i>	T	-
<i>Mass Balance (MB)</i>	T	4 857*
RSPO CS PKO sold as RSPO credits	T	1 813
RSPO CS PKO sold as conventional	T	7 920

\*Only a small percentage of Socfinaf's RSPO certified CPO and PKO is sold as certified. Socfinaf sells most of its CPO on the local markets, and West- and Central-African markets are currently not demanding RSPO certified CPO. Therefore, whilst the products are produced as RSPO certified, they are mostly being sold as conventional.

## [Entity-specific] Earthworm Foundation (EF)

### Sites visited by EF during the year for the ongoing support to full implementation of the Socfin Group Responsible Management Policy

4 sites (Socapalm Dibombari, Brabanta, Okomu and PSG), September-October 2024.

### Progress of action plan implementation for the sites visited by EF for full implementation of the Responsible Management Policy

Implementation of Responsible Management Policy action plans is in progress with an evolutive increase in all topics. For several sites, EF has conducted follow-up visits to verify implementation of previous recommendations, which shows a general improvement for the various sites on each topic with, in some cases, adjusted recommendations to ensure continual improvement:

- Health and Safety recommendations are in progress. Most plantations have shown improvement on workers issues and personal protective equipment. In addition, internal and external inspections are conducted in working sites either by the Sustainability Department either by an external consultant (Anticip Consult) to verify implementation of the action plan.
- Living conditions for workers are improved based on housing plans and budgets followed by top management and approved on annual basis.
- Action plans on Gender Committees are in progress with recommendations to strengthen capacities and support procedures to ensure efficiency and confidence within the mechanism in place.

### Number of sites visited in 2024 by EF for the deep dive investigation exercise

Site	Country	Mission	Dates of Visit	EF Deep Dive Report Link
Socapalm Edéa	Cameroon	Deep Dive Investigation	06-11/05/2024	<a href="https://earthworm.ams3.digitalocean.com/uploads/files/EF-rapport-public_SOCAPALM_Edea_EN_-140225.pdf">https://earthworm.ams3.digitalocean.com/uploads/files/EF-rapport-public_SOCAPALM_Edea_EN_-140225.pdf</a>
Socapalm Mbongo	Cameroon	Deep Dive Investigation	21-25/05/2024	<a href="https://earthworm.ams3.digitalocean.com/uploads/files/EF-Public-report_SOCAPALM-Mbongo-_EN_-140225.pdf">https://earthworm.ams3.digitalocean.com/uploads/files/EF-Public-report_SOCAPALM-Mbongo-_EN_-140225.pdf</a>
Socapalm Mbambou	Cameroon	Deep Dive Investigation	27/05-01/06/2024	<a href="https://earthworm.ams3.digitalocean.com/uploads/files/EF-Public-report_SOCAPALM-Mbambou-EN_-140225.pdf">https://earthworm.ams3.digitalocean.com/uploads/files/EF-Public-report_SOCAPALM-Mbambou-EN_-140225.pdf</a>
SOGB	Côte d'Ivoire	Deep Dive Investigation	11/11/2024	Report to come in 2025

## **Number of public EF reports & Socfin action plans resulting from the EF deep dive investigation visits**

### 6 investigations in 2023 (SAC, LAC, Safacam, Okomu, Socapalm Dibombari and SRC):

- 6 EF public reports have been published with:
  - 2 reports in 2023 for Socapalm Dibombari and SRC.
  - 4 reports in 2024 for SAC, LAC, Okomu and Safacam.
- 6 Socfin public action plans have been published on Socfin's website with quarterly updates also available on the website for all sites except for SRC.

### 4 investigations in 2024 (Socapalm Edéa, Socapalm Mbongo, Socapalm Mbambou and SOGB):

- 4 EF public reports have been published in 2025.
- 4 Socfin public action plans have been published on Socfin's website in 2025.

## ESRS 2 General disclosures

## [BP-1] General basis for preparation of sustainability statements

### **ESRS 2-BP-1: 5 a: Basis for preparation of sustainability statement**

Consolidated basis.

### **ESRS 2-BP-1: 5 b i: Scope of consolidation of consolidated sustainability statement is same as for financial statements**

The scope of consolidation is the same as for the financial statements.

Disclaimer: Among Socfinaf's subsidiaries, "Béréby-Finances", "STP Invest" and "SAFA" are not material for ESG reporting. Indeed, these are purely financial entities which do not contain employees, do not deal with the upstream or downstream value chain, and do not generate emissions or pollution of any kind.

### **ESRS 2-BP-1: 5 c: Disclosure of extent to which sustainability statement covers upstream and downstream value chain**

The nature of Socfinaf's activities means that impacts, risks and opportunities are in most cases concentrated in the undertaking's own operations. Nevertheless, impacts, risks and opportunities relating to the upstream and downstream value chain were covered in the double materiality assessment. In line with this, data relating to the relevant impacts, risks and opportunities in Socfinaf's value chain is also covered in this sustainability statement.

### **ESRS 2-BP-1: 5 d: Option to omit specific piece of information corresponding to intellectual property, know-how or results of innovation has been used**

Yes.

### **ESRS 2-BP-1: 5 e: Option allowed by Member State to omit disclosure of impending developments or matters in course of negotiation has been used**

No.

## [BP-2] Disclosures in relation to specific circumstances

### **ESRS 2-BP-2: 9 a: Disclosure of definitions of medium- or long-term time horizons**

Slightly different time horizons than those defined in ESRS 1 section 6.4 were used for the financial materiality assessment. In this specific context, the short-term timespan was the same as the one indicated in ESRS (“the reporting period”, i.e., 12 months), as was the long-term timespan (“more than 5 years” in ESRS, translated to “6-12 years” in our case to make it subtly more specific, in line with ESRS 1 para. 78). The main difference was in the medium term, which is defined as “up to 5 years” in the text, and we instead broke down into 1-3 years on one hand, and 3-6 years on the other.

### **ESRS 2-BP-2: 9 b: Disclosure of reasons for applying different definitions of time horizons**

Evaluating potential financial effects in a context of complex activities proved challenging. Indeed, the assessment conducted at Group level had to consider activities spread across several countries, involving two separate crops (oil palms and rubber trees), and both agricultural and industrial operations. Thus, in the particular context of the financial materiality assessment, making the “medium-term” timespan more specific by splitting it in two was helpful for the analysis.

### **ESRS 2-BP-2: 10 a: Disclosure of metrics that include value chain data estimated using indirect sources**

Oil palm calculator (RSPO palmGHG) emissions - Smallholder tCO<sub>2</sub>e/T FFB.

### **ESRS 2-BP-2: 10 b: Description of basis for preparation of metrics that include value chain data estimated using indirect sources**

The Group has estimated the tCO<sub>2</sub>e/tFFB (tons of CO<sub>2</sub> equivalent per ton of Fresh Fruit Bunches) emissions for all smallholders supplying to its palm oil mills. This estimate is incorporated into Socfin’s oil palm GHG calculator to provide a more comprehensive assessment of supply chain emissions.

#### **1. Basis for the estimation:**

- The estimate is derived from a peer-reviewed research study published in ScienceDirect:
  - Source: *Schmidt et al. (2020), “Certified palm oil reduces greenhouse gas emissions compared to non-certified.”*
  - Link: [ScienceDirect article](#).
- The study provides empirical data on GHG emissions of non-RSPO certified sources, which Socfin uses to estimate emissions where direct data collection from smallholder plantations is not feasible.

#### **2. Why indirect data was used:**

- Smallholder plantations vary in location, land-use history, and management practices, making direct measurement across all suppliers challenging.
- The referenced study provides scientifically validated GHG emission factors specific to non-RSPO certified oil palm plantations, making it a reliable indirect source.

### 3. Key assumptions and limitations:

- The emissions data assumes comparable agronomic practices between the study's sample smallholders in Southeast Asia and Socfin's smallholder suppliers in Africa.
- Assumptions apply only to the oil crop cultivation stage, as this is the only step performed by smallholders (excluding the palm oil mill and refinery stages).
- Peatland emissions were omitted for Socfin's African operations, as peat soils are not present or relevant in these regions.
- Primary limitation: The dataset is based on Southeast Asian smallholder plantations, whereas Socfin's estimations are applied to African smallholders, introducing potential regional variations.
- The estimate is regularly reviewed and updated as new field data from African smallholder operations becomes available.

### 4. Integration into the oil palm GHG calculator:

- The estimated TCO<sub>2</sub>e/tFFB value is integrated into the oil palm GHG calculator to ensure a complete carbon accounting of both company-owned and smallholder-sourced FFB.

This approach allows Socfin to track total supply chain emissions (Scope 3), comply with RSPO GHG reporting requirements, and align with industry-wide sustainability frameworks.

### **ESRS 2-BP-2: 10 c: Description of resulting level of accuracy of metrics that include value chain data estimated using indirect sources**

The Group's estimate of TCO<sub>2</sub>e/tFFB emissions for smallholders, incorporated into its oil palm GHG calculator, is based on a scientifically validated Life Cycle Assessment (LCA) study (Schmidt & De Rosa, 2020) published in the Journal of Cleaner Production. This study provides detailed empirical data on GHG emissions from smallholder oil palm plantations in Southeast Asia, which Socfin has used to estimate emissions in its African smallholder supply chain.

#### 1. Expected level of accuracy:

- Moderate to high accuracy: The estimate is derived from peer-reviewed scientific research, ensuring a reliable baseline for smallholder GHG emissions.
- Sector-specific validity: The study is specific to palm oil smallholder production, making it more precise than general industry emission factors.
- ISO-compliant LCA approach: The referenced study follows ISO 14040/14044 standards, ensuring consistency with global GHG accounting best practices.
- Robust data coverage: The underlying study covers 634 estates, of which 111 smallholders and 165 palm oil mills, making it the most comprehensive assessment of RSPO-certified and non-certified palm oil production.

#### 2. Factors impacting accuracy:

- Strengths of the methodology:
  - Empirical & peer-reviewed data: The study used actual measurement data from RSPO assessment reports, covering 73% of certified plantations and 58% of certified mills.
  - Alignment with Industry Standards: The estimation is consistent with RSPO PalmGHG methodologies, IPCC emissions factors, and EU regulatory frameworks.

- Regional adjustments: Peatland emissions were excluded for Socfin's African operations, improving relevance.
- Limitations and uncertainties:
  - Regional differences:
    - The study was conducted in Southeast Asia, while Socfin applies it to African smallholders.
    - Differences in soil composition, fertiliser use, and farming practices may introduce uncertainties.
  - Simplification of smallholder variability: The estimate assumes relatively uniform agronomic practices among smallholders, which may not fully capture site-specific factors.

3. Data from cultivation stage only: The calculations exclude processing emissions (e.g., palm oil mills) since smallholders only engage in cultivation.

**ESRS 2-BP-2: 10 d: Description of planned actions to improve accuracy in future of metrics that include value chain data estimated using indirect sources**

- Ongoing field data collection: The Group is enhancing accuracy by collecting primary GHG data from African smallholder farms.
- Periodic review of emission factors: Adjustments will be made as more localised emissions data becomes available.
- Cross-validation with industry benchmarks.

**ESRS 2-BP-2: 11 a: Disclosure of quantitative metrics and monetary amounts disclosed that are subject to high level of measurement uncertainty**

For GHG emissions data (details under E1-MDR-M: 77a):

- Scope 1: wastewater quality parameters data (estimates used for certain sites)
- Scope 3: smallholders' data.

For MDR-A paragraphs 69 b (1), b (2), c (1) and c (2): There is likely a certain degree of uncertainty in these numbers as, with the current cost accounting system, these are not straightforward to obtain. We aim to improve this in the next few years.

**ESRS 2-BP-2: 11 b i: Disclosure of sources of measurement uncertainty**

Sources of measurement uncertainties for GHG emissions are disclosed in E1-MDR-M: 77 and E1-6: AR 39 b.

**ESRS 2-BP-2: 11 b ii: Disclosure of assumptions, approximations and judgements made in measurement**

Assumptions, approximations and judgements made in measurement of GHG emissions are disclosed in E1-MDR-M: 77 and E1-6: AR 39 b. Assumptions and approximations made in waste measurements are disclosed under E5-5: 40 (2).

**ESRS 2-BP-2: 15 (1): Disclosure of other legislation or generally accepted sustainability reporting standards and frameworks based on which information has been included in sustainability statement**

The Socfinaf report follows the taxonomy regulation for some elements mentioned.



Some elements included in our report are based on GRI, SPOTT and EcoVadis.

**ESRS 2-BP-2: 15 (2): Disclosure of reference to paragraphs of standard or framework applied**

Any elements that have been included to respond to the GRI, SPOTT or EcoVadis frameworks are in all cases covered by ESRS disclosures.

**ESRS 2-BP-2: 16: List of DRs or DPs incorporated by reference**

N/A.

## [GOV-1] Role of the administrative, management and supervisory bodies

### ESRS 2-GOV-1: 21 a (1): Number of executive members

3.

### ESRS 2-GOV-1: 21 a (2): Number of non-executive members

5.

### ESRS 2-GOV-1: 21 b: Information about representation of employees and other workers

N/A (no employees).

### ESRS 2-GOV-1: 21 c: Information about member's experience relevant to sectors, products and geographic locations of undertaking

The executive members of the administrative management and supervisory bodies are part of the Group's operational activities and decisions. Their experience relating to the Group's sectors products and geographic locations is therefore constantly renewed. Furthermore, some of the current non-executive members were previously engaged in the Group's operational activities therefore adding to the bodies overall relevant experience.

### ESRS 2-GOV-1: 21 d (1): Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity

Diversity aspect	Percentage (%)
Female	0
Male	100

### ESRS 2-GOV-1: 21 d (1.2): Percentage of members of administrative, management and supervisory bodies by employee category and gender

Diversity aspect	Percentage (%)
Female	0
Male	100

### ESRS 2-GOV-1: 21 d (1.3): Percentage of members of administrative, management and supervisory bodies by nationality

Employee nationality	Percentage (%)
Belgian	50
French	25
Nigerian	12.5
Ghanaian	12.5

**ESRS 2-GOV-1: 21 d (2): Board's gender diversity ratio**

0%.

**ESRS 2-GOV-1: 21 e: Percentage of independent board members**

12.5%.

**ESRS 2-GOV-1: 22 a: Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities**

*To be added in 2025.*

**ESRS 2-GOV-1: 22 b: Disclosure of how bodies or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies**

*To be added in 2025.*

**ESRS 2-GOV-1: 22 c: Description of management's role in governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities**

Over the years the Group has put in place a management structure aimed at proposing and implementing validated policies. These policies are aligned with international sustainability platforms such as RSPO for oil palm and GPSNR for rubber. Adhering to the standards of these platforms ensure the monitoring and management of impacts, risks and opportunities.

**ESRS 2-GOV-1: 22 c i: Description of how oversight is exercised over management-level position or committee to which management's role is delegated to**

The Group's Board of Directors plays an active role in guiding and formulating the sustainability strategy and recognises that sustainability must lie at the core of all Group activities, as it is indispensable to ensure long-term success. Consequently, the Board approves and encourages all sustainability and responsible governance policies and provides the financial and human resources required to meet key objectives, more specifically RSPO certification for all oil palm sites and compliance with the GPSNR policy for all rubber sites. The Head of Sustainability, the Compliance Officer and the Internal Auditor, who are all part of the management committee ensure the implementation of policies and the subsidiaries' adherence to those.

**ESRS 2-GOV-1: 22 c ii: Information about reporting lines to administrative, management and supervisory bodies**

The Head of Sustainability, the Compliance Officer and the Internal Auditor report to their respective line Managers and to the executive members of the Board.

**ESRS 2-GOV-1: 22 c iii: Disclosure of how dedicated controls and procedures are integrated with other internal functions**

Internal controls are linked with each other, throughout the group risks assessment and risk matrix, allowing multiple functions to propose alternative mitigating actions for outstanding risks.

**ESRS 2-GOV-1: 22 d: Disclosure of how administrative, management and supervisory bodies and senior executive management oversee setting of targets related to material impacts, risks and opportunities and how progress towards them is monitored**

Board members and senior executive Managers have to validate any targets that are set at Group level before these are enacted. Progress towards targets is monitored through the operational teams to which they relate. These teams in turn regularly inform administrative and management bodies of the progress made.

**ESRS 2-GOV-1: 23: Disclosure of how administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters**

Administrative, management and supervisory bodies are informed at regular intervals of the progress and evolution of sustainability matters. These are overseen by the Head of Sustainability, who is part of the management committee and is also in close contact with board members. Whenever a new need relating to a sustainability matter arises, the Head of Sustainability informs board members and the management committee. A decision is then made at top management level to involve new resources when required.

**ESRS 2-GOV-1: 23 a: Information about sustainability-related expertise that bodies either directly possess or can leverage**

*To be added in 2025.*

**ESRS 2-GOV-1: 23 b: Disclosure of how sustainability-related skills and expertise relate to material impacts, risks and opportunities**

*To be added in 2025.*

## [Topical GOV-1] Role of the administrative, management and supervisory bodies

### G1.GOV-1

#### **G1-GOV-1: 5 a: Disclosure of role of administrative, management and supervisory bodies related to business conduct**

Compliance acts independently from operational management and reports to senior management through management committee meetings (every 1-2 months), monthly activity reports, mission reports and annual group shareholder meeting.

Compliance Department works in cooperation with Internal Audit Department to ensure application of policies and procedures.

Policies and procedures are reviewed and approved by senior management prior to formal approval by all the Socfin entity boards.

#### **G1-GOV-1: 5 b: Disclosure of expertise of administrative, management and supervisory bodies on business conduct matters**

Senior management has completed a full online training course on the main issues relating to compliance. Most board members have completed the online compliance training (4 modules on compliance basics, data protection, information security and prevention of corruption).

## [GOV-2] Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

**ESRS 2-GOV-2: 26 a: Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them**

Directors are informed twice a year of these topics, at each Board meeting.

**ESRS 2-GOV-2: 26 b: Disclosure of how administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process**

Executive board members play a key role in drawing the link between strategic decision-making and operational elements reported by subsidiaries and HQ teams. Their role is therefore particularly important when it comes to considering impacts, risks and opportunities at the level of administrative, management and supervisory bodies.

**ESRS 2-GOV-2: 26 c: Disclosure of list of material impacts, risks and opportunities addressed by administrative, management and supervisory bodies or their relevant committees**

- Following the Carbon Taskforce's work on the development of GHG emission reduction targets and possible actions for effective reduction.
- Overseeing the status of certifications and frameworks followed.
- Developing and following further actions in the area of business conduct, notably anti-corruption and transparency.
- Following research developments relating to productivity and yield.
- Generally following the work of teams at Group level and on sites relating to impacts, risks and opportunities

## [GOV-3] Integration of sustainability-related performance in incentive schemes

**ESRS 2-GOV-3: 29: Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies exist**

No.

## [Topical GOV-3] Integration of sustainability-related performance in incentive schemes

### E1.GOV-3

#### **E1-GOV-3: 13 (1): Disclosure of whether and how climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies**

Socfinaf does not yet have incentive schemes and/or remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies.

**E1-GOV-3: 13 (2): Percentage of remuneration recognised that is linked to climate related considerations**  
0%.



## [GOV-4] Statement on due diligence

**ESRS 2-GOV-4: 30; 32: Disclosure of mapping of information provided in sustainability statement about due diligence process**

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2-GOV-4: 30; 32 (1) ESRS 2-SBM-3: 48 b
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2-GOV-4: 30; 32 (2) ESRS 2-SBM-2: 45 a ESRS 2-SBM-2: 45 a iii – v Section S1-2 Section S2-2 Section S3-2 S3-2: 22 S3-2: 23
c) Identifying and assessing adverse impacts	ESRS 2-GOV-4: 30; 32 (3) S3-SBM-3: 9 a ESRS 2-IRO-1: 53 a – b Section S1-3 S3-3: 27 a – c
d) Taking actions to address those adverse impacts	ESRS 2-GOV-4: 30; 32 (4) S3-SBM-3: 9 a S1-4: 38 a – c S1-4: 39 S2-4: 33 c S2-4: AR 31 S3-4: 32 a – b S3-4: 33 a – b
e) Tracking the effectiveness of these efforts and communicating	ESRS 2-GOV-4: 30; 32 (5) S1-4: 38 d S1-4: 40 a S2-4: AR 31 S3-2: 21 d S3-4: 32 d S3-4: 33 c S3-4: 34 a

### **ESRS 2-GOV-4: 30; 32 (1): Embedding due diligence in governance, strategy and business model**

The due diligence process is implemented through various components. All subsidiaries that have oil palm plantations and palm oil mills are RSPO certified and therefore undergo annual audits which verify all criteria of the 7 RSPO Principles:

- Behave ethically and transparently,

- Operate legally and respects rights,
- Optimise productivity, efficiency, positive impacts and resilience,
- Respect community and human rights and deliver benefits,
- Support smallholder inclusion,
- Respect worker's rights and conditions and,
- Protect, conserve and enhance ecosystems and the environments.

All subsidiaries that have rubber plantations and processing factories follow the GPSNR policy framework. A self-assessment of the policy components of the 8 main themes is done annually, the themes being:

- Commitment to legal compliance,
- Commitment to healthy, functioning ecosystems,
- Commitment to respecting all human rights,
- Commitment to community livelihoods,
- Commitment to increased production efficiency,
- Commitment to systems and processes to drive effective implementation of policy components, Commitment to supply chain assessment, traceability, and management,
- Commitment to monitoring and reporting on progress towards, and conformance with policy components.

In addition to adhering and respecting standards of the oil palm and rubber sustainability platforms, we have a partnership with Earthworm Foundation (EF) since 2017 for the full implementation of the Socfin Group Responsible Management Policy, with annual activities involving sites visits and follow- ups of action plans.

The Responsible Management Policy is “intended to be in line with the United Nations Guiding Principles on Business and Human Rights, the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, and the Global Platform on Sustainable Natural Rubber (GPSNR) policy framework”. This baseline is established already in the very first section of the Responsible Management Policy. Then, section 6 on transparency emphasises the importance of collaborating with all relevant stakeholders. In fact, the Responsible Management Policy was developed together with Earthworm Foundation, taking into consideration key points highlighted by environmental NGOs. The implementation of the policy, as well as its revisions as and when necessary, takes into account feedback from key stakeholders. This is mentioned in section 8 on verification, ensuring continuous improvement.

#### **ESRS 2-GOV-4: 30; 32 (2): Engaging with affected stakeholders in all key steps of the due diligence**

Both internal and external stakeholders are continuously engaged in due diligence through various processes among which meetings with workers and communities play a central role. In addition, the Group's tyre-maker customers sometimes visit our sites.

#### **ESRS 2-GOV-4: 30; 32 (3): Identifying and assessing adverse impacts**

Identification and assessment of adverse impacts are done through various studies such as ESIA (Environmental and Social Impact Assessment), HCV (High Conservation Value), HSE risk assessments, and the materiality assessments which include stakeholder questionnaires.

#### **ESRS 2-GOV-4: 30; 32 (4): Taking actions to address those adverse impacts**

Actions to address adverse impacts are taken through ESIA, HCV and HSE management plans.

**ESRS 2-GOV-4: 30; 32 (5): Tracking the effectiveness of these efforts and communicating**

Management plans are regularly reviewed and actions communicated through internal and external meetings.

## [GOV-5] Risk management and internal controls over sustainability reporting

### **ESRS 2-GOV-5: 36 a: Description of scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting**

There are various internal control processes in place relating to sustainability reporting. To begin with, each person on the HQ sustainability team that is responsible for receiving data from subsidiaries does multiple controls during consolidation. These entail elements like comparing the data to previous year's data and comparing data across subsidiaries. These analyses allow to identify responses that seem unlikely as well as outliers, which leads to analyses of the possible underlying cause. Once consolidated for all subsidiaries, the sustainability data is also presented to the Head of Sustainability for review, discussion and validation.

In addition, HQ sustainability team members are in close contact with the Sustainability Managers in subsidiaries and conduct field visits. These helps to better understand the challenges that subsidiaries may face in relation to sustainability reporting. It also allows to raise awareness across the various on-site departments that typically provide data to the local Sustainability Manager, such as the HR, Agricultural and Industrial Departments. Regular contact with Sustainability Managers ensures that they are kept up to date with reporting requirements. In turn, this is complemented by the field visits conducted by the Group's Internal Auditor, who communicates any encountered issues to the HQ sustainability team besides discussing solutions with subsidiaries.

### **ESRS 2-GOV-5: 36 b: Description of risk assessment approach followed**

A hybrid risk assessment approach is consistently applied, comprising a quantitative and qualitative risk assessment. Risk assessment consolidated based on the COSO framework and consistently applied across the business.

Internal Audit and Compliance Departments coordinate the risk assessment by sending the templates to each transversal/group function and to business heads. Once received, they complete the inherent risks specifics to their operations (impact and likelihood), and they recommend mitigating controls to bring those inherent risks down to residual risks. Subsequently, the Group risk heatmap is consolidated and shared with top management and critical stakeholders. It is also kept up to date annually.

### **ESRS 2-GOV-5: 36 c: Description of main risks identified and their mitigation strategies**

The main risks identified in relation to sustainability reporting have to do with integrity of the data and availability of value chain data.

Regarding integrity of the data, the risk more specifically relates to possible human errors, both at subsidiary level and at consolidated level. Indeed, some of Socfinaf's subsidiaries are located in delicate contexts where on-site teams often encounter the issue of availability of educated staff. This sometimes leads to situations of handwritten data measurements that then must be passed onto digital files by someone else, which increases the margin of error. Even in subsidiaries in less fragile contexts, sustainability teams often have to compile the data from various departments into their own files, which

leads to copy-and-paste manoeuvres that also increase the margin of error – and even more so when working under tight deadlines.

Similar issues are encountered by HQ teams during consolidation, where the complexity of the Group's structure, paired with still evolving reporting management tools and the pressure of tight deadlines, may increase the margin of error. A new IT tool is under implementation, but for 2024 reporting not all functionalities are available yet. To this should be added the complexity of inter-department and inter-company communication, in the context of a complex Group structure and of the wide variety of topics falling under the umbrella of "sustainability".

Regarding the availability of value chain data, considering Socfinaf's type of operations, obtaining quality data from the value chain poses its own challenges as the most important part of the value chain is smallholders. Given that smallholders are often located in remote rural areas, reaching them can be challenging, and data collection must be carefully structured, translated, and adapted to local contexts to ensure quality responses. Additionally, smallholders may be reluctant to share information due to concerns about how the data will be used. If discrepancies are found upon review, significant time and resources are required to verify and correct the data, further complicating the process.

Several mitigation strategies are in place, or underway, in relation to these risks. First, multiple readers always go through the draft consolidated report at HQ, which allows to pin-point any remaining errors. Second, a centralised IT tool for sustainability reporting is being implemented as of 2024, thereby ensuring a much smoother data collection and consolidation as of 2025. Third, the focus has been put on team building efforts, both among different teams at HQ and among all sustainability teams across the Group. A sustainability workshop took place in April 2024, where the Sustainability Managers from all plantations travelled to Europe for a three-day seminar with the HQ sustainability team. Since this workshop, close contact between all sustainability teams has been maintained through quarterly calls covering various topics to share challenges encountered and good practices.

The process undertaken by the Group in 2024 to ensure compliance with EUDR, which aligns closely with the objectives of the Responsible Management Policy, has significantly improved value chain data availability. This initiative has driven resource allocation and strengthened Socfinaf's network with smallholder suppliers, leading to enhanced and more regular communication. These improvements will not only support compliance efforts but also facilitate more accurate and efficient reporting, reinforcing the Group's commitment to its policy goals.

**ESRS 2-GOV-5: 36 d: Description of how findings of risk assessment and internal controls as regards sustainability reporting process have been integrated into relevant internal functions and processes**

A continuous monitoring of controls and audit recommendations tied to sustainability reporting process helps reinforcing the control environment as regards to sustainability reporting process.

Sustainability related findings resulting from risk assessment and internal controls are embedded in each business function processes through:

- Risks and controls self-assessment,
- Risks workshops and seminars,
- Group internal controls frameworks currently being implemented group wide,
- Group internal audits,
- Follow-up on group internal audits recommendations addressing sustainability findings.

**ESRS 2-GOV-5: 36 e: Description of periodic reporting of findings of risk assessment and internal controls to administrative, management and supervisory bodies**

Findings of risk assessment and internal controls as regards to sustainability are reported annually to administrative, management and supervisory bodies based upon ongoing monitoring results and actions plan. Continuous risks identification and assessments based on sound and proven methodology derived from the COSO standards.

## [SBM-1] Strategy, business model and value chain

### ESRS 2-SBM-1: 40 a i: Description of significant groups of products and (or) services offered

Socfinaf sites produce two commodities: palm products and natural rubber. The former are derived from the fruits of the oil palm cultivated in tropical regions, and the latter is derived from the bark of the rubber tree, cultivated in the same regions.

We operate in 8 countries of West and Central Africa.

### ESRS 2-SBM-1: 40 a ii: Description of significant markets and (or) customer groups served

The palm oil we produce is mostly for local markets. We mainly sell it locally and regionally to refiners and processors operating in the agri-food or cosmetic sectors. The natural rubber produced is exported to the sector's major buyers, more specifically, the tyre manufacturers.

### ESRS 2-SBM-1: 40 a iii (1): Total number of employees (headcount)

25 699.

### ESRS 2-SBM-1: 40 a iii (2.2): Number of employees (headcount) by country

Country	Number of employees (headcount)
Cameroon	5 390
Côte d'Ivoire	9 810
Democratic Republic of Congo	1 960
Ghana	2 390
Liberia	2 059
Nigeria	329
Sierra Leone	3 038
São Tomé-and-Príncipe	723
<b>Total</b>	<b>25 699</b>

### ESRS 2-SBM-1: 40 b (1): Total revenue

591 382 950 EUR.

### ESRS 2-SBM-1: 40 d i (1): Undertaking is active in fossil fuel (coal, oil and gas) sector

No.

### ESRS 2-SBM-1: 40 d ii (1): Undertaking is active in chemicals production

No.

### ESRS 2-SBM-1: 40 d iii (1): Undertaking is active in controversial weapons

No.

**ESRS 2-SBM-1: 40 d iv (1): Undertaking is active in cultivation and production of tobacco**

No.

**ESRS 2-SBM-1: 40 e: Description of sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders**

First, through the sustainability platforms such as RSPO for oil palm and GPSNR for rubber, the Socfin Group commits to high sustainability standards with the goals to maintain its RSPO certification across all its oil palm plantations and oil palm mills, and to undergo the GPSNR Assurance System that is being developed and have a successful verification through auditors by 2027.

Second, in the Group Responsible Management Policy, the Socfin Group commits to reach 100% traceability of all its raw material by 2025.

Third, the Socfin Group has a target to be 100% compliant with the new European EUDR regulation for its oil palm and rubber products. EUDR was initially going to be implemented by end of December 2024, but European legislators decided to delay the implementation by one year.

Finally, in 2023 the Socfin Group committed to investigate all allegations raised by NGOs and communities through a deep dive investigation exercise undertaken by Earthworm Foundation, and to put in place action plans for all allegations assessed as founded.

All of these goals encompass Socfinaf and its related activities.

**ESRS 2-SBM-1: 40 f: Disclosure of assessment of current significant products and (or) services, and significant markets and customer groups, in relation to sustainability-related goals**

In 2024 we completed the RSPO certification process covering all our palm oil mills (already achieved in 2023) and all our oil palms plantations. Moreover, since 2022 we report to GPSNR the data of the reporting requirements for all our rubber factories and rubber trees plantations.

By December 2024 we had achieved 95.5% of traceability at the highest level for rubber and 82.4% for oil palms; we are still on target to reach 100% for both by end 2025.

The EUDR implementation work started in 2023, in priority with rubber, and we achieved 100% compliance by end 2024. Oil palm will be done in 2025, so by end 2025 both rubber and oil palm products will fully comply to the EUDR legislation.

The EF deep dive investigation of allegations raised against the Socfin Group started in 2023 and will be concluded early 2025 with the publication of the last reports. There are still some activities to be concluded from the action plans resulting from the investigations.

**ESRS 2-SBM-1: 40 g: Disclosure of elements of strategy that relate to or impact sustainability matters**

The decision in 2018 to get an RSPO Group membership to allow the start of the certification of all of Socfin Group's African palm oil mills and own oil palms plantations was part of the strategy to ensure an external verification of the Group's sustainability practices. The same can be said about rubber with Socfinaf's commitment to GPSNR, first with the Socfin Group being one of its founding members, then by being active in various working groups put in place to build the GPSNR systems and also by being a member of the GPSNR Executive Committee.



The release in 2017 of the Socfin Group Responsible Management Policy made clear the different commitments with regards to local and rural development in Africa and Asia, commitment to employees and communities, commitment to our planet, commitment to transparency, commitment to zero-deforestation and third-party verification.

The Group is involved in several ways with its main partners, thereby ensuring long-lasting collaboration. With RSPO, the Group participates in activities like contributing to the revision of the RSPO Principles & Criteria every 5 years, the ACOP (Annual Communication of Progress) reporting, the annual RSPO meetings, and other ad hoc tasks such as the consultations on living wages and on the revised PalmGHG calculator. In turn, the Group was active in all of GPSNR's foundational activities (e.g.: code of conduct, policy framework), and has since then been involved as member in the Executive Committee and several working groups. The Socfin Group also submitted to GPSNR the GHG calculator developed with Michelin and SIPH, and regularly attends GPSNR workshops to continue developing the assurance system tools. Finally, the collaboration with EF was only reinforced throughout the years, from the elaboration of the Responsible Management Policy and the ongoing work to ensure its implementation, to the annual workplans and the deep dive investigations.

The Group's involvement with these important partners and sustainability platforms has necessitated to adjust the availability of resources accordingly, both in terms of staffing and expenditure. This has taken place both at subsidiary level and at Group level. As a result, the size of sustainability departments has considerably increased in the past few years.

#### **ESRS 2-SBM-1: 42: Description of business model and value chain**

Socfinaf has several subsidiaries that have their own processing facilities to produce palm oil and natural rubber. Most subsidiaries also have their own integrated plantation, and several subsidiaries have over the years developed a reliable supply from smallholders.

On all our sites, we strive to produce palm oil and rubber in a way that is beneficial to all: our employees and their family, the smallholders, and communities by improving their livelihoods.

The palm oil we produce in Africa is mainly for local consumption, thereby contributing to the food security of these communities, where the population is growing. In these regions, palm oil has been the food base of traditional cuisine for centuries. Africa's demographic explosion on the one hand, and the strengthening of international standards related to health and environmental protection on the other hand, are new challenges to the agri-food sector and even more so for the smallholders in rural areas. This situation makes these countries dependent on imports from Southeast Asia although the agricultural potential to be self-sufficient exists.

Therefore, we have built partnerships with smallholders, fostering the development of their own plantations, increasing the quantity of locally produced oil, and finally reducing poverty in these regions by improving livelihoods. And, contrary to the preconception, these two models "agro-industrial plantations" and "smallholder plantations" are complementary and interlinked. Coupled together, they efficiently and suitably address the need for economic development, food security and poverty reduction, while preserving the environment.

As explained above, palm oil is mostly sold locally; while the rubber will be exported to countries where clients (mostly tyre makers) require them.

**ESRS 2-SBM-1: 42 a: Description of inputs and approach to gathering, developing and securing inputs**

The inputs are the raw material, Fresh Fruit Bunches (FFB) to produce the palm products, and wet natural rubber to produce the dry processed rubber. These inputs are secured from the business model described above with Socfinaf having its own plantations and/or smallholders that supply the raw material used in the processing factories.

**ESRS 2-SBM-1: 42 b: Description of outputs and outcomes in terms of current and expected benefits for customers, investors and other stakeholders**

The outputs are the palm products and rubber produced, sold mostly locally for the palm products and exported for the rubber. The various ISO certifications ensure products of high quality while the production of the raw material respects stringent environmental standards. The additional RSPO certification for palm products and adherence to the GPSNR standards for rubber are an added sustainability recognition valued by customers, investors and other stakeholders.

**ESRS 2-SBM-1: 42 c: Description of main features of upstream and downstream value chain and undertakings position in value chain**

Socfinaf's activities not only are situated quite at the beginning of the value chain but also cover an important part of what might qualify, for another company, as value chain activities. Indeed, the business model is centred around growing oil palms and rubber trees – with all the farming operations this entails – and the related industrial processes with palm oil mills and rubber factories.

The main component of upstream Socfinaf's value chain are the smallholders who sell their produce to Socfinaf's industrial units. Smallholders are key for Socfinaf's activities, and it is with them that material value chain IROs (Impacts, Risks and Opportunities) are concentrated. They are Socfinaf's upstream value chain, to which could be added the transportation to bring wet rubber and palm fresh fruit bunches to the industrial units.

The downstream value chain is composed of the distribution network; clients who further process the purchased palm oil and dry rubber; further vendors and retailers; and consumers. No material IROs are linked to these components of the value chain.

## [SBM-2] Interests and views of stakeholders – general

### **ESRS 2-SBM-2: 45 a: Description of stakeholder engagement**

The Group conducted its first double materiality assessment between end of 2023 and beginning of 2024, applicable to 2024 reporting. On this occasion, a variety of stakeholders were engaged, both internal and external. A questionnaire covering all ESRS topics was submitted to stakeholders for them to assess the materiality of positive and negative impacts. The questionnaire consisted of multiple-choice questions on scale and scope, as well as irremediability and likelihood where relevant. The results of this engagement allowed the Group to gain insight into what topics are considered material by stakeholders, leading to the structuring of the 2024 sustainability report and to taking note of what further actions might be needed to ensure alignment with stakeholders' perspectives.

Besides the double materiality assessment, stakeholders are engaged with on a regular basis on the different sites. More details on this are provided under paragraph 45(a)(iii).

### **ESRS 2-SBM-2: 45 a i: Description of key stakeholders**

Key stakeholders are typically: shareholders, banks, NGOs, rating agencies and financial analysts, education and/or research institutions, networks developing sustainability (such as RSPO, GPSNR or partners like Earthworm Foundation), government and law enforcement bodies, suppliers, leadership teams, direct and indirect employees, union delegates, subcontractors, clients, and certain media players. In some contexts, additional stakeholders like professionals' associations, trade unions, and foundations/voluntary associations may apply.

For the double materiality assessment, the Group identified its key internal and external stakeholders. A variety of possible stakeholders was listed for the Group's "HQ" entities, as well as for Safacam (the subsidiary in Africa selected for the first DMA) and for Socfindo (the subsidiary in Asia selected for the first DMA). In a second step, each stakeholder category under these entities was mapped (i.e.: classified as a key or non-key stakeholder). Three criteria, each ranging from 1 to 5, were used to do this: first, the company's impact on the stakeholder; second, the stakeholder's influence on the company; and third, whether the stakeholder required more attention than usual. After giving each stakeholder category a score for each of these criteria, the average was calculated, therefore obtaining a final weight per stakeholder category.

Nature was not per se included as a key "silent" stakeholder in this exercise, although all important aspects relating to nature were taken into account in the materiality assessment (biodiversity and ecosystems, pollution, etc.). However, we will aim to include nature as silent stakeholder in upcoming rounds of the double materiality assessment.

### **ESRS 2-SBM-2: 45 a ii: Description of categories of stakeholders for which engagement occurs**

In the context of the double materiality assessment, the aim was to engage with all key stakeholders (listed under SBM-2 45 a i), i.e., to send them the questionnaire to and obtain their insights on impact materiality.

In the case of Safacam, unfortunately some stakeholders could not be reached in time for the materiality assessment. This was due to unforeseen challenges related to the context of an isolated plantation, where

such a materiality assessment exercise had never been conducted before, and some stakeholders were harder to contact than was initially thought. Time was also a constraint considering that key stakeholders like employees and local communities had to be contacted directly, with someone from Safacam's offices having to physically visit different locations and go through the questions one by one in person with stakeholders. This led to the obtention of many hard copies that then had to be re-inputted digitally for the Socfin HQ Sustainability team to process. However, these challenges were counter-balanced by the fact that stakeholders at HQ level could all be easily contacted by email, although some chose not to respond to the questionnaire.

#### **ESRS 2-SBM-2: 45 a iii: Description of how stakeholder engagement is organised**

Since the CSRD applies at Group level, for the materiality assessment stakeholder engagement was planned from HQ. One subsidiary in Africa (Safacam) and one subsidiary in Asia (Socfindo) were chosen to participate in the first DMA. The impact materiality questions to be submitted to stakeholders were designed at HQ, albeit with the input from the 2 subsidiaries. Double materiality assessments as per the CSRD will in principle occur every two years and will progressively involve all subsidiaries.

Besides the top-down materiality assessment, each site organises engagement with local stakeholders in its own way: with employees, using different forums such as regular meetings between management and workers representatives for HR and social issues. For Health-Safety-Environment topics, short meetings are organised in the morning with employees before the work start on subject related to safety, various policies, etc. Engagement with local communities occurs during bipartite meetings (management and community representatives) or tripartite meetings (management, community representatives and local authorities). Finally, engagement with local authorities takes place during meetings at sub-district, district or national level.

#### **ESRS 2-SBM-2: 45 a iv: Description of purpose of stakeholder engagement**

The purpose of stakeholder engagement in the context of the materiality assessment was to understand what positive and negative impacts are considered material by key stakeholders, to then define material topics in combination with the financial materiality assessment exercise. Besides filling the main purpose of understanding sustainability reporting priorities, stakeholders' responses to the impact materiality questionnaire allowed to generally gain insight into stakeholders' perspectives and possible concerns, thereby helping to prioritise certain action plans or projects.

At local level, regular engagement with key stakeholders like employees and local communities helps to anticipate potential grievances, to find common solutions and respond to any requests or concerns. It overall allows to maintain a collaborative and trusting relationship between the company and its employees, as well as surrounding communities. The effects of cultivating such relationships reverberates at Group level.

#### **ESRS 2-SBM-2: 45 a v: Description of how outcome of stakeholder engagement is taken into account**

Stakeholders' perspective on positive and negative material impacts was crucial to defining material topics for sustainability reporting under the CSRD. Although almost no ESRS topic came out as non-material once combined to financial materiality, stakeholders' views on impacts helped to understand nuances in materiality degrees, or the perceived level of urgency relating to the different topics. Outside the context of reporting, this has proven key to understanding in which areas more actions or targets should be developed, as opposed to those for which existing monitoring practices are sufficient.

Regarding stakeholder engagement at local level, the outcome of regular engagement described in ESRS2-SBM-2: 45a iii is taken into account by agreeing on a list of actions with timelines and responsibilities. The progress of the implementation of these actions is then reviewed at each subsequent meeting.

**ESRS 2-SBM-2: 45 b: Description of understanding of interests and views of key stakeholders as they relate to undertaking's strategy and business model**

The interests and views of stakeholders have had, and keep having, an influence on the Group's strategy and business model. Banks have notably demonstrated a significant interest in closely monitoring the Group's progress in obtaining the RSPO certification for the entirety of its palm oil activities. Similarly, clients have been an important influence in the Group's involvement with GPSNR for its rubber activities, and the Group also closely listens to any environmental or social concerns that clients may have. NGOs have also played a role in the unfolding of the processes mentioned. Overall, these have led the Group to make its strategy evolve and keep its business model – which remains focused on tropical agriculture – up to date with modern concerns and sustainability requirements.

**ESRS 2-SBM-2: 45 c: Description of amendments to strategy and (or) business model**

In 2017 Socfin launched its Responsible Management Policy, which confirmed previous commitments and added new ones such as the zero-deforestation with the need for any new development to be preceded by studies identifying HCS, HCV and peatland areas, and transparency and traceability commitments. Soon after, in 2019, Socfin embarked in the RSPO certification of all its African palm oil mills.

In parallel the Group became a founding member of GPSNR, the Global Platform for Sustainable Natural Rubber. GPSNR was created in October 2018 and has gradually become a driving force establishing strict sustainability standards.

**ESRS 2-SBM-2: 45 c i: Description of how strategy and (or) business model have been amended or are expected to be amended to address interests and views of stakeholders**

The 2017 launch of the Responsible Management Policy included new points such as the zero-deforestation and the transparency commitments.

The commitment to have 100% RSPO certification of all African palm oil mills and the GPSNR membership and active contribution during the building phases of the platform confirmed the seriousness of the Group's sustainability standards. This recent development is also in line with requests made by various external stakeholders.

**ESRS 2-SBM-2: 45 d: Description of how administrative, management and supervisory bodies are informed about views and interests of affected stakeholders with regard to sustainability-related impacts**

The Group's top management and board members are informed of the outcome of each stage of the double materiality assessment. This includes gaining insight into stakeholders' responses on impact materiality, which provides a useful tool to determine sustainability priorities beyond reporting.

## [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

### Our double materiality results

Double materiality result	SOCFIN GROUP TOPICS	ESRS TOPICS	Reporting strategy
Important	i. Climate change mitigation and responsible energy use	E1 Climate change	Priority
Informative	ii. Pollution reduction and control	E2 Pollution	Monitoring
Informative	iii. Water consumption	E3 Water and marine resources	Monitoring
Critical	iv. Protection of ecosystems and ecosystem services	E4 Biodiversity and ecosystems	Priority
Important	v. Resource and waste management	E5 Resource use and circular economy E3 Water and marine resources	Maintain
Important	vi. Local employees	S1 Own workforce	Maintain
Important	vii. Employee development and wellbeing		Maintain
Important	viii. Sustainable value chains	S2 Workers in the value chain	Maintain
Significant	ix. Community relations	S3 Affected communities	Priority
Important	x. Sustainable consumption	S3 Affected communities + Entity-specific, related to Partnerships for sustainable development	Maintain
Critical	xi. Responsible business conduct	G1 Business conduct	Priority
Critical	xii. Partnerships for sustainable development	Entity-specific	Priority
Critical	xiii. Productivity and yield	Entity-specific + E1 Climate change (adaptation)	Priority

The blue side of the table shows the materiality degrees obtained as a result of the first double materiality assessment conducted at Group level. Since the topics used were slightly accommodated to better align with the Group's previous sustainability reports and facilitate the transition towards CSRD reporting, the yellow side of the table draws the link with ESRS topics. It also translates materiality results into the reporting strategy adopted.

More details on the equivalence of topics can be found in section IRO-1, while the following SBM-3 paragraphs describe impact and financial materiality results in detail.

### ESRS 2-SBM-3: 48 a (1): Description of material impacts resulting from materiality assessment

The most material impacts relate to topics such as **productivity and yield** (positive impacts from less surface required and better resistance, interrelated with climate change), **partnerships for sustainable development** (the positive impacts resulting from certifications, frameworks and collaboration with foundations), **biodiversity and ecosystems protection**, and **resource and waste management** (including water discharges). Other material impacts relate to own workforce (human rights, well-being, health and safety), business conduct (anti-corruption and transparency), climate change in general (GHG emissions, fossil fuels and green energy), and affected communities (human rights).

Stakeholders considered that the undertaking's impact on other topics is rather low, among which workers in the value chain, pollution, water and marine resources, and some less salient aspects among own workforce topics. These therefore came out as less material topics from an impact perspective. In this context, it is important to remember that the questions that were submitted to stakeholders in the impact

materiality questionnaire did not focus on the *importance* of the different topics, but on stakeholders' perception of the undertaking's impacts, whether positive or negative, on its environment/entourage. In other words, topics that do not come out as material here are not necessarily unimportant to stakeholders, but the undertaking's impact on them was considered rather low. In the case of negative impacts, one reason for this could be because preventative or corrective measures are already in place – which in no way means that these topics are unimportant for the undertaking and that ongoing monitoring will cease.

All impacts, except for those relating to workers in the value chain, are concentrated in Socfinaf's own operations. As explained previously, Socfinaf's business model is based on oil palms and rubber trees cultivation and the related industrial processes in palm oil mills and rubber factories. This means that Socfinaf's own activities encompass a wide array of what might be part of the value chain for another undertaking.

**ESRS 2-SBM-3: 48 a (2): Description of material risks and opportunities resulting from materiality assessment**

The most material financial risks relate to business conduct (linked notably to evolving regulations, as well as reputational risks), affected communities, resource and waste management (because of the price fluctuations of fuel and fertiliser needed on plantations), and own workforce (more specifically relating to the high dependency on labour, in remote locations). Other material risks relate to climate change, water, and workers in the value chain.

The most material opportunities relate also to business conduct (linked to the implementation of the Group's Responsible Management Policy), to partnerships for sustainable development and sustainable consumption (advantages to maintaining certifications and collaboration with frameworks and foundations), and productivity and yield (linked to research and development tools used in line with sustainability objectives). Other material opportunities relate to climate change, resource and waste management, own workforce, workers in the value chain, and affected communities.

Blending risks and opportunities together, the most material topics from the perspective of financial materiality are business conduct, partnerships for sustainable development, productivity and yield (in relation to R&D), and affected communities. These are followed by resource and waste management (including water discharges), own workforce, workers in the value chain, and climate change. The less material topics from a risk and opportunity perspective are water and marine resources, pollution, and biodiversity and ecosystems.

As with impacts, almost all material risks and opportunities are concentrated in Socfinaf's own operations. Only a few concern the upstream value chain, namely situations that could affect smallholders and their workers (for plantations where this is relevant).

**ESRS 2-SBM-3: 48 b: Disclosure of current and anticipated effects of material impacts, risks and opportunities on business model, value chain, strategy and decision-making, and how undertaking has responded or plans to respond to these effects**

Although the CSRD double materiality assessment was the first such exercise conducted at Socfin Group, applicable to Socfinaf and Socfinasia, materiality results were not a surprise. Indeed, the Group was already aware of the impacts, risks and opportunities related to key topics such as local communities, employees, preserving the environment, business conduct, and partnerships for sustainable development. These topics are addressed in the Group's Responsible Management Policy, which was established in 2017

and is a key pillar in the undertaking's current strategy and business model. Actions have been put in place since 2017 to implement the Responsible Management Policy, and further projects are also being implemented regarding climate change, productivity and yield, and business conduct. Specific actions are detailed under the respective topics.

The double materiality assessment did shed light on possible further developments for material topics – such as setting precise targets, conducting further studies, or considering the development of more specific topic-related policies at Group level. These developments will take place within the respective areas, in alignment with, and implementation of, the Group's existing business model and strategy. Furthermore, the CSRD's double materiality perspective will be progressively integrated into parallel efforts by the financial and internal audit teams to map and monitor risks at all levels. These combined efforts will help apply these new lenses to existing decision-making processes.

**ESRS 2-SBM-3: 48 c i: Disclosure of how material negative and positive impacts affect (or are likely to affect) people or environment**

The Group's activities positively impact people and the environment in several ways. Its involvement with partners like RSPO, GPSNR and Earthworm Foundation ensures active implementation of the Responsible Management Policy, as well as ongoing action and monitoring of all ESG areas. More specifically, on one hand the Group's commitment to protecting peatland, forests and HCV areas in regions where such areas would currently otherwise be at risk is highly beneficial for the environment, as is fire prevention in regions where burning for farming purposes is often the norm.

The Group's work in the field of R&D, notably to increase yield and improving resistance to diseases, is also beneficial for the environment. Indeed, the objective is to produce the same amount or more with less surface and using less herbicides/pesticides, thereby producing in a less invasive way and aligning with other actions in place to preserve ecosystems. On the other hand, the Groups is continuously involved with both its employees and local communities, notably when it comes to the development and accountability of workers and young people. Socfinaf's subsidiaries in different countries offer jobs as well as training programmes for young people to be able to keep developing in their work. Support is also notably provided by financing education, be it through the provision of school facilities or the financing of higher education.

Of course, the Socfin Group is aware that its activities, through Socfinaf's subsidiaries, may also imply negative impacts, the question being how to manage and mitigate them. The most salient aspect in that sense is occupational health and safety, related to all the safety risks that stem from working in the fields and in industrial units. Although unfortunately, accidents still occur, risks are mitigated through the provision of protective equipment specific to each activity involving health and safety risks, and through continuous training.

Other aspects of the Group's activities possibly involving negative impacts are closely monitored. In relation to the environment, Socfinaf's activities have their own share of GHG emissions – for the main part coming from palm oil mill effluents –, for which mitigation plans are currently under review. Furthermore, this industrial wastewater, and more specifically the organic matter it contains, could be harmful for the environment if released into nature before the end of the treatment process, should an accident occur. In relation to local communities, the Group is closely working with Earthworm Foundation to determine where communities could be negatively impacted and implement corrective action plans.



Finally, the Group pays close attention to potential issues relating to corruption or transparency as these could affect people by generating inequalities and impacting employees and clients' trust.

It should be noted that in general, topics that may involve negative impacts usually also involve positive ones – such as the production of green energy for own operations, the recycling of industrial waste, the development of infrastructure for local communities, and the implementation of a responsible governance system. There are also areas that can still be explored in terms of potential positive aspects, such as household waste management within concessions.

**ESRS 2-SBM-3: 48 c ii: Disclosure of whether and how material impacts originate from or are connected to strategy and business model**

As the business revolves around large-scale tropical agriculture, there are negative impacts that could originate from the business model. However, with the Responsible Management Policy as one of its pillars, it is also at the core of Socfinaf's business model to mitigate or remediate the negative impacts, as well as to make positive ones emerge.

**ESRS 2-SBM-3: 48 c iii: Disclosure of reasonably expected time horizons of material impacts**

Positive impacts relating to partnerships for sustainable development, biodiversity and ecosystems, recycling of industrial waste, own workforce, business conduct, the production of green energy and development of infrastructure for local communities, are already in place and ongoing.

Positive impacts relating to productivity and yield already exist, but further improvements are expected in the short to medium term. Household waste management-related positive impacts are expected in the medium to long-term depending on the sites.

Negative impacts relating to communities, as well as to occupational health and safety, already exist. Mitigation measures are ongoing, with further improvements expected in the short term. With regards to GHG emissions, mitigation plans are expected in the short term.

**ESRS 2-SBM-3: 48 c iv: Description of nature of activities or business relationships through which undertaking is involved with material impacts**

The undertaking is involved with the material impacts in question through its own activities. As previously explained, Socfinaf's activities cover an important part of what might otherwise qualify as value chain activities, since the nature of activities is the large-scale production, in a responsible manner, of palm oil and natural rubber through the Group's own plantations and industrial facilities. Such activities involve the possibility of certain negative impacts, which the undertaking is continuously working to mitigate and remediate. In turn, the implementation of the Group's Responsible Management Policy ensures the stable achievement of material positive impacts.

**ESRS 2-SBM-3: 48 d: Disclosure of current financial effects of material risks and opportunities on financial position, financial performance and cash flows and material risks and opportunities for which there is significant risk of material adjustment within next annual reporting period to carrying amounts of assets and liabilities reported in related financial statements**

The **current financial effects** of the undertaking's **material** risks and opportunities on its financial position, financial performance and cash flows:

Material risks and current financial effects:

- Related to resource and waste management: The price fluctuations of fuel and fertiliser used on plantation. This may imply an impact on production costs.
- Related to own workforce: The possible challenge of finding workers in remote locations. This involves the cost of making job offers more interesting. As this is not an immediate issue at Group level, there are no current financial effects.
- Related to affected communities: The reputational risk if resilience of communities were not to be taken into account in strategic decisions, and the possible difficulty to obtain/keep land in a context of demographic growth and urban expansion. These involve the cost of losing key business relationships and/or the basis of the Group's business. These are not current issues, so no current financial effects.
- Related to business conduct: The risks related to evolving expectations, be it legal/certification or from clients, investors, etc. This involves the cost of losing key business relationships. Current financial effects are related to the Group's efforts to stay up to date with such expectations, but since these efforts are in place there are no major current financial effects related to these risks.

Material opportunities + current financial effects:

- Related to business conduct: The implementation of the Group's Responsible Management Policy, which is key to strengthening the Group's reputation.
- Related to partnerships for sustainable development: Maintaining and furthering certifications, and cultivating key partnerships that help pin-point action areas and speed up project implementation. This involves benefits related to keeping up to date with consumer preferences and to enhancing the Group's image.
- Related to productivity and yield: Research aiming to improve yield while taking ESG issues into account involves benefits like reducing costs over the medium to long term (since less issues are likely to arise later on), a general better financial performance and better access to finance. This is tied to ongoing research, there are no current financial effects yet.

The material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

Among the material risks and opportunities described, there are none for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the financial statements.

**ESRS 2-SBM-3: 48 e: Disclosure of anticipated financial effects of material risks and opportunities on financial position, financial performance and cash flows over short-, medium- and long-term**

With regards to opportunities related to partnerships for sustainable development and to business conduct, financial effects are mainly expected in relation to the Group's financial position, in the short term (strengthening the Group's image, better positioning it in the market, reducing reputational risks). In turn, in relation to productivity and yield (direct link with R&D), opportunities are expected in the form of improving financial performance in the medium term.

With regards to material risks, some involve financial effects in the form of reduced financial performance/cash flows in the cases where operating or production costs could increase. Others involve financial effects in the form of a less favourable financial position, in the cases where reputational risks are at stake.

**ESRS 2-SBM-3: 48 f: Information about resilience of strategy and business model regarding capacity to address material impacts and risks and to take advantage of material opportunities**

The Socfin Group Responsible Management Policy, released in 2017 and revised in 2022, is a confirmation of the commitment to address material impacts and risks and take advantage of material opportunities. Indeed, it reinforces the Group's long-standing commitments towards growing palm oil and rubber in a sustainable manner, respecting employees and communities and protecting the environment in which it operates. Adhering to RSPO and GPSNR standards, as well as working with Earthworm Foundation, ensures that impacts, risks and opportunities are continuously being reviewed and addressed.

**ESRS 2-SBM-3: 48 h: Disclosure of specification of impacts, risks and opportunities that are covered by ESRS Disclosure Requirements as opposed to those covered by additional entity-specific disclosures**

All IROs are covered by ESRS disclosure requirements, except for those falling under entity-specific topics "Partnerships for sustainable development" and "Productivity and yield". In addition, some entity-specific disclosures have been added to existing ESRS topics as they were elements that the Group already reported on – such as information relating to peat, education, medical infrastructure and services provided, and housing. These have been included, respectively, under "Biodiversity and ecosystems", and under "Own workforce".

## [Topical SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

### E1.SBM-3

#### E1-SBM-3: 18: Type of climate-related risk

Material climate-related risk	Type of risk
Regulations imposing strict requirements in terms of full use of renewable energies could put the Group at risk of losing existing clients or access to markets, if the use of these renewable energies is not possible right away for some operations	Climate-related transition risk
As a consequence of global warming, increased incidence and severity of extreme weather events, such as extreme winds and floods, could impact crop volume and quality as well as assets (extreme winds can impact young rubber trees, while flooding in oil palms plantations impedes access to crops and so to harvesting)	Climate-related physical risk
Current unpredictability regarding how rainfall patterns might evolve because of climate change, and whether abnormal rainfall patterns might lead to water deficit/unusual droughts, thus impacting crop volume and quality	Climate-related physical risk
By changing and more extreme weather conditions, crops could be affected by phytosanitary hazards related to adaptational stress (biotic and abiotic factors), which impacts production volumes and thus revenues	Climate-related physical risk
Rising adaptation-related costs as climate change shifts ecosystems, thus impacting the planet and livelihoods	Climate-related transition risk

#### E1-SBM-3: 19 a: Description of scope of the resilience analysis

Resilience analysis elements were applied during the financial materiality assessment, so the relevant scope is the same as for financial materiality. That is, risks and resilience were considered from a global, Group-level perspective, taking into account all operations.

#### E1-SBM-3: 19 b (1): Disclosure of how the resilience analysis has been conducted

Although an in-depth climate-related risk and resilience analysis is still to be conducted (probably in 2025 or 2026), several elements of a resilience analysis are in fact implemented or underway. Indeed, the financial materiality assessment represents an initial risk identification and assessment, which will also serve as basis for any future ones. From this, it was possible to establish that vulnerabilities are mainly concentrated in own operations – which was to be expected given the nature and scope of activities and gives the Group more leverage to manage them. Risk adaptation and mitigation strategies, although they have not been framed this way and such framing will be useful for further analysis, are in fact in place or under development from different angles (e.g., sustainability, industrial, R&D).

### **E1-SBM-3: 19 c: Description of results of resilience analysis**

Overall, from the preliminary analysis of the Group's resilience to climate-related risks conducted through the financial materiality assessment, resilience seems to be rather high. To begin with, at Group level some risks are naturally mitigated by the fact that operations are spread across several countries/regions and encompass two economic activities. This means that what might impact one location may not necessarily impact another, which is also true for the two types of crops. Furthermore, climatic conditions are closely monitored on all sites, research on crop resistance and adaptability is ongoing, and efforts to stay up to date with legal regulations are in place.

Of course, a more in-depth resilience analysis, based on a professionalised climate scenario and climate-related risk analysis, is likely to shed light on additional information and provide a useful complement to existing conclusions.

### **E1-SBM-3: AR 8 b: Description of ability to adjust or adapt strategy and business model to climate change**

As previously explained, there is an important unpredictability factor regarding how climatic conditions will evolve, and another unpredictability factor as to how changes may impact crops. Some changes might negatively impact production, while others might be beneficial. The Socfin Group has the advantage of being able to switch from one type of crop to the other in several sites, which already provides adaptability if certain changes were to affect one crop more than the other. Moreover, the option exists to switch the variety used for the same crop at the time of replanting, thus giving a certain flexibility in terms of variety resistance. With two commodities that are in high demand and will remain this way, these options provide strategical room for manoeuvre within the same business model.

## E4.SBM-3

### **E4-SBM-3: 16 a: List of material sites in own operations**

All of Socfinaf's operations have potential biodiversity and ecosystem impacts.

### **E4-SBM-3: 16 a i: Disclosure of activities negatively affecting biodiversity sensitive areas**

Socfinaf's operational subsidiaries have identified activities that could potentially negatively affect biodiversity sensitive areas. As such, it has implemented mitigation measures, including best management practices, biodiversity monitoring, sensitisation campaigns and conservation efforts to prevent these activities from negatively affecting the identified BSAs.

Potential impacts on biodiversity sensitive areas include:

1. Habitat modification and ecosystem disruption:
  - a. Major infrastructure projects impacting natural habitats and migratory routes of wildlife.
  - b. Road construction and maintenance causing noise pollution, affecting wildlife movements.
  - c. Agricultural expansion encroaching on biodiversity-sensitive areas.
2. Illegal activities and deforestation pressures from external populations:
  - a. Poaching of protected species due to economic pressures and human-wildlife conflicts.
  - b. Illegal logging within plantation concessions leading to habitat degradation.
  - c. Debarking and tree poisoning by illegal smallholders encroaching on conservation zones.
3. Water pollution and effluent management:
  - a. Rubber and palm oil mill effluents affecting water bodies within and beyond operational boundaries.
  - b. Effluent overflows in 2020 and 2021 in PSG's operations contaminated freshwater ecosystems (HCV 4 areas), but mitigation measures have since been implemented.
  - c. Ongoing wastewater treatment and environmental monitoring to prevent contamination.
4. Fires, hunting and overexploitation of natural resources from external populations:
  - a. Bushfires caused by agricultural land expansion negatively affecting forest regeneration and biodiversity.
  - b. Hunting and trapping activities within conservation areas reducing species populations.
  - c. Increased population pressure and demand for protein sources leading to unsustainable hunting practices.

### **E4-SBM-3: 16 a ii: Disclosure of list of material sites in own operations based on results of identification and assessment of actual and potential impacts on biodiversity and ecosystems**

All of Socfinaf's operations have potential biodiversity and ecosystem impacts. Strict standards are in place to ensure that its operations mitigate negative impacts on biodiversity and ecosystems, and that they protect and/or enhance all high conservation value areas within their management areas.

### **E4-SBM-3: 16 a iii: Disclosure of biodiversity-sensitive areas impacted**

- Subri River Forest Reserve – PSG
- Okomu National Park – Okomu

- Douala-Edea National Park - Socapalm Mbambou and Edéa
- Las Ossa Wildlife Reserve – Safacam
- Campo Ma'an National Park - Socapalm Kienké
- Ôbo National Park - Agripalma

**E4-SBM-3: 16 b: Material negative impacts with regards to land degradation, desertification or soil sealing have been identified**

No.

**E4-SBM-3: 16 c: Own operations affect threatened species**

No.

## S1.SBM-3

**S1-SBM-3: 14: All people in its own workforce who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2**

Yes.

**S1-SBM-3: 14 a: Description of types of employees and non-employees in its own workforce subject to material impacts**

There are 4 categories in our workforce:

Employees:

- Company employees (permanent employees): Employees contractually employed by the Company, receiving a pay slip issued by the Company (part-time or full-time).
- Daily workers: Employees under daily contract to the company.

Non-employees:

- Temporary workers: Employees hired for the company but employed by an employment agency.
- Contractors: workers Employees by a contractor to carry out a specific task for the company.

**S1-SBM-3: 14 b: Material negative impacts occurrence (own workforce)**

Widespread or systemic in contexts where the undertaking operates.

Explanation:

- The ESRS text requires undertakings to select either:
  - option (i) *“widespread or systemic in contexts where the undertaking operates (for example, child labour or forced labour or compulsory labour in specific countries or regions outside the EU)”*, or
  - option (ii) *“related to individual incidents (for example, an industrial accident or an oil spill)”*.
- Option (i) was selected here because we are aware that negative impacts on our workforce are related to the sensitive contexts in which the Group operates, even though measures are in place to prevent and correct them in our operations.

**S1-SBM-3: 14 c: Description of activities that result in positive impacts and types of employees and non-employees in its own workforce that are positively affected or could be positively affected**

As our sites are in isolated areas, we try to offer all the services that our employees, non-employees and their dependents may need such as medical, education, housing and social infrastructures.

Regarding the **medical** part, all our sites offer medical facilities, from hospital to health outposts according to the size of the site and population. Medical consultations for employees are available at all site health centres, most of the time free of cost for our employees and at reduction cost for their families. Most of our health centres are accessible 24/24 and 7/7 and have an ambulance. The outposts are generally located in the site villages. They address the basic health needs of the village population.



In 2024, 354 078 people received a consultation and 10 793 have been admitted in the Socfinaf's health centres (the graph below comprises employees, dependents, non-employees, and local population.

Medical infrastructures (2024)	
Hospitals	3
Medical centers including dispensaries	18
Health outposts	40
Ambulance	21

Medical staff (2024)	
Doctors	13
Nurses	141
Midwives	13
Other staff	210
<b>Total medical staff</b>	<b>377</b>

We are also dedicated to improving the availability and quality of the **schools** in the regions where we operate. Public schools are available close to and within the sites. We support these schools financially or logistically, in so far as possible, with renovations, construction of new school buildings and supply of furniture.

We are aware that in these remote areas the socio-economic situation of the families is often difficult and therefore we offer scholarships to the most meritorious pupils to guarantee the longest possible schooling. The teaching staff deployed in these remote areas is often too limited to guarantee good supervision of the pupils. In this context, we also support the school by deploying additional teachers and by paying them.

In 2024, 223 schools welcomed students from our employees and/or been financially supported by Socfinaf operations: 10 crèches, 58 nursery schools, 123 primary schools and 32 secondary schools. 46 787 pupils (50% girls and 50% boys) attended the schools in 2024. 1 927 teachers worked in the 223 schools in 2024, of which 311 (16%) are paid by Socfinaf entities, with a student/teacher ratio of 33.93.

On certain sites (LAC, SOGB, Socapalm and Okomu), a system of school buses is available for children attending school.

Regarding the 2024 data, the 2023 data were used for Brabanta at Democratic republic of Congo as the 2024 could not be validated on time.

Within the **plantation villages**: Depending on availabilities, each new employee is attributed housing within the site, adapted to family composition and job level. We are committed to ensuring that all employees have decent quality housing. Another objective of the current construction programme is, on certain sites, to offer employees housing closer to their workplace, thereby facilitating their daily commuting. Latrines and kitchens are also constructed so that each employee has his/her own facilities. One objective is that each village has, depending on its size, one or more water points in order to meet water supply needs.

Our **leisure infrastructure**: In total, 139 sports fields, 39 market places and 80 meeting places are available for our employees, their families and non-employees. On most sites, we organise sports competitions between the different villages or departments. The 734 shops, in turn, encourage trade and exchange of products, either locally-grown or imported from urban centres. Lastly, more than 81 clubs/bars, generally managed by an external entrepreneur, offer village inhabitants the opportunity to follow their favourite soccer teams and other international sports events on television.

Regarding the 2024 data, the 2023 data were used for Brabanta at in the Democratic Republic of Congo and LAC in Liberia as the 2024 numbers have not been validated on time.

Leisure infrastructures (2024)	
Sports fields	139
Economats, shops, stalls	734
Clubs	81
Market places	39
Meeting places	80

**S1-SBM-3: 14 d: Description of material risks and opportunities arising from impacts and dependencies on own workforce**

Two material risks relating to own workforce were identified in the financial materiality assessment; both relate to the dependency on workforce in a context of labour-intensive activities. The first one relates to the potential future challenge of finding staff prepared to work in remote locations; the second one to the potential rising cost of labour if the countries where the Group operates were to significantly rise living wage levels.

Two material opportunities were also identified: First, maintaining and improving housing conditions for employees can be an incentive for them to stay with/join the undertaking and positively impact employee satisfaction. Second, continuing to improve health and safety trainings and equipment will keep reducing the number of accidents, thus making the undertaking a safer place to work at and boosting reputation.

**S1-SBM-3: 14 e: Description of material impacts on workers that may arise from transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations**

No such formal transition plans are in place yet, so it remains to be determined if once in place these might imply material impacts on workers. However, there is in principle no reason that this should be the case.

**S1-SBM-3: 14 f i: Information about type of operations at significant risk of incidents of forced labour or compulsory labour**

At Socfinaf, we do not tolerate forced labour or compulsory labour; there are clear policies, procedures and monitoring ensuring that there is no significant risk of forced labour or compulsory labour.

**S1-SBM-3: 14 f ii: Information about countries or geographic areas with operations considered at significant risk of incidents of forced labour or compulsory labour**

In the countries in which Socfinaf operates the risk of forced and compulsory labour exists.

At Socfinaf we do not tolerate forced or compulsory labour, including prison labour, bonded labour, slavery, servitude, or any form of human trafficking.

**S1-SBM-3: 14 g i: Information about type of operations at significant risk of incidents of child labour**

At Socfinaf we do not tolerate that school-aged children are taken to work. Therefore, we are committed to not employ or make use of any individual below the minimum employment age set by local law or by ILO conventions (International Labour Organisation).

Our teams take adequate measures to prevent child labour; they verify the age of all employees, using documents such as birth certificates, school records, IDs and driving licenses.

We do not make any exceptions to this policy; our teams are regularly audited by their line Managers or local labour inspectors. Any violation of this commitment will lead to severe disciplinary actions.

Regarding the supply chain, we have developed an audit system to verify whether all commodity suppliers and subcontractors correctly adhere to this policy.

As part of the RubberWay project, with Socfinaf's participation, checklists were developed and tested at SCC, SOGB and LAC to identify different social and environmental risks in the supply chain, including child labour.

**S1-SBM-3: 14 g ii: Information about countries or geographic areas with operations considered at significant risk of incidents of child labour**

In the countries where Socfinaf operates the risk of child labour exists

Refer to the map in the section "The Group".

**S1-SBM-3: 15: Disclosure of whether and how understanding of people in its own workforce with particular characteristics, working in particular contexts, or undertaking particular activities may be at greater risk of harm has been developed**

Within Socfinaf, we strive to create an equal and fair workplace encouraging diversity. We understand that certain groups, such as women, young people, migrants, or individuals of a different religion or sexual orientation, may be victims of discrimination. In this regard, Socfinaf is committed to working daily to eliminate all forms of discrimination – not only among its employees but also for non-employees, and starting from the recruitment and appointment process.

In 2024, our employees consisted of more than 7 563 women and 18 136 men. In 2024, women thus represented 29% of employees. On the total number of employees and non-employees, they represent more than 28% of the workforce. It should be noted that the lower numbers of women among employees are in part related to the physical difficulty of FFB harvest, although each subsidiary makes efforts to further integrate women in the workforce in the best possible way. Camseeds (specialised in seed research and production) in Cameroon has the best gender distribution, with 45% female employees in its own workforce, followed by SOGB in Côte d'Ivoire with 34% and Agripalma in Sao Tomé with 33%. In 2024, we counted 208 women out of a total of 1 125 supervisors and managers across Socfinaf's operations, i.e., 18%.

We are committed to doing our utmost to avoid discrimination of any type. Our operational sites have therefore put in place internal policies and organised workshops and awareness sessions on the topic. We also encourage the integration of young people in the working world. In 2024, young people – aged between 18 and 29 years – represented 28% of our workforce. Most internships and job requests come from young people living on and around the sites.

Priority is given to people from the local communities in the vicinity of the sites.

**S1-SBM-3: 16: Disclosure of which of material risks and opportunities arising from impacts and dependencies on people in its own workforce relate to specific groups of people**

No material risks and opportunities arising from impacts/dependencies on people in the Group's workforce relate to specific groups of people.

## S2.SBM-3

**S2-SBM-3: 11: All value chain workers who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2**

Yes.

**S2-SBM-3: 11 a: Description of types of value chain workers subject to material impacts**

Value chain workers currently identified as subject to material impacts and included in the scope under ESRS 2 are smallholders supplying raw material (FFB and NR).

**S2-SBM-3: 11 a i-v: Type of value chain workers subject to material impacts by own operations or through value chain**

ii. Workers working for entities in the undertaking's upstream value chain (e.g., those involved in the extraction of metals or minerals or harvesting of commodities, in refining, manufacturing or other forms of processing).

**S2-SBM-3: 11 b: Disclosure of geographies or commodities for which there is significant risk of child labour, or of forced or compulsory labour, among workers in undertaking's value chain**

Generally, in regions like West Africa, child labour is a known issue, especially in rural farming communities where smallholders are located and children may be involved in harvesting rubber or fresh fruit bunches to help their families. The prevalence of forced labour is also noted in some countries, where workers might face exploitation in remote plantations with limited oversight. This is why all of Socfinaf's operations are considered to present a risk of child labour or forced labour in their value chain.

Based on a range of the publicly available sources<sup>1</sup>, the following geographies and commodities have been identified:

**Côte d'Ivoire** has been identified as high risk for child labour and forced labour, including in the rubber and emerging palm oil industries where children and adults may be subjected to exploitative conditions.

**Liberia** faces challenges with forced labour in the rubber and palm oil industries, where workers including children may face coercion, poor wages, and harsh working conditions. Many workers, particularly in the rubber plantations, may be subject to exploitative contracts or live in conditions that restrict their freedom.

**Nigeria** has been reported to have widespread forced labour including children, especially in agriculture (including rubber and palm oil production).

**Sierra Leone** has been identified as having instances of forced labour and child labour in the agricultural sector (including both palm oil and rubber).

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<sup>1</sup> \* U.S. Department of Labor (DOL) – Findings on the Worst Forms of Child Labor Reports  
International Labour Organisation (ILO) – Global Estimates of Modern Slavery and Forced Labour Reports  
Human Rights Watch (HRW) – Reports on Forced Labour and Child Labour  
Walk Free Foundation – Global Slavery Index

**Ghana's** palm oil sector is largely based on small-scale production, where children and adults may face exploitative conditions.

At Socfinaf we do not tolerate child labour and forced or compulsory labour among workers in the value chain.

**S2-SBM-3: 11 c: Material negative impacts occurrence (value chain workers)**

(i) Widespread or systemic in contexts where the undertaking operates or has sourcing or other business relationships.

Explanation: The ESRS text requires undertakings to select either option (i) *“widespread or systemic in contexts where the undertaking operates or has sourcing or other business relationships (e.g.: child labour or forced labour in particular commodity supply chains in specific countries or regions)”* or option (ii) *“related to individual incidents (e.g.: an industrial accident or an oil spill) or to specific business relationships”*. Option (i) was selected here because we are aware that negative impacts on our workforce are related to the sensitive contexts in which the Group operates, even though measures are in place to prevent and correct them in our operations.

**S2-SBM-3: 11 d: Description of activities that result in positive impacts and types of value chain workers that are positively affected or could be positively affected**

Socfinaf engages in several initiatives aimed at positively impacting smallholders and their workers:

- By providing a stable market for their production, Socfinaf collaborates with smallholders to develop their own plantations, enhancing local palm oil and rubber production. This partnership provides smallholders with a consistent, year-round income, unlike seasonal crops.
- Socfinaf also invests in social infrastructure, including the construction of schools, hospitals, and roads, benefiting both employees and local communities including its local smallholders. These projects aim to improve living standards and provide essential services in the regions where they operate.
- Socfinaf provides training and capacity building to smallholders and their workers thus sharing good agricultural practices to support them in the management of their plantations.
- These initiatives collectively demonstrate Socfin's efforts to foster positive impacts on smallholders and their workers through sustainable practices, community engagement, and capacity building.

**S2-SBM-3: 11 e: Description of material risks and opportunities arising from impacts and dependencies on value chain workers**

One material risk and one material opportunity relating to value chain workers were identified in the financial materiality assessment, and they are two sides of the same coin. Indeed, stricter regulatory constraints, such as the tightening of environmental regulations in Europe, can imply a higher regulatory pressure on suppliers, notably smallholders. If the undertaking were not to be able to work with them anymore for this reason, even temporarily, it would induce a significant operational impact. On the other hand, compliance with such regulations can imply interesting premiums, both for the suppliers in question and for the Group.

**S2-SBM-3: 12: Disclosure of whether and how the undertaking has developed an understanding of how workers with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm**

Through its engagement to reach 100% traceability of its raw material and similar processes such as EUDR compliance, Socfinaf is committed to identifying its suppliers and collect social data to better understand the environment it works in. Socfinaf is thus gaining better insight on information such as the proportion of women, age groups or number of workers impacted.

Socfinaf, and all organisations associated, have strict policies against discrimination and does not differentiate between suppliers based on criteria such as gender, origin, religion, ethnicity etc. in its day-to-day engagement with them.

Trainings and awareness programme allow the company to engage with all suppliers involved on topics such as discrimination and also help to collect information and data on the ground. The grievance mechanisms in place also allows those at particular risk to raise their concerns in a formal way.

**S2-SBM-3: 13: Disclosure of which of material risks and opportunities arising from impacts and dependencies on value chain workers are impacts on specific groups**

Child labour relates to age groups under the legal age for working in the countries where the Socfin Group operates.

Both child labour and forced labour risks are common to all countries where Socfinaf sources rubber and FFB.

## S3.SBM-3

### **S3-SBM-3: 9: All affected communities who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2**

Yes: All materially impacted communities are included in the scope of disclosure.

#### **S3-SBM-3: 9 a: Description of types of affected communities subject to material impacts**

##### Our commitment to respecting the human rights of the communities

We are aware that an agro-industrial site has an impact on the region where it operates. Taking this into account, our search and choice of concessions focus primarily on existing plantations, operational or abandoned (former private or state plantations) that need rehabilitation and where the land titles are well documented.

Many communities are present within and surrounding our concessions. This is why Socfinaf is committed to respecting the laws regarding land and the rights of the communities, and to encouraging community dialogue. We also take care of the development of our communities by contributing to energy and water supply in community villages, support education and facilitate the access to health care.

##### Our compliance with land legislation

We spare no effort to strictly comply with not only the legal and environmental laws of the host countries where we operate, but also the requirements and standards we adhere to: ISO, RSPO, GPSNR, etc.

Our subsidiaries do not own, directly or indirectly, the concessions; they are managed as a lessee under long-term leaseholds with the various governments. All our sites' concession maps are available on our dashboard.

Unfortunately, land ownership in some countries can be poorly documented. The legal, community and customary rights on the land and its resources are not always clearly documented, and despite all precautionary measures, there are sometimes inevitable claims for the same area of land. Furthermore, because of the recent demographic explosion in certain regions, we notice that land pressure has strongly increased around certain sites even though they have often existed for almost 50 years.

In order to resolve these complex situations, we rely on governments and their Local Land Registry Departments, and on the communities concerned to carry out a precise status report and clarify the situation objectively and practically: demarcation, mapping, etc. This process can be time consuming, but can provide positive satisfactory results for all stakeholders, improving the good neighbourly relations between the communities and the sites.

##### Compensation for land occupation

When we choose to rent a concession from the government, we are aware that the land concerned is often abandoned, and even though it belongs to the government, the local communities have often used it for several years. Compensations are therefore provided for these specific situations and are paid as indemnity to the communities that planted food crops on the land. In most cases, the amount of these compensations is set by local legislation with great accuracy.



### Our commitment to respecting the rights of the communities: FPIC

We have always respected the rights of indigenous populations and local communities to give or withhold their consent to all operations affecting the land or resources they are legally, communally, or customary entitled to.

Practically, when starting a new development project, environmental and social impact studies are always carried out. They comprise environmental and social impact plans, impact mitigation measures, a community development plan, and a stakeholder engagement plan, all are an integral part of the occupancy agreement with the government and the communities.

Simultaneously, in our Responsible Management Policy, we have formally committed to apply Free, Prior and Informed Consent (FPIC), a concept legally supported by the UNDRIP (United Nations Declaration on the Rights of Indigenous Peoples) before every operation impacting land, with the objective to minimise as much as possible any negative impact on local communities. We do not start any new development unless this process is finalised (or in case of a non-resolved conflict for particular areas, unless of course it ensures that an appropriate conflict resolution process is started and approved independently by all stakeholders).

Our commitment to the RSPO certification, including adherence to the principle of FPIC, is an additional guarantee of the proper implementation of this concept on all our sites.

### We encourage community dialogue

Our neighbouring communities participate in dialogue platforms organised to structure community relations. The particularities of each community are recognised, and particular attention is given to each and every one.

In the case of a land conflict, for example, we discuss transparently and openly with the stakeholders concerned, at a local, national, and international level to resolve the situation. All complaints are recorded and documented, and we do our utmost to settle all grievances in due course.

### Protection of indigenous populations

One indigenous population group lives in the vicinity of Socfinaf's operations: the Bagyéli Pygmies, close to Kienké (Socapalm, Cameroon). In our Responsible Management Policy, we committed to respecting the rights of indigenous communities by complying with the articles in the United Nations' Declaration on the rights of indigenous population groups.

### Our specific commitment to the communities' long-term development

Particularly within the framework of our community engagement plans, although not exclusively, various projects are carried out with and for the communities.

In 2024, more than € 3 million was spent.

### We contribute to energy and water supply in community villages

Improvement of public services (water, electricity, and telecommunications) is a frequently raised issue, which requires the involvement of local authorities, energy carriers and suppliers. The distance from certain villages to the main urban centres deprives many communities from public services.

To bridge this gap, the Group supports their requests to be connected to either government or private electricity grids and in certain cases finances the connection of these isolated communities. € 68 600 was spent on water, electricity, and telecommunication connection in the past year.

#### Our policy to support youth education

We are dedicated to improving the availability and quality of the schools in the regions where we operate.

The public schools situated in and around the sites are open to children of employees, temporary employees, contractors, and local communities, in so far as public infrastructure allows it. Together with local communities and local authorities, support to public services concerning the schools surrounding the plantation is often provided to improve youth education, this amounted to € 102 800 in 2024.

To ensure the longest possible schooling of the children from these remote areas, we also provide scholarships for the most meritorious pupils and assist in the renovation of buildings when needed.

46 787 pupils attended these schools in 2024, and among them, 8 818 pupils are children from the local communities, or more than 19% of the total number of pupils.

#### Access to health care for the communities

Considering the remoteness of certain regions where we operate, we provide medical care, both preventive and curative, at an affordable price, to the local population living in the immediate vicinity of the site even if they are not employed by the company.

At the request of communities and as part of our community engagement plans, we have also, at certain sites, offered logistic support, renovated and/or constructed and donated health centres to the communities: Socapalm, Safacam, SOGB, etc.

### **S3-SBM-3: 9 a i-iv: Type of communities subject to material impacts by own operations or through value chain**

- i. Communities living or working around the undertaking's operating sites, factories, facilities or other physical operations, or more remote communities affected by activities at those sites.
- ii. Communities along the undertaking's value chain (for example, those affected by the operations of suppliers' facilities or by the activities of logistics or distribution providers).
- iii. Communities at one or both endpoints of the value chain (for example, at the point of extraction of metals or minerals or harvesting of commodities, or communities around waste or recycling sites).
- iv. Communities of indigenous peoples.

### **S3-SBM-3: 9 b: Material negative impacts occurrence (affected communities)**

Widespread or systemic in contexts where the undertaking operates or has sourcing or other business relationships.

Explanation:

- The ESRS text requires undertakings to select either:
  - option (i) *“widespread or systemic in contexts where the undertaking operates or has sourcing or other business relationships (for example, marginalised populations suffering impacts on their health and quality of life in a highly industrialised area)”*, or

- option (ii) “*related to individual incidents in the undertaking’s own operations (e.g., a toxic waste spill affecting a community’s access to clean drinking water) or in a specific business relationship (e.g., a peaceful protest by communities against business operations that was met with a violent response from the undertaking’s security services)*”.
- Option (i) was therefore selected here because we are aware that the Group’s activities take place in contexts that can be sensitive in terms of impacts on communities, even though measures are in place to prevent and correct them in the cases where impacts are related to the Group’s operations.

**S3-SBM-3: 9 c: Description of activities that result in positive impacts and types of affected communities that are positively affected or could be positively affected**

As we are usually the only private employer in the region, long-term job opportunities, coupled with the working conditions and salary we offer, often represent a unique professional opportunity for certain communities. As mentioned previously, we are committed to long-term development with communities by supporting the implementation of many projects such as construction of boreholes and donations. We also contribute to energy and water supply in community villages.

We furthermore support education. The public schools situated in and around the sites are open to children of employees, temporary employees, contractors, and local communities, in so far as public infrastructure allows it. Considering the remoteness of certain regions where we operate, we provide medical care, both preventive and curative, at an affordable price, to the local population living in the immediate vicinity of the site (but not employed by the company).

We are also an important player in the economic development of the region as we worked with many subcontractors, like Small and Medium Sized Enterprises (SME) and Very Small Businesses (VSB). We work with over 10 000 smallholders and collectors regarding the production of palm oil and rubber. These partnerships allow planters to benefit from training and financial support, access to selected planting material, production processing plants and thereby the international market, etc.

We invest in road maintenance as there are crucial for access to markets, schools, workplaces, cities, hospitals, and local communities. Indeed, in the remote regions, travel is difficult: public transport is non-existent, and roads are rarely maintained.

**S3-SBM-3: 9 d: Description of material risks and opportunities arising from impacts and dependencies on affected communities**

In relation to communities, two material risks and one material opportunity were identified in the financial materiality assessment. The first risk relates to how the Group’s reputation and license to operate could be impacted if the Group were to make business decisions that neglect to account for the resilience of communities in which we operate and on which we depend. The second risk has to do with demographic growth and urban expansion in areas where communities often already face some pressure relating to land availability, which could impact the undertaking’s licence to operate in certain locations. Both risks are mitigated by taking community relations into account in strategic decision-making, and generally maintaining efforts to ensure a good relationship and close collaboration with local communities. These risks are to be monitored in upcoming years, notably by paying close attention to the needs of communities.

The material opportunity is based on the Group's commitment to provide infrastructure for local communities, such as schools, health outposts and water access points. Many initiatives are already in place and have proved beneficial to nurture strategic relationships with communities. Thus, continuing these initiatives and implementing new ones can contribute to the identification of new commercial opportunities like finding local suppliers. Besides, it contributes to building and maintaining a good reputation, which positively influences the Group's financial position and development.

**S3-SBM-3: 10: Disclosure of whether and how the undertaking has developed an understanding of how affected communities with particular characteristics or those living in particular contexts, or those undertaking particular activities may be at greater risk of harm**

Different methods are being used to understand how affected communities with particular characteristics or those living in particular contexts, or those undertaking particular activities may be at greater risk of harm.

We can mention the Environmental and Social Impact Assessments (ESIA), done prior to any development project being undertaken, and the High Value Conservation studies (HCV); both will involve experts consulting communities to understand and take into account any environmental and social concern they may have.

There is also the work done by Earthworm Foundation in terms of support to the full implementation of the Socfin Group Responsible Management Policy and the deep dive investigation of allegations raised towards certain subsidiaries by communities and NGOs (Socapalm, Safacam, SAC, Okomu, LAC and SRC for Socfinaf).

There is the regular engagement between subsidiaries' management and communities to listen to their concern and grievances. The external grievances management processes, either managed by the subsidiaries or by an external party, will complement the other methods described above by allowing communities to express grievances and concerns they may have.

**S3-SBM-3: 11: Disclosure of which of material risks and opportunities arising from impacts and dependencies on affected communities are impacts on specific groups**

Among the risks and opportunities relating to affected communities, none arise from impacts on specific groups.

## S4.SBM-3

### **S4-SBM-3: 10 a: Description of types of consumers and end-users subject to material impacts**

Consumers and end-users are in fact not subject to any material impacts. To begin with, the commodities that the Group produces do not per se imply any risks for consumers and end-users. Palm oil and natural rubber are not harmful products for those who end up consuming or using them as part of their goods. Furthermore, the Group has no contact with consumers and end-users – the commodities produced are sold to the Group's clients, i.e., palm oil refineries and tyre-makers. These businesses further process the products, and it is only after this that the products start reaching consumers and end-users – and even then, usually through several vendor stages. In that sense, the Group's key stakeholders really are the clients who buy the palm oil and rubber produced by Socfinaf, who duly participated in the impact materiality stakeholder consultation.

### **S4-SBM-3: 10 c: Description of activities that result in positive impacts and types of consumers and end-users that are positively affected or could be positively affected**

The Group's production of high-quality palm oil and natural rubber responds to high local demand for palm oil, and high international demand for natural rubber. Moreover, the Group's commitment to applying international sustainability standards for its production contribute to ensuring a supply that is sustainable, in every sense of the word – and in a context where both client and consumer preferences increase towards sustainable suppliers.

### **S4-SBM-3: 10 d: Description of material risks and opportunities arising from impacts and dependencies on consumers and end-users**

N/A.

### **S4-SBM-3: 11: Disclosure of whether and how understanding of how consumers and end-users with particular characteristics, working in particular contexts, or undertaking particular activities may be at greater risk of harm has been developed**

N/A.

### **S4-SBM-3: 12: Disclosure of which of material risks and opportunities arising from impacts and dependencies on consumers and end-users are impacts on specific groups**

N/A.

## [IRO-1] Description of process to identify and assess material impacts, risks and opportunities

### ESRS 2-IRO-1: 53 a: Description of methodologies and assumptions applied in process to identify impacts, risks and opportunities

As per the CSRD and ESRS, undertakings are to conduct a Double Materiality Assessment (DMA) in order to identify the material topics according to which their sustainability statements will be structured. Therefore, conducting a DMA in line with ESRS requirements and which would encompass both Socfinaf and Socfinasia was necessary, but also an opportunity for the Group to undertake such an exercise for the first time.

A team at Group level was in charge of conducting the DMA, coordinating where necessary with the relevant subsidiaries in Africa and Asia. This team worked with external consultants throughout the process, for guidance on best practices and advice on how to apply ESRS requirements.

For this first DMA, the focus was on the Group's headquarters (several entities spread between Switzerland, Belgium and Luxembourg), Safacam (one of the subsidiaries in Africa) and Socfindo (the main subsidiary in Asia). Regarding the subsidiaries, the choice of Safacam and Socfindo aimed at having good representation of the diversity of activities – oil palms crops and palm oil mill, rubber trees crops and rubber factory, as well as work with smallholders (only for Safacam). In upcoming years, as the DMA exercise is repeated, more subsidiaries will be added in order to be as representative as possible at Group level.

In line with ESRS requirements, the DMA relied on in-house knowledge as well as stakeholder consultation. The process unfolded according to the following essential steps:

- Key stakeholders were identified as detailed in SBM-2 disclosures, using a stakeholder identification and mapping Excel tool.
- The first step was then to identify potentially material topics, which were submitted to the stakeholder consultation to determine material impacts. An impact materiality questionnaire was prepared for the stakeholder consultation (explained below under para. 53(b)(iv)). Then, an impact materiality Excel/Microsoft Access tool was used to process results.
- Second, the same list of potentially material topics was used to determine risks and opportunities, some of which related to established impacts and dependencies.
- Third, impact and financial materiality results were brought together in the form of tables and matrices. **Five materiality thresholds are used:** critical, significant, important, informative, and minimal.
- Finally, the final list of material topics for ESG reporting was obtained, selecting the highest level of materiality obtained for each topic – that is, whether from the impact or from the financial materiality perspective.

The methodological details for the different steps are explained in the corresponding disclosures below.

## ESRS 2-IRO-1: 53 b: Description of process to identify, assess, prioritise and monitor potential and actual impacts on people and environment, informed by due diligence process

Identification of potentially material topics: A list of potentially material topics was drawn up with guidance from external consultants, on the basis of existing sustainability and due diligence practices across the Group like RSPO audits, the GPSNR framework, the work with Earthworm Foundation and preparation for EUDR implementation. In addition, the external consultants also did a benchmarking exercise of peer companies' annual sustainability reports to identify other potentially material sustainability topics. This list was started at a time when the ESRS were still in draft form, so the equivalences to the final ESRS topics was established later in the process.

SOCFIN GROUP MACRO-TOPICS	SOCFIN GROUP SUB-TOPICS	ESRS TOPIC EQUIVALENCE
i. Climate change mitigation and responsible energy use	1. Carbon emissions and climate change mitigation	E1 Climate change (mitigation)
	2. Non-renewable energy use	E1 Climate change (energy)
	3. Green energy use and fossil fuel consumption reduction	E1 Climate change (energy)
ii. Pollution reduction and control	4. Healthy soils	E2 Pollution (soil + substances of concern)
	5. Water and air pollution	E2 Pollution (water and air + substances of concern)
iii. Water consumption	6. Water consumption	E3 Water and marine resources (water consumption and withdrawals)
iv. Protection of ecosystems and ecosystem services	7. Ecosystem protection	E4 Biodiversity and ecosystems
	8. Identification, maintenance and protection of peatland, forests and HCV areas	E4 Biodiversity and ecosystems
	9. Fire prevention	E4 Biodiversity and ecosystems (others)
v. Resource and waste management	10. Recycling of industrial waste	E5 Resource use and circular economy
	11. Industrial wastewater management and treatment	E3 Water and marine resources (water discharges)
	12. Household waste management	E5 Resource use and circular economy
vi. Local employees	13. Freedom of association	S1 Own workforce (working conditions)
	14. Protection and respect of the rights of <b>employees</b> (Labour Standards, Universal Declaration of Human Rights)	S1 Own workforce
	15. Social well-being	S1 Own workforce (working conditions)
vii. Employee development and wellbeing	16. Development and accountability of workers and young people	S1 Own workforce (equal treatment and opportunities for all)
	17. Occupational health and safety for our employees	S1 Own workforce (working conditions)
viii. Sustainable value chains	18. Protection and respect of the rights of <b>employees in the value chain</b> (Labour Standards, Universal Declaration of Human Rights)	S2 Workers in the value chain
	19. Smallholder inclusion in supply chains	S2 Workers in the value chain
ix. Community relations	20. Protection and respect of the rights of <b>local communities</b> (Labour Standards, Universal Declaration of Human Rights)	S3 Affected communities
	21. Rural development	S3 Affected communities (economic, social and cultural rights)
	22. Local infrastructure	S3 Affected communities (economic, social and cultural rights)
x. Sustainable consumption	23. Food security	S3 Affected communities (economic, social and cultural rights)
	24. Collective action for sustainable palm oil and natural rubber production	Entity-specific, related to xii. Partnerships for sustainable development
xi. Responsible business conduct	25. Ethics, transparency and traceability	G1 Business conduct (management of relationships with suppliers)
	26. Responsible governance system	G1 Business conduct (corporate culture; protection of whistle-blowers)
	27. Anti-bribery and anti-corruption	G1 Business conduct (corruption and bribery)
xii. Partnerships for sustainable development	28. Partnerships stimulating innovation and sustainability performance	Entity-specific
xiii. Productivity and yield	29. Productivity and yield	E1 Climate change (adaptation) + entity-specific

For further specifications regarding how the Group approached certain topics, please refer to Annex II.

Designing the stakeholder questionnaire: The questionnaire was designed in a way that ensured, for each potentially material topic, covering all relevant aspects from an impact perspective – scale and scope for every impact, as well as irremediability in the case of negative impacts, and likelihood in the case of potential impacts. More details are provided above, under SBM-2, and below, under IRO-1 para. 53(b)(iv).

Processing of stakeholder questionnaire results: Once all responses from stakeholders were obtained, results had to be processed in a way that ensured getting clear impact materiality results at Group level. The impact materiality Excel tool that was suggested by the external consultants was replicated in Microsoft Access, to automatise the result processing phase and bring down to a minimum the margin of human error. Details on the methodology applied to process questionnaire results can be found in Annex II.

It is important to remember that the questions asked in the questionnaire did not concern the importance for stakeholders of the different topics, but rather their perceptions of the undertaking's impact, whether positive or negative, on its environment/entourage. This led to some topics being ranked rather low on the impact materiality scale, without this implying that the topic is not important for the Group and its stakeholders. In fact, certain topics then ranked higher in the financial materiality assessment, leading to a higher final materiality result.

**ESRS 2-IRO-1: 53 b i: Description of how process focuses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts**

For the DMA, all of the Group's activities were taken into consideration – that is, both palm oil and rubber activities, as well as both plantations and industrial units. Although not all geographies participated in the stakeholder consultation, the selected subsidiaries were representative of the main activities and possible issues across all sites. Moreover, cross-department collaboration at headquarters ensured that insights from the sustainability, finance, agricultural and industrial teams be taken into account. This helped understand impacts, risks and opportunities from a global, Group-level perspective. Notably, the RSPO certification for palm oil sites, as well as the GPSNR framework for rubber sites and the overall work with Earthworm Foundation, serve as key points of reference in the identification of possible adverse impacts. This applies to own operations as well as to supply chain considerations, in particular the collaboration with smallholders.

**ESRS 2-IRO-1: 53 b ii: Description of how process considers impacts with which undertaking is involved through own operations or as result of business relationships**

The Group's activities focus on growing oil palms and rubber trees, and producing palm products and natural rubber. The Group's activities occur for the most part in its own plantations and industrial units, so material impacts, whether positive or negative, are mainly concentrated in its own operations too. This reduces the scope of impacts relating to the upstream value chain (mainly suppliers and transportation) and downstream value chain (mainly transportation for distribution, retailers, and consumers). Nevertheless, upstream and downstream value chain actors were among the key stakeholders with whom Socfin engaged for the DMA, notably local suppliers as well as local and international clients. Moreover, upstream and downstream value chain-related impacts were included in the topics covered by the stakeholder engagement questionnaire – such as sustainable consumption, the human rights of employees in the value chain, and inclusion of smallholders. Overall, the DMA confirmed that material impacts are mostly concentrated in the Group's own operations, thus providing leverage when it comes to actions, policies and targets.



**ESRS 2-IRO-1: 53 b iii: Description of how process includes consultation with affected stakeholders to understand how they may be impacted and with external experts**

For the DMA stakeholder engagement, a questionnaire covering all ESRS topics was submitted to stakeholders for them to assess the materiality of positive and negative impacts. Most of the questionnaire was built on a multiple-choice model. For each sub-topic, stakeholders were required to rate each evaluation criterion (scale and scope, as well as irremediability and likelihood where relevant) on a scale from 1 to 4. With 29 sub-topics to cover, and from two to four evaluation criteria to consider each time, the questionnaire contained 90 multiple-choice questions in total. It also included 5 more open-ended questions at the end, where stakeholders could add topics, evaluate the evolving importance of topics in coming years, evaluate the undertaking's strengths and weaknesses, and provide any additional feedback.

The questionnaire was submitted to stakeholders both as a printable PDF version and a linked Microsoft Forms version so that they could choose the most convenient format to them.

The Group's headquarters, Safacam and Socfindo participated in this DMA's stakeholder engagement (also see IRO-1, para. 53(a) on the selection of subsidiaries). Six versions of the same questionnaire were prepared: Socfin HQ English and French, Safacam English and French, and Socfindo English and Bahasa Indonesia. Close collaboration with the Sustainability Managers from Safacam and Socfindo was required in the final stages of the questionnaire preparation.

Globally, all material stakeholders were involved. However, some stakeholders in selected subsidiaries could not be involved because of unforeseen logistical challenges. Namely, in the case of Safacam, some stakeholders – mostly external ones from the public sector – could not be reached within the DMA timeframe, because hard copies of the questionnaire were requested and there were delays in the local post. Moreover, since it was the first time conducting a materiality assessment at Safacam, the concept was foreign to many stakeholders, so further explanations and awareness-raising on the process of a materiality assessment were necessary with almost all stakeholders and there was not enough time to reach out to all of them. In the case of local communities and of field employees, someone from Safacam's offices had to physically visit different locations and collect responses by going through hard copies together with the stakeholders in question, one by one. These challenges were specific to the context on the ground of remote plantations. In that sense, the first DMA exercise represented a key lesson learned for upcoming rounds.

At headquarters level, a reminder was sent to stakeholders who had not replied, but even so some did not respond, or communicated that they could not do so for internal reasons. In particular, NGOs communicated that they chose not to respond to the questionnaire. Nevertheless, cumulating the responses from all stakeholders a total of 321 responses was obtained. Stakeholders were overall happy to share their perspective on the undertaking's impacts, although there was some incomprehension too, related to the length of the questionnaire and the complexity of certain topics. This has provided the team with ideas on how to improve the process next time, such as ask different groups of stakeholders more focused questions.

**ESRS 2-IRO-1: 53 b iv: Description of how process prioritises negative impacts based on their relative severity and likelihood and positive impacts based on their relative scale, scope and likelihood and determines which sustainability matters are material for reporting purposes**

From the list of potentially material sub-topics, impacts were listed – positive or negative, actual or potential depending on the issue in question. The impact materiality questionnaire was then based on each listed impact, and designed in such way that the questions aligned with ESRS requirements. More specifically:

- Scale, scope and irremediability questions were asked for each actual negative impact;
- Scale, scope irremediability and likelihood questions were asked for each potential negative impact;
- Scale and scope questions were asked for each actual positive impact; and
- Scale, scope and likelihood questions were asked for each potential positive impact.

Then, final scores for each topic were calculated according to the methodology described under IRO-1, para. 53(b). The highest-ranking topics are therefore the ones for which negative and/or positive impacts were considered most material by stakeholders according to the relevant evaluation criteria (scale, scope, irremediability, likelihood), to be prioritised for reporting purposes. Lower-ranking topics are still included from a continuous monitoring perspective.

**ESRS 2-IRO-1: 53 c: Description of process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects**

Identification of risks and opportunities: For each topic considered under impact materiality, a list of possibly relevant risks and opportunities was drawn up with guidance from our external consultants. Reflecting on dependencies, on possible links with material impacts, and building on sectorial approaches contributed to establishing a complete list. In some cases, the same incident was examined both from a risk and an opportunity perspective, notably depending on the time-frame considered. Identifying possible risks and opportunities naturally led to considering a variety of scenarios (please refer to section SBM-3, para. 48 d for a list of material risks and opportunities). However, bringing in a more in-depth analysis of scenarios as starting point for the identification of risks and opportunities could be an interesting exercise in the next DMA round.

Assessment of risks and opportunities: Each risk and opportunity were assessed according to the required criteria of likelihood of occurrence of the incident and magnitude of the financial effect (details provided below under IRO-1 para. 53(c)(ii)). An Excel tool was used to score risks and opportunities one by one, with the reasoning behind each given score provided in a separate column.

For each risk and opportunity, a formula then automatically calculated the average of the scores given for *likelihood* and for *magnitude*. This represented the potential financial effect of each risk/opportunity. The financial materiality assessment was overall an in-house exercise in that no external stakeholders were consulted. However, internal experts from the finance, agricultural and industrial departments were consulted where relevant, and the results were submitted to Safacam and Socfindo's management for feedback. Moreover, a general exchange with an industry peer took place in this context, all these elements contributing to fine-tuning the process and scores.

In a second step, the average of all risks and opportunity scores within each topic was calculated, leading to the obtention of a “potential financial effect” score per topic. Additionally, the same calculation was run within each topic, but separating risks from opportunities, thus also obtaining a “risk” and an “opportunity” average score per topic. As with impact materiality, five materiality thresholds (critical, significant, important, informative, and minimal) were used. The five thresholds were established by determining the possible minimum score, the possible maximum score, and dividing the scale in-between by five.

In this case, no consolidation of results was needed, since only one financial materiality assessment was conducted and validated by all involved parties (Socfin headquarters, Safacam and Socfindo).

**ESRS 2-IRO-1: 53 c i: Description of how connections of impacts and dependencies with risks and opportunities that may arise from those impacts and dependencies have been considered**

Impacts and dependencies were naturally part of the reflection on risks and opportunities, in that for some topics, risks and opportunities intrinsically relate to impacts and/or to dependencies. For example, the Group’s revenues depend on its production, which in part depends on fertiliser use, thus creating a dependency; the same goes for the dependency on workers in the context of labour-intensive activities. On the other hand, the Group’s commitment to applying international sustainability standards and frameworks creates positive impacts on its different sites, which is also beneficial for its financial position as it fosters trust from clients and investors.

**ESRS 2-IRO-1: 53 c ii: Description of how likelihood, magnitude, and nature of effects of identified risks and opportunities have been assessed**

Each risk and opportunity had to be evaluated against the criteria of likelihood of occurrence, and potential magnitude of the financial effect. Each criterion was assessed, for every risk and opportunity, on a scale of 1 to 4.

Likelihood of occurrence of the incident: In a context of only emerging double materiality assessment practices, there was some uncertainty as to how to differentiate the notion of “likelihood of occurrence” from that of “time horizon”. Moreover, with it being the Group’s first materiality assessment exercise, for which a rather qualitative approach was taken, estimating a percentage of probability of occurrence would have been too subjective. Likelihood of occurrence was therefore approached as being the estimated *frequency* of the event, determining in what timespan the event would be highly likely to occur.

Time horizons: In this first financial materiality assessment, time horizons were merged with the concept of likelihood of occurrence that was applied. The short-term timespan was the same as the one recommended by ESRS – that is, “the reporting period”, or 12 months. The medium-term timespan, which is “up to 5 years” in the ESRS, was in our case split into 1-3 years on one hand, and 3-6 years on the other. In turn, the long-term time horizon was defined as 6-12 years, to make it more specific than the “more than 5 years” mentioned in the ESRS. The reason for these adaptations was twofold: On one hand, bringing in an additional “medium-term” timespan helped to assess potential financial effects in a context of complex activities, that are not only spread across several countries but also involve two separate crops (oil palms and rubber trees), as well as agricultural and industrial operations. On the other hand, for the purpose of the materiality assessment specifically, working with a 1-4 scale helped avoid the default selection of the “middle option” in case of uncertainty.

**Magnitude of the financial effect:** Magnitude scores were also approached from a qualitative perspective, as there was no solid basis from which to quantify financial effects (no financial risk assessment had been previously conducted by other departments either). Thus, the notion of “degree of operational impact” was applied, to obtain a qualitative estimation of the extent to which the incident in question could impact the Group’s financial situation. The notion of “nature of effects” was helpful in this regard, as financial effects were assessed, notably, in terms of the impact on the Group’s financial position vis-à-vis clients and investors, on the Group’s licence to operate, or of the scale of the investment required.

Potential financial effect (classification and value)	Likelihood of occurrence	Magnitude	Magnitude qualitative criteria (risks)	Magnitude qualitative criteria (opportunities)
Minimal (1)	Low probability of occurrence: the event will happen, or is very likely to happen, every/in <b>6-12 years</b> .	Low cost/benefit compared to Socfin’s overall financial situation: <b>very low operational impact</b> .	<ul style="list-style-type: none"> <li>- Uncostly transition</li> <li>- Cost irrelevant: measures already in place</li> </ul>	<ul style="list-style-type: none"> <li>- Almost no room for improvement</li> <li>- Cost reduction negligible at Group level</li> </ul>
Weak (2)	Weak probability of occurrence: the event will happen, or is very likely to happen, every/in <b>3-6 years</b> .	Moderate cost/benefit compared to Socfin’s overall financial situation: <b>low operational impact</b> .	<ul style="list-style-type: none"> <li>- Localised impact and/or cost: only some sites affected</li> <li>- Only one factor among several at play</li> <li>- Risk already being mitigated and/or no major changes to be implemented</li> </ul>	<ul style="list-style-type: none"> <li>- Limited room for improvement: only a few locations affected / no major changes possible across Group</li> <li>- Potentially important opportunity, but ongoing research (tbd)</li> </ul>
Medium (3)	Medium probability of occurrence: the event will happen, or is very likely to happen, every/in <b>1-3 years</b> .	Medium cost/benefit compared to Socfin’s overall financial situation: <b>medium operational impact</b> .	<ul style="list-style-type: none"> <li>- New measures to be put in place / recurrent investments required in most sites</li> <li>- Significant proportion of production volumes across Group are impacted</li> <li>- Production costs in almost all sites impacted</li> <li>- Main sources of revenues affected, or penalties implied, but not for whole business</li> </ul>	<ul style="list-style-type: none"> <li>- Increase in sales/revenues in most operations</li> <li>- Reduction of operating costs / of a key operating cost in all or most sites</li> <li>- Avoidance of a significant cost (expensive project and/or in most sites)</li> </ul>
High (4)	High probability of occurrence: the event will happen, or is very likely to happen, every/in <b>12 months</b> .	High cost/benefit compared to Socfin’s overall financial situation: <b>high operational impact</b> .	<ul style="list-style-type: none"> <li>- Two factors of medium magnitude at once</li> <li>- License to operate across most sites and/or at Group level impacted</li> <li>- Main sources of revenues across operations affected</li> </ul>	<ul style="list-style-type: none"> <li>- Key opportunity to maintain license to operate</li> <li>- Central factor to maintain current financial position</li> </ul>

In upcoming double materiality assessment rounds, the Group intends to more clearly separate time horizon from likelihood, and to quantify potential financial effects.

#### **ESRS 2-IRO-1: 53 c iii: Description of how sustainability-related risks relative to other types of risks have been prioritised**

Of course, sustainability related risks were the focus of the financial materiality assessment. Besides that, a process started a few months ago at Group level to list all types of risks and flag them according to their level of urgency. This process, which is still ongoing, was initiated by the Internal Auditor and the work began with the Financial Department.

Collaboration with the Sustainability Department is also underway to complete the list by adding risks related to sustainability aspects. Prioritisation of risks is done objectively according to the risk level which depends on points attributed to likelihood and consequence as well as consideration for any residual risks that might remain after the implementation of mitigation measures. Although this approach is new in the Group and will surely shed light on interesting elements, it should be noted that sustainability-related risks are continuously being considered and monitored through the RSPO certification and GPSNR guidelines measures.

#### **ESRS 2-IRO-1: 53 d: Description of decision-making process and related internal control procedures**

The Group’s Head of Sustainability, as well as the CFO Holdings, oversaw and actively took part in the whole double materiality assessment process. At the end of the process, the final list of material topics

and their respective ESG reporting strategies were validated by the Group's top management. This validation took place in the form of a few discussions in which the impact and financial materiality assessments were explained in detail, followed by a couple of closing sessions.

With regards to internal control procedures, the Group's Internal Auditor arrived at the time when the financial materiality assessment was starting, so he participated in some sessions to provide helpful insight. In addition, the CSRD process in general was submitted to an internal audit later on, on the occasion of the internal audit of all headquarters departments.

**ESRS 2-IRO-1: 53 e: Description of extent to which and how process to identify, assess and manage impacts and risks is integrated into overall risk management process and used to evaluate overall risk profile and risk management processes**

Integrated risk management. Identification and assessment of material impacts, risks and opportunities occurs throughout risks and controls workshops, and continuous update from key stakeholders with regards to critical business/sustainability risks.

**ESRS 2-IRO-1: 53 f: Description of extent to which and how process to identify, assess and manage opportunities is integrated into overall management process**

Annual review and update of the Group's risks register.

**ESRS 2-IRO-1: 53 g: Description of input parameters used in process to identify, assess and manage material impacts, risks and opportunities**

The data sources used were mostly qualitative, drawing inspiration from certain industry practices and consulting with in-house experts. The opinions of these experts were based on elements like relevant research (e.g., agricultural RD), empirical experience (e.g., for industrial aspects), and sustainability benchmarks related to certifications and frameworks (e.g., RSPO and GPSNR). Although not all operations actively participated in the materiality assessment, all activities and regions were taken into account at Group level when conducting the different parts of the assessment.

The different departments, with their different areas of expertise, continuously monitor the Group's operations and de facto manage impacts, risks and opportunities. Initiatives to strengthen cross-department collaboration, as well as to professionalise the monitoring and management of impacts, risks and opportunities are underway.

# [Topical IRO-1] Description of process to identify and assess material impacts, risks and opportunities

## E1.IRO-1

### **E1-IRO-1: 20 a, AR 9: Description of process in relation to impacts on climate change**

For the impact materiality assessment, stakeholders were asked to rate the seriousness (scale), scope and irremediability of the undertaking's GHG emissions, as well as of its use of non-renewable energy. They were also asked to rate the scale and scope of the undertaking's green energy use and fossil fuel consumption reduction. Overall, stakeholders' assessment of the topic "Climate change mitigation and responsible energy use" led it to be ranked as *important* on the impact materiality scale, but not as *critical* or *significant*. However, it was often selected by stakeholders as a topic that they expect to become more important in the next 3-5 years.

The impact materiality assessment results in relation to GHG emissions and energy use can be explained by 2 elements: First, the fact that the same list of questions was submitted to all stakeholders, which may have led some stakeholders to answer intuitively, without in fact knowing much about the topic in question. Second, it is likely that when answering, stakeholders had in mind mitigation measures that are already being implemented, thus leading to lower scores for negative impacts.

Nevertheless, with a business model that revolves around industrial agricultural activities, the Group is aware of the importance of understanding and mitigating its impacts on climate change. This is why the team in charge of CSRD reporting, in collaboration with the Group's top management, moved the topic to the top of the materiality list at the end of the DMA process. This also occurred in the context of the beginnings of the Carbon Taskforce, whose work aims to identify the main emission areas, suggest concrete reduction actions, and present an emission reduction target proposal.

### **E1-IRO-1: 20 b: Description of process in relation to climate-related physical risks in own operations and along value chain**

In 2024, the process followed in relation to climate-related physical risks was the one done for the financial materiality assessment, as explained under E1.SBM-3 and ESRS 2 IRO-1. An in-depth analysis of climate-related physical and transition risks is yet to be conducted. Accordingly, the answers to the semi-narrative datapoints in this section respond to what was done in terms of climate-related risks in the context of the financial materiality assessment.

### **E1-IRO-1: AR 11 a (1): Climate-related hazards have been identified over short-, medium- and long-term time horizons**

Yes.

### **E1-IRO-1: AR 11 a (2): Undertaking has screened whether assets and business activities may be exposed to climate-related hazards**

Yes.

**E1-IRO-1: AR 11 b: Short-, medium- and long-term time horizons have been defined**

Yes.

**E1-IRO-1: AR 11 c: Extent to which assets and business activities may be exposed and are sensitive to identified climate-related hazards has been assessed**

Yes.

**E1-IRO-1: AR 11 d: Identification of climate-related hazards and assessment of exposure and sensitivity are informed by high emissions climate scenarios**

No.

**E1-IRO-1: 21 (1): Explanation of how climate-related scenario analysis has been used to inform identification and assessment of transition risks and opportunities over short, medium and long-term**

Climate-related scenario analysis has not been used yet (physical risks).

**E1-IRO-1: 20 c: Description of process in relation to climate-related transition risks and opportunities in own operations and along value chain**

The process followed for climate-related risks and opportunities was embedded in the financial materiality assessment, as described in sections IRO-1 of ESRS 2 and E1.SBM-3.

**E1-IRO-1: AR 12 a (1): Transition events have been identified over short-, medium- and long-term time horizons**

Yes.

**E1-IRO-1: AR 12 a (2): Undertaking has screened whether assets and business activities may be exposed to transition events**

Yes.

**E1-IRO-1: AR 12 b: Extent to which assets and business activities may be exposed and are sensitive to identified transition events has been assessed**

Yes.

**E1-IRO-1: AR 12 c: Identification of transition events and assessment of exposure has been informed by climate-related scenario analysis**

No.

**E1-IRO-1: AR 12 d: Assets and business activities that are incompatible with or need significant efforts to be compatible with transition to climate-neutral economy have been identified**

No.

**E1-IRO-1: 21 (2): Explanation of how climate-related scenario analysis has been used to inform identification and assessment of transition risks and opportunities over short, medium and long-term**

Climate-related scenario analysis has not been used yet (transition risks).

**E1-IRO-1: AR 15: Explanation of how climate scenarios used are compatible with critical climate-related assumptions made in financial statements**

No climate scenarios have been applied yet.



## E2.IRO-1

### **E2-IRO-1: 11 a (2.1): Information about the process to identify actual and potential pollution-related impacts, risks and opportunities**

All Socfinaf operations conduct Environmental Impact Assessments (EIA), as required by national law, to identify and assess potential risks, impacts, opportunities and mitigation measures related to water, soil and air pollution, and the broader environment, caused by current and future activities. EIAs are conducted exclusively by government-approved assessors and must comply with national regulatory frameworks.

Additionally, all of Socfinaf's sites have conducted High Conservation Value (HCV) assessments, following the methodology of the HCV Resource Network. These assessments identify critical habitats, key species populations, essential ecosystem services, and culturally significant areas within and adjacent to operational boundaries. They also evaluate existing and potential negative impacts, including pollution, on these HCV areas and propose targeted mitigation measures to avoid or minimise harm. Furthermore, risks and opportunities associated with impact mitigation are systematically assessed to ensure long-term environmental sustainability.

These assessments have only been conducted for the companies' direct operations, and do not include the upstream and downstream value chain.

### **E2-IRO-1: 11 b (2.1): Disclosure of whether and how consultations have been conducted (pollution)**

Environmental Impact Assessments (EIA) are conducted in accordance with methodologies set by the relevant governing bodies. Where these methodologies require consultation with affected communities, such consultations are carried out. At all Socfinaf sites – except in Liberia, where community consultation is not mandated – affected communities have been engaged as part of the EIA process.

Similarly, High Conservation Value (HCV) assessments mandate the identification and consultation of stakeholder communities as part of their methodology. These assessments also require that the findings be shared with the communities, ensuring transparency and stakeholder involvement.

### **E2-IRO-1: AR 9 (2.1): Disclosure of results of materiality assessment (pollution)**

The topic "pollution" is among the least material ones, both from an impact and from a financial perspective. This does not mean that it is an unimportant topic for the Group, but rather that financial risks and opportunities in relation to pollution did not score high, and that stakeholders considered pollution-related impacts to be minor. Regarding the latter, it should be noted that stakeholders likely have this perception because several measures are already in place, on all sites, to mitigate and control the pollution that may be linked to industrial agricultural activities. Reporting on pollution is therefore maintained for monitoring purposes.

## E3.IRO-1

**E3-IRO-1: 8 a: Disclosure of whether and how assets and activities have been screened in order to identify actual and potential water and marine resources-related impacts, risks and opportunities in own operations and upstream and downstream value chain and methodologies, assumptions and tools used in screening**

Please refer to the explanations provided under E2.IRO-1.

**E3-IRO-1: 8 b: Disclosure of how consultations have been conducted (water and marine resources)**

Please refer to the explanations provided under E2.IRO-1.

## E4.IRO-1

### **E4-IRO-1: 17 a: Disclosure of whether and how actual and potential impacts on biodiversity and ecosystems at own site locations and in value chain have been identified and assessed**

Explanations provided under E2.IRO-1 also apply here.

Furthermore, in alignment with its Responsible Management Policy and compliance with the EU Deforestation Regulation (EUDR), the Group is currently conducting a comprehensive assessment of all suppliers of rubber and fresh fruit bunches, including its own operations and third-party suppliers, to ensure no deforestation has occurred after 31 December 2020.

This evaluation also includes a review of supplier compliance with local environmental regulations, including that no suppliers operate within nationally protected areas or violate conservation laws.

### **E4-IRO-1: 17 b: Disclosure of whether and how dependencies on biodiversity and ecosystems and their services have been identified and assessed at own site locations and in value chain**

Dependencies on biodiversity and ecosystems were considered in the context of the financial materiality assessment, drawing on in-house knowledge based on environmental studies conducted on the different sites. Considerations included soil equilibrium, zero deforestation and pollination improvement, and avoiding erosion.

The financial materiality assessment did not identify any material risks or opportunities related to dependencies on biodiversity and ecosystems, as a healthy balance seems to be in place regarding pollination insects, soil nutrients and structure, and biodiversity in general. In the future, a more in-depth scientific study focusing on dependencies could complement the monitoring that is already done by the Agriculture/R&D Department and the independent environmental studies that are already regularly conducted on the ground.

### **E4-IRO-1: 17 c: Disclosure of whether and how transition and physical risks and opportunities related to biodiversity and ecosystems have been identified and assessed**

No transition and/or physical risks and opportunities relating to biodiversity and ecosystems were identified in the financial materiality assessment.

### **E4-IRO-1: 17 d: Disclosure of whether and how systemic risks have been considered (biodiversity and ecosystems)**

Systemic risks are de facto considered/monitored through environmental studies and research. However, this specific lens has not been applied as such so far, so a study focusing on the specific notion of biodiversity systemic risks could be useful in the future, to complement what is already in place.

### **E4-IRO-1: 17 e: Disclosure of whether and how consultations with affected communities on sustainability assessments of shared biological resources and ecosystems have been conducted**

Environmental Impact Assessments (EIA) are conducted in accordance with methodologies set by the relevant governing bodies. Where these methodologies require consultation with affected communities, such consultations are carried out. On all Socfinaf sites—except in Liberia, where community consultation is not mandated—affected communities have been engaged as part of the EIA process.

Similarly, High Conservation Value (HCV) assessments mandate the identification and consultation of stakeholder communities as part of their methodology. These assessments also require that the findings be shared with the communities, ensuring transparency and stakeholder involvement.

**E4-IRO-1: 17 e i: Disclosure of whether and how specific sites, raw materials production or sourcing with negative or potential negative impacts on affected communities**

Raw material production activities, such as oil palms and rubber trees cultivation, may potentially have negative impacts on natural resources like forests and water sources used by affected communities. To address this, the company identifies potential impacts and ensures that stakeholder communities are consulted during relevant project stages. In addition, strict environmental and social management measures are implemented to avoid or minimise negative impacts.

**E4-IRO-1: 17 e ii: Disclosure of whether and how communities were involved in materiality assessment**

Yes, communities were involved in the materiality assessment and their opinion regarding biodiversity and ecosystems was duly taken into account. For details on the stakeholder consultation process, please refer to sections SMB-2 and IRO-1 under ESRS 2 disclosures.

**E4-IRO-1: 17 e iii (1): Disclosure of whether and how negative impacts on priority ecosystem services of relevance to affected communities may be avoided**

The Group actively mitigates impacts on ecosystem services that are relevant to communities through sustainable land-use planning, responsible sourcing practices, and stakeholder engagement:

- Implementation of HCV and HCS assessments: Ensuring no conversion of high conservation value or high carbon stock forests.
- No deforestation: Ensuring that raw materials are not sourced from deforested areas (March 2017 cut-off for industrial plantations and 31 December 2020 cut-off for smallholders).
- Traceability and supply chain monitoring: Ensuring raw materials come from verified sustainable sources and that smallholders comply with environmental standards.
- Community engagement and FPIC process: Informed consultation and Free, Prior, and Informed Consent (FPIC) with affected communities before land-use changes.
- Water management strategies: Protection of riparian zones, wastewater treatment, monitoring of water use, and ensuring community access to clean water sources.

**E4-IRO-1: 17 e iii (2): Disclosure of plans to minimise unavoidable negative impacts and implement mitigation measures that aim to maintain value and functionality of priority services**

The Socfin Responsible Management Policy, along with its commitments to RSPO standards and the GPSNR Policy Framework, ensures that industry best practices and a science-based approach are followed to avoid, and where avoidance is not possible, minimise negative impacts on biodiversity, ecosystems, and priority services. Through sustainable land management, pollution prevention, ecosystem protection, and community engagement, the Group integrates mitigation measures that support environmental resilience and long-term sustainability.

**E4-IRO-1: 19 a (1): Undertaking has sites located in or near biodiversity-sensitive areas**

Yes.

**E4-IRO-1: 19 a (2): Activities related to sites located in or near biodiversity-sensitive areas negatively affect these areas by leading to deterioration of natural habitats and habitats of species and to disturbance of species for which protected area has been designated**

No.

**E4-IRO-1: 19 b: It has been concluded that it is necessary to implement biodiversity mitigation measures**

Yes.

## E5.IRO-1

### **E5-IRO-1: 11 a: Disclosure of whether the undertaking has screened its assets and activities in order to identify actual and potential impacts, risks and opportunities in own operations and upstream and downstream value chain, and if so, methodologies, assumptions and tools used**

Actual and potential impacts in relation to resource use and circular economy, as well as risks and opportunities, were examined during the DMA exercise. Regarding impacts, the questions that were submitted to stakeholders revolved around the benefits of recycling industrial waste, the impact of not treating rubber factories and palm oil mills water effluents properly, and how beneficial household waste recycling could be.

The responses provided by stakeholders ranked these impacts as quite material (“important” on the materiality scale). In turn, risks and opportunities relating to managing resources like fuel and fertiliser, the application of industrial wastewater effluents to the fields, and the use of solid biodegradable waste in industrial processes were considered in the financial materiality assessment. Overall, risks and opportunities also ranked as “important” on the financial materiality scale. For details on methodologies and tools used please refer to sections IRO-1, SBM-2 and SBM-3 under ESRS 2. In addition, the independent environmental impact assessments that are conducted on the different sites allow to regularly screen resource use and waste management activities and flag any issues.

### **E5-IRO-1: 11 b: Disclosure of whether and how the undertaking has conducted consultations (resource and circular economy)**

Consultations have indeed been conducted, both in the form of a stakeholder consultation in the context of the DMA and in the form of independent interventions in the context of environmental impact assessments. The opinion of stakeholders regarding resource and waste management was duly taken into account; for details, please refer to sections SMB-2 and IRO-1 under ESRS 2 disclosures.

## [IRO-2] Disclosure Requirements in ESRS covered by sustainability statements

**ESRS 2-IRO-2: 56 (1): Disclosure of list of data points that derive from other EU legislation and information on their location in sustainability statement**

N/A.

**ESRS 2-IRO-2: 56 (2): Disclosure of list of ESRS Disclosure Requirements complied with in preparing sustainability statement following outcome of materiality assessment**

Please refer to the Contents section.

**ESRS 2-IRO-2: 58 (8): Explanation of negative materiality assessment for ESRS S4 Consumers and end-users**

*S4 Consumers and end-users* was deemed out of scope for the Group, because activities are situated quite at the beginning of our clients' upstream value chain, so there is no contact with consumers or end-users, only with clients. For example, regarding rubber activities, the clients with whom there is regular contact are the tyre-makers, but there is no contact with the consumers who eventually use the tyres as part of their cars – this would be very far removed from the Group's activities, since the rubber sold to tyre-makers is then further processed by them, to be sold to the automobile industry and in turn to further vendors. A similar process applies to palm oil activities. Nevertheless, some basic S4 disclosures are kept in the report to provide more details on our approach, should it be of use to the Group's stakeholders.

**ESRS 2-IRO-2: 59: Explanation of how material information to be disclosed in relation to material impacts, risks and opportunities has been determined**

The material information to be disclosed in relation to impacts, risks and opportunities was determined by analysing all ESRS datapoints one by one. To do this, EFRAG's IG 3 file was used, to which a series of columns were added in order to document the different aspects of the reasoning.

Namely:

- Mandatory datapoints were flagged right away, and voluntary ones were marked in a different colour.
- For all remaining datapoints, materiality of information was evaluated in-house by the sustainability team, by determining whether the information in question is significant and/or decision useful. When relevant, other internal experts were consulted. The reasoning for each datapoint was written in a column next to it.
- Additional columns were then used to determine data availability (carefully separating it from data materiality), data location, and data responsibility.

## Environmental disclosures



# ESRS E1 – Climate change

## [E1-MDR-M] Metrics in relation to material sustainability matters

### **E1-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific E1 sections:

- Total energy consumption related to own operations,
- Total energy consumption from fossil sources,
- Percentage of energy consumption from nuclear sources in total energy consumption,
- Total energy consumption from renewable sources,
- Fuel consumption from renewable sources,
- Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources,
- Consumption of self-generated non-fuel renewable energy,
- Percentage of renewable sources in total energy consumption,
- Fuel consumption from coal and coal products,
- Fuel consumption from crude oil and petroleum products,
- Fuel consumption from natural gas,
- Fuel consumption from other fossil sources,
- Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources,
- Percentage of fossil sources in total energy consumption,
- Non-renewable energy production,
- Renewable energy production,
- Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue),
- Total energy consumption from activities in high climate impact sectors,
- Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope [table],
- Gross Scopes 1, 2, 3 and Total GHG emissions - financial and operational control [table],
- Gross Scopes 1, 2, 3 and Total GHG emissions - Scope 3 GHG emissions (GHG Protocol) [table],
- Gross Scope 1 greenhouse gas emissions,
- Gross location-based Scope 2 greenhouse gas emissions,
- Gross market-based Scope 2 greenhouse gas emissions,
- Gross Scope 3 greenhouse gas emissions,
- Total GHG emissions location based,
- Total GHG emissions market based,
- Biogenic emissions of CO<sub>2</sub> from the combustion or bio-degradation of biomass not included (= separate from) in Scope 1 GHG emissions,

- Biogenic emissions of CO<sub>2</sub> from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions,
- Percentage of GHG Scope 3 calculated using primary data,
- List of Scope 3 GHG emissions categories included in inventory,
- Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions,
- GHG emissions intensity, location-based (total GHG emissions per net revenue),
- GHG emissions intensity, market-based (total GHG emissions per net revenue),
- Net revenue,
- Net revenue used to calculate GHG intensity,
- Net revenue other than used to calculate GHG intensity,
- Removals and carbon credits are used,
- GHG removals and storage activity by undertaking scope (breakdown by own operations and value chain) and by removal and storage activity,
- Total GHG removals and storage,
- Total waste generated,
- Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type,
- Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type,
- Non-recycled waste,
- Percentage of non-recycled waste,
- Total amount of hazardous waste.

#### **E1-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

##### **GHG emissions for crude palm oil and palm kernel oil production**

###### Methodology

To calculate its GHG emissions for the production of CPO and PKO, Socfinaf uses the PalmGHG Tool developed by the Roundtable on Sustainable Palm Oil (RSPO). The tool follows a Life Cycle Assessment (LCA) approach.

Scope
<u>Studied product:</u> CPO or PKO
<u>Unit of analysis / reference flow:</u> One ton of product
<u>Type of inventory:</u> Cradle-to-Gate
<u>GHG emissions in the sector:</u> CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O
<u>Timeframe:</u> One year

Each palm oil mill enters its primary data (plantation and palm oil mill inputs) into the online platform. Results are calculated in tons of CO<sub>2</sub> equivalent (T CO<sub>2</sub>e) per hectare or per unit of intermediate (FFB) or final product (CPO or PKO) for palm oil mills.

Gross emissions depend on:

- The surface area of the concession;
- The type of vegetation converted;
- Fossil fuel consumption;
- Fertiliser application;
- Effluents;
- Transport, etc.

The quantities of carbon fixed by plantations and conservation areas (carbon sinks) are then deducted from these emissions to give net emissions on the platform. PalmGHG also includes carbon sinks from palm kernel shells sold to replace fossil fuels, and a surplus of green energy provided to others to replace grid electricity. These carbon sinks were **not** included in the calculation of Gross Scope 1, 2 and 3 values in the present report.

#### Significant assumptions

The PalmGHG Emissions Calculator for oil palm activities estimates emissions from the external supply of oil palm (mainly smallholders) **if no or low-quality data is provided by them**. If precise data is provided by the third party, then exact calculations can be made. However, due to the complexity of obtaining any or trustworthy data from third-party suppliers, estimates are often used. These estimates are done following the methodology used in *Schmidt et al. (2020)*, “*Certified palm oil reduces greenhouse gas emissions compared to non-certified.*”

In calculating emissions from oil palm mill wastewater treatment systems, the PalmGHG Calculator utilises data from water samples, specifically testing parameters like Chemical Oxygen Demand (COD) and nitrogen content of influent and effluent. Although Socfinaf’s subsidiaries engage government-approved laboratories for this testing, various local factors – such as sampling errors, environmental fluctuations, and equipment limitations – can lead to inaccurate or inconsistent results. Consequently, test outcomes may occasionally deviate from expected ranges, raising concerns about their reliability.

To address these inconsistencies, when data appears flawed, sector-specific assumptions are employed to provide a more stable and realistic assessment. In 2024, this approach was used in all sites except PSG and Socapalm Kienké (a Socapalm operation).

#### GHG emissions for rubber production

##### Methodology

To calculate its GHG emissions for the production of rubber, Socfinaf uses a “carbon calculator” developed by MEO Carbon Solutions (MCS), an independent consulting company with longstanding experience in sustainability. This was done through a project with Michelin and SIPH.

The calculation tool is based on the GHG Protocol methodology “Product Lifecycle Accounting and Reporting Standard”. The calculator takes into account GHG emissions from cultivation, processing, transport and distribution of natural rubber.

Scope	System boundaries
<u>Studied product:</u> Natural rubber (intermediate product) <u>Unit of analysis / reference flow:</u> One ton of natural dry rubber <u>Type of inventory:</u> Cradle-to-Gate <u>GHG emissions in the sector:</u> CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O <u>Timeframe:</u> One year	Nursery Cultivation Processing Transport & Distribution

Activity data is provided by each subsidiary through report templates collected at Group level. The data is entered into the carbon calculator and provides the footprint of each site for the year in kilograms of carbon dioxide equivalent (kg CO<sub>2</sub>e) per ton of dry rubber produced.

Emissions linked to Land Use Change (LUC) on industrial plantations and smallholder fields are not included in the inventory presented, and the quantities of carbon fixed by plantations and conservation areas (carbon sinks) are not deducted. The GHG Protocol standard: *Land Sector and Removal Guidance*, whose final version is announced for 2025, will provide the necessary guidelines for integrating this data.

#### Significant assumptions

The GHG Emissions Calculator for rubber activities estimates emissions from the external supply of raw rubber (mainly smallholders) using activity data collected from them. This data is based on company records of materials – primarily equipment and pesticides – provided directly to smallholders by Socfinaf's subsidiaries. While smallholders can source materials elsewhere, their access is often limited due to financial constraints or distance to local supply points. Since indirect data is not available to compensate the gap, the activity data and resulting emissions may be underestimated due to incomplete information.

In calculating emissions from rubber factories' wastewater treatment systems, the Rubber GHG Calculator utilises data from water samples, specifically testing parameters like Chemical Oxygen Demand (COD) and nitrogen content of influent and effluent. Although Socfinaf's subsidiaries engage government-approved laboratories for this testing, various local factors – such as sampling errors, environmental fluctuations, and equipment limitations – can lead to inaccurate or inconsistent results. Consequently, test outcomes may occasionally deviate from expected ranges, raising concerns about their reliability.

To address these inconsistencies, when data appears flawed, sector-specific assumptions are employed to provide a more stable and realistic assessment. This approach was used in 2024 for LAC (Liberia) and Safacam (Cameroon).

#### **E1-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

The data provided for the calculation of GHG emissions through PalmGHG is validated by RSPO-approved certification bodies.

The RSPO data review process for PalmGHG indeed ensures an accurate and transparent greenhouse gas (GHG) reporting. The process involves:

1. Data submission – growers input operational data (land use, fertilisers, fuel, POME management) into the PalmGHG calculator.
2. Internal review – companies verify data accuracy before submission.

3. Audit & verification – RSPO auditors assess the data completeness and consistency during certification/Annual Surveillance Audits (ASA).
4. Validation – the auditors verify and request corrections if needed.
5. Reporting & transparency – Verified results are included in RSPO public reports.

This process ensures credible GHG assessments.

## [E1-1] Transition plan for climate change mitigation

### **E1-1: 14: Disclosure of transition plan for climate change mitigation**

A transition plan for climate change mitigation is currently under development at Group level. A multidisciplinary “Carbon Taskforce” was created at the beginning of 2024, bringing together members from the sustainability, agriculture (palm oil and rubber), industrial, trading and financial consolidation teams. The taskforce was asked by the executive committee to present a proposal regarding GHG emission reduction targets for the Group, backed up by solid analyses of legal requirements, key emission areas within the Group’s activities, and concrete options for implementation. Developing a transition plan is therefore part of the taskforce’s work as it encompasses these different elements.

In 2024, the Carbon Taskforce focused on analysing the external expectations framework in which targets have to be defined, reviewing existing GHG emission calculation tools and understanding gaps, and mapping possible reduction solutions. Building on this solid basis, in 2025 the taskforce will dive into perfecting the calculation tools used, defining emission reduction targets, and drawing up a concrete action plan for implementation. The transition plan, targets and actions will all be approved by the executive committee.

### **E1-1: 16 a: Explanation of how targets are compatible with limiting of global warming to one and half degrees Celsius in line with Paris Agreement**

As explained, the transition plan and emission reduction targets are still under development. However, ESRS requirements are duly taken into account in the process, so targets are being developed to ensure compatibility with limiting of global warming to +1.5°C, in line with the Paris Agreement.

### **E1-1: 16 d: Explanation of potential locked-in GHG emissions from key assets and products and of how locked-in GHG emissions may jeopardise achievement of GHG emission reduction targets and drive transition risk**

These elements are still under consideration. A preliminary analysis suggests that there might be some key assets or activities relating to the Group’s operations that could represent locked-in GHG emissions, such as certain facilities with fossil fuels as main source of energy and transportation/business travel. However, these should in principle not jeopardise achievement of GHG emission reduction targets as there are actions that can be taken, as part of the transition plan, to address these potential locked-in GHG emissions.

### **E1-1: 16 e: Explanation of any objective or plans (CapEx, CapEx plans, OpEx) for aligning economic activities (revenues, CapEx, OpEx) with criteria established in Commission Delegated Regulation 2021/2139**

Mitigation action CapEx are directly considered within budgets. No specific data yet, waiting on the adoption of the delegated regulation on agriculture.

### **E1-1: 16 g: Undertaking is excluded from EU Paris-aligned Benchmarks**

No.

**E1-1: 16 i: Transition plan is approved by administrative, management and supervisory bodies**

Yes, once it is ready, by the end of 2025.

**E1-1: 17: Date of adoption of transition plan for undertakings not having adopted transition plan yet**  
2025-12-31.

## [E1-2] Policies related to climate change mitigation and adaptation

### **E1-MDR-P: 62 (1): Disclosure of reasons for not having adopted policies**

The Group's Responsible Management Policy provides a general framework by mentioning the commitment to minimising carbon emissions, energy usage and fossil fuel consumption; towards climate change mitigation; and to increasing green energy consumption. The Carbon Taskforce is reviewing the need to have a more specific policy on climate change.

### **E1-MDR-P: 62 (2): Disclosure of timeframe in which the undertaking aims to adopt policies**

If it is determined, in the context of the Carbon Taskforce's work on a transition plan, actions and targets, that a specific policy on climate change is necessary, the undertaking will aim to adopt one by the end of 2025.



## [E1-3] Actions and resources in relation to climate change policies

### **E1-MDR-A: 68 a: Disclosure of key action**

Regarding climate change adaptation, the Group has implemented various strategies to enhance sustainability through yield intensification. The focus is notably on:

- Recording of climatic data on plantations. As a minimum, plantations are equipped with a rain gauge. For some years now, automatic stations have been installed in our plantations to monitor climatic data more accurately: temperature, rainfall, rain days, sunshine, PAR, wind speed, etc.
- For palm, determination of the yield potential for each plantation taking climatic factors into account. Site yield potential is the yield that can be obtained on a specified site, with natural water supply, nutrients supplied at optimum rates, and agronomic and disease control measures implemented to a high standard.
- For rubber, using climatic data, knowing the distribution of rainfall during the day in order to understand and improve tapping activities. Also developing climate resilient and high-yielding clones (through clonal selection projects) and adapting cultivation practices to increase the resistance of trees to wind damage.

### **E1-MDR-A: 68 b: Description of scope of key action**

The key actions taken regarding climate change adaptation cover all the Group's plantations, including oil palm and rubber estates. They encompass agronomic practices such as soil management, pest control, fertilisation, and climate resilience strategies. The scope extends to both core plantations and affiliated smallholders, ensuring a comprehensive approach to sustainable production.

### **E1-MDR-A: 68 c: Time horizon under which key action is to be completed**

Breeding & disease resistance: Ongoing.

Climatic data monitoring: Ongoing.

### **E1-MDR-A: 62 (1): Disclosure of reasons for not having adopted actions**

Emission reduction actions have in fact been implemented in the last few years, although they have not been specifically framed as such. Notably, biomass and steam turbines are in place in all palm oil mills and a hydro-power plant is in place at LAC. However, now that the Group is in the process of defining emission reduction objectives, further actions are in the works to target high emission areas of activities and actively work towards achieving reduction goals.

### **E1-MDR-A: 62 (2): Disclosure of timeframe in which the undertaking aims to adopt actions**

The intended timeframe for the adoption of actions is in principle the same as for targets and the transition plan; that is, by end of 2025.

## [E1-4] Targets related to climate change mitigation and adaptation

### **E1-4: 33: Disclosure of whether and how GHG emissions reduction targets and (or) any other targets have been set to manage material climate-related impacts, risks and opportunities**

Climate change-related targets have not yet been adopted but are being developed by the Group's Carbon Taskforce. Please refer to explanations provided under E1-1.

### **E1-MDR-T: 81 a (1): Disclosure of timeframe for setting of measurable outcome-oriented targets**

In March 2017, the Group's management set the target of zero deforestation in its operations by signing the Group's Responsible Management Policy.

Targets related to climate change mitigation and adaptation are also linked to GHG emissions. The tools and methods used to calculate emissions, as currently prescribed by industry initiatives such as RSPO and GPSNR, do not follow the GHG Protocol Corporate Standard but the Product Standard. The Group, through its Carbon Taskforce and engagement with those industry platforms, is working with partners to update its tools in 2025. Once GHG inventories are aligned with the Corporate Standard, a baseline year, value and time-bound targets will be defined. This work is planned to be completed by the end of 2025.

### **E1-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

### **E1-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

The effectiveness of the implementation of the zero-deforestation commitment is monitored through deforestation alerts and monitoring conducted by Mapping Manager on all sites. Since 2023, the Group has indeed been using Starling to ensure continuous monitoring through very high-resolution satellite images. Through this tool, we receive alerts that are all verified on the field by our teams. The Starling monitoring system is complemented by other satellite imagery platforms: GFW (Global Forest Watch) for all our concessions, and RSPO Firewatch System and NASA FIRMS (Fire Information for Resource Management System). Most of the occurrences of deforestation and fire are due to external causes. The combined use of these different platforms allows the Group to prevent these events and have an increased level of monitoring and control to reduce the frequency of deforestation or fire incidents affecting HCV areas and concessions.

The effectiveness of actions related to GHG emissions are not yet tracked since a baseline year, value and time-bound targets have not been defined yet. Tools, indicators and processes will have to be set up to track their effectiveness once these are formalised.

### **E1-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

Please refer to MDR-T: 81 b i.

**E1-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

Please refer to MDR-T: 81 b i.

## [E1-5] Energy consumption and mix

### **E1-5: 37: Total energy consumption related to own operations**

1 164 854 MWh.

### **E1-5: 37 a: Total energy consumption from fossil sources**

214 905 MWh.

### **E1-5: 37 c: Total energy consumption from renewable sources**

921 207 MWh.

### **E1-5: 37 c i: Fuel consumption from renewable sources**

881 595 MWh.

### **E1-5: 37 c ii: Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources**

0 MWh.

### **E1-5: 37 c iii: Consumption of self-generated non-fuel renewable energy**

6 285 MWh.

### **E1-5: AR 34 (2): Percentage of renewable sources in total energy consumption**

79.08%.

### **E1-5: 38 a: Fuel consumption from coal and coal products**

0 MWh.

### **E1-5: 38 b: Fuel consumption from crude oil and petroleum products**

188 845 MWh.

### **E1-5: 38 c: Fuel consumption from natural gas**

0 MWh.

### **E1-5: 38 d: Fuel consumption from other fossil sources**

0 MWh.

### **E1-5: 38 e: Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources**

26 060 MWh.

### **E1-5: AR 34 (3): Percentage of fossil sources in total energy consumption**

18.45%.

**E1-5: 39 (1): Non-renewable energy production**

21 189 MWh.

**E1-5: 39 (2): Renewable energy production**

58 188 MWh.

**E1-5: 40: Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)**

0.0020 MWh/EUR.

**E1-5: 41: Total energy consumption from activities in high climate impact sectors**

1 164 854 MWh.

**E1-5: 42: High climate impact sectors used to determine energy intensity**

Agriculture, forestry and fishing.

**E1-5: 43: Disclosure of reconciliation to relevant line item or notes in financial statements of net revenue from activities in high climate impact sectors**

Revenues provided within financial statements (income statement).

## [E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

### E1-6: 44: Gross GHG emissions per scope

Emissions scope	Emissions	Unit
Gross Scope 1 greenhouse gas emissions	527 597	MT CO <sub>2</sub> e
Gross location-based Scope 2 greenhouse gas emissions	14 932	MT CO <sub>2</sub> e
Gross market-based Scope 2 greenhouse gas emissions	N/A	MT CO <sub>2</sub> e
Gross Scope 3 greenhouse gas emissions	117 169	MT CO <sub>2</sub> e
Total GHG emissions location based	659 698	MT CO <sub>2</sub> e

The absence of established RECs (Renewable Energy Certificates) or similar instruments in all Socfinaf countries of operation prevents reporting of market-based Scope 2 emissions.

### E1-6: 50: Gross Scope 1 and Scope 2 emissions by financial and operational control

Emissions type	Emissions Calculation Method	Emissions	Unit
Gross Scope 1 and Scope 2 (location-based) emissions	Consolidated accounting group (financial control)	542 529	MT CO <sub>2</sub> e
Gross Scope 1 and Scope 2 (market-based) emissions	Consolidated accounting group (financial control)	N/A	MT CO <sub>2</sub> e
Gross Scope 1 and Scope 2 (location-based) emissions	Investees (operational control)	542 529	MT CO <sub>2</sub> e
Gross Scope 1 and Scope 2 (market-based) emissions	Investees (operational control)	N/A	MT CO <sub>2</sub> e

N/A elements: Not relevant to the present inventory.

### E1-6: AR 41 (1): GHG Emissions Disaggregated by Country

Country	Scope 1 emissions (T CO <sub>2</sub> e)	Scope 2 (location-based) emissions (T CO <sub>2</sub> e)	Scope 2 (market-based) emissions (T CO <sub>2</sub> e)	Scope 3 emissions (T CO <sub>2</sub> e)
Cameroon	267 165	2 114	N/A	69 330
Côte d'Ivoire	59 166	12 633	N/A	18 806
Democratic Republic of Congo	11 986	0	N/A	739
Ghana	44 771	3	N/A	2 163
Liberia	4 140	0	N/A	2 354
Nigeria	118 762	182	N/A	18 168
São Tomé and Príncipe	8 638	0	N/A	106
Sierra Leone	12 970	0	N/A	5 503

**E1-6: AR 41 (3): GHG Emissions Disaggregated by Economic Activity**

Economic activity	Scope 1 emissions (T CO <sub>2</sub> e)	Scope 2 (location-based) emissions (T CO <sub>2</sub> e)	Scope 2 (market-based) emissions (T CO <sub>2</sub> e)	Scope 3 emissions (T CO <sub>2</sub> e)
Rubber	24 677	12 577	N/A	12 469
Palm oil*	502 920	2 355	N/A	104 700

\* Data calculated using the RSPO PalmGHG calculator. PalmGHG calculator does include carbon sinks, most notably from conservation areas, palm kernel shells sold to replace fossil fuels, and a surplus of green energy provided to others to replace grid electricity. These carbon sinks were not included in the calculation of Gross Scope 1, 2 and 3 values.

**E1-6: AR 41 (4): GHG Emissions Disaggregated by Subsidiary**

Subsidiary	Scope 1 emissions (T CO <sub>2</sub> e)	Scope 2 (location-based) emissions (T CO <sub>2</sub> e)	Scope 2 (market-based) emissions (T CO <sub>2</sub> e)	Scope 3 emissions (T CO <sub>2</sub> e)
Agripalma	8 638	0	N/A	106
Brabanta	11 986	0	N/A	739
LAC	4 140	0	N/A	2 241
Okomu	118 762	182	N/A	18 168
PSG	44 771	3	N/A	2 163
SAC	12 970	0	N/A	5 503
Safacam	26 896	1 829	N/A	3 014
Socapalm	240 270	285	N/A	66 316
SOGB	53 210	7 951	N/A	15 340
SCC	5 956	4 683	N/A	3 466
SRC	0	0	N/A	113

**E1-6: AR 41 (5): GHG Emissions Disaggregated by GHG Category**

GHG Category	Scope 1 emissions (T CO <sub>2</sub> e)	Scope 2 (location-based) emissions (T CO <sub>2</sub> e)	Scope 2 (market-based) emissions (T CO <sub>2</sub> e)	Scope 3 emissions (T CO <sub>2</sub> e)
CO <sub>2</sub>	181 747	14 933	N/A	117 169
CH <sub>4</sub>	329 474			
N <sub>2</sub> O	16 375			
HFCs				
PFCs				
SF <sub>6</sub>				
NF <sub>3</sub>				

The disaggregation by GHG category is not available for scopes 2 and 3.

**E1-6: AR 41 (6): Scope 1 GHG Emissions Breakdown**

Scope 1 category	Emissions (T CO <sub>2</sub> e)
Stationary Combustion	
Mobile Combustion	
Fugitive Emissions	

The data is not available in this format.

**E1-6: AR 46 d: Scope 3 GHG Emissions Breakdown (GHG Protocol)**

Scope 3 category	Is category significant?	Explanation
3.1 Purchased goods and services		
3.2 Capital goods		
3.3 Fuel- and energy-related activities (not included in Scope 1 or 2)		
3.4 Upstream transportation and distribution		
3.5 Waste generated in operations		
3.6 Business travel		
3.7 Employee commuting		
3.8 Upstream leased assets		
3.9 Downstream transportation and distribution		
3.10 Processing of sold products		
3.11 Use of sold products		
3.12 End-of-life treatment of sold products		
3.13 Downstream leased assets		
3.14 Franchises		
3.15 Investments		

The breakdown of Scope 3 GHG emissions is not provided as such in the calculation tools.

**E1-6: 48 a: Gross Scope 1 greenhouse gas emissions**

527 597 MT CO<sub>2</sub>e.

**E1-6: 49 a, 52 a: Gross location-based Scope 2 greenhouse gas emissions**

14 932 MT CO<sub>2</sub>e.

**E1-6: 49 b, 52 b: Gross market-based Scope 2 greenhouse gas emissions**

The absence of established RECs (Renewable Energy Certificates) or similar instruments in all of Socfinaf's countries of operation prevents reporting of market-based Scope 2 emissions.

**E1-6: 51: Gross Scope 3 greenhouse gas emissions**

Scope 3 greenhouse gas emissions are available as a total, but could not be disaggregated by Scope 3 category for 2024 reporting. We will aim to add this disaggregation for 2025 reporting.



Total Scope 3 GHG emissions (T CO<sub>2</sub>e) are: 117 169.

**E1-6: 44, 52 a: Total GHG emissions location based**

659 698 MT CO<sub>2</sub>e.

**E1-6: 44, 52 b: Total GHG emissions market based**

The absence of established RECs (Renewable Energy Certificates) or similar instruments in all of Socfinaf's countries of operation prevents reporting of market-based Scope 2 emissions.

**E1-6: AR 39 b: Disclosure of methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions**

Methodologies and significant assumptions are disclosed under E1-MDR-M: 77 a.

PalmGHG, uses a methodology that is in line with ISO 14040/14044. Its calculations are based on multiple research articles. The sources may be found within this article: [bessou.paper.ICOPE2016.pdf](#).

For the calculation of emissions of rubber activities, each activity data input is associated with emission factors extracted from the EC Standard Values, the Ecoinvent database, Biograce, the ISCC System Document or Phyllis 2.

**E1-6: AR 43 c: Biogenic emissions from the combustion or biodegradation of biomass not included in Scope 1 GHG emissions (tCO<sub>2</sub>eq)**

8 458 MT CO<sub>2</sub>e.

**E1-6: AR 43 c (1): Biogenic CO<sub>2</sub> emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions (tCO<sub>2</sub>)**

8 458 T.

**E1-6: AR 43 c (2): Biogenic CH<sub>4</sub> emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions (tCH<sub>4</sub>)**

0 T.

**E1-6: AR 43 c (3): Biogenic N<sub>2</sub>O emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions (tN<sub>2</sub>O)**

0 T.

**E1-6: AR 45 e: Biogenic emissions from the combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (tCO<sub>2</sub>eq)**

0 MT CO<sub>2</sub>e.

**E1-6: AR 45 e (1): Biogenic CO<sub>2</sub> emissions from the combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (tCO<sub>2</sub>)**

0 T.

**E1-6: AR 45 e (2): Biogenic CH<sub>4</sub> emissions from the combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (tCH<sub>4</sub>)**

0 T.

**E1-6: AR 45 e (3): Biogenic N<sub>2</sub>O emissions from the combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (tN<sub>2</sub>O)**

0 T.

**E1-6: AR 46 g (1): Percentage of GHG Scope 3 calculated using primary data**

18%.

**E1-6: AR 46 i (1): Disclosure of why Scope 3 GHG emissions category has been excluded**

The PalmGHG tool developed by the Roundtable on Sustainable Palm Oil (RSPO) follows a Life Cycle Assessment (LCA) approach. Similarly, the GHG calculator used for rubber activities is based on the GHG Protocol methodology "Product Lifecycle Accounting and Reporting Standard". These approaches do not detail all the Scope 3 categories as per the *GHG Protocol Corporate Standard*.

**E1-6: AR 46 i (2): List of Scope 3 GHG emissions categories included in inventory**

*To be added in 2025-2026.*

**E1-6: AR 46 h: Disclosure of reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions**

Reporting boundaries considered and calculation methods for estimating Scope 3 GHG emissions are disclosed in E1-MDR-M: 77 a.

**E1-6: 53 (1): GHG emissions intensity, location-based (total GHG emissions per net revenue)**

0.0011.

**E1-6: 53 (2): GHG emissions intensity, market-based (total GHG emissions per net revenue)**

N/A.

**E1-6: 55: Disclosure of reconciliation to financial statements of net revenue used for calculation of GHG emissions intensity**

Same revenue used; no reconciliation needed.

**E1-6: AR 55 (1): Net revenue**

591 382 950 EUR.

**E1-6: AR 55 (2): Net revenue used to calculate GHG intensity**

591 382 950 EUR.

**E1-6: AR 55 (3): Net revenue other than used to calculate GHG intensity**

0 EUR.

## [E1-7] GHG removals and GHG mitigation projects financed through carbon credits

### **E1-7: 58: Removals and carbon credits are used**

No.

### **E1-7: 58 (1): Disclosure of calculation assumptions, methodologies and frameworks applied by the undertaking**

Not relevant because no projects are financed via carbon credits.

### **E1-7: 58 a (1): The total amount of GHG removals and storage disaggregated by the undertaking's own operations and its upstream and downstream value chain, and broken down by removal activity**

Value chain stage	Removal activity	Total GHG removals and storage (T CO <sub>2</sub> e)
Own operations	/	0
Upstream	/	0
Downstream	/	0

### **E1-7: 58 a (2): Total GHG removals and storage**

0 MT CO<sub>2</sub>e.

### **E1-7: 58 b: Disclosure of calculation assumptions, methodologies and frameworks applied (GHG removals and storage)**

Not relevant because no projects are financed via carbon credits.

## [Entity-specific] R&D, yield and climate change monitoring

### **Research on plant material**

The Group invests in plant breeding to develop high-yielding, disease-resistant clones, reducing surface needed and chemical dependency and ensuring long-term productivity.

Oil palm: The intensification of oil palm production to obtain increased yields has been based on improved varieties (50%), better management (21%) and improved fertilization (29%). The selection of plant material in oil palm cultivation aims to obtain high-yielding seeds that are resistant to diseases. The Group's choice of planting material type needs is based on the means of production, the climatic conditions in our plantations and the existence or not of endemic diseases.

Rubber: The selection of plant material in rubber trees cultivation aims to obtain high-yielding clones that are resistant to leaf diseases, wind damage and tapping panel dryness issues. The choice of planting material for each plantation depends on local climatic conditions, the presence of endemic diseases and an optimal distribution of the 8 to 10 clones selected for the site.

### **Monitoring of wind behaviour**

Wind monitoring is conducted to assess storm damage risks, particularly in rubber trees plantations where strong winds can break branches and reduce tappable trees.

### **Monitoring of rainfall patterns and water deficit**

Rainfall data collection helps forecast seasonal water stress and adjust irrigation schedules accordingly. This is critical for both oil palm and rubber productivity.

Oil palm: Seasonal water deficit is probably the most important climatic factor affecting oil palm yield. When evapotranspiration exceeds rainfall, soil water content decreases and may reach a point at which the oil palm cannot extract water from the soil quickly enough for transpiration and gas exchange to continue at the potential rate. The oil palm will then start to suffer from water stress, and the "plant water potential" will decrease. This will have direct effects on dry matter production and it also affects future yield, through effects on bunch number.

Rubber: Frequent rainfall episodes reduce tapping days and thus yield and there is knowledge available about water stress thanks to studies on the adaptation to drier conditions in marginal areas, showing that drought can delay growth, prolonging the immature period.

### **Monitoring of sunshine**

Sunlight availability directly impacts photosynthesis and yield. Monitoring sunlight variations aids in identifying optimal planting densities and crop management strategies.

### **Monitoring of temperatures**

Temperature data are tracked to anticipate potential heat stress impacts. High temperatures reduce rubber latex flow, while extreme cold can slow oil palm growth.

Oil palm: High temperatures are favourable with as less as possible fluctuations. Temperatures below 18°C do not affect vegetative growth but reduce yield. Extremely high temperatures (> 38°C) are unfavourable due to stomata closure and high energy loss through respiration.

## ESRS E2 – Pollution

### [E2-MDR-M] Metrics in relation to material sustainability matters

#### **E2-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific E2 sections:

- Pollution of air, water and soil,
- Emissions to air by pollutant,
- Emissions to water by pollutant,
- Emissions to soil by pollutant,
- Total amount of substances of concern that are generated or used during production or that are procured, breakdown by main hazard classes of substances of concern,
- Total amount of substances of concern that are generated or used during production or that are procured

#### **E2-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

Please refer to section E2-4.

#### **E2-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

While the exact metrics are not validated by an external body, the systems in place to measure the metrics are usually verified by environmental government agencies, or in the case of oil palm sites, by RSPO auditors.

## [E2-1] Policies related to pollution

### **E2-MDR-P: 65 a: Description of key contents of policy**

The Group's Responsible Management Policy addresses the topic of pollution as follows:

- To reduce and prevent pollution impacting soil, air, and water as part of the Group's commitment to sustainable and responsible operations.
- To ensure that operational practices, from plantation management to processing activities, meet environmental performance standards.
- To contribute to local and global environmental preservation efforts while ensuring the company's long-term economic sustainability.
- To mitigate risks associated with pollution, such as legal liabilities, fines, reputational damage, and community health concerns, while leveraging opportunities for improved stakeholder trust and sustainable resource utilisation.

Key measures for pollution control:

- Water: Prevention of water pollution and management of wastewater treatment.
- Soil: Maintaining healthy soils, optimising fertiliser use, utilising agricultural waste as a soil amendment wherever possible, and preventing soil erosion and degradation.
- Air: Preventing air pollution, reducing greenhouse gas emissions, and minimising energy consumption through renewable energy adoption and efficient operations.
- Integrated practices: Prohibition of the use of fire in land management (except in phytosanitary emergencies) to prevent air, soil, and water pollution.

Potential impacts and risks relating to pollution are under ongoing monitoring. The Group is aware that pollution might impact both the environment and surrounding communities, so strict measures are in place to ensure this does not happen. These also ensure that any potential risks related to pollution, such as regulatory non-compliance or reputational risks, are avoided. Similarly, there are currently no active opportunities relating to pollution prevention since measures are already in place.

### **E2-MDR-P: 65 b: Description of scope of policy or of its exclusions**

Scope: The policy applies to all operations of the Socfin Group and its subsidiaries, including all the rubber factories, palm oil mills, and plantations that the Group owns, manages, or invests in, regardless of the level of its share. Comprehensive pollution management is expected from third-party suppliers and contractors, with specific support provided to smallholder suppliers for gradual policy alignment.

Phase-in: The policy acknowledges the complexity of supply chains, particularly in smallholder contexts, where implementation may be phased in with a prioritisation of risk mitigation actions based on assessment of social and environmental risks.

### **E2-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

Board-level accountability: The Board of Directors, represented by senior executives, holds ultimate responsibility for the policy's implementation.

Operational oversight: Day-to-day accountability is assigned to senior Managers within the Group's operations, ensuring adherence to specific targets related to pollution prevention in soil, air, and water management. The sustainability team at HQ collaborates with on-site Managers to implement initiatives and monitor compliance across regions.

**E2-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

International frameworks: The policy aligns with and incorporates principles from key global standards, including:

- Roundtable on Sustainable Palm Oil (RSPO) and Global Platform for Sustainable Natural Rubber (GPSNR): Certification frameworks emphasising environmental responsibility.
- High Conservation Value (HCV) Areas: Protection of biodiversity-rich areas, ensuring minimal ecological disruption.

**E2-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**  
**Stakeholder Groups Considered:**

Local communities: Pollution prevention measures prioritise the protection of water resources critical to community livelihoods and subsistence farming. Commitments to FPIC ensure communities' rights to reject projects that could harm their environment or health.

Smallholder suppliers: Training programmes are provided to smallholders to improve agricultural practices, minimise chemical use, and adopt soil-preserving methods.

Employees: Employees benefit from enhanced health and safety measures, including monitoring of air quality at processing facilities and plantations.

Regulators and NGOs: Engagement with government authorities and NGOs ensures alignment with local laws and strengthens the Group's ability to contribute to multi-stakeholder pollution mitigation initiatives.

Engagement mechanisms: Ongoing dialogue with local communities and NGOs to address water-related concerns. Implementation of grievance mechanisms for stakeholders to report issues related to water management.

**E2-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

Socfinaf's subsidiaries ensure that environmental policies covering soil, air, and water pollution are widely accessible to both internal and external stakeholders through various communication channels and engagement mechanisms.

Key methods include:

- Internal communication & training:
  - Policies are displayed on notice boards, company intranets, and in divisional offices.
  - Training programmes, toolbox talks, and policy inductions for employees and subcontractors ensure that those responsible for implementation understand their roles.



- External communication & accessibility:
  - Policies are made available through company websites, corporate dashboards, and on request.
  - Community engagement through meetings, sensitisation sessions, and radio broadcasts ensures that potentially affected stakeholders understand the policy and its implications.
  - Bipartite and tripartite community meetings serve as platforms for environmental discussions.
- Regulatory & third-party compliance:
  - External audits, RSPO certification (where applicable), and government reporting ensure compliance with local and international environmental standards

Through structured dissemination, training, and stakeholder engagement, Socfinaf's subsidiaries ensure that environmental policies are understood, accessible, and effectively implemented by both internal personnel and external stakeholders.

**E2-1: 15 a: Disclosure of whether and how policy addresses mitigating negative impacts related to pollution of air, water and soil**

- Air pollution:
  - The Group commits to preventing air pollution.
  - The Group commits to minimising greenhouse gas emissions by reducing fossil fuel consumption and increasing the use of renewable energy sources.
- Water pollution:
  - The Group commits to preventing water pollution.
  - Preventive measures include wastewater treatment systems that ensure water discharged from operations meets regulatory standards.
- Soil pollution:
  - The Group commits to maintaining healthy soils.
  - Sustainable agricultural practices are implemented, such as using agricultural waste as soil amendments and optimising fertiliser use.
- Integrated practices:
  - Prohibition of the use of fire in land management (except in phytosanitary emergencies), which may have effects on air, soil, and water pollution.
- Smallholder support:
  - Smallholders supplying Fresh Fruit Bunches (FFB) or natural rubber are trained in sustainable farming practices to minimise chemical runoff and soil degradation and avoid slash-and-burn land preparation.
  - Gradual implementation of pollution mitigation measures is prioritised based on environmental risk assessments for suppliers.

**E2-1: 15 b: Disclosure of whether and how policy addresses substituting and minimising use of substances of concern and phasing out substances of very high concern**

Optimal use of organic fertilisers from the factory process by-products limits the need for chemicals.

The sites succeed in reducing the use of phytosanitary products thanks to their "Integrated Pest Management" procedures.

The objective is to keep pests below a harmful level rather than systematically eradicate pests, and to create, improve and safeguard the habitats of their natural enemies (such as birdhouses and perches for birds of prey, so they can rest and easily fly around in search of rodents).

Socfinaf is committed to reducing the use of chemicals, including pesticides and inorganic fertilisers, to an absolute minimum. This minimal usage will decrease employee exposure and the risk of accidents or occupational illness.

In 2015, the use of aldicarb (class 1A) was stopped within the Group. As per our commitments, the use of paraquat has stopped on all plantations since 2020.

In line with our commitments, the use of dangerous chemicals is reduced to a strict minimum and only when taking into account all necessary precautions.

**E2-1: 15 c: Disclosure of whether and how policy addresses avoiding incidents and emergency situations, and if and when they occur, controlling and limiting their impact on people and environment**

Prevention measures and incident management:

1. Compliance with legal and international standards, such as RSPO and GPSNR, ensures robust planning to prevent environmental accidents – including pollution to water, air and soil. These standards further ensure that any environmental incidents are investigated, and corrective actions are implemented to prevent reoccurrence.
2. The prohibition of fire use in plantation development significantly reduces the risk of air pollution from uncontrolled fires.
3. Local grievance mechanisms provide communities with avenues to report concerns and incidents early for mitigation.

## [E2-2] Actions and resources related to pollution

### **E2-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

Socfinaf's subsidiaries have implemented various pollution mitigation actions focused on air, water, and soil quality management, aligning with environmental policies, regulatory requirements, and sustainability commitments.

#### 1. Air pollution management:

- Regular air quality monitoring & emission reduction:
  - Quarterly air monitoring to ensure compliance with environmental standards.
  - Preventive maintenance of equipment and compliance with emission standards.
  - Use of hydroelectric power at LAC to reduce reliance on fossil fuels and minimise emissions.
  - Installation of biomass boilers to optimise combustion and minimise air pollution.
  - Implementation of a zero-burning policy in replanting to prevent air pollution.

#### 2. Water pollution prevention & sustainable water management:

- Water quality monitoring & effluent treatment:
  - Regular testing of surface water, wastewater, and groundwater to meet national and international standards.
  - Use of effluent treatment lagoons to ensure that the water discharged into the environment complies with regulatory limits.
- Erosion & sediment control measures:
  - Creation of sediment traps and planting of cover crops to minimise runoff and soil erosion.
  - Reforestation of riparian zones to protect water bodies from contamination.

#### 3. Soil quality & sustainable land management:

- Soil fertility management & agrochemical reduction:
  - Implementation of a fertiliser application plan based on soil and foliar tests.
  - Use of organic materials (pruned leaves, empty fruit bunches) for soil enrichment.
  - Implementation of a no-burning policy in replanting to preserve soil integrity.
- Compliance with Sustainable Agriculture Standards
  - Strict compliance with RSPO guidelines and national soil protection policies.

#### 4. Waste management & pollution reduction:

- Hazardous waste disposal & recycling:
  - Treatment and disposal of process wastewater before release into the environment.
  - Waste collection, treatment, and disposal through certified dealers.

#### 5. Regulatory compliance & sustainability certification:

- Alignment with national & international environmental standards:

- Compliance with RSPO, EUDR, and EPA environmental policies through regular audits and monitoring.
- Engagement with regulatory bodies for compliance on waste, water, and air pollution management.
- Implementation of emergency procedures for pollution control to meet safety regulations.

**E2-MDR-A: 68 b: Description of scope of key action**

Pollution management initiatives cover all palm oil and rubber operations of Socfinaf including processing mills and factories and plantations.

Local communities, regulatory agencies, and environmental authorities are the key potentially affected stakeholder groups.

**E2-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Key action name	Time horizon to complete this action
Regular water (surface water, wastewater, and drinking water), air, and noise quality assessment	Short-term
Smoke and noise analysis	Short-term
Study of lagooning basins with a view to reducing phosphorus and nitrogen levels above standard	Short-term
Air quality testing	Short-term
Bi-annual effluent analysis	Short-term
Destruction of hazardous waste by approved service providers	Short-term
Sorting and rational disposal of household waste	Short-term

**E2-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

SCC is conducting a study of the lagoon basins with a view to reducing phosphorus and nitrogen levels as these are above standard.

**E2-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

Key financial allocations include:

- Operational Expenditures (OpEx):
  - Environmental monitoring and compliance costs, including air, noise, and water quality analysis.
  - Hazard studies and environmental impact assessments (EIA).
  - Road maintenance and erosion control to prevent environmental degradation.
  - HCV monitoring and conservation efforts.
- Capital Expenditures (CapEx):

- Infrastructure investments such as lagoon maintenance and waste incineration facilities to enhance pollution control.
- Purchase of laboratory equipment for lagoon analysis.
- General sustainability budgets:
  - Annual sustainability budgets for environmental, health, and safety initiatives.

Socfinaf's subsidiaries ensure pollution control investments cover compliance monitoring, infrastructure upgrades, and sustainability commitments, with funds coming from internal budgets and operational planning.

**E2-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

Please refer to paragraphs 69 b (1) and (2), and 69 and c (1) and (2) below.

**E2-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

394 629 EUR.

**E2-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

1 287 328 EUR.

**E2-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

175 785 EUR.

**E2-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

1 025 012 EUR.

**E2-2: AR 13: Action related to pollution extends to upstream/downstream value chain engagements**

Socfinaf's subsidiaries generally focus on pollution management within their own concessions, but some extend efforts upstream to smallholders and communities.

Key approaches include:

- Training & awareness for smallholders:
  - Training on environmental protection and pesticide management to smallholders.
  - Smallholders' sensitisation to use only approved pesticides and ban the use of substances prohibited in agriculture.
- Waste & pollution prevention in supply chain:
  - Promote transport for smallholders, offering well-maintained company vehicles to reduce air pollution from poorly maintained personal trucks.
  - Engage with smallholders to prevent water pollution, addressing issues such as dropping rubber cup lumps in rivers to increase weight. Provide hand pumps for safe drinking water.
- Monitoring & compliance checks:
  - Conduct regular inspections of small-scale growers and contract workers to ensure compliance with pollution prevention measures.

Overall, Socfinaf's subsidiaries actively engage smallholders and communities in pollution control, with a focus on training, responsible chemical use, transport improvements, and waste management.

## [E2-3] Targets related to pollution

### **E2-MDR-T: 81 a (2): Description of reasons why there are no plans to set measurable outcome-oriented targets**

The Group has implemented a robust pollution management framework through its Responsible Management Policy, which includes specific measures for preventing and controlling pollution of soil, air, and water. These measures focus on compliance with international and local standards, emphasising process-oriented management rather than outcome-oriented targets.

However, the Group is committed to continue improving its data collection systems and monitoring capabilities to enable the setting of measurable pollution-related targets in the future.

### **E2-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

### **E2-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

The Company tracks the effectiveness of its policies and actions related to water, air, and soil pollution through several channels:

Environmental licenses: All companies require an environmental license to operate. Environmental licenses are provided by the government, subject to an inspection, which includes adherence to environmental laws on pollution.

RSPO audits: All oil palm operations are subject to yearly RSPO audits by independent auditing bodies. These audits verify the adherence of each company to the RSPO standards, which include controlling water, air, and soil pollution.

Internal GPSNR verifications: The Group internally verifies its rubber operations in adherence to the GPSNR framework, which includes controlling water, air, and soil pollution.

Earthworm Foundation monitoring: The Group's partner Earthworm Foundation (EF) visits operations to monitor the implementation of the Group's Responsible Management Policy. Actions are implemented following the recommendations provided by EF. These actions are further followed up during consequent visits. On-site visits are done on a priority basis.

### **E2-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

The Group's Responsible Management Policy outlines a clear ambition to minimise and prevent pollution of air, water, and soil, as part of its broader commitment to environmental stewardship. The ambition is grounded in adherence to national laws and international standards. Progress is evaluated by each operation using a combination of quantitative indicators (e.g., water quality tests, air quality tests and soil analysis) and qualitative indicators (e.g., compliance with international standards). These indicators

support transparent reporting and continuous improvement, aligning with both corporate sustainability goals and stakeholder expectations.

**E2-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

*To be determined.*



## [E2-4] Pollution of air, water and soil – general

### E2-4: 28 a: The amounts of each pollutant emitted to air, water and soil

There is no analysis for Camseeds as it does not have a factory, it supplies Socapalm.

The data indicated are the average of the analysis done during the year.

Air pollution (analysis of smoke emitted by factories' chimneys)				
mg/m <sup>3</sup>	SO <sub>2</sub>	NO <sub>2</sub>	PM10 (dust)	PM10 (ambient air)
SAC	0	0	0.59	N/A
LAC	N/A	N/A	N/A	N/A
SOGB	10.98	3.89	0.16	0.23
SCC	0	64.83	21.00	N/A
PSG	34.97	29.42	N/A	33.34
Okomu	10.00	10.00	N/A	N/A
Safacam	N/A	N/A	N/A	N/A
Socapalm - DG	N/A	N/A	N/A	N/A
Socapalm - Dibombari	1.00	10.50	N/A	10.62
Socapalm - Edéa	0.00	21.00	N/A	N/A
Socapalm - Eséka	73.50	15.50	N/A	7.31
Socapalm - Kienké	2.00	12.00	N/A	N/A
Socapalm - Mbambou	1.00	13.50	N/A	N/A
Socapalm - Mbongo	1.50	12.00	41.50	N/A
Brabanta	N/A	N/A	N/A	N/A
Agripalma	52.50	17.31	441.00	0.32

Water pollution								
mg/l	Palm oil mill liquid effluents (inside lagoon)		Palm oil mill liquid effluents (outflow from lagoon)		Rubber factory liquid effluents (inside lagoon)		Rubber factory liquid effluents (outflow from lagoon)	
	Total phosphorus	Total nitrogen	Total phosphorus	Total nitrogen	Total phosphorus	Total nitrogen	Total phosphorus	Total nitrogen
SAC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LAC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SOGB	43.42	230.50	40.43	278.08	34.64	41.93	21.64	27.71
SCC	N/A	N/A	N/A	N/A	174.40	220.50	173.90	177.00
PSG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Okomu	3.17	5.05	3.15	2.84	1.75	1.83	1.34	0.93
Safacam	N/A	38.71	N/A	11.61	N/A	2.83	N/A	5.07
Socapalm - DG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Socapalm - Dibombari	N/A	N/A	N/A	4.23	N/A	N/A	N/A	N/A
Socapalm - Edéa	N/A	20.87	N/A	11.59	N/A	N/A	N/A	N/A
Socapalm - Eséka	N/A	134.00	N/A	12.83	N/A	N/A	N/A	N/A
Socapalm - Kienké	N/A	N/A	N/A	15.06	N/A	N/A	N/A	N/A
Socapalm - Mbambo	N/A	14.00	N/A	1.72	N/A	N/A	N/A	N/A
Socapalm - Mbongo	N/A	N/A	N/A	10.25	N/A	N/A	N/A	N/A
Brabanta	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Agripalma	0.56	N/A	0.00	N/A	N/A	N/A	N/A	N/A

Soil pollution		
mg/l	Copper	Chloride
SAC	N/A	N/A
LAC	N/A	N/A
SOGB	N/A	N/A
SCC	N/A	N/A
PSG	N/A	N/A
Okomu	N/A	N/A
Safacam	N/A	N/A
Socapalm - DG	N/A	N/A
Socapalm - Dibombari	N/A	N/A
Socapalm - Edéa	N/A	N/A
Socapalm - Eséka	N/A	N/A
Socapalm - Kienké	N/A	N/A
Socapalm - Mbambou	N/A	N/A
Socapalm - Mbongo	8.00	0.50
Brabanta	N/A	N/A
Agripalma	N/A	0.54

N/A means that no analysis has been done regarding those elements.

#### **E2-4: 30 a: Description of changes over time (pollution of air, water and soil)**

N/A.

#### **E2-4: 30 b: Description of measurement methodologies (pollution of air, water and soil)**

Socfinaf's subsidiaries use a combination of internal and external laboratories, certified testing methods, and international standards to monitor air, water, and soil pollution.

Key measurement methodologies include (these vary per site):

- Water quality monitoring:
  - Regular sampling and laboratory analysis for Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), total suspended solids (TSS), pH, nitrates, phosphates, heavy metals, and coliform bacteria.
  - Monitoring conducted quarterly, bi-annually, or annually, depending on the site
  - Use of internationally recognised testing methods such as ISO 7887, EPA 1664, and APHA 5210 (PSG, Agripalma).
- Air quality monitoring:
  - Measurement of PM2.5, PM10, CO, NO<sub>2</sub>, SO<sub>2</sub>, Volatile Organic Compounds (VOCs), and Total Suspended Particles (TSP).
  - Air quality monitored using specialised equipment such as gas analysers, spectrophotometers, and multi-gas monitors.
  - Compliance with WHO air quality guidelines for pollution threshold limits.

- Soil quality testing:
  - Annual soil sampling to assess pH, organic matter, nitrogen, phosphorus, Cation Exchange Capacity (CEC), and pesticide residues.
  - External laboratories conduct soil testing to ensure compliance with environmental and agricultural standards (SOGB, SAC, PSG).
- Compliance & external oversight:
  - ISO, EPA, FAO, and WHO standards are used to compare pollution levels and ensure compliance.
  - Independent third-party audits and RSPO certification audits validate testing results.
  - Government agencies conduct periodic and unannounced audits (SCC reports data to CIAPOL every six months).

Overall, Socfinaf subsidiaries use robust, internationally recognised methodologies to measure and track air, water, and soil pollution, ensuring compliance with regulatory and environmental standards.

#### **E2-4: 30 c: Description of process(es) to collect data for pollution-related accounting and reporting**

Regarding the analysis of air, soil and water: The data is collected by subsidiaries through the HSE reporting according to a specific list of KPIs. The HSE reporting is sent to the Sustainability Department of the Socfin Group for review and validation. Analyses are done internally but also through laboratories accredited by the government. The results are available in reports at the Sustainability Department of each plantation.

## [E2-5] Substances of concern and substances of very high concern

**E2-5: 34 (1.1): Total amount of substances of concern - breakdown by main hazard classes;**

**E2-5: 34 (1.2): Total amount of substances of very high concern - breakdown by main hazard classes;**

**E2-5: 34 (2): Total amount of substances of concern that are generated or used during production or that are procured, breakdown by main hazard classes of substances of concern**

No substances of very high concern are used or produced in any way in the Group's activities. The table on the next page therefore summarises the amounts of substances of concern that were used in 2024 across Socfinaf's operations.

The breakdown is done by substance (unit: kg A.I.), but for each substance the hazard classes are detailed.

Note: No substances of concern were used at Agripalma (organic production), nor at SCC (only operates a rubber factory).

Classification	Active Ingredient*	CAS_Number	Hazard classes	SOCFINAF	SAC	LAC	SOGB	PSG	Okomu	Safacam	Socapalm	Camseeds	Brabantia
Fungicide	Carbendazim	10605-21-7	Aqua chro 1 Repr. 1b Muta 1b	94			94						
Herbicide	Glyphosate	1071-83-6	Aqua chro 2	44 087	5 252	2 183	4 944	3 161	10 476	3 254	13 758	202	858
Fungicide	Maneb	12427-38-2	Skin sen 1	276						148	123	5	
Fungicide	Azoxystrobin	131860-33-8	Aqua chro 1	62		14	48						
Fungicide	Folpet	133-07-3	Carc. 2 Skin sens 1	3 663		997	1 326		1 340				
Growth Regulator	Ethephon	16672-87-0	Aqua chro 3	5 934		1 416	2 709	142	711	690	268		
Fungicide	Chlorothalonil	1897-45-6	Carc. 2 Skin sen 1 Aqua chro 1	516			516						
Insecticide	Chlorpyrifos-ethyl	2921-88-2	Aqua chro 1	61		61							
Insecticide	Thiocyclam	31895-22-4	Aqua chro 1	604	25			80	55		424	20	
Insecticide	Profenofos	41198-08-7	Aqua chro 1	7			7						
Insecticide	Cypermethrin	52315-07-8	Aqua chro 1	117		8	1		4	7	67	30	
Insecticide	Deltamethrin	52918-63-5	Aqua chro 1	12	2		1			0	9	1	
Fungicide	Propiconazole	60207-90-1	Skin sens 1 Aqua chro 1	1			1						
Insecticide	Alpha-cypermethrin	67375-30-8	Aqua chro 1 STOT RE 2	11							11		
Herbicide	Fluroxypyr	69377-81-7	Aqua chro 3	322			7		84		82		148
Herbicide	Metsulfuron-methyl	74223-64-6	Aqua chro 1	1 079	15		175		802	8	75		4
Fungicide	Mancozeb	8018-01-7	Skin sen 1	2 437		249	856	12	740	372	188	21	
Insecticide	Lambda-cyhalothrin	91465-08-6	Aqua chro 1	20		0	0	8	11				
Fungicide	Cyproconazole	94361-06-5	Repr. 2 Aqua chor 1	30							26	5	
Herbicide	2,4-D	94-75-7	Aqua chro 3 Skin sen 1	17 550			1 241		1 814	3 038	8 902	158	2 396
<b>SOCFINAF:</b>				<b>76 884</b>	5 293	4 928	11 925	3 402	16 036	7 518	23 933	441	3 407

## ESRS E3 – Water and marine resources

### [E3-MDR-M] Metrics in relation to material sustainability matters

#### **E3-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific E3 sections:

- Total water consumption,
- Share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates,
- Water intensity ratio.

#### **E3-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

Water use is measured using water meters installed at the entry of the palm oil milling or rubber processing process. Meters are monitored multiple times a day.

#### **E3-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

While the exact metrics are not validated by an external body, the systems in place to measure the metrics are verified by RSPO audits for palm oil mills and ISO 9001 audits for rubber factories.

## [E3-1] Policies related to water and marine resources

### **E3-MDR-P: 65 a: Description of key contents of policy**

**Note:** The Group's operations, focusing on oil palm and rubber plantations and processing, do not have significant impacts on marine resources. Therefore, the disclosure emphasises water resource management relevant to the Company's operations.

The Group's Responsible Management Policy addresses the topic of water resources as follows:

- To ensure the sustainable use, conservation, and protection of water resources in all operations and along the value chain.
- To prevent water pollution.
- To ensure that wastewater from operations is treated before discharge.
- To minimise the water quantity used through best-in-class performance for water use intensity in our operations.

Potential impacts and risks relating to water resources are under ongoing monitoring. The Group is aware that water is an important resource, and measures are in place to minimise its consumption and manage water withdrawals in a responsible and efficient way. These also ensure that any potential risks related to water resources, such as regulatory non-compliance or reputational risks, are avoided. Similarly, there are currently no active opportunities relating to water resources since measures are already in place.

### **E3-MDR-P: 65 b: Description of scope of policy or of its exclusions**

Scope: The policy applies to all operations of the Socfin Group and those of its subsidiaries, including all the factories, palm oil mills, and plantations that the Group owns, manages, or in which it invests, regardless of the level of its share. Covers water use, wastewater discharges, and protection of water resources within its operations and for stakeholders affected by its operations.

Phase-in: The policy acknowledges the complexity of supply chains, particularly in smallholder contexts, where implementation may be phased in with a prioritisation of the risk mitigation actions based on assessment of social and environmental risks.

Exclusions: The policy does not address marine resource management, as the Group's operations are land-based and have no direct or indirect impact on marine environments.

### **E3-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

Board-level accountability: The Board of Directors, represented by senior executives, holds ultimate responsibility for overseeing the policy.

Operational oversight: Day-to-day accountability is assigned to senior managers within the Group's operations, ensuring adherence to specific targets related to pollution prevention in soil, air, and water management. The sustainability team at HQ collaborates with on-site managers to implement initiatives and monitor compliance across regions.



**E3-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

International frameworks:

- The policy aligns with and incorporates principles from key global standards, including:
  - UN Guiding Principles on Business and Human Rights: Ensuring that pollution control respects human rights, especially in vulnerable communities.
  - Roundtable on Sustainable Palm Oil (RSPO) and Global Platform for Sustainable Natural Rubber (GPSNR): Certification frameworks emphasising environmental responsibility.
  - High Conservation Value (HCV) areas: Protection of biodiversity-rich areas, ensuring minimal ecological disruption.

**E3-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

Local communities:

- Water conservation measures ensure sustainable access to downstream water resources for drinking, farming, and domestic use.
- Commitments to FPIC ensure communities' rights to reject projects that could harm their environment or health.

Smallholder suppliers:

- Training programmes for suppliers to implement water-efficient practices and prevent chemical runoff into local water bodies.

Employees:

- Awareness and training programmes on water conservation and pollution prevention practices.

Government and regulators:

- Active collaboration with regulatory bodies to ensure compliance with water use and effluent discharge standards.

Engagement mechanisms:

- Ongoing dialogue with local communities and NGOs to address water-related concerns; implementation of grievance mechanisms for stakeholders to report issues related to water management.

**E3-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

Socfinaf's subsidiaries ensure that water resource policies are accessible to employees, local communities, suppliers, and external stakeholders through various communication and engagement mechanisms.

Key dissemination methods include:

- Internal communication & employee training:
  - Policies are displayed on notice boards, company intranets, and in divisional offices.
  - Training sessions, toolbox talks, and inductions for employees, contractors, and field teams ensure that those responsible for implementation understand their roles.

- Quarterly awareness programmes and meetings to reinforce water management policies.
- External communication & stakeholder engagement:
  - Policies are shared during community meetings, sensitisation sessions, and bipartite/tripartite platforms with local communities.
  - Local authorities and government agencies receive copies of the policies and compliance reports.
- Compliance & external oversight:
  - RSPO audits ensure compliance with stakeholder communication requirements.
  - Subsidiaries undergo periodic audits from government authorities.

Through structured dissemination, training, and regulatory compliance, Socfinaf subsidiaries ensure that water resource policies are understood, accessible, and implemented effectively by relevant stakeholders.

### **E3-1: 12 a: Disclosure of whether and how policy addresses water management**

The Group's Responsible Management Policy explicitly addresses water management as a core element of its sustainability strategy. The policy is designed to ensure the efficient use, protection, and conservation of water resources across its operations, focusing on both direct and indirect impacts along the value chain. Marine resources are not addressed as they are not relevant to the Group's land-based operations.

### **E3-1: 12 a i: Disclosure of whether and how policy addresses the use and sourcing of water and marine resources in own operations**

The Group's Responsible Management Policy emphasises efficient water use and sourcing across its operations by committing to minimise water quantity use through best-in class performance for water use intensity. These measures ensure responsible water consumption, align with sustainability goals, and reduce the environmental impact of its operations.

### **E3-1: 12 a ii: Disclosure of whether and how policy addresses water treatment**

The Group's Responsible Management Policy emphasises efficient water treatment across its operations by committing to treat all its wastewater to be aligned with national standards. These measures ensure responsible wastewater discharge, align with sustainability goals, and reduce the environmental impact of its operations.

### **E3-1: 12 a iii: Disclosure of whether and how policy addresses prevention and abatement of water pollution**

The Group's Responsible Management Policy emphasises to the prevention and reduction of water pollution across its operations by committing to prevent water pollution as a result of its activities. These measures ensure responsible wastewater discharge, align with sustainability goals, and reduce the environmental impact of its operations.

### **E3-1: 12 b: Disclosure of whether and how policy addresses product and service design in view of addressing water-related issues and preservation of marine resources**

The Group's Responsible Management Policy incorporate measures to ensure that product and service design minimises water-related impacts across its operations and supply chain, with a focus on preserving water quality, reducing water use, and maintaining ecosystem health.

Minimising water usage in processing:

- The Group's policies mandate the adoption of best-in-class water use performance at palm oil mills and rubber factories to reduce freshwater dependency.

Wastewater management in production:

- Wastewater generated during processing is treated to meet or exceed regulatory discharge standards before being released back into the environment. This minimises pollution and safeguards local water bodies.
- Treated wastewater is sometimes reused for irrigation or as part of nutrient recycling, aligning with circular economy principles.

**E3-1: 12 c: Disclosure of whether and how policy addresses commitment to reduce material water consumption in areas at water risk**

None of the operations of Socfinaf are within areas at water risk. However, the Group's Responsible Management Policy explicitly address the reduction of material water consumption by committing to protect water use quantity through best-in-class performance for water use intensity in its operations.

**E3-1: 14: Policies or practices related to sustainable oceans and seas have been adopted**

No.

**E3-1: AR 18 a: The policy contributes to good ecological and chemical quality of surface water bodies and good chemical quality and quantity of groundwater bodies, in order to protect human health, water supply, natural ecosystems and biodiversity, the good environmental status of marine waters and the protection of the resource base upon which marine related activities depend**

The Group's Responsible Management Policy actively contributes to maintaining the good ecological and chemical quality of surface and groundwater bodies through the following measures:

- **Protection of surface and groundwater quality and quantity:**
  - The Group ensures that all wastewater from its processing facilities is treated before discharge to meet or exceed local and international standards for water quality.
  - Chemical runoff is minimised by adopting best management practices such as applying riparian buffer zones and optimising fertiliser use, reducing the risk of contamination to surface and groundwater bodies.
  - Best-in-class water use intensity practices limit over-extraction of water sources, ensuring sustainable availability for local ecosystems and community water supply.
  - Soil management practices, such as erosion prevention and the prohibition of harmful agrochemicals, further safeguard groundwater from leaching pollutants.
- **Support for ecosystem and biodiversity health:**
  - The company's measures to protect High Conservation Value (HCV) areas and maintain riparian zones help preserve natural ecosystems and biodiversity reliant on clean water sources.
- **Community health and water supply:**
  - The Group's commitment to protecting shared water resources ensures the sustainability of community water supplies for drinking, irrigation, and domestic use, aligning with broader goals of safeguarding human health.

- **Exclusion of marine activities:**

- While marine waters are not impacted by the Group's land-based operations, the company's strict pollution prevention measures indirectly support broader environmental objectives by minimising downstream water contamination risks.

**E3-1: AR 18 b: The policy minimise material impacts and risks and implement mitigation measures that aim to maintain the value and functionality of priority services and to increase resource efficiency on own operations**

The Group's Responsible Management Policy outlines several measures to minimise material impacts and risks related to water resources and to implement mitigation actions aimed at maintaining the value and functionality of priority water services while increasing resource efficiency:

Mitigation of material impacts:

- Water pollution control:
  - The Group implements advanced wastewater treatment systems to ensure all discharged water meets ecological and regulatory standards, preventing contamination of local water sources.
  - Adoption of sustainable fertiliser practices minimises chemical runoff, protecting the value and functionality of surface and groundwater resources.
- Conservation of water quantity:
  - By adopting best-in-class performance for water use intensity, the Group reduces freshwater withdrawals, ensuring sustainable availability for its operations and surrounding ecosystems.

Risk management:

- Operational risks:
  - Sustainable water sourcing practices mitigate risks of resource depletion, ensuring operational continuity.
  - Community and Ecosystem Risks: Measures to protect riparian zones and High Conservation Value (HCV) areas help preserve ecosystem services and biodiversity that rely on clean water.
  - Collaboration with local stakeholders ensures shared water resources are managed sustainably to prevent conflicts and depletion.

Increasing resource efficiency:

- The company actively monitors water use intensity (e.g., cubic meters per tonne of processed product) and implements efficiency measures to reduce water consumption across its operations.

**E3-1: AR 18 c: The policy avoid impacts on affected communities**

The Group's Responsible Management Policy prioritises the avoidance of negative impacts on communities affected by its operations, specifically in the context of water resource management. The key measures include:

#### Protection of shared water resources and ecosystem services:

- Sustainable sourcing:
  - The Group ensures responsible water extraction practices to avoid overuse of local water sources, ensuring that sufficient water remains available for community needs such as drinking, domestic use, and irrigation.
- Wastewater treatment:
  - Wastewater treatment systems are employed to meet national requirements and prevent contamination of water sources relied upon by surrounding communities.
- Protecting ecosystem services:
  - By preserving High Conservation Value (HCV) areas and maintaining riparian buffer zones, the Group helps sustain ecosystem services, such as clean water supply and liveable water for aquatic biodiversity, that are critical to community livelihoods.

#### Community engagement and collaboration:

- Transparent dialogue:
  - The Group maintains transparent dialogue with affected communities, ensuring that their concerns about water use and quality are addressed proactively.
- Grievance mechanisms:
  - Local-level grievance procedures are in place to allow communities to report and resolve water-related issues in a timely and transparent manner.

Through these measures, the Group actively works to avoid adverse impacts on communities, ensuring sustainable coexistence and contributing to local development while safeguarding shared water resources.

#### **E3-MDR-P: 62 (1): Disclosure of reasons for not having adopted policies**

The Group's operations, focusing on oil palms and rubber trees plantations and processing, do not have material impacts on marine resources. Therefore, no policies have been adopted concerning this topic, and instead only focus on water resources that are relevant for the Group's activities.

## [E3-2] Actions and resources related to water and marine resources

### **E3-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

Socfinaf subsidiaries have implemented water conservation, pollution control, and compliance measures across plantations, processing mills, and local communities to enhance water quality, optimise consumption, and ensure regulatory compliance.

Key actions include:

- Water quality monitoring & compliance:
  - Regular water testing for surface water, boreholes, and wastewater treatment ponds to ensure compliance with national regulations.
  - Effluent treatment to prevent contamination of surrounding water bodies.
  - Monitoring of industrial water consumption and wastewater discharge to maintain sustainability standards.
- Riparian zone restoration & water conservation:
  - Restoration of riparian areas planted with oil palms to improve biodiversity, carbon storage, water quality and prevent pollution runoff.
  - Water recycling in processing plants to optimise water use (Okomu).
- Infrastructure & operational enhancements:
  - Upgrading wastewater treatment ponds to improve effluent discharge standards.
- Regulatory compliance & sustainability certification:
  - Monitoring and reducing phosphorus and nitrogen levels in wastewater treatment systems to meet environmental standards (SCC).
  - Ensuring compliance with Environmental Impact Assessment (EIA) and Water Use Permit (WUP).

Through regular water monitoring, riparian restoration, wastewater treatment, and regulatory compliance, Socfinaf subsidiaries actively manage water resources to support sustainable agriculture and environmental protection.

### **E3-MDR-A: 68 b: Description of scope of key action**

Water management initiatives cover all palm oil and rubber operations of Socfinaf, including processing palm oil mills and rubber factories, plantations and housing estates.

Local communities, regulatory agencies, and environmental authorities are the key affected stakeholder groups.

**E3-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Key action name	Time horizon to complete this action
Restore riparian areas	Long-term
Study of lagooning basins with a view to reducing phosphorus and nitrogen levels above standard	Medium-term
Water consumption	Short-term
Waste Water Treatment optimisation	Short-term
Bi-annually Groundwater analysis	Short-term
Regular monitoring of water quality (ground and surface water)	Short-term

**E3-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

SCC is conducting a study of the lagoon basins with a view to reducing phosphorus and nitrogen levels.

All sites are restoring riparian areas planted with oil palms when needed, according to the recommendations of the RSPO best management practices.

**E3-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

Socfinaf's subsidiaries allocate financial resources to water conservation, compliance monitoring, and infrastructure improvements, with funding primarily from internal budgets.

Key financial allocations include:

- Operational Expenditures (OpEx):
  - Riparian restoration and HCV studies with subsequent monitoring to maintain and protect water ecosystems.
  - Regular water analysis and environmental compliance monitoring (EIA) to ensure adherence to legal and sustainability standards.
  - Water Use Permits and hazard studies to comply with environmental regulations.
- Capital Expenditures (CapEx):
  - Lagoon maintenance and fertigation trial costs to enhance water conservation and wastewater treatment (SAC).
  - Installation of monitoring wells to track water quality and detect contamination (Okomu).
- General sustainability budgets:
  - Annual sustainability budgets covering water-related HSE and compliance activities.

Socfinaf subsidiaries prioritise self-funded investments in water conservation, regulatory compliance, and ecosystem protection, ensuring responsible water use across operations.

**E3-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

Please refer to paragraphs 69 b (1) and (2), and 69 c (1) and (2) below.

**E3-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

173 284 EUR.

**E3-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

437 453 EUR.

**E3-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

377 537 EUR.

**E3-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

192 873 EUR.

**E3-2: 19: Disclosure of actions and resources in relation to areas at water risk**

None of the operations of Socfinaf are within areas at water risk. Nevertheless, the Group recognises the importance of addressing water use in its operations, where water availability and quality are critical for both operational needs and community well-being. The company has implemented a range of actions and allocated significant resources to mitigate water-related risks.

Actions taken:

- Water use efficiency:
  - The Group protects water quantity use through best-in-class performance for water use intensity in its operations.
  - Water consumption is monitored daily at Socfinaf's factories.
- Pollution prevention:
  - Wastewater treatment: Treatment systems ensure that water discharged from palm oil mills and processing facilities meets local and international environmental standards.
  - Agrochemical management: Integrated pest management (IPM) and the reduction of chemical fertilisers and pesticides minimise contamination risks to local water bodies.
  - Buffer zones: The Group maintains and restores natural vegetation along rivers and water bodies within its concessions to protect water quality and regulate flow.
- Community engagement:
  - Community engagement and collaboration: The Group maintains transparent dialogue with affected communities, ensuring that their concerns about water use and quality are addressed proactively.
  - Grievance mechanisms: Local-level grievance procedures are in place to allow communities to report and resolve water-related issues in a timely and transparent manner.

Monitoring and review:

- Key Performance Indicators (KPIs):
  - Water use intensity (e.g., cubic meters per tonne of production).
  - Compliance with water discharge quality standards.

Results and Impacts:



- Efficient water use:
  - Enhanced water efficiency and reduced freshwater dependency.
- Enhanced water quality:
  - Strict pollution controls and riparian protection measures have led to better water quality outcomes for both operational needs and local ecosystems.
- Community benefits:
  - Shared water resource initiatives have improved community relations and ensured equitable access to water.

## [E3-3] Targets related to water and marine resources

### **E3-ESRS 2: 72: Whether targets have been set and if not, reasons for not having adopted targets**

Outcome-oriented targets relating to water have not been adopted because the main focus of water-related reporting is to maintain an ongoing monitoring. Annual targets therefore exist, but these are updated each year for control purposes, to ensure that e.g., water consumption levels are never above a given threshold. This ongoing monitoring being the baseline, there is currently no need for outcome-oriented targets.

### **E3-3: 25: Adopted and presented water and marine resources-related target is mandatory (based on legislation)**

Voluntary.

### **E3-MDR-T: 81 a (2): Description of reasons why there are no plans to set measurable outcome-oriented targets**

#### 1. Existing water management framework

- Comprehensive policy in place:
  - The Group has implemented a robust water management framework as part of its Responsible Management Policy, which emphasises sustainable water use, pollution prevention, and protection of water resources.
  - The framework focuses on process-oriented actions, such as efficient irrigation systems, wastewater treatment, and riparian zone protection, rather than outcome-specific targets.
- Alignment with third-party standards:
  - The Group adheres to international certification frameworks, such as RSPO and GPSNR, which require sustainable water management but do not mandate standalone, measurable targets.

#### 2. Reasons for no current plans

- Not identified as priority material topic:
  - The Company prioritises targets for priority material topics such as biodiversity and ecosystem services.
- Regulatory compliance:
  - The Group ensures full compliance with all local and international water regulations, which adequately mitigate risks and ensure sustainable water use.

### **E3-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

**E3-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

The Company tracks the effectiveness of its policies and actions related to water management through several channels:

- All oil palm operations are subject to yearly RSPO audits by independent auditing bodies. The audits verify the adherence of each company to the RPSO standards, which includes monitoring water use efficiency, wastewater discharge measurements, water quality and protecting water catchments from the potential negative impacts caused by its operations.
- Socfinaf internally verifies its rubber operations in adherence to the GPSNR framework, which includes monitoring water use efficiency, wastewater discharge measurements, water quality and protecting water catchments from the potential negative impacts caused by its operations.
- All Socfinaf companies have conducted an HCV assessment, which has outlined actions to protect all ecosystem services, including water catchments.
- The Group's partner, the Earthworm Foundation (EF), visits its operations to monitor the implementation of its policy. Actions are implemented following the recommendations provided by EF. These actions are further followed up during consequent visits. On-site visits are done on a priority basis.

**E3-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

The Group's Responsible Management Policy outlines a clear ambition to sustainably manage its water resources, as part of its broader commitment to environmental stewardship. The ambition is grounded in adherence to national laws and international standards. Progress is evaluated by each operation using a combination of quantitative indicators (e.g., water quality tests, water use intensity measurement) and qualitative indicators (e.g., compliance with national laws and international standards). These indicators support transparent reporting and continuous improvement, aligning with both corporate sustainability goals and stakeholder expectations.

**E3-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

2025.

## [E3-4] Water consumption

### E3-4: 28 a: Total water consumption

4 846 592 cubic meters (m<sup>3</sup>).

### E3-4: 28 e (1): Disclosure of contextual information regarding water consumption

Water is a valuable asset, and we see to minimising water consumption, maintaining water purity, and safeguarding water sources.

Water consumption is equally monitored at factory level, where appropriate action is taken to keep water consumption at its lowest level. Water use per ton of processed FFB is stable and in line with industry standards (Africa: 1.16 m<sup>3</sup>/T of processed FFB). The manufacturing processes (steaming) offer only limited possibilities for water consumption reduction per ton of FFB.

Water consumption per ton of dry rubber is also stable and consistent with the target set: below 20 m<sup>3</sup>/T. Water is used for cleaning the cup lumps; a step that is required to meet the clients' quality standards.

Irrigation needs in the nurseries are closely monitored and based on rainfall data; only the water millimetres needed by the plants are applied. Drip irrigation is preferred as it is more efficient and reduces erosion risks.

For the moment only water consumption from the industrial part is disclosed, consumption at nursery and village levels are negligible but will need to be included in the next reporting period.

### E3-4: 28 e (2): Share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates

Parameter	Percentage of the measurement from direct measurement (%)	Percentage of the measurement from sampling and extrapolation (%)	Percentage of the measurement from best estimates (%)
Total water consumption	100	0	0
Total water consumption in areas at water risk	0	0	0
Total water consumption in areas of high-water stress	0	0	0
Total water recycled	0	0	0
Total water reused	0	0	0
Total water stored	0	0	0
Changes in storage	N/A	0	0

**E3-4: 29: Water intensity ratio**

8 201 m<sup>3</sup> per million EUR net revenue.

**E3-4: AR 30 (1): Water consumption breakdown by sectors**

Sector	Water consumption	Unit
Rubber	2 894 729	Cubic meters (m <sup>3</sup> )
Palm	1 951 864	Cubic meters (m <sup>3</sup> )

**E3-4: AR 30 (2): Water consumption breakdown by segments**

Segment	Water consumption	Unit
Africa	4 846 592	Cubic meters (m <sup>3</sup> )

## [E3-5] Anticipated financial effects from material water and marine resources-related risks and opportunities

### **E3-5: 33 a (2): Disclosure of qualitative information of anticipated financial effects of material risks and opportunities arising from water and marine resources-related impacts**

The financial materiality assessment did not bring forward risks and opportunities specifically arising from water-related *impacts*. The water-related risks and opportunities that were considered as making sense in the Group's context are related to what might happen in case of water scarcity resulting from natural events outside of the undertaking's control (e.g., rising mean temperatures and changes in precipitation patterns).

In this context, only one potential water-related risk can be considered material ("important" on the Group's materiality scale): that of rising temperatures and changes in precipitation patterns potentially causing water scarcity, which in turn would force rubber factories and palm oil mills to adapt processes. This would imply investment and operational costs at Group level. However, this risk is to be put into perspective as it will depend on the evolution of climatic conditions, which remains highly unpredictable.

### **E3-5: 33 b: Description of effects considered and related impacts (water and marine resources)**

The financial effects of this risk would be felt in terms of investments required to adapt factories. They relate to the dependency on the availability of water from nearby rivers for palm oil mills, and especially rubber factories, to function. This risk could materialise in the medium to long term (3-6 years), although it remains difficult to predict how and where changes in temperatures might impact the different locations, and in turn in which way this will impact precipitation patterns and water availability.

## ESRS E4 – Biodiversity and ecosystems

### [E4-MDR-M] Metrics in relation to material sustainability matters

#### **E4-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific E4 sections:

- HCV areas,
- Peatland planted areas,
- Number of sites owned, leased or managed in or near protected areas or key biodiversity areas that undertaking is negatively affecting,
- Area of sites owned, leased or managed in or near protected areas or key biodiversity areas that undertaking is negatively affecting.

#### **E4-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

HCV areas and peatland areas are identified by HCV trained assessors following the Common Guidance for the Identification of HCV developed by the HCV Resource Network: [Common Guidance for the Identification of HCV | HCV Network](#).

Biodiversity-sensitive areas in or near our operations were identified through the Key Biodiversity Areas website: [Map Search](#), and through the identification of nationally recognised nature conservation areas. The sizes of our own operations located in or near Biodiversity-sensitive areas is done through GPS tracking of our concessions.

#### **E4-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

Measurements of HCV and peatland areas are done by trained third party HCV assessors through the Assessor Licensing Scheme. Further, methodologies are audited through RSPO for all oil palm plantations.

## [E4-1] Transition plan on biodiversity and ecosystems in strategy and business model

### **E4-1: 13 a: Disclosure of resilience of current business model(s) and strategy to biodiversity and ecosystems-related physical, transition and systemic risks and opportunities**

The relation between the Group's business model and risks relating to biodiversity and ecosystems is continuously monitored through research, as well as independent studies conducted on the different sites, and elements from the RSPO certification and GPSNR framework that relate to this topic. Environmental studies and RSPO/GPSNR principles particularly focus on the monitoring of HCV and protected areas. Ecoguards then keep watch on such areas and regularly report back to the sustainability team on site.

These are all elements that help ensure a healthy balance is maintained and that any potential issues relating to biodiversity and ecosystems, which could in turn potentially impact the Group's business model's resilience, can be raised in time. Nevertheless, as mentioned under E4.IRO-1, conducting a more in-depth risk and resilience analysis in upcoming years could prove useful to complement the current approach.



## [E4-2] Policies related to biodiversity and ecosystems

### **E4-MDR-P: 65 a: Description of key contents of policy**

The Group's Responsible Management Policy addresses the topic of pollution as follows:

The Group commits to promoting biodiversity and eliminate deforestation. More specifically, the Group commits to:

- Identify, maintain, and protect natural forests, using the High Carbon Stock (HCS) approach where applicable.
- Identify, maintain, and protect High Conservation Values, including protecting wildlife and rare, threatened, endangered, and critically endangered species from poaching, hunting, and habitat loss in areas under management.
- Identify, maintain, and protect peatland areas.
- Support the restoration of such areas if they are degraded.
- Support the long-term protection of other ecosystems.
- Constantly improve agricultural practices with the aim of higher yields requiring a minimum of inputs and natural resources.

Potential impacts and risks relating to biodiversity and ecosystems are a priority. As such, the Group has implemented strict measures to ensure its operations have no negative impacts on biodiversity and ecosystems, and that they positively contribute to the preservation and protection of ecosystems. Measures also ensure that any potential risks related to biodiversity and ecosystems, such as regulatory non-compliance or reputational risks, are avoided. As measures are already in place, there are currently no active opportunities relating to biodiversity and ecosystems.

### **E4-MDR-P: 65 b: Description of scope of policy or of its exclusions**

Scope: The policy applies to all operations of the Socfin Group and its subsidiaries, including all the rubber factories, palm oil mills, and plantations that the Group owns, Manages, or invests in, regardless of the level of its share. Applies to all third-party suppliers.

Phase-in: The policy acknowledges the complexity of supply chains, particularly in smallholder contexts, where implementation may be phased in with a prioritisation of risk mitigation actions based on an assessment of social and environmental risks.

Exclusions: Biodiversity impacts in areas outside the operational or supplier footprint, such as broader national landscapes not directly affected by the Group's operations, are excluded from the policy scope.

### **E4-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

Board-level accountability: The Board of Directors, including senior executives, holds ultimate responsibility for overseeing biodiversity and ecosystem service policies.

Operational oversight: Day-to-day accountability is assigned to senior managers within Socfinaf's operations, ensuring adherence to policies related to biodiversity and ecosystem services. The HQ

sustainability team collaborates with on-site managers to implement initiatives and monitor compliance across regions.

**E4-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

The Group's Responsible Management Policy aligns with and commits to respecting internationally recognised frameworks, including:

- High Conservation Value (HCV) Network and High Carbon Stock Approach (HCSA): Methodologies for biodiversity protection and land-use planning.
- RSPO Principles and Criteria and GPSNR Policy Framework: These include specific requirements for biodiversity and ecosystem services.

**E4-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

Stakeholder groups considered:

- Local communities:
  - Dependence on ecosystems for cultural, subsistence, and agricultural needs is prioritised in planning biodiversity initiatives.
  - Free, Prior, and Informed Consent (FPIC) ensures that communities can voice concerns and approve projects that impact their resources.
- Smallholders and suppliers:
  - Supported with training and capacity-building initiatives to integrate biodiversity protection into their practices.
- NGOs and conservation experts:
  - Partnerships with conservation organisations to design and implement biodiversity initiatives that meet international best practices.
- Governments and regulators:
  - Alignment with local biodiversity laws and active collaboration to address shared environmental concerns.

Engagement mechanisms: Transparent dialogue and participatory mapping exercises with communities and stakeholders to identify High Conservation Value (HCV) areas. Grievance mechanisms to address and resolve biodiversity-related concerns raised by stakeholders.

**E4-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

Socfinaf's subsidiaries ensure biodiversity and ecosystem policies are widely communicated to employees, contractors, local communities, and regulatory authorities through various communication and engagement mechanisms.

Key dissemination methods include:

- Internal communication & employee training:
  - Policies are displayed on notice boards, company intranets, and divisional offices.
  - Training sessions, toolbox talks, and inductions for employees, contractors, and field teams ensure that those responsible for implementation understand their roles.

- Annual training programmes focusing on biodiversity and High Conservation Value (HCV) management reinforce awareness and implementation.
- External communication & stakeholder engagement:
  - Policies are shared during community meetings, sensitisation sessions, and bipartite/tripartite platforms with local communities.
  - Local authorities and government agencies receive copies of the policies and compliance reports.
- Compliance & external oversight:
  - RSPO certification audits ensure that biodiversity commitments are being effectively communicated and implemented.
  - Raising awareness about deforestation and compliance with EUDR.
  - The Group's Responsible Management Policy, including biodiversity commitments, is accessible on company websites and to external stakeholders upon request.

Through structured dissemination, training, and regulatory compliance, Socfinaf subsidiaries ensure that biodiversity and ecosystem policies are understood, accessible, and implemented effectively by relevant stakeholders.

**E4-2: 23 a: Disclosure on whether and how biodiversity and ecosystems-related policies relate to matters reported in E4 AR4**

Contribution to direct impact drivers on biodiversity loss: The Group's Responsible Management Policy addresses the following direct drivers of biodiversity loss:

1. Climate change (i):
  - ✓ The Group's policy includes measures to reduce greenhouse gas emissions by minimising fossil fuel consumption and adopting renewable energy sources.
  - ✓ Forest conservation efforts, such as protecting High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests, and the prohibition of deforestation, contribute to carbon sequestration and mitigation of climate change impacts.
2. Deforestation and land-use change (ii):
  - ✓ The policy prohibits deforestation and peatland conversion for plantation development, helping to preserve natural habitats and prevent biodiversity loss.
  - ✓ New developments are subject to HCV and HCS assessments, ensuring that land-use changes do not negatively impact critical ecosystems.
3. Freshwater-use change (ii):
  - ✓ Measures to protect riparian zones and preventing water pollution avoid disruptions to aquatic ecosystems and freshwater biodiversity.
4. Direct exploitation (iii):
  - ✓ The Group prohibits unsustainable practices such as poaching, hunting, and habitat destruction within its concessions, protecting wildlife and reducing pressure on biodiversity.
5. Invasive alien species (iv):
  - ✓ While not directly mentioned, The Group's commitment to the RSPO standards and GPSNR policy framework ensure its commitment to protecting the natural environment from all invasive alien species it may introduce in its operations.

6. Pollution (v):

- ✓ Comprehensive pollution prevention measures, including wastewater treatment, prevention of water and air pollution, and maintaining healthy soils, mitigate risks of contamination to soil, water, and surrounding ecosystems.

7. Others (vi):

- ✓ Restoration initiatives for degraded peatlands and ecosystems within the operations concessions aim to reverse historical biodiversity loss and enhance ecosystem resilience.
- ✓ The prohibition of fires, except in well documented cases where specific threats of phytosanitary or other risks prevent the company from doing so, ensures further measures are taken to reduce potential negative impacts on the biodiversity and ecosystem services.

Impacts on the state of species:

1. Protection of species populations:

- ✓ The Group commits to identify, maintain and protect HCV areas, including protecting wildlife and rare, threatened, endangered and critically endangered from poaching, hunting and habitat loss in areas within its management.

2. Global extinction risks:

- ✓ The company aligns its practices with global conservation priorities, contributing to the protection of species listed under international frameworks such as the IUCN Red List.

Impacts on the extent and condition of ecosystems:

1. Land degradation, desertification, and soil sealing:

- ✓ The policy mandates sustainable agricultural practices, such as minimising soil deterioration and erosion, optimising fertiliser use, and maintaining healthy soils.
- ✓ Conservation of forested areas and restoration of degraded land help maintain ecosystem extent and functionality.

2. Habitat restoration:

- ✓ The Group commits to actively restore degraded peatlands and forests within its concessions to improve the condition of ecosystems and support biodiversity recovery.

Impacts and dependencies on ecosystem services:

1. Impacts on ecosystem services:

- ✓ Unsustainable practices could degrade services such as natural pest and pathogen control, water regulation, and soil fertility. The policy mitigates these impacts through conservation measures, ecosystem restoration, and pollution prevention.

2. Dependencies on ecosystem services:

- ✓ The Group's operations rely on natural pest and pathogen control, water availability, and healthy soils for productive plantations. The policy emphasises protecting these ecosystem services to ensure operational resilience and long-term sustainability.

**E4-2: 23 b: Explanation of whether and how biodiversity and ecosystems-related policy relates to material biodiversity and ecosystems-related impacts**

Please refer to E4-2: 23 a.

**E4-2: 23 c: Explanation of whether and how biodiversity and ecosystems-related policy relates to material dependencies and material physical and transition risks and opportunities**

The Group's operations heavily depend on ecosystem services that are directly influenced by biodiversity and healthy ecosystems. The policy ensures the preservation and enhancement of these critical dependencies:

- Pest and pathogen control:
  - Preserving forests and natural habitats ensures a natural control of pests and pathogens critical for oil palm survival.
- Water regulation:
  - Healthy forests and riparian zones regulate water availability and quality for plantation irrigation and processing operations. Measures to protect these ecosystems ensure a stable water supply.
- Soil fertility:
  - Biodiverse ecosystems contribute to nutrient cycling and soil health. The policy promotes sustainable agricultural practices, such as reducing chemical inputs and preventing soil erosion, to maintain fertile soils.
- Carbon sequestration:
  - Forests and peatlands serve as carbon sinks, mitigating the company's carbon footprint. The no deforestation and zero peatland development targets ensure these ecosystems continue to store carbon effectively.

At present, no material physical and transition risks and opportunities have been identified.

**E4-2: 23 d: Explanation of whether and how biodiversity and ecosystems-related policy supports traceability of products, components and raw materials with significant actual or potential impacts on biodiversity and ecosystems along value chain**

The Group commits to achieving 100% traceability of raw materials, including oil palm Fresh Fruit Bunches (FFB) and natural rubber, by 2025. This commitment ensures that the sourcing of these materials does not contribute to deforestation, biodiversity loss, or ecosystem degradation.

Mechanisms to support traceability:

- Supplier identification and monitoring: All suppliers, including smallholders and third-party contractors, are required to adhere to the Group's no deforestation and biodiversity protection targets.
- The Group uses mapping tools, such as geospatial analysis to identify sourcing locations and monitor compliance.
- Chain-of-custody systems: The Group employs chain-of-custody documentation to track raw materials from their origin to final processing.
- Risk assessments: Environmental and social risk assessments are conducted to evaluate potential biodiversity impacts along the supply chain. High-risk suppliers are prioritised for audits and capacity-building initiatives.

Tools and technologies:

1. Satellite monitoring: Satellite imagery is used to monitor land use and detect deforestation or ecosystem disturbances at sourcing locations.
2. Participatory mapping: Collaborating with local communities and stakeholders, Socfinaf maps supply areas to identify and protect critical biodiversity zones.
3. Certification standards: The company adheres to standards such as the Roundtable on Sustainable Palm Oil (RSPO) and the Global Platform for Sustainable Natural Rubber (GPSNR), which include traceability and biodiversity safeguards.

Addressing impacts along the value chain:

1. Upstream impacts: Smallholders and other suppliers are supported through training to adopt sustainable practices, such as minimising chemical use and avoiding deforestation, to reduce biodiversity impacts at the source.
2. Downstream impacts: By ensuring traceability, the Group can ensure biodiversity protection measures are upheld when passing on its products to downstream actors.

Significant progress has been made in mapping supply chain origins, with an increasing percentage of raw materials traceable to their source. Transparent traceability systems build confidence among customers, regulators, and NGOs that Socfinaf's supply chain aligns with biodiversity conservation goals

**E4-2: 23 e: Explanation of whether and how biodiversity and ecosystems-related policy addresses production, sourcing or consumption from ecosystems that are managed to maintain or enhance conditions for biodiversity**

The Group's Responsible Management Policy explicitly integrates measures to ensure that production, sourcing, and consumption activities are aligned with the management of ecosystems to maintain or enhance conditions for biodiversity.

The measures in question relate to the protection of biodiversity through sustainable management practices (forest preservation, prevention of habitat destruction, HCV and HCS assessments and protection, prevention of pollution, etc.); to sustainable sourcing practices; and to monitoring and continuous improvement. All these practices are embedded in the Group's commitment to adhere to RSPO and GPSNR standards and are annually audited and assessed by third parties.

**E4-2: 23 f: Explanation of whether and how biodiversity and ecosystems-related policy addresses social consequences of biodiversity and ecosystems-related impacts**

The Group's Responsible Management Policy directly addresses the social consequences of biodiversity and ecosystem impacts by integrating measures that safeguard community livelihoods, promote equitable resource use, and enhance the well-being of stakeholders who are dependent on ecosystems.

Many local communities near Socfinaf's operations rely on biodiversity and ecosystems for subsistence agriculture, water, food, and cultural practices. The policy's commitment to no deforestation, peatland conservation, and ecosystem restoration ensures continued availability of these ecosystem services. These commitments are in turn complemented by ensuring water security and food security for communities, as well as protecting ecosystems that hold cultural, spiritual, or historical importance for local communities and indigenous people.

Besides, by stating the importance of conserving ecosystems like forests and peatlands, the policy indirectly addresses the need to preserve communities' climate resilience, as biodiversity loss and ecosystem degradation exacerbate vulnerabilities to climate change.

Furthermore, unsustainable practices can lead to conflicts over access to shared natural resources such as water and arable land. By implementing sustainable management and transparent stakeholder engagement processes, the policy minimises these risks. It also puts an emphasis on the FPIC process, which ensures that communities have a say in projects affecting their resources and livelihoods, mitigating potential disputes over biodiversity-related impacts.

Finally, the Group actively involves local communities in the development, implementation, and monitoring of biodiversity-related measures, ensuring their perspectives and needs are integrated into decision-making.

#### **E4-2: AR 12: Disclosure of how policy refers to production, sourcing or consumption of raw materials**

The Group's Responsible Management Policy explicitly integrates measures to ensure that production, sourcing, and consumption activities are aligned with the management of ecosystems to maintain or enhance conditions for biodiversity.

Indeed, the policy applies to all operations of the Socfin Group, and those of its subsidiaries, including all the rubber factories, palm oil mills and plantations that the Group owns, manages or in which it invests, regardless of the level of its share.

It also applies to all third-party suppliers, including smallholders who deliver to Socfinaf's industrial units their Fresh Fruit Bunches (FFB) or their rubber latex. Due to the complexity of the supply chain involved, with typically large number of smallholders, there will be a gradual implementation of the policy with a prioritisation of the risk mitigation actions based on assessment of social and environmental risks.

#### **E4-2: AR 12 a: Disclosure of how policy refers to policies limiting procurement from suppliers that cannot demonstrate that they are not contributing to significant conversion of protected areas or key biodiversity areas**

The Responsible Management Policy addresses procurement practices to ensure that suppliers comply with sustainability standards, particularly regarding the protection of key biodiversity areas and prevention of ecosystem conversion.

The policy mandates that all suppliers, including smallholders and third-party contractors, adhere to the Group's commitments. Additionally, all suppliers must adhere to national laws, which includes prohibition of planting within nationally protected key biodiversity areas. Suppliers must also ensure that their activities do not lead to the conversion of High Conservation Value (HCV) or High Carbon Stock (HCS) areas, protected forests, or other critical biodiversity areas.

Moreover, the Group requires full traceability of raw materials (e.g., Fresh Fruit Bunches and rubber latex) to their source by 2025. This ensures that suppliers can demonstrate, or the Group can verify, their compliance with biodiversity and ecosystem protection standards.

Environmental and social risk assessments are conducted to evaluate the potential impacts of supplier operations on biodiversity, and suppliers unable to provide verifiable evidence of compliance are excluded from Socfinaf's supply chain. To help avoid such situations, smallholder suppliers are informed and trained

on sustainable practices, including how to avoid impacts on key biodiversity areas and enhance land-use efficiency.

The Group proactively communicates the policy to all suppliers, including within supplier contracts where possible. Supplier contracts include specific clauses prohibiting deforestation, conversion of protected areas, or biodiversity degradation. Non-compliance triggers corrective actions or contract termination. Third-party suppliers are monitored through on-site visits by extension services, and satellite imagery monitoring is used to determine potential deforestation and if areas of production are located within key biodiversity or protected areas.

Due to the complexity of the supply chain involved, there will be a gradual implementation of the policy with a prioritisation of the risk mitigation actions based on assessment of social and environmental risks.

#### **E4-2: AR 12 b: Disclosure of how policy refers to recognised standards or third-party certifications overseen by regulators**

The Group's biodiversity and ecosystems-related policy aligns with several recognised standards and third-party certifications that are overseen or supported by regulatory bodies and industry frameworks. These standards provide guidance, benchmarks, and verification mechanisms to ensure compliance with biodiversity and ecosystem conservation commitments.

The Group's policy is fully aligned with the RSPO Principles and Criteria, which require sustainable production of palm oil, including the protection of biodiversity and High Conservation Value (HCV) areas. For rubber operations, the Group aligns with GPSNR policy framework, which emphasise biodiversity conservation, ecosystem restoration, and sustainable rubber sourcing practices. Furthermore, the policy requires the identification and protection of High Conservation Value (HCV) areas within and around its operations and supply chain. These areas include critical habitats, ecosystems, and areas essential for local communities' livelihoods. Last but not least, the Group adopts the HCS approach to distinguish forest areas that should be protected from degraded lands that may be suitable for development. This ensures the preservation of carbon-rich and biodiversity-sensitive ecosystems. The HCS approach Steering Group oversees the framework, ensuring alignment with global sustainability goals and regulatory standards.

#### **E4-2: AR 16: Disclosure of how the policy enables to a), b), c) and d)**

##### Avoiding negative impacts on biodiversity and ecosystems in operations and the value chain

The Group's policy incorporates preventive measures to avoid negative impacts on biodiversity and ecosystems across its own operations and the value chain:

1. Promote biodiversity and forest preservation:
  - Identify, maintain and protect natural forests, using the High Carbon Stock (HCS) approach where applicable;
  - Identify, maintain and protect high conservation values, including protecting wildlife and rare, threatened, endangered and critically endangered species from poaching, hunting and habitat loss in areas under our management;
  - Identify, maintain and protect peatland areas;
  - This includes supporting restoration of such areas if they are degraded;
  - Support the long-term protection of other ecosystems.



2. No new development can be carried out until mappings and studies identifying the HCS, HCV and peatland areas have been completed by qualified experts, and made public. This includes using the HCSA Steering Group and/or HCV Network's ALS quality assurance systems whenever relevant
3. Upstream supplier controls:
  - Traceability mechanisms and supplier audits ensure that raw materials are sourced only from areas free of deforestation and ecosystem conversion.

#### Reducing and minimising unavoidable negative impacts:

For impacts that cannot be completely avoided, the Group's policy focuses on minimising harm through the following measures:

1. Pollution prevention:
  - Implementing best management practices to prevent soil and water pollution that could harm biodiversity.
  - Fire prohibition.
  - Prohibition on the use of fire for developing new plantations, preparing land, or waste management, except in well documented cases where specific threats of phytosanitary or other risks prevent us from doing so.
2. Sustainable land management:
  - Implements soil erosion control, reduced fertiliser usage, and organic amendments to maintain healthy soils.
3. Smallholder training:
  - Builds capacity among suppliers to adopt biodiversity-friendly practices, such as reducing habitat encroachment and chemical runoff.
4. Monitoring systems:
  - Satellite imagery and on-ground inspections detect early signs of ecosystem stress, enabling timely corrective actions.

#### Restoring and rehabilitating degraded ecosystems:

The Group's policy emphasises restoration and rehabilitation of degraded forests and ecosystems affected by its activities after the cut-off date of March 2017.

#### Mitigating contributions to material biodiversity loss drivers:

The Group's policy directly mitigates key drivers of biodiversity loss through:

1. Land-use change prevention:
  - Strict land-use planning and adherence to HCV/HCS assessments prevent habitat destruction and deforestation.
2. Pollution control:
  - Wastewater treatment and chemical management policies prevent contamination of soil, water, and surrounding ecosystems.
3. Climate change mitigation:
  - By conserving forests and peatlands, the Group reduces greenhouse gas emissions and mitigates climate-related biodiversity impacts.
4. Invasive species control:

- Ensures that plantation practices do not introduce or encourage the spread of invasive species harmful to native ecosystems.

Enabling mechanisms:

1. Traceability and compliance:
  - Full traceability of raw materials ensures that sourcing practices align with biodiversity and ecosystem protection goals.
2. Engagement with standards:
  - Alignment with RSPO and GPSNR standards ensures adherence to best practices for ecosystem management.
3. Stakeholder collaboration:
  - Works with local communities, governments, and conservation organisations to enhance the effectiveness of biodiversity initiatives.
4. Monitoring and reporting:
  - Regular biodiversity assessments and public reporting enable transparency and accountability, driving continuous improvement.

**E4-2: AR 17 a: Third-party standard of conduct used in policy is objective and achievable based on scientific approach to identifying issues and realistic in assessing how these issues can be addressed under variety of practical circumstances**

Yes.

**E4-2: AR 17 b: Third-party standard of conduct used in policy is developed or maintained through process of ongoing consultation with relevant stakeholders with balanced input from all relevant stakeholder groups with no group holding undue authority or veto power over content**

Yes.

**E4-2: AR 17 c: Third-party standard of conduct used in policy encourages step-wise approach and continuous improvement in standard and its application of better management practices and requires establishment of meaningful targets and specific milestones to indicate progress against principles and criteria over time**

Yes.

**E4-2: AR 17 d: Third-party standard of conduct used in policy is verifiable through independent certifying or verifying bodies, which have defined and rigorous assessment procedures that avoid conflicts of interest and are compliant with ISO guidance on accreditation and verification procedures or Article 5(2) of Regulation (EC) No 765/2008**

Yes.

**E4-2: AR 17 e: Third-party standard of conduct used in policy conforms to ISEAL Code of Good Practice**

Yes.

**E4-2: 24 a: Biodiversity and ecosystem protection policy covering operational sites owned, leased, managed in or near protected area or biodiversity-sensitive area outside protected areas has been adopted**

Yes.

**E4-2: 24 b: Sustainable land or agriculture practices or policies have been adopted**

Yes.

**E4-2: 24 d: Policies to address deforestation have been adopted**

Yes.

## [E4-3] Actions and resources related to biodiversity and ecosystems

### **E4-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

Socfinaf's subsidiaries implement biodiversity conservation, ecosystem restoration, and compliance monitoring through HCV management, riparian zone restoration, and zero-deforestation initiatives.

Key actions include:

1. HCV management & biodiversity protection:
  - Integrated HCV monitoring studies and updates to HCV management plans to ensure long-term protection of conservation areas (all sites).
  - 24-hour eco-guard patrols and surveillance to prevent illegal logging, poaching, and mining in protected areas.
  - Annual assessments of fauna and flora to track biodiversity trends and identify threats.
2. Zero deforestation & ecosystem restoration:
  - Zero burning and zero deforestation policies strictly enforced through fire monitoring patrols and signposting of conservation zones.
  - Reforestation efforts in riparian areas (where operations planted too close to waterways) and degraded HCV zones.
3. Regulatory compliance & environmental monitoring:
  - Regular biodiversity monitoring by external specialists (HCV Africa) and internal teams.
  - Creation of a voluntary nature reserve (SOGB).
  - Invasive species control to protect endemic plant life.
  - Annual training for employees and communities on biodiversity protection to enhance awareness and compliance.

Through HCV monitoring, riparian restoration, zero deforestation policies, and conservation patrols, Socfinaf subsidiaries actively protect biodiversity, enhance ecosystems, and ensure regulatory compliance.

### **E4-MDR-A: 68 b: Description of scope of key action**

Biodiversity and ecosystem initiatives cover all palm oil and rubber operations within Socfinaf. These initiatives extend across:

1. Operational scope:
  - Natural environments within company concessions, including High Conservation Value (HCV) areas, riparian zones, and protected forests.
  - Ecosystems outside concessions that may be directly impacted by company operations, such as adjacent forests, waterways, and community-managed lands.
  - Agronomic practices such as soil management, pest control, fertilisation, and climate resilience strategies.
2. Geographical scope:
  - All Socfinaf subsidiaries operating in West and Central Africa, covering oil palms and rubber trees plantations.

- Regarding agronomic practices, their scope extends to both core plantations and affiliated smallholders, ensuring a comprehensive approach to sustainable production.
3. Stakeholder engagement:
- Employees, conservation specialists, community members, and environmental regulators working together to mitigate biodiversity risks and enhance ecosystem resilience.

**E4-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Key action name	Time horizon to complete this action
Conduct an integrated HCV monitoring study	Short-term
Monitoring of HCV zones	Medium-term
Geolocation of smallholders	Short-term
Zero burning	Short-term
Bi-annually monitoring and database build with experts and Ecoguards	Short-term
Funding of activities related to the restoration and preservation of biodiversity	Long-term
Creation of a voluntary nature reserve	Long-term
Buffering of water ways and swamps	Short-term
24-hours eco-guard patrol of the forest areas	Short-term
Precision fertilisation & soil analysis	Ongoing
Pest control & cover crops	Ongoing

**E4-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

All sites restoring riparian areas planted with oil palms, according to the recommendation of the RSPO best management practices.

**E4-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

Socfinaf's subsidiaries allocate financial resources to biodiversity conservation, habitat restoration, and HCV management, ensuring responsible ecosystem protection.

Key financial allocations include:

1. Operational Expenditures (OpEx):
  - Funding for Ecoguard patrol teams and security backup to prevent illegal activities in conservation areas.
  - Monitoring and restoration of riparian areas, including HCV studies and biodiversity protection measures.
  - Regular training programmes for staff and communities on biodiversity conservation and ecosystem protection.
  - Sustainability budget covering environmental and social expenses under HSE services.
2. Capital Expenditures (CapEx):

- Investment in vehicles, fuel, and operational costs for Ecoguard patrol teams to safeguard biodiversity-sensitive areas.
  - HCV monitoring programmes and impact assessments by third-party organisations.
  - Implementation of sustainability tracking platforms, such as KOLTIVA and RubberWay, to enhance compliance and transparency.
3. General funding approach:
- Most subsidiaries finance biodiversity and ecosystem conservation through internal budgets (e.g., Sustainability, HSE, or Environmental Departments).
  - No external financing (e.g., green bonds, social bonds) is currently being used.

Socfinaf subsidiaries prioritise biodiversity conservation, ecosystem restoration, and regulatory compliance through self-funded initiatives in riparian restoration, habitat monitoring, and anti-poaching efforts.

**E4-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

Please refer to paragraphs 69 b (1) and (2) and 69 c (1) and (2) below.

**E4-MDR-A: AR 23: Current and future financial resources allocated to action plan, breakdown by time horizon and resources**

Time horizon	Currency	Capital Expenditure (CapEx)	Operating Expenditure (OpEx)
Current reporting period	Euro (EUR)	0	500 456
Long-term	Euro (EUR)	9 673	329 230
Medium-term	Euro (EUR)	0	0
Short-term	Euro (EUR)	0	0

**E4-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

0 EUR.

**E4-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

500 456 EUR.

**E4-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

9 673 EUR.

**E4-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

329 230 EUR.

**E4-3: 28 a: Disclosure on how the mitigation hierarchy has been applied with regard to biodiversity and ecosystem actions**

Avoidance:

**Objective:** Prevent biodiversity loss and minimise impacts on critical ecosystems by avoiding activities that could harm natural habitats.

**Actions taken:**

1. No new developments are undertaken in High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, or peatlands.
2. Land-use planning integrates HCV and HCS assessments conducted by qualified experts to identify and protect critical habitats.
3. Free, Prior, and Informed Consent (FPIC) processes ensure that indigenous communities and stakeholders can veto developments that may negatively impact ecosystems.

**Minimisation:**

**Objective:** Reduce the operational impacts of existing activities on biodiversity and ecosystems.

**Actions taken:**

1. Implementation of sustainable agricultural practices to prevent soil and water pollution.
2. Regular biodiversity monitoring using satellite imagery and field surveys to track impacts and adapt practices as necessary.
3. Training programmes for employees and smallholder suppliers on sustainable land management and biodiversity protection.

**Restoration/rehabilitation:**

**Objective:** Restore degraded habitats and rehabilitate ecosystems impacted by past activities.

**Actions taken:**

1. Restoration of degraded areas (after the cut-off date of March 2017) within operational boundaries.

**Compensation or offsets:**

**Objective:** The Group commits to promoting biodiversity and eliminate deforestation. No new development can be carried out until mappings and studies identifying HCS, HCV, and peatland areas have been completed by qualified experts and made public. This includes using the HCSA Steering Group and/or HCV Network's ALS quality assurance systems whenever relevant.

**Actions taken:**

1. Following the Group's commitments, no compensation or offsets will be carried out, as this would require to degrade biodiversity.
2. Under the RSPO guidelines, retroactive compensation projects have been set up by the Group to compensate for the loss of HCV areas within its concessions resulting from its activities between 2005 and March 2017 (implementation of the Group's Responsible Management Policy).

**E4-3: 28 b: Biodiversity offsets were used in action plan**

No.

**E4-3: 28 b i: Disclosure of aim of biodiversity offset and key performance indicators used**

The Group has not undertaken any biodiversity offset projects.

**E4-3: 28 b ii: Financing effects (direct and indirect costs) of biodiversity offsets**

0 EUR.

**E4-3: 28 b iii: Description of biodiversity offsets**

The Group has not undertaken any biodiversity offset projects.

**E4-3: 28 c: Description of whether and how local and indigenous knowledge and nature-based solutions have been incorporated into biodiversity and ecosystems-related action**

Socfinaf's subsidiaries actively integrate local and indigenous knowledge and nature-based solutions into their biodiversity conservation strategies, ensuring that community insights shape conservation efforts.

Key approaches include:

1. Participatory High Conservation Value (HCV) studies & community engagement:
  - All sites (besides SCC as it only operates a factory) conducted participatory HCV studies, where local knowledge helped identify endemic species, cultural sites, and sensitive habitats.
  - Community consultations were a key element in finalising HCV management plans.
2. Local participation in biodiversity monitoring & management:
  - Recruitment of Ecoguards, mainly local residents, to monitor and protect HCV areas.
  - SOGB collaborates with the University of Daloa for biodiversity research and conservation and trains Ecoguards for field monitoring.
  - Agripalma collaborates with BirdLife International to train employees and community Ecoguards teams on biodiversity conservation.
3. Reforestation & ecosystem restoration using local knowledge:
  - Reforestation projects involve local forestry officers and smallholders, ensuring that native and non-invasive species are used.
  - Engagement with former forestry workers and local smallholders to guide reforestation efforts, ensuring ecological and economic benefits.
4. Protection of cultural & ecological heritage:
  - Local and indigenous communities play a crucial role in protecting Rare, Threatened, and Endangered (RTE) species and identifying HCV6 sites (cultural heritage areas).



## [E4-4] Targets related to biodiversity and ecosystems

### E4-MDR-T: 80 a: Description of the relationship of the target(s) to the policy objectives

#### Target 1: Zero deforestation caused by the Company's activities

The “no deforestation” target outlined in the Group’s Responsible Management Policy is integrally aligned with the overarching policy objectives related to biodiversity and ecosystem services. Here’s how the target connects to the policy objectives:

##### 1. Conservation of biodiversity:

- Policy objective: Protect biodiversity by conserving High Conservation Value (HCV) and High Carbon Stock (HCS) areas, and promoting sustainable land-use practices.
- Target alignment: The “no deforestation” target ensures that natural forests, which are critical habitats for diverse species, are preserved. This directly contributes to the policy’s goal of protecting rare, threatened, and endangered species.

##### 2. Climate change mitigation:

- Policy objective: Reduce greenhouse gas emissions and mitigate climate change impacts.
- Target alignment: Forests serve as carbon sinks, and the “no deforestation” target avoids emissions associated with forest clearing, aligning with climate mitigation efforts embedded within the policy.

##### 3. Sustainable development:

- Policy objective: Promote long-term sustainable development by balancing economic growth with environmental conservation.
- Target alignment: The target reinforces the sustainable development objective by ensuring that expansion of oil palms and rubber trees plantations does not come at the expense of critical forest ecosystems.

##### 4. Compliance with international standards:

- Policy objective: Align with global frameworks such as the RSPO and GPSNR.
- Target alignment: The “no deforestation” target operationalises these standards by prohibiting activities that would compromise forest conservation.

##### 5. Stakeholder engagement and trust:

- Policy objective: Build trust with local communities, NGOs, and other stakeholders by demonstrating a commitment to environmental stewardship.
- Target alignment: The “no deforestation” target is a tangible and measurable commitment that reinforces stakeholder confidence in the Group’s sustainability practices.

#### Target 2: Zero New Developments on Peatland

The zero new developments of peatlands target is closely tied to the Group’s Responsible Management Policy objectives, particularly those focused on biodiversity conservation, ecosystem service protection, and climate change mitigation. Below is an explanation of the relationship between this target and the policy objectives:

**1. Conservation of biodiversity:**

- Policy objective: Protect and enhance biodiversity by conserving critical ecosystems such as wetlands, forests, and High Conservation Value (HCV) areas.
- Target alignment: Peatlands are biodiversity hotspots, supporting unique flora and fauna. The zero-peatland development target ensures that these habitats are preserved, preventing the loss of species dependent on peat ecosystems.

**2. Climate change mitigation:**

- Policy objective: Reduce greenhouse gas emissions and contribute to climate resilience.
- Target alignment: Peatland drainage and development are major sources of carbon emissions. By prohibiting new developments, the Group prevents these emissions, contributing significantly to its climate change mitigation objectives.

**3. Sustainable development:**

- Policy objective: Ensure long-term sustainability by balancing economic growth with environmental preservation.
- Target alignment: By avoiding the exploitation of peatlands, the Group mitigates long-term risks associated with land subsidence, flooding, and declining land productivity, promoting sustainable development practices.

**4. Compliance with international standards:**

- Policy objective: Comply with international standards such as the RSPO and GPSNR standards.
- Target alignment: The target operationalises these standards by prohibiting activities that would compromise forest conservation.

**5. Stakeholder engagement and trust:**

- Policy objective: Build and maintain trust with communities, regulators, and environmental organisations through responsible land management.
- Target alignment: This target demonstrates the Group's commitment to protecting high-risk and ecologically sensitive areas, reinforcing stakeholder confidence in its sustainability efforts.

**E4-MDR-T: 80 b (1): List of Measurable target(s)**

**1. No deforestation target**

- Defined target level:
  - The target is to achieve zero deforestation across all Group operations, including plantations, mills, and supply chains.
- Measurement units:
  - Hectares of new planting (oil palm or rubber tree) on forest areas as defined by HCV and HCS assessments.

**2. Zero new developments of peatland target**

- Defined target level:
  - The target is to achieve zero new plantation developments on peatlands of any depth, including shallow and deep peat, across all operations.
- Measurement units:
  - Hectares of new planting (oil palm or rubber tree) on peatlands as defined by HCV and HCS assessments.

**E4-MDR-T: 80 b (2): Nature of target(s)**

Target name	Nature of target
No deforestation target	Absolute
Zero new developments of peatlands target	Absolute

**E4-MDR-T: 80 c: Description of scope of target(s)****1. No deforestation target:**

- Scope:
  - The target applies to all operations of the Socfin Group and its subsidiaries that the Group owns, manages, or invests in, regardless of the level of its share.
  - Applies to all third-party suppliers.
- Phase-in:
  - The policy acknowledges the complexity of supply chains, particularly in smallholder contexts, where implementation may be phased in with a prioritisation of risk mitigation actions based on assessment of social and environmental risks.

**2. Zero new developments of peatlands target**

- Scope:
  - The target applies to all operations of the Socfin Group and its subsidiaries that the Group owns, manages, or invests in, regardless of the level of its share.
  - Applies to all third-party suppliers.
- Phase-in:
  - The policy acknowledges the complexity of supply chains, particularly in smallholder contexts, where implementation may be phased in with a prioritisation of risk mitigation actions based on assessment of social and environmental risks.

**E4-MDR-T: 80 d (1): Baseline value of target(s)**

Target name	Baseline value	Unit
No deforestation target	0	Hectares
Zero new developments of peatlands target	0	Hectares

**E4-MDR-T: 80 d (2): Baseline year of target(s)**

Target name	Baseline year
No deforestation target	2017
Zero new developments of peatlands target	2017

**E4-MDR-T: 80 e (1): Period to which target(s) applies**

Target name	Target year
No deforestation target	2017
Zero new developments of peatlands target	2017

#### **E4-MDR-T: 80 e (2): Indication of milestones or interim targets**

1. No deforestation target: No milestones or interim targets.
2. Zero new developments of peatland target: No milestones or interim targets.

#### **E4-MDR-T: 80 f: Description of methodologies and significant assumptions used to define target(s)**

##### **1. No deforestation target**

- Methodologies:
  - High Conservation Value (HCV) approach: Identification and protection of areas with significant ecological, cultural, or community value, including forests.
  - High Carbon Stock (HCS) approach: Assessment of forest areas based on carbon storage potential, distinguishing natural forests from degraded lands suitable for development.
- Significant assumptions:
  - Baseline forest cover data is accurate and validated through independent assessments.
  - Identified HCV and HCS areas are preserved indefinitely without degradation or conversion.
- Selected scenario:
  - The target aligns with global commitments to reduce deforestation as part of climate change mitigation and biodiversity conservation efforts, such as the Sustainable Development Goals (SDGs) and the European Green Deal.
- Alignment with National, EU, or International Policy Goals:
  - SDGs,
  - European Green Deal,
  - RSPO,
  - GPSNR.
- Consideration of local context:
  - The target incorporates local biodiversity assessments and stakeholder engagement to balance conservation priorities with community needs.

##### **2. Zero new developments of peatlands target**

- Methodologies:
  - High Conservation Value (HCV) approach: Identification and protection of areas with significant ecological, cultural, or community value, including peatlands.
  - High Carbon Stock (HCS) approach: Assessment of peatland areas.
- Significant assumptions:
  - Peatlands are accurately mapped, and areas identified as peatland are strictly excluded from new developments.
  - Effective enforcement of the policy ensures zero developments occur on peatlands, even indirectly through third-party suppliers.
- Selected scenario:
  - The target reflects global commitments to avoid the degradation of high-carbon ecosystems as part of climate change mitigation and biodiversity conservation efforts, such as the Sustainable Development Goals (SDGs) and the European Green Deal.

- Alignment with national, EU, or international policy goals:
  - SDGs,
  - European Green Deal,
  - RSPO,
  - GPSNR.
- Consideration of local context:
  - The target is sensitive to the socio-economic implications of peatland protection for local communities, ensuring no negative impacts on livelihoods through proactive stakeholder engagement and alternative development options.

**E4-MDR-T: 80 g: Whether the undertaking's targets related to environmental matters are based on conclusive scientific evidence**

Target name	Target is based on scientific evidence
No deforestation target	Yes
Zero new developments of peatlands target	Yes

**E4-MDR-T: 80 h: Disclosure of whether and how stakeholders have been involved in target setting**

**1. No deforestation target**

- Local communities and indigenous groups:
  - Participatory mapping exercises are conducted to identify and delineate High Conservation Value (HCV) and High Carbon Stock (HCS) areas. Local stakeholders provide input to ensure areas critical for biodiversity and ecosystem services, as well as those with cultural or livelihood significance, are adequately protected.
  - Communities are consulted through the Free, Prior, and Informed Consent (FPIC) process to ensure their rights and interests are considered in forest conservation planning.
- NGOs and conservation experts:
  - Collaboration with expert assessors conducting HCSa and HCV assessments ensures scientific and technical guidance in setting the no deforestation target.
  - Partnerships with NGOs provide insights on best practices for deforestation monitoring and enforcement.
- Regulators and industry stakeholders:
  - The target aligns with regulatory requirements and industry frameworks, such as the RSPO Principles and Criteria, GPSNR Policy Framework, and the EU Green Deal.

**2. Zero new developments of peatland target**

- Local communities:
  - Participatory mapping exercises are conducted (through the HCV and HCS assessments) to identify and delineate peatland areas.
  - FPIC processes are used to ensure that stakeholders consent to development plans that avoid peatlands.

- NGOs and conservation experts:
  - Collaboration with expert assessors conducting HCSa and HCV assessments, as well as RSPO and GPSNR, ensures scientific and technical guidance on managing peatlands.
- Regulators and industry stakeholders:
  - The target aligns with regulatory requirements and industry frameworks, such as the RSPO Principles and Criteria, GPSNR Policy Framework, and the EU Green Deal.

**E4-MDR-T: 80 i: Description of any changes in target(s) and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and adopted processes to collect data**

1. No deforestation target: No changes.
2. Zero new developments of peatland target: No changes.

**E4-MDR-T: 80 j: Description of performance against disclosed target(s)**

**1. No deforestation target:**

- Monitoring and review:
  - The no deforestation target is monitored through satellite imagery (monthly tracking of forest cover within the Group's concessions); HCV and HCS assessments (third-party verifications); and ground surveys by on-ground teams. Progress is reviewed annually as part of sustainability reporting.
- Metrics used:
  - The total area (ha) of HCV and HCS forests cleared for oil palm and rubber.
- Performance trends:
  - The Group reports consistent adherence to its no deforestation commitment, with no recorded deforestation in areas under its direct control since the baseline year (2017).
  - Supply chain compliance: Progress toward achieving 100% traceability in the supply chain by 2025 is on track, with an increasing number of suppliers implementing deforestation-free practices as a result of the EU Deforestation Regulation.
  - Significant changes: None.

**2. Zero new developments of peatland target:**

- Monitoring and review:
  - HCV and HCS assessments (third-party verifications) to ensure that areas, including peatland, remain protected. Progress is reviewed annually as part of sustainability reporting.
- Metrics used:
  - Total peatland area (ha) within operational zones developed for oil palm or rubber.
- Performance trends:
  - Progress: Since the baseline year (2017), the Group has reported no new developments on peatlands, reflecting consistent compliance with the target.

- Significant changes: None.

**E4-4: 32 a: Ecological threshold and allocation of impacts to undertaking were applied when setting target (biodiversity and ecosystems)**

No.

**E4-4: 32 b: Target is informed by relevant aspect of EU Biodiversity Strategy for 2030**

No.

**E4-4: 32 c: Disclosure of how the targets relate to the biodiversity and ecosystem impacts, dependencies, risks and opportunities identified in relation to own operations and upstream and downstream value chain**

The “No Deforestation” target directly mitigates impacts caused by land-use change and forest conversion, and ensures the preservation of biodiversity by maintaining intact habitats for wildlife, including rare, threatened, and endangered species. In that sense, the target is directly related to potential negative impacts, but also to actual positive impacts on biodiversity and ecosystems. In turn, the “Zero New Developments on Peatland” target prevents the loss of carbon-rich ecosystems, thus reducing soil subsidence and greenhouse gas emissions.

Preserving forests and natural habitats ensures a natural control of pests and pathogens that are critical for oil palm survival, thereby tying back to the Group’s operations’ dependency on healthy and balanced ecosystems. Similarly, maintaining riparian zones and preventing deforestation helps regulate water availability and quality, which are essential both for plantation operations and local communities. Generally speaking, avoiding land degradation through sustainable practices maintains soil productivity and supports long-term agricultural viability.

Furthermore, both targets contribute to climate change mitigation by preserving carbon sinks in forests and peatlands, reducing emissions from land-use activities. The conservation of HCS forests and peatlands supports carbon storage, which is vital for mitigating climate impacts. Preserving forests and peatlands also reduces vulnerability to potential extreme weather events caused by climate change, such as floods and droughts.

The targets align with global and regional regulations, such as EUDR, reducing the risk of non-compliance and associated penalties. Demonstrating strong commitments to biodiversity conservation builds trust with stakeholders and protects the Group’s reputation as a sustainable operator. Finally, regarding the value chain, the targets require suppliers to comply with no deforestation and peatland conservation commitments, which ensures sustainable sourcing practices. In line with this, smallholders are supported with training and capacity building to adopt biodiversity-friendly agricultural methods. And last but not least, sustainable production ensures that the final products meet consumer expectations for environmental responsibility, thereby enhancing brand value and competitiveness.

**E4-4: 32 d: Disclosure of the geographical scope of the targets**

The Group’s biodiversity and ecosystem-related targets, including the no deforestation target and the zero new developments on peatland target, apply across all operations of the Socfin Group and those of its subsidiaries. This includes all the factories, palm oil mills and plantations that the Group owns, manages

or in which it invests, regardless of the level of its share. This encompasses Socfinaf palm oil and rubber operations in West and Central Africa.

**E4-4: 32 e: Biodiversity offsets were used in setting target**

No.

**E4-4: 32 f: Layer in mitigation hierarchy to which target can be allocated (biodiversity and ecosystems)**

Target name	Layer in mitigation hierarchy
No deforestation target	Avoidance
Zero new developments on peatlands target	Avoidance



## [E4-5] Impact metrics related to biodiversity and ecosystems change

**E4-5: 35 (1): Number of sites owned, leased or managed in or near protected areas or key biodiversity areas that undertaking is negatively affecting**

7.

**E4-5: 35 (2): Area of sites owned, leased or managed in or near protected areas or key biodiversity areas that undertaking is negatively affecting**

96 452 ha.

**E4-5: 38: Disclosure of metrics considered relevant (land-use change, freshwater-use change and (or) sea-use change)**

Please see responses to a, b and c below.

**E4-5: 38 a: Disclosure of conversion over time of land cover**

No conversion of land cover within these areas over the last 5 years as a result of the companies' activities.

**E4-5: 38 b: Disclosure of changes over time in management of ecosystem**

No changes over time in the management of the ecosystem services.

**E4-5: 38 c: Disclosure of changes in spatial configuration of landscape**

No changes in the spatial configuration of the landscape as a result of the companies' activities.

**E4-5: 39: Disclosure of how pathways of introduction and spread of invasive alien species and risks posed by invasive alien species are managed**

No indication of introduction or spread of invasive alien species.

**E4-5: AR 32 (1): Number of invasive alien species**

0.

**E4-5: 41 a: Disclosure of ecosystem area coverage**

Ecosystem area coverage within the Group's concessions is measured based on the extent of identified High Conservation Value (HCV) areas. These areas are mapped and quantified using geospatial tools, such as satellite imagery, GIS mapping, and ground surveys, to determine their total land coverage (ha) within operational boundaries.

HCV assessments classify conservation areas into 6 distinct categories, each representing a different aspect of biodiversity, ecosystem services, or cultural importance. These categories are used to define and map ecosystem extent across concessions:

- HCV 1: Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.

- HCV 2: Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- HCV 3: Rare, threatened, or endangered ecosystems or habitats, including ecological refugia.
- HCV 4: Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- HCV 5: Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.). Identified through engagement with these communities or indigenous peoples.
- HCV 6: Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples. Identified through engagement with these local communities or indigenous peoples.

Measurement approach:

- The total area of HCV land within the Group's concessions is quantified in hectares and reported in internal sustainability reports and Environmental Impact Assessments (EIA).
- Ecosystem extent is mapped through HCV assessments, which provide spatial data on conservation areas.
- Reporting focuses on land coverage rather than ecosystem quality or species diversity, aligning with the requirement to disclose extent-based metrics.

## [E4-6] Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities

### **E4-6: 45 a (2): Disclosure of qualitative information about anticipated financial effects of material risks and opportunities arising from biodiversity- and ecosystem-related impacts and dependencies**

The financial materiality assessment did not bring forward any *material* risks or opportunities related to dependencies/impacts on biodiversity and ecosystems (please refer to section E4.IRO-1), so there are currently no anticipated financial effects to disclose.

### **E4-6: 45 b: Description of effects considered, related impacts and dependencies (biodiversity and ecosystems)**

The financial effects considered related to operational impact in terms of production loss (in case of risk), or cost reduction (in case of opportunities), when considering elements like the dependency on soil quality and the positive impact on pollination of having a zero-deforestation policy in place.

### **E4-6: 45 c: Disclosure of critical assumptions used in estimates of financial effects of material risks and opportunities arising from biodiversity- and ecosystem-related impacts and dependencies**

N/A since there are no material financial effects relating to this topic.

# [Entity-specific] Compensation projects and sustainable agricultural practices

## **RSPO compensation and remediation projects**

Socfinaf remediation and compensation requirements:

- Remediation: 1 080.84 ha.
- Compensation: 7 853.96 ha.

The RSPO Remediation and Compensation Procedure (RaCP) was established to address cases where land was cleared for oil palm development without a prior High Conservation Value (HCV) assessment after November 2005, which is a key requirement under the RSPO Principles & Criteria (P&C). This process ensures accountability, encourages biodiversity conservation, and upholds RSPO standards. By enforcing remediation and compensation measures, RSPO aims to restore biodiversity, protect communities, and maintain sustainable palm oil production.

Purpose and scope:

- The RaCP applies to RSPO members worldwide, including certified and non-certified growers.
- It ensures remediation and compensation for HCV loss and aims to restore biodiversity and environmental services.
- The process applies to both corporate and smallholder suppliers within the RSPO member's supply chain.

Key procedural steps:

- Disclosure of non-compliant land clearance:
  - RSPO growers must report any land cleared after November 2005 without an HCV assessment.
  - A Land Use Change (LUC) analysis is conducted to assess the impact of deforestation.
- Liability assessment:
  - Environmental remediation: Restoring riparian zones, steep slopes, and peatlands as per RSPO standards.
  - Social remediation: Addressing loss of HCV 4, 5, and 6 (environmental services, basic needs, cultural identity).
  - Conservation liability: Compensation for the loss of HCV 1-3 (biodiversity and ecosystem services).

Remediation and compensation planning:

- Affected RSPO members must submit a plan to restore and compensate for the loss.
- The plan must be approved by the RSPO compensation panel.

Implementation & monitoring:

- Compensation can be on-site (within the member's plantation) or off-site (supporting conservation projects elsewhere).

- Regular monitoring and annual reporting are required.

Compensation mechanisms:

- Conservation projects can include reforestation, ecosystem restoration, habitat protection, or species conservation.
- Financial contributions to conservation projects may be accepted as an alternative to physical restoration.
- Stakeholder engagement is crucial to ensure social and environmental justice.

Consequences of non-compliance:

- RSPO members failing to comply with the RaCP may face:
  - Suspension of certification for affected sites.
  - Exclusion from RSPO membership for severe violations.
  - Additional remediation requirements to regain compliance.

### **Relationship between production and sustainability**

Higher productivity per hectare is achieved through research-backed agronomic practices, reducing land expansion pressures. This ensures optimal yields while preserving biodiversity and reducing deforestation risks.

### **Soil analysis and corrections before planting**

Soil testing is carried out across 20% of palm acreage annually and at replanting time for rubber. Corrective measures such as aluminium toxicity treatment and pH adjustment are applied to maintain long-term soil fertility.

### **Follow-up of fertilisers and fertiliser tests**

Fertilisation strategies are based on the 4R principle (Right source, Right rate, Right time, Right place). Leaf and soil analysis guide fertiliser applications, ensuring nutrients are applied efficiently and minimising runoff. Fertilisation policy on the Group's plantations, whether for rubber or oil palm, is the fruit of research and trials. It is continually reviewed and evolves in line with the results. It is included in the procedure manuals or distributed each year to the plantation agronomist. Recycling available biomass is a powerful way to restore, conserve or improve the physical-chemical properties of soils and thereby reduce mineral nutrient needs and losses.

### **Follow-up of pesticide amounts**

Validation of pesticides used is done in accordance with local and European legislation (compliance with the strictest legislation). Changes in pesticides classifications are monitored, and a strict elimination of pesticides classified 1A and 1B by the WHO is done. Moreover, biological control methods are used to reduce chemical dependency. The Group also supports studies on predatory insects to enhance biological pest control.

### **Trainings on beneficial/non detrimental cover plants**

Training programmes focus on selecting cover crops that enhance soil fertility and biodiversity. Beneficial plants suppress weed growth, fix nitrogen, and improve soil structure. Trial on the selective elimination of woody, invasive, troublesome upright and rhizomatous plants to create space for beneficial plants (lianas,

grasses, ferns) to develop. These beneficial plants in turn stifle the regrowth of undesirable plants. Over time, beneficial plants will become more predominant in the field, reducing the need for ongoing pesticide treatments.

#### **EFB application**

Empty Fruit Bunches (EFB), rich in organic matter and nutrients, are applied in plantations to maintain soil structure and nutrient balance.

#### **Sludge/Decanter Cake (DC) application**

Decanter cake, a by-product of palm oil milling, is used as organic fertiliser in select plantations, improving soil organic matter content.

#### **POME application**

Palm Oil Mill Effluent (POME) is repurposed as fertiliser, enhancing soil fertility and reducing synthetic input needs.

#### **Best Management Practices (BMP) projects**

BMP projects include zero-burning land preparation, controlled water management, and targeted fertilisation to improve yields sustainably.

Oil palm: Partnership with world class experts to implement BMP projects in our plantations. The project aims to facilitate the effective use of production inputs, such as crop residues and mineral fertilisers, and to assist plantation staff in the identification and implementation of improved agronomic techniques through the use of “Best Management Practices”. Demonstration plots where BMPs are introduced were established in our plantation and will be monitored over a long period.

Rubber: BMP for rubber cultivation are implemented through the Socfin Rubber Field Handbook and its regular updates, as well as through webinars and SOPs which are shared with all plantations. A team of researchers is liaising with academics and experts from renowned institutes bridging knowledge gaps through fundamental research and assorted field trials.

#### **Research on pollinating insects**

Introducing nectar-producing plants has increased pollinator populations, improving fruit set rates in oil palm. Various research projects have been launched in partnership with CIRAD-PalmElit in order to study pollinator species behaviour for the better transportation of pollen and the oil palm fruit-set development.

## ESRS E5 – Resource use and circular economy

### [E5-MDR-M] Metrics in relation to material sustainability matters

#### **E5-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific E5 sections:

- Waste disposed of in a municipal landfill,
- Waste collected by a registered dealer,
- Waste sold,
- Waste disposed of in the company landfill,
- Waste incinerated (without energy recovery),
- Waste incinerated (with energy recovery),
- Waste recycled (organic recycling, composting),
- Liquid waste disposed of in the lagoons.

#### **E5-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

The data regarding waste management is collected through the HSE reporting. This covers not only waste from the industrial process but also the waste from the villages located within our concessions.

The waste is calculated in tons, m<sup>3</sup> and pieces. In some cases, estimations have been done after defining a sample, especially regarding village waste.

#### **E5-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

N/A.

## [E5-1] Policies related to resource use and circular economy

### **E5-MDR-P: 62 (1): Disclosure of reasons for not having adopted policies**

While there is no specific policy on resource use and circular economy, it should be reminded that the Responsible Management Policy covers elements like increasing green energy consumption and reducing fossil fuel consumption, preventing water and air pollution, wastewater treatment and protecting water quantity, and prohibiting the use of fire except for well documented cases where specific threats of phytosanitary or other risks exist. The policy also addresses the improvement of agricultural practices with the aim of higher yields requiring a minimum of inputs and natural resources, optimising the use of fertiliser, and using agricultural waste as a soil amendment wherever possible.

The Responsible Management Policy will be amended in 2026 to complement all these elements and better cover the resource use and circular economic topics.



## [E5-2] Actions and resources related to resource use and circular economy

### E5-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future

To reduce its environmental footprint, the Socfin Group applies best management practices in all its subsidiaries to maintain the value of products and materials by reusing them. This notably covers:

Organic solid by-products from the production: Oil palm Empty Fresh Bunches (EFB) are applied on the soil as organic fertilisers in oil palm fields. Oil palm fibres and shells are used as biofuel for the boilers of the palm oil mills. Rubber wood from windfalls, or from felling operations during replanting, are used as fuel for the rubber factory biomass boilers generating steam for the dryers, or left in the rubber plantation between rows. When replanting, old palm trees (trunks) and roots are left in windrows to decompose. This way, nutrients enter the soil, contributing to soil fertility and limiting agrochemical use.

Organic liquid waste: Waste water from the factory processes (both in palm oil mills and in rubber factories) is treated by passing through a series of ponds (lagoons) to ensure that the quality of water released in the environment complies with standards in place.

Other waste: Subsidiaries follow the hierarchy of waste management: reduce, reuse, recycle, recover, refuse. They also encourage by-product recycling and sale of scraps. When possible, materials are reused, such as empty fertiliser bags that are used for loose fruit collection. In turn, elements like oil filters, scrap metals, used tyres, expired batteries, glasses, and bottles are collected or sold to government-approved collector/dealers for recycling. Additionally, since 2024 PSG partners with Ghana EPA-certified waste managers to recycle metal, plastic, and electronic waste from its activities.

All these activities aim at improving the use of natural resources, thus minimising the companies' impacts on people and the environment, protecting biodiversity and preventing pollution.

### E5-MDR-A: 68 b: Description of scope of key action

Please refer to E5-MDR-A: 68 a.

### E5-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action

Key action name	Time horizon to complete this action
Best management practices for organic by-products	Long-term
Industrial wastewater treatment	Long-term
Waste management	Long-term

### E5-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts

These actions are not meant to provide remedy for harm caused but to improve the use of resources, and preserve the environment and health of employees and local communities.

**E5-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

CapEx and OpEx are dedicated for these activities as needed.

**E5-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

Please refer to paragraphs 69 b (1) and (2) and 69 c (1) and (2) below.

**E5-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

0 EUR.

**E5-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

600 682 EUR.

**E5-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

0 EUR.

**E5-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

751 853 EUR.

**E5-2: 20 f: Description of Optimisation of waste management**

We sort and recycle our waste. Each subsidiary follows waste management procedures developed in relation to the hierarchy below, giving priority to the higher levels:

- Prevention,
- Re-use,
- Organic material recycling,
- Energy or bio-methanisation waste recovery,
- Incineration without energy recovery (for sanitary purposes),
- Engineered landfill or lagoon,
- Non-engineered landfill, discharge in aquatic environment, biodegradation in the ground,
- Concentration (in a bin or on a pile).

Collection, transport, recycling, and disposal of both industrial and household waste are continuously monitored in accordance with the Environmental Management System (EMS). For waste collection and handling, HSE guidelines are followed to ensure that PPE (Personal Protective Equipment) is used, and that waste is stored in an appropriate manner.

Solid biodegradable waste is mainly reused on the plantation fields and in the factories, as explained under E5-MDR-A: 68 a above.

Concerning hazardous waste, the QHSE officers organise the chemical product stores following the First Expired-First Out (FEFO) principle, in order to prevent the accumulation of expired products as much as possible. Registered companies collect hazardous waste such as used oil, oil filters or used batteries.

The sites focus on respecting waste procedures and installing waste bins, but also on raising awareness on household waste management in the communities. These actions are also supported by some of our tyre-manufacturing clients, who reduce their packing requirements (Bridgestone, Michelin) and contribute to prevention. We work on raising awareness with other tyre manufacturers on these alternatives.

**E5-2: AR 11: Information about collective action on development of collaborations or initiatives increasing circularity of products and materials**

An example of collaboration of circular economy is the one between the Group, as supplier, and our customers (tyre-makers). Indeed, for the transportation of dry natural rubber we use metal boxes as packaging, which tyre-makers then return to us empty. This reduces the use of single use packing material such as wooden pallets or cardboards.

## [E5-3] Targets related to resource use and circular economy

### **E5-MDR-T: 81 a (2): Description of reasons why there are no plans to set measurable outcome-oriented targets**

Although there are a number of specific actions aimed at reducing the use of resources on one hand, and recycling by-products or waste on the other, no target has been set yet.

We plan to set targets in 2026, based on the identification of a number of key indicators.

### **E5-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

### **E5-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

Key resource use is tracked through specific factory indicators such as:

- Water consumption, total and per unit of product processed,
- Electricity used, total and per unit of product processed,
- Fuel used, total and per unit of product processed,
- Biomass consumption, total and per unit of product processed,
- Waste, by category.

In the case of oil palm, waste elements which are by-products of raw material are recycled either in the fields or used as biomass in the factories.

### **E5-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

Additional policy elements, together with KPIs and targets, will be put in place in 2026.

### **E5-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

For now, progress has been measured over the past 3 years. Targets will be the benchmark once they are put in place.

## [E5-4] Resource inflows

### **E5-4: 30: Disclosure of information on material resource inflows**

For palm oil, the main material resource is the raw material harvested in palm plantations: fresh fruit bunches. The raw material is processed in 14 palm oil mills located in Cameroon (7), Côte d'Ivoire (1), Democratic Republic of Congo (1), Ghana (1), Nigeria (2), Sao Tomé and Príncipe (1), and Sierra Leone (1). There are also 3 palm kernel crushing plants located in Cameroon (1), Côte d'Ivoire (1), and Nigeria (1).

For rubber, the main material resource is the raw material harvested in the rubber plantations: natural rubber in the form of liquid latex or cup lumps. The raw material is processed in 5 rubber factories located in Cameroon (1), Côte d'Ivoire (2), Liberia (1), and Nigeria (1).

Palm oil mills and rubber factories need water and energy for their processes; rubber factories need packing material made of polythene sheets, cardboard, wooden pallets and metal boxes.

### **E5-4: 31 a: Overall total weight of products and technical and biological materials used during the reporting period**

1 684 239 T of fresh fruits bunches for palm oil.

253 727 T of wet rubber for dry rubber.

### **E5-4: 31 b: Percentage of biological materials (and biofuels used for non-energy purposes)**

72.2%.

Raw rubber coming from organisations that are members of GPSNR can be considered sustainably sourced although GPSNR is not a certification scheme. All of Socfinaf's estates producing rubber are under GPSNR membership and therefore respect the sustainability principles under its policy framework.

*Volume (T wet) - Sustainably sourced (from GPSNR estates) = 140 458.5.*

*Volume (T wet) - Other sources = 141 513.42.*

Fresh fruit bunches that are sourced through certified RSPO estates or that are bio-certified are sustainably sourced.

*Volume (T FFB) - Sustainably sourced (from RSPO estates) = 1 276 497.*

*Volume (T FFB) - Sustainably sourced (Bio only) = 21 053.*

*Volume (T FFB) - From other sources = 405 686.69.*

### **E5-4: 31 c (1): The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)**

675 440 kg.

### **E5-4: 32: Description of methodologies used to calculate data and key assumptions used**

The calculation for E5-4: 31 b was done by extracting traceability data on the source of the raw material.

The calculation for E5-4: 31 c was done by multiplying the number of metal containers used through the year by each subsidiary by their average weight.

**E5-4: AR 25: Description of how double counting was avoided and of choices made**

In E5-4: 31 b, double counting was avoided by using actual volumes of sourced material.

In E5-4: 31 c, double counting was avoided by multiplying individual metal boxes used for shipments by their weight.

## [E5-5] Resource outflows

### E5-5: 35: Description of the key products and materials that come out of the undertaking's production process

For oil palm, the key products and materials that come out of the undertaking's production process are:

- Final products: palm oil and palm kernel (which can be either sold as such or processed to produce palm kernel oil).
- Biomass by-products used to produce steam and electricity within the factories (fibre and shells).
- Biomass by-products used to apply in the fields as organic fertilisers (Empty Fruits Bunches (EFB)).

For rubber, the key products and materials that come out of the undertaking's production process are:

- Final product: dry rubber.
- Materials: packing material made of plastic, wood or metal.

### E5-5: 40 (1): Description of methodologies used to calculate data (resource outflows)

The only by-product outflow is from the oil palm process, while the products are the palm oil and the rubber.

Oil palm Fresh Fruit Bunches (FFB) enter the mill complex. Then, through various mill process steps, the fruits are detached from the bunches. After the whole process they end up as palm oil, fibre, shells and palm kernels. The remaining part of the bunches, called Empty Fresh Bunches (EFB) are temporarily stored within the factory complex. They are then weighed and finally exit to be applied as organic fertilisers in the oil palm fields.

Data is calculated through volumes added to stock.

### E5-5: 37 a: Total Waste generated

351 134 289 kg.

2 348 830 m<sup>3</sup>.

316 771 P/C.

### E5-5: 37 b: Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type

	kg	m <sup>3</sup>	P/C
Waste recovered (energy recovery)	156 026 244	2 137	0
Waste recovered (organic recycling / composting)	188 565 293	4 451	9 362
Waste recovered (material recycling)	63 994	9 071	30 947
<b>Total</b>	<b>344 655 531</b>	<b>15 659</b>	<b>40 309</b>

**E5-5: 37 c: Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type**

	kg	m <sup>3</sup>	P/C
Waste disposed of in a company landfill	4 099 409	0	0
Waste incinerated (without energy recovery)	38 748	273	0
Liquid waste disposed of in the lagoons	/	2 312 541	/
Waste disposed of in a municipal landfill	131 220	2 195	0
Waste collected by a registered dealer	925 492	9 111	43 381
Waste sold	1 283 889	9 051	233 081
<b>Total</b>	<b>6 478 758</b>	<b>2 333 171</b>	<b>276 462</b>

**E5-5: 37 d (1): Non-recycled waste**

6 478 758 kg.

2 333 171 m<sup>3</sup>.

276 462 P/C

**E5-5: 37 d (2): Percentage of non-recycled waste**

1.85% (kg).

99.33% (m<sup>3</sup>).

87.28% (P/C).

**E5-5: 38: Disclosure of composition of waste**

According to our activities, we have different types of waste:

- Solid biodegradable waste from the plantation itself,
- Solid biodegradable waste from the industry process,
- Wastewater from the industrial process (treatment done through a series of ponds, or “lagoons”),
- Industrial waste like old spare parts, plastic from the nursery, plastic containers for fertilisers (disposed at the waste collection centre of the plantation and collected by registered dealers),
- Waste from the concession villages (for the moment collected and disposed in a landfill located within the plantation, to be improved in upcoming years),
- Medical products from concession health outposts and clinics (own incinerators).

**E5-5: 38 a: Disclosure of waste streams relevant to undertaking’s sector or activities**

- Solid organic waste from the palm oil processes,
- Liquid organic waste from the palm oil and rubber process,
- Solid non-organic waste from both palm oil and rubber plantations and from rubber factories.

**E5-5: 38 b: Disclosure of materials that are present in waste**

Please refer to the disclosures above.



**E5-5: 39 (1): Total amount of hazardous waste**

At the moment, no split is done between hazardous and non-hazardous waste when waste is weighed. We aim to add this split in reporting year 2025.

**E5-5: 40 (2): Description of methodologies used to calculate data (waste generated)**

The waste generated in the agro-industrial part (plantations and industrial units) is closely monitored and registered to follow the quantity available in our waste centres.

The waste collected by registered dealers is weighted in the weight-bridge or calculated by cubic meters depending on its type.

In turn, for the waste produced in the villages most of the time estimations are done following the measurement of samples.

## Social disclosures

# ESRS S1 – Own workforce

## [S1-MDR-M] Metrics in relation to material sustainability matters

### **S1-MDR-M: 75: Description of metric used to evaluate performance and effectiveness, in relation to material impact, risk or opportunity**

A list of the metrics that are used, to be found in detail in the specific S1 sections:

#### 1. Metrics related to the workforce:

- Employee breakdown by category,
- Employee breakdown by gender,
- Staff turnover rate,
- Statistics related to maternity and paternity leave.

#### 2. Metrics related to health and safety:

- Work-related accidents (injuries, fatalities, injury rate, lost days, lost days rate).

#### 3. Metrics related to training:

- Training sessions, hours and number of workers attending

#### 4. Metrics related to medical:

- Infrastructure data (hospitals, clinics, health posts),
- Staff data (doctors, nurses, midwives),
- Ambulance,
- Consultations,
- Hospitalisations,
- Malaria statistics,
- Presence of family planning,
- Treatment of HIV and tuberculosis.

#### 5. Metrics related to education:

- Infrastructure (day care centres, nursery schools, primary schools, secondary schools),
- Teachers and students' statistics,
- Ratio students/teacher.

#### 6. Metrics related to workers' villages:

- Infrastructure (villages, houses, kitchens, latrines, showers),
- Water points,
- Sport fields,

- Shops,
- Clubs,
- Market places,
- Gathering places,
- Population statistics (workers, dependants, others).

**S1-MDR-M: 77 a: Disclosure of methodologies and significant assumptions behind metric**

All the metric data come from Socfinaf's subsidiaries' relevant departments (HR, HSE, Medical), sent to headquarters and verified and validated by the Group reporting officer.

**S1-MDR-M: 77 b: Type of external body other than assurance provider that provides validation**

N/A.

## [S1-1] Policies related to own workforce

### **S1-MDR-P: 65 a: Description of key contents of policy**

The Socfin Group Responsible Management Policy guides all of Socfinaf's activities. Through this policy, the Group commits to ensuring social well-being and protection for its employees, including human rights protection, workers' rights, health and safety, freedom of association, grievance mechanisms, non-discrimination, and harassment prevention.

More details on specific policies are provided in section S1-1.

### **S1-MDR-P: 65 b: Description of scope of policy or of its exclusions**

The Group's Responsible Management Policy applies without exception to all operations, subsidiaries, and suppliers and in all countries where it operates.

### **S1-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

The Responsible Management Policy is approved by the Board of Directors.

### **S1-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

The principles of the Group's Responsible Management Policy and the strategy to implement these are intended to be in line with the UN Guiding Principles on Business and Human Rights, the RSPO Principles and Criteria, and the GPSNR Policy Framework.

### **S1-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

The Responsible Management Policy was developed ensuring that the interests of employees, local communities, suppliers, investors, and environmental organisations were taken into account.

### **S1-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

The Responsible Management Policy is publicly available on the company's website ([www.socfin.com](http://www.socfin.com)). It has been communicated to all operations.

### **S1-1: 19: Policies to manage material impacts, risks and opportunities related to own workforce, including for specific groups within workforce or all own workforce**

The Responsible Management Policy includes the following commitments applicable to its own workforce:

1. Zero tolerance approach to serious human rights abuses including intimidation, physical harm and/or threats;
2. Promotion of gender equity and strengthening of gender equality;
3. Respect of the rights of all workers;
4. Implementation of a grievance mechanism in line with Guiding Principle 31 of the UN Guiding Principles in Business and Human Rights.

**S1-1: 20: Description of relevant human rights policy commitments relevant to own workforce**

Further to the policy elements indicated in S1-1: 19, the Group commits to ensuring that the rights of any individual working in the operations falling within the scope of application of this policy are respected according to applicable local, national and international legislation, including the eight fundamental conventions of the International Labour Organisation (ILO).

The following key elements are applicable to our activities:

1. Child labour is prohibited, and appropriate measures are implemented to prevent it.
2. Forced or bonded labour and human trafficking are prohibited, and appropriate measures are implemented to prevent it.
3. Recruitment practices are transparent and fair, and direct recruitment is encouraged.
4. The health and safety of workers are protected from any risk that could generate permanent injury, illness or death.
5. Workers are provided with written employment contracts in a language that they understand, with details of working conditions, including as a minimum: the type of work, the salary and payment conditions, working hours, holidays and other leave, and other benefits of employment.
6. All workers are paid a wage that equals or exceeds the minimum legal wage defined by national standards and legal regulations.
7. When Decent Living Wages (DLW) applicable to our operations have been established and validated by RSPO or GPSNR, they will be implemented.
8. No worker works more than the legal maximum number of hours; overtime is worked on a voluntary basis, and workers have at least one day of rest every seven days.
9. Workers are protected from any form of discrimination constituting a violation of human rights.
10. Harassment and abuse are prohibited. Policies and procedures will be implemented to prevent and obtain redress for any act of harassment or abuse, notably sexual.
11. Workers at all levels have access to remedy for grievances, whether judiciary or through a credible grievance mechanism, without fear of recrimination or dismissal.
12. Where the Group provides housing, this meets the criteria of hygiene and physical safety, and the conditions of decent housing.
13. Freedom of Association and the right to collective bargaining are respected. All workers, regardless of rank or job grade, have the right to form and join a trade union of their choice, and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, parallel means of free association and collective bargaining are made available to workers.

**S1-1: 20 a: Disclosure of general approach in relation to respect for human rights including labour rights, of people in its own workforce**

All of Socfinaf's companies that are RSPO certified are verified for human rights compliance. In addition, they implement strong policies, grievance mechanisms, and monitoring processes to ensure adherence to international labour standards such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

**S1-1: 20 b: Disclosure of general approach in relation to engagement with people in its own workforce**

Socfinaf and its subsidiaries emphasise structured engagement with employees through unions, safety committees, open communication, grievance handling, and fair labour practices. Key mechanisms include union and employees' representation, open communication channels, regular meetings and committees, trainings and meetings related to Health and Safety, agreements and platforms for collective bargaining, grievance mechanisms.

**S1-1: 20 c: Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts**

Socfinaf's companies provide and enable remedy for human rights impacts through their respective grievance mechanisms that ensure resolution for the complainant.

**S1-1: 21: Disclosure of whether and how policies are aligned with relevant internationally recognised instruments**

The principles of the Group's Responsible Management Policy and the strategy enabling them to be implemented are aligned with the UN Guiding Principles on Business and Human Rights, the RSPO Principles and Criteria, and the GPSNR Policy Framework.

**S1-1: 22: Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour**

Yes.

**S1-1: 23: Workplace accident prevention policy or management system is in place**

Yes.

**S1-1: 24 a: Specific policies aimed at elimination of discrimination are in place**

Yes.

**S1-1: 24 b: Grounds for discrimination are specifically covered in policy**

Yes.

**S1-1: 24 c: Disclosure of specific policy commitments related to inclusion and (or) positive action for people from groups at particular risk of vulnerability in own workforce**

The Group's Responsible Management Policy includes specific commitments related to inclusion and positive actions for vulnerable groups within its workforce. These commitments aim to address the needs of individuals or groups at particular risk of vulnerability:

1. Through the commitment to gender equity, signals efforts to include and support women who may face discrimination in the workforce.
2. The policy also ensures that the rights of all workers, including migrant workers, temporary workers, and subcontractors, are recognised and respected. These groups are often at a heightened risk of exploitation or exclusion. It also explicitly prohibits forced or bonded labour, human trafficking, and child labour that target vulnerable populations.

3. The policy guarantees all workers the right to form and join trade unions and engage in collective bargaining, ensuring that marginalised or vulnerable groups have mechanisms to voice their concerns and advocate for their rights.
4. A grievance management system aligned with the UN Guiding Principles on Business and Human Rights provides a transparent and accessible avenue for vulnerable workers to report and resolve issues, including discrimination or exclusion.
5. The policy supports training programmes for employees aiming to build skills and increase opportunities for those in vulnerable positions

In addition to the Responsible Management Policy, Socfinaf's operations have developed their own policies when needed in order to adapt to their local context

**S1-1: 24 d: Disclosure of whether and how policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion**

The grievance management systems in place, including at Group level, ensure that any reported case of discrimination is investigated and acted upon.

In addition, each company has developed its own procedures to prevent and mitigate discrimination.

These procedures cover:

- Gender committees,
- Recruitment,
- Training,
- Grievance mechanisms,
- Whistle-blowing hotline.

**S1-1: AR 13: Clarifications regarding supplier codes of conduct**

Please refer to disclosure G12: 15 a.

**S1-1: AR 14: Disclosure on an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant**

The Group's Responsible Management Policy and code of conduct have been communicated to all employees and are publicly available on the company's website. Relevant subsidiary policies are published on the company's online dashboard. In addition, all sites implement their own processes tailored to their context and audiences to ensure that policies are known to the relevant individuals or groups.

More specifically, regarding the different subsidiaries:

- Agripalma's policies are made publicly available to all stakeholders through the company's website. They are also communicated through new employee's induction process and scheduled sustainability trainings. Policies are also displayed for all employees on notice boards. Agripalma's main policies are also shared and communicated during community engagement meetings and on community communication boards. Agripalma has provided to all relevant stakeholders a communication brochure listing the documents made publicly available and ways to access it.



- Brabanta communicate its policies to its employees by means of a verbal explanation and document when they are hired, and by awareness campaigns in languages that can be understood in the field. They are also disseminated in physical form to subcontractors and explained by a company manager. An explanation is given to the staff of each subcontractor via the company's promoter and proof of awareness is collected. Suppliers receive policies on paper or by e-mail. Staff representatives receive and have access to them for awareness-raising and explanation as and when required in the course of their duties. The policies are drawn up and explained in Lingala, Kikongo, Kishilele and French, the local languages of communication.
- LAC communicates its policies through its own radio station (in simple language), memo, notice boards, awareness raising, induction, musters and jingles.
- Okomu shares its policies internally through the company's intranet, email newsletters and department meetings. Externally, they are communicated through Okomu's website, stakeholders' engagement sessions, annual reports, shareholder meetings, community meetings, on community notice boards. Suppliers and subcontractors are made aware of the policies through their contract agreements, during meetings, and via email updates.
- To ensure that employees are fully aware of company policies, PSG carries out a comprehensive induction where policies are clearly outlined and accessible. Further, per the annual training plans, departmental briefings are held to engage employees directly. PSG also conducts periodic training sessions to ensure that all employees understand the policies and their specific responsibilities. For external stakeholders such as contractors and suppliers, PSG provides clear communication through formal contracts, which include links to the policies and specific clauses requiring compliance with the guidelines on ethical conduct, human rights, and sustainability. There are notice boards and compendium of policies in an arch file in communities to provide a medium for them to have access to them. To remove barriers, policies are verbally explained to the semi-literate workforce and community members and are simplified on the notice boards.
- SAC is committed to ensuring that information is correctly understood by its audience, and to achieve this the format (written, oral) and the language (English, Krio, Mende) is chosen adequately. Internal stakeholders are made aware through inductions, toolbox talks, posting documents/posters on the various notice boards (communication panels in the various workplaces) and training. External stakeholders are engaged via meetings, sensitisation sessions/trainings, a clause in service providers' contracts, notice boards in the community barrays (community centre), emails, newsletters/flyers, social media and letters.
- At Safacam, the various policies are communicated to employees by means of a verbal explanation and document when they are hired, and by various awareness-raising campaigns throughout the year. They are presented to subcontractors in a physical version with a receipt and explanation by a company manager. An explanation is given to the staff of each subcontractor via the company promoter and proof of awareness is returned to Safacam. Suppliers are made aware of the policies on paper or by e-mail with a request for acknowledgement of receipt. Staff representatives receive and have access to the various policies for awareness and explanation as necessary in the performance of their duties. Policies are drawn up and explained in the 2 official languages of communication in Cameroon and within the company.
- SCC uses in-house safety minutes, which are held three times a week to communicate on its policies. They also have an external channel, such as a Facebook page, for all staff, growers and partners.

- Socapalm adopts a multi-faceted approach to ensure that its policies are accessible, understood and implemented by the various stakeholders. Employees are reached through emails, shared servers and awareness sessions. External stakeholders such as authorities, communities and partners are made aware of the policies through official correspondence and bipartite meetings. Various tools are employed such as physical displays (boards), printed materials and the policies are translated into local dialects at awareness sessions. Finally, the company's social networks and dedicated websites serve as additional platforms for sharing policies and interacting with stakeholders.
- At SOGB, the various policies are communicated through training courses for company employees, subcontractors and suppliers. SOGB also communicates its policies through emails, its website, acknowledgements of receipt, its various social media channels, face-to-face interactions and employee representatives. These policies are published in French, in easy-to-understand language, so that different audiences understand their implications.

**S1-1: AR 17 a: Policies and procedures which make qualifications, skills and experience the basis for the recruitment, placement, training and advancement are in place**

Yes.

**S1-1: AR 17 c: Staff training on non-discrimination policies and practices are in place**

Yes.

**S1-1: AR 17 f: Keeping an up-to-date record on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression**

Yes.

**S1-1: AR 17 g: Has put in place grievance procedures to address complaints, handle appeals and provide recourse for employees when discrimination is identified, and is alert to formal structures and informal cultural issues that can prevent employees from raising concerns and grievances**

Yes.

**S1-1: AR 17 h: Has programs to promote access to skills development**

Yes.

## [S1-2] Processes for engaging with own workers and workers' representatives about impacts

### **S1-2: 27: Disclosure of whether and how perspectives of own workforce inform decisions or activities aimed at managing actual and potential impacts**

Across the companies, there is a clear emphasis on engaging employees to ensure their perspectives are incorporated into decision-making processes related to managing impacts. Methods include direct and indirect engagement channels, such as regular meetings (HSE, gender committees, unions), grievance mechanisms, surveys, suggestion boxes, and whistleblowing channels. Employees are provided with opportunities to share feedback in various forums, including training sessions, appraisals, and workplace meetings.

This feedback is reviewed by management, incorporated into policy changes, and communicated back to employees through reports or newsletters. Specific budgets are also allocated to support these engagement processes. Furthermore, resources are dedicated to ensure that worker input is taken seriously, and actions are taken to address concerns raised. Many companies also emphasise transparency and inclusivity by reporting back to employees on how their feedback influences strategic decisions, particularly in areas of health, safety, and sustainability.

#### **S1-2: 27 a: Engagement occurs with own workforce or their representatives**

Yes.

#### **S1-2: 27 b: Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement**

The engagement process with the workforce generally follows a structured approach but varies in terms of frequency and methods across companies.

There are regular meetings such as:

- Meetings between management and workers representatives,
- HSE meetings with management and workers representatives,
- Frequent morning short meetings prior to start work,
- Ad-hoc meetings at the request of the management or the workers.

#### **S1-2: 27 c: Disclosure of function and most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform undertakings approach**

In most cases, it is the responsibility of the subsidiaries' General Managers to ensure that the engagement happens.

#### **S1-2: 27 d: Disclosure of Global Framework Agreement or other agreements related to respect of human rights of workers**

In addition to Collective Bargaining Agreements (CBA) established between subsidiaries and local unions that are designed to define terms and conditions of employment and respects of human rights, we also have the standards established by the sustainability platforms such as RSPO for oil palm and GPSNR for

rubber. Both platforms cover the respect of human rights of workers, among other key sustainability topics.

**S1-2: 27 e: Disclosure of how effectiveness of engagement with its own workforce is assessed**

Certification audits, such as RSPO, assess Socfinaf's practices with regard to engagement in its workforce. Audits from local administrations such as the Labour Department also ensure the adequacy of systems in place in Socfinaf's operations. Finally, internal processes such as monitoring of grievances logged through the grievance mechanism and their resolution are an indicator of how well concerns are being addressed and whether engagement efforts are meeting employee needs.

**S1-2: 28: Disclosure of steps taken to gain insight into perspectives of people in its own workforce that may be particularly vulnerable to impacts and (or) marginalised**

Across Socfinaf's sites, various mechanisms are in place to ensure marginalised and vulnerable employees are heard and their concerns addressed. The most common approach is through Gender Committees. These committees provide a structured platform for discussions on gender equity, workplace safety, and parental rights. They also support pregnant women and new mothers by ensuring non-discriminatory work policies, maternity benefits, and access to childcare support.

Additionally, subsidiaries have grievance mechanisms in place to allow workers to voice concerns confidentially. Direct engagement with vulnerable groups, including people with disabilities, pregnant women, and victims of workplace discrimination, is also conducted through focus groups, consultations, and social committees. Subsidiaries reinforce workers' rights through policies on equal opportunities, child labour, freedom of association, and non-discrimination. Collective Bargaining Agreements (CBAs) also play a role in ensuring worker rights are protected. Moreover, there are training sessions to raise awareness about workplace inclusion and fair treatment.

**S1-2: AR 25 c: Disclosure of how people in its workforce are provided with information that is understandable and accessible through appropriate communication channels**

Companies utilise a variety of communication channels to ensure that information is accessible and understandable to all employees. These channels include notice boards, emails, memos, and posters in both local and official languages. In some cases, visual communication tools, such as infographics and drawings, are used to accommodate workers with varying literacy levels.

Specific language preferences, such as local dialects, are also considered to ensure clarity and comprehension. In addition to written communication, companies hold regular meetings, awareness sessions, and toolbox talks to discuss important information, including sustainability goals and safety protocols.

Employees are also encouraged to provide feedback during these sessions, ensuring that information is not only disseminated but also understood by all. Digital platforms, where available, are used for broader communication, and external communication is handled through formal letters and reports. The multi-channel approach ensures inclusivity and transparency in keeping employees informed.

**S1-2: AR 25 e: Disclosure of how undertaking seeks to respect human rights of all stakeholders engaged**

To complement the Group's Responsible Management Policy, Socfinaf's subsidiaries have developed specific policies and strategies to ensure they respect the human rights of all stakeholders engaged.

These policies cover:

- Human rights,
- Freedom of association,
- Equal opportunity and non-discrimination,
- Child labour,
- Sexual harassment,
- Grievances.

## [S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

### **S1-3: 32 a: Disclosure of general approach to and processes for providing or contributing to remedy where undertaking has caused or contributed to a material negative impact on people in its own workforce**

All of Socfinaf's subsidiaries have established structured grievance mechanisms to address and provide remedies for any material negative impacts on employees. These mechanisms include grievance boxes, worker representatives, gender committees, union feedback, direct HR engagement, and whistle-blower hotlines.

When a complaint or grievance is received, it is registered, investigated, and addressed by the relevant department (HR, management, or the Gender Committee). Employees are kept informed throughout the process, and corrective actions such as policy changes, disciplinary measures, compensation, or workplace improvements may be implemented. Monitoring of grievances is done by reviewing cases monthly at management level. Escalation procedures allow employees to seek higher-level reviews if they are unsatisfied with initial resolutions. Grievance resolution processes ensure that all workplace concerns, particularly those affecting vulnerable employees, are addressed in a structured, transparent, and timely manner.

### **S1-3: 32 b: Disclosure of specific channels in place for its own workforce to raise concerns or needs directly with undertaking and have them addressed**

The companies have established multiple channels through which employees can raise concerns or grievances. These include grievance boxes, whistleblowing platforms (hotlines, letters, online platforms), gender committees, union representatives, and regular meetings with managers. Grievance management systems allow issues to be reported directly and confidentially, with clear tracking and resolution timelines. There are awareness campaigns to ensure workers understand how to use these channels.

### **S1-3: AR 29: Third-party mechanisms are accessible to all own workforce**

Yes.

### **S1-3: 32 c: Grievance or complaints handling mechanisms related to employee matters exist**

Yes.

### **S1-3: 32 d: Disclosure of processes through which undertaking supports or requires availability of channels**

Across the organisation, third-party mechanisms are integral to their grievance management systems, offering employees a high level of independence and confidentiality. These include third-party hotlines (often anonymous) and mediation or advisory services, such as SAC's independent legal and technical advice option and the third-party hotline at Safacam. In addition, companies like Okomu and PSG highlight the role of unions and legal representatives in facilitating third-party involvement in resolving grievances, particularly when internal resolutions fail.

Some companies, like Socapalm, explicitly outline a process for handling complaints through external channels such as the Socfin Hotline and RSPO complaints system. Third-party mechanisms are typically communicated clearly to workers through training, awareness sessions, and accessible materials to ensure that all employees are aware of their rights to use such services.

**S1-3: 32 e: Disclosure of how issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured**

To ensure issues raised are effectively tracked, addressed, and resolved, the companies utilise structured mechanisms and regular monitoring:

1. **Grievance logging and monitoring:** Most companies maintain grievance logs or internal databases to track complaints. These logs typically include details such as the date the issue was raised, the nature of the grievance, and the status of resolution. Some companies also monitor the time it takes to resolve each grievance and ensure compliance with established timelines.
2. **Resolution procedures:** Issues are addressed through clearly defined Standard Operating Procedures (SOPs) that outline the steps for resolving grievances, including options for mediation or third-party intervention. In some cases, complaints that cannot be resolved internally are escalated to external bodies like RSPO complaints systems or legal authorities.
3. **Feedback and transparency:** Once an issue is resolved, feedback is given to the complainant to ensure satisfaction. Some companies also provide formal documentation or closure forms, where employees can express their satisfaction or dissatisfaction with the resolution.
4. **Internal audits and reviews:** Several companies include monitoring of the grievance channels as part of their internal audits or sustainability reviews. These audits help to identify gaps, measure the effectiveness of the channels, and make necessary improvements. Periodic reviews are conducted to ensure that the grievance system is functioning efficiently.
5. **Training and capacity building:** Ongoing training for staff involved in grievance management ensures that employees handling grievances are well-equipped to address issues effectively. Additionally, lessons learned from resolved cases are integrated into the company's operations to prevent future problems.

**S1-3: 33: Disclosure of whether and how it is assessed that its own workforce is aware of and trust structures or processes as way to raise their concerns or needs and have them addressed**

Across the different companies there is a strong emphasis on ensuring that employees are aware of, trust and are protected when using grievance mechanisms or processes for raising concerns. Companies have implemented grievance systems with clear channels for reporting such as suggestion boxes, whistle-blower policies, grievance mechanisms and gender committees.

Anonymity and no-retaliation policies govern these mechanisms. Companies emphasise that complainants can raise concerns anonymously. Strict non retaliation clauses are in place to protect whistle-blowers, and this is consistently communicated to employees.

Regular training sessions, awareness campaigns and induction programmes are conducted to inform employees about the available grievance processes. These initiatives ensure that workers are not only aware of the channels but also understand how to use them effectively. Regular evaluations and face to

face interactions (e.g., muster meetings and union meetings) are common practices for gauging employee understanding of the processes and gathering feedback on their trust in the mechanisms. Many companies ensure open communication through meetings (e.g., safety meetings, gender committees, worker union meetings and HR consultations) to reinforce the importance of grievance processes and reinforce workers' trust in the system.

**S1-3: 33 (1): Policies regarding protection against retaliation for individuals that use channels to raise concerns or needs are in place**

Yes.



## [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

### **S1-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

Examples of actions within Socfinaf are:

- Restructuring of the HR Department (SAC),
- Capacity building of the workforce (SAC, Brabanta),
- Monitoring of existing human rights policy, support for the Gender Committee, carrying out internal audits using RSPO P&C, improvement of the internal and external complaints management process, employee training on the company's commitment to the protection of human rights (Socapalm, Okomu, SAC, Safacam, PSG),
- Renovation of employees' changing room and canteen (SCC),
- Performing a human right impact assessment/due diligence assessment (PSG).

### **S1-MDR-A: 68 b: Description of scope of key action**

Actions cover all employees.

### **S1-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

All actions listed under S1-MDR-A: 68a are short-term, many of them being short-term recurring actions.

### **S1-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

The objectives of the key actions taken are:

- Improving employee well-being, ensuring a safe workplace (physically and mentally), enhancing employee performance, fostering a corporate culture sensitive to gender equity, a more skilled and robust HR Department (SAC),
- Improving working practices in favour of human rights, increasing employees' confidence in complaints management procedures,
- Improving knowledge of all policies,
- Increasing employee satisfaction.

### **S1-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

Depending on the subsidiaries it will be either only OpEx expenditure or a mix of OpEx and CapEx expenditure.

**S1-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

The amounts disclosed are part of the subsidiary costs allocated to sustainability matters.

**S1-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

1 077 803 EUR.

**S1-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

2 635 331 EUR.

**S1-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

962 029 EUR.

**S1-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

107 360 EUR.

**S1-4: 38 a: Description of action taken, planned or underway to prevent or mitigate negative impacts on own workforce**

Socfinaf's subsidiaries have implemented a range of preventive and corrective measures to mitigate negative impacts on their workforce, focusing on employee safety, grievance mechanisms, gender equity, and employee engagement. Through these efforts, Socfinaf's sites actively prevent and mitigate workplace risks, ensuring a safe, fair, and inclusive environment for all employees.

**S1-4: 38 b: Disclosure on whether and how action has been taken to provide or enable remedy in relation to actual material impact**

Most of Socfinaf's subsidiaries have structured processes to identify, assess, and remedy material impacts on their workforce, particularly in areas of workplace safety, health, and grievance resolution.

Subsidiaries notably actively track and investigate work-related accidents, injuries and illnesses, implementing corrective measures such as safety protocol enhancements, equipment repairs, and workplace adjustments to prevent recurrence. They also address material workforce issues through grievance management and gender committees, ensuring fair resolution of disputes and concerns.

**S1-4: 38 c: Description of additional initiatives or actions with primary purpose of delivering positive impacts for own workforce**

Socfinaf's subsidiaries have implemented a wide range of initiatives aimed at improving employee well-being, career development, and workplace satisfaction. These initiatives focus on financial benefits, career progression, health and safety improvements, and recreational activities.

Key initiatives include:

- Financial incentives and employee recognition:
  - Performance-based bonuses, annual incentives.
  - Merit-based promotions and internal career advancement opportunities.
- Health and well-being:
  - Upgrading medical facilities and improving access to health care.

- Health awareness programmes and workplace safety improvements to enhance working conditions.
- Work-life balance and recreation:
  - Leisure and sports facilities, including clubs, fields, and team-building activities, to encourage social interaction and work-life balance.
  - Annual celebrations and long-service recognition events to build employee morale.
- Training and career development:
  - Ongoing training programmes, professional certifications, and career progression support to enhance employee skills and future opportunities.
- Workplace infrastructure and living conditions:
  - Housing provisions and improved transport.
  - Investments in day-care centres and improved workplace facilities.

**S1-4: 38 d: Description of how effectiveness of actions and initiatives in delivering outcomes for own workforce is tracked and assessed**

Socfinaf's subsidiaries track the effectiveness of workforce initiatives through a combination of performance indicators, grievance resolution rates, audits, and employee engagement metrics.

Key tracking methods include:

- Employee retention and turnover analysis:
  - Subsidiaries monitor attrition rates, retention rates, and workforce stability as indicators of employee satisfaction and initiative effectiveness.
- Grievance management and resolutions:
  - The rate of grievance resolution within set timeframes is a key measure to assess the impact of workplace policies and interventions.
- Training and development effectiveness:
  - Use of a skills matrix to assess whether training programmes improve workforce capabilities.
  - Tracking participation rates in employee development programmes to measure engagement and effectiveness.
- Audits and external assessments:
  - RSPO surveillance audits and government inspections provide third-party evaluations of workforce initiatives.
  - Independent reviews, such as the Earthworm Foundation's assessments, offer benchmarks for continuous improvement.
- Internal management reviews:
  - Use of consultations with unions, gender committees, and HSE teams to track impact and adjust initiatives as needed.

**S1-4: 39: Description of process through which it identifies what action is needed and appropriate in response to particular actual or potential negative impact on own workforce**

To address potential negative impacts on the workforce, companies have developed comprehensive processes, often involving multiple channels of communication and feedback mechanisms:

1. **Committees and worker representation:** Regular meetings with staff representatives, unions, and Gender Committees are common in most companies. These platforms allow workers to voice concerns related to safety, discrimination, and other workplace issues. These bodies play an advisory and corrective role, ensuring that actions are taken to address the concerns raised.
2. **Grievance and feedback mechanisms:** Clear and structured grievance mechanisms are in place, such as suggestion boxes, whistleblowing platforms, and HR-led grievance procedures. These mechanisms help identify issues and ensure that appropriate actions are taken to address them.
3. **Internal and external audits:** Regular audits (RSPO, ISO, etc.) are conducted across most of the companies to assess compliance with policies, identify any issues affecting workers, and implement corrective actions. These audits also provide a transparent platform for workers to raise concerns, and the audit results help guide management in addressing potential negative impacts. Moreover, external audits are complemented by internal ones, which allow to follow up on any issues raised and maintain regular monitoring.
4. **Management meetings and direct interactions:** Face-to-face interactions at muster points, union meetings, and management reviews are essential for addressing emerging issues quickly. Companies use these opportunities to discuss potential concerns with workers and take corrective actions promptly.
5. **Targeted initiatives:** Gender Committees, safety committees, and health and safety protocols are in place to tackle specific issues, such as gender-based violence, harassment, and safety hazards. These committees meet regularly to address concerns, develop action plans, and ensure continuous improvement in employee conditions.

**S1-4: 40 a: Description of what action is planned or underway to mitigate material risks arising from impacts and dependencies on own workforce and how effectiveness is tracked**

Companies are actively taking steps to mitigate material risks associated with their workforce, particularly those related to legal compliance, employee retention, and the workforce's dependence on the company.

1. **Attraction and retention of talent:** Companies offer a range of benefits like medical care, housing, and preferential rates on palm oil to attract and retain employees. Internships and training programmes are also used to develop talent, with the potential for later full-time employment.
2. **Employee well-being:** Policies have been introduced to safeguard employee well-being, including policies to safeguard maternity protection and reproductive rights.
3. **Training and development:** To address skill shortages and turnover, companies offer training programmes and opportunities for internal promotion, reducing dependency on external hiring.
4. **Monitoring effectiveness:** Effectiveness is tracked through regular internal and external audits (e.g., RSPO, EF), employee feedback, and results from compliance checks.

Overall, companies are taking a proactive approach to mitigate risks related to workforce dependency by focusing on fair wages, employee welfare, internal training, and compliance with ethical labour practices.

**S1-4: 40 b: Description of what action is planned or underway to pursue material opportunities in relation to own workforce**

The companies are actively investing in improving their workforce's living and working conditions, prioritising housing, healthcare, safety, and education. Companies are renovating or constructing new employee housing, ensuring access to clean water, providing free healthcare, and offering attractive salaries. Additionally, companies have introduced wellness programmes, such as providing sports infrastructure, transport, and access to essential goods. Companies offer training programmes, apprenticeships, and guarantee security for employees, ensuring long-term employee well-being and retention.

**S1-4: 41: Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on own workforce**

There are different processes initiated by Socfinaf to check that its activities do not cause or contribute to material negative impacts. These notably relate to Socfinaf's adherence to international sustainability platforms such as RSPO and GPSNR, and the partnership with EF. Through those, assessments are made and any gap identified is subject to an immediate corrective action plan.

**S1-4: 43: Disclosure of resources are allocated to the management of material impacts**

Socfinaf invests every year to manage material impacts of its workforce; for example, in 2024 we had the following investment related to training and HSE:

- Training: € 415 000.
- OHS (Occupational Health and Safety): € 761 000.
- Personal Protective Equipment (PPE): € 1 804 000.

## [S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

### **S1-MDR-T: 81 a (1): Disclosure of timeframe for setting of measurable outcome-oriented targets**

While there are no measurable outcome-oriented targets under S1, a large number of KPIs are already being followed and have been for several years. It is intended to set a number of specific measurable outcome-oriented targets during the year 2026.

### **S1-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

### **S1-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

There are several processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risks and opportunities under S1:

- Internally, with various committees following actions spread over different topics such as safety, social well-being, workers' rights, health and safety, meetings between management and workers' representatives.
- Externally, with audits from governmental authorities and from RSPO auditors.

### **S1-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

The targets to be set during the year 2026 will be linked to the Socfin Group Responsible Management Policy topics with the ambition to achieve a full compliance towards it; specific quantitative targets will be set for KPIs related to health and safety, gender issues, and grievance management.

### **S1-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

The progress will be measured with 2026 as a base year.

## [S1-6] Characteristics of undertaking's employees

### S1-6: 50 a: Characteristics of undertaking's employees - number of employees by gender

Gender	Number of employees (headcount)
Female	7 563
Male	18 136

#### S1-6: 50 a (1): Number of employees (headcount)

25 699.

#### S1-6: 50 a (2): Average number of employees (headcount)

25 798.

### S1-6: 50 a (3): Characteristics of undertaking's employees - number of employees in countries with 50 or more employees representing at least 10% of total number of employees

Country	Number of employees (headcount)
Cameroon	5 390
Côte d'Ivoire	9 810
Democratic Republic of Congo	1 960
Ghana	2 390
Liberia	2 059
Nigeria	329
Sierra Leone	3 038
São Tomé and Príncipe	723

#### S1-6: 50 a (4): Number of employees in countries with 50 or more employees representing at least 10% of total number of employees

25 699.

#### S1-6: 50 a (5): Average number of employees in countries with 50 or more employees representing at least 10% of total number of employees

25 798.

### S1-6: 50 b (1): Characteristics of undertaking's employees - information on employees by contract type and gender

Reporting type	Employee contract type	Female employees	Male employees
Headcount	Daily workers	2 803	1 823
Headcount	Permanent employees	4 760	16 313

**S1-6: 50 b + 51 (1): Number of employees (headcount or full-time equivalent)**

25 699.

**S1-6: 50 b + 51 (2): Average number of employees (headcount or full-time equivalent)**

25 798.

**S1-6: 50 c (1): Number of employees (headcount or full-time equivalent) who have left undertaking**

3 217 (only for permanent employees).

**S1-6: 50 c (2): Percentage of employee turnover**

17.50% (only for permanent employees).

**S1-6: 50 d: Description of methodologies and assumptions used to compile data (employees)**

Every year, an HR reporting template is prepared by the Reporting Officer from the Sustainability Department at Group level according to the data needed, and validated by the Head of Sustainability. This template is sent to Socfinaf's subsidiaries, notably their Sustainability Managers, Human Resources Managers or other relevant roles.

All the files are reviewed by the Reporting Officer through comparison with previous year data, evolution of activities, comparison with other reporting elements and validated. Another review and validation are done by the Head of Sustainability at Group level.

**S1-6: 50 d i: Employees numbers are reported in headcount or full-time equivalent**

Headcount.

**S1-6: 50 d ii: Employees numbers are reported at end of reporting period/average/other methodology**

At end of reporting period.

**S1-6: 50 e: Disclosure of contextual information necessary to understand data (employees)**

On certain sites, we rely on contractual labour to meet seasonal labour needs. These employees are made available for the sites through specialised companies. Due to the seasonality of some of our operations some contract employees (mostly harvesters) follow the production peak and subsequently move towards other seasonal crops.

Even though job opportunities in Socfinaf's subsidiaries are received very positively, the turnover can be high. This can be explained by a short-term vision, resulting in many of them leaving the company as soon as they have received a few months' salary.

**S1-6: 50 f: Disclosure of cross-reference of information reported under paragraph 50 (a) to most representative number in financial statements**

The data regarding the workforce can be different between the financial statements and the sustainability statement. In the sustainability statement, the denomination "employees" refers to permanent employees and daily workers, and the denomination "non-employees" to temporary workers and contractors. Moreover, the data regarding the number of employees is disclosed based on the cut-off date of



31.12.2024. In the financial statements, depending to the countries the data is based on the same cut-off date or calculated as an average. This difference will be solved for 2025 reporting.

## [S1-7] Characteristics of non-employees in undertaking's own workforce

### **S1-7: 55 a (1): Number of non-employees in own workforce**

17 459.

### **S1-7: 55 a (3): Number of non-employees in own workforce - people provided by undertakings primarily engaged in employment activities**

17 459.

### **S1-7: 55 b: Description of methodologies and assumptions used to compile data (non-employees)**

Data on non-employees is collected by using the same process as for employees. All the data is collected through the "HR reporting" process as explained in point S1-6: 50 d.

### **S1-7: 55 b i: Non-employee numbers are reported in headcount or full time equivalent**

Headcount.

### **S1-7: 55 b ii: Non-employee numbers are reported at end of reporting period/average/other methodology**

At end of reporting period.

### **S1-7: 55 c: Disclosure of contextual information necessary to understand data (non-employee workers)**

Please refer to the explanation provided under S1-6: 50 e.

## [S1-8] Collective bargaining coverage and social dialogue

### **S1-8: 60 a: Percentage of total employees covered by collective bargaining agreements**

51.91%.

### **S1-8: 60 c: Percentage of own employees covered by collective bargaining agreements (outside EEA) by region**

Reporting type	Region (outside EEA)	Percentage of own employees covered by collective bargaining agreements (%)
Headcount	Cameroon	100
Headcount	Côte d'Ivoire	4
Headcount	Democratic Republic of Congo	100
Headcount	Ghana	33
Headcount	Liberia	43
Headcount	Nigeria	100
Headcount	Sierra Leone	100
Headcount	São Tomé and Príncipe	80

### **S1-8: 61: Working conditions and terms of employment for employees not covered by collective bargaining agreements are determined based on collective bargaining agreements that cover other employees or based on collective bargaining agreements from other undertakings**

If employees are not covered by a CBA, their working conditions are based on the labour code.

### **S1-8: 62: Description of extent to which working conditions and terms of employment of non-employees in own workforce are determined or influenced by collective bargaining agreements**

This question does not apply to some sites because all workers, including non-employees, are covered by a CBA or similar framework (code of labour), which is the case for Brabanta, Safacam, SCC and SOGB. Moreover, in Agripalma, Okomu and Socapalm the conditions of workers not covered by a CBA are the same as for those covered by a CBA, while in PSG there are no non-employees in the workforce. In LAC and SAC, conditions for non-employees differ from those applicable to employees but are in line with national legislation.

**S1-8: AR 70: Own workforce in region (non-EEA) covered by collective bargaining and social dialogue agreements by coverage rate and by region**

Reporting type	Region (outside EEA)	Total number of workers in own workforce	Number of workers in own workforce covered by collective bargaining and social dialogue agreements
Headcount	Cameroon	10 304	10 304
Headcount	Côte d'Ivoire	10 044	425
Headcount	Democratic Republic of Congo	2 135	1 960
Headcount	Ghana	2 390	782
Headcount	Liberia	4 597	1 354
Headcount	Nigeria	7 453	2 247
Headcount	Sierra Leone	5 409	5 409
Headcount	São Tomé and Príncipe	826	578

## [S1-9] Diversity metrics

### S1-9: 66 a (1): Gender distribution in number of employees (headcount) at top management level

Gender (Top management level)	Number of employees (headcount)
Female	40
Male	248

This is the sum of numbers of employees, by gender, at top management level across all Socfinaf subsidiaries.

### S1-9: 66 a (2): Gender distribution in percentage of employees at top management level

Gender (Top management level)	Percentage of employees (%)
Female	14
Male	86

These numbers too represent all Socfinaf subsidiaries put together.

### S1-9: 66 b: Distribution of employees (headcount) by age group

Age group	Number of employees (headcount)	Percentage (%)
30-50 years	16 717	65
< 30 years	5 533	22
> 50 years	3 449	13

### S1-9: AR 71: Disclosure of own definition of top management used

Top management = Manager.

## [S1-10] Adequate Wages

**S1-10: 69: All employees are paid adequate wage, in line with applicable benchmarks**

No (please see explanation below)

**S1-10: 70 (1): Countries where employees earn below the applicable adequate wage benchmark**

Country	Number of employees below wage benchmark	Percentage below wage benchmark (%)	Wage benchmark type
Sierra Leone	0	0	Minimum daily wage for the sector
Liberia	0	0	Minimum daily wage for the sector
Côte d'Ivoire	0	0	Minimum daily wage for the sector
Ghana	0	0	Minimum daily wage for the sector
Nigeria	0	0	Minimum daily wage for the sector
Cameroon	0	0	Minimum daily wage for the sector
Democratic Republic of Congo	528	27.50	Minimum daily wage for the sector
São Tomé and Príncipe	0	0	Minimum daily wage for the sector

At Brabanta in the Democratic republic of Congo 528 employees (27.50%) are paid below the local minimum wage and 1 432 (72.50% are paid at the local minimum wage or above). This is due to an important increase of the national minimum salary for this branch that took place in 2019. The full implementation of the new national minimum salary was conditional to the introduction of several tax relief for the agricultural sector which are not yet effective. The situation is regularly discussed with the relevant government ministries.

**S1-10: 70 (2): Percentage of employees paid below the applicable adequate wage benchmark**

2%.

**S1-10: 71: Percentage of non-employees paid below adequate wage by country**

Country	Wage benchmark type	Number of non-employees below wage benchmark	Percentage below wage benchmark (%)
Cameroon	Sector Minimum Wage	0	0
Côte d'Ivoire	Sector Minimum Wage	0	0
Democratic Republic of Congo	Sector Minimum Wage	13	7.39
Ghana	Sector Minimum Wage	0	0.
Liberia	Sector Minimum Wage	0	0
Nigeria	Sector Minimum Wage	0	0
Sierra Leone	Sector Minimum Wage	0	0
São Tomé and Príncipe	Sector Minimum Wage	0	0

Please refer to the explanation in the previous point regarding Brabantia (DRC).

## [S1-11] Social protection

**S1-11: 74 a: All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to sickness**

No; please refer to the table below:

Covered: yes or no	Employees (permanent)	Daily workers
SAC	Yes	N/A
LAC	Yes	Yes
SOGB	Yes	No
SCC	Yes	N/A
PSG	Yes	No
Okomu	Yes	N/A
Safacam	Yes	N/A
Socapalm	Yes	N/A
Camseeds	Yes	N/A
Sogescol Cam	Yes	N/A
Brabanta	Yes	N/A
Agripalma	Yes	N/A

**S1-11: 74 b: All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to unemployment starting from when own worker is working for undertaking**

No; please refer to the table below:

Covered: yes or no	Employees (permanent)	Daily workers
SAC	No	N/A
LAC	No	No
SOGB	No	No
SCC	No	N/A
PSG	No	No
Okomu	No	N/A
Safacam	No	N/A
Socapalm	No	N/A
Camseeds	No	N/A
Sogescol Cam	No	N/A
Brabanta	No	N/A
Agripalma	No	N/A



**S1-11: 74 c: All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to employment injury and acquired disability**

Yes, please refer to the table below:

Covered: yes or no	Employees (permanent)	Daily workers
SAC	Yes	N/A
LAC	Yes	Yes
SOGB	Yes	Yes
SCC	Yes	N/A
PSG	Yes	Yes
Okomu	Yes	N/A
Safacam	Yes	N/A
Socapalm	Yes	N/A
Camseeds	Yes	N/A
Sogescol Cam	Yes	N/A
Brabanta	Yes	N/A
Agripalma	Yes	N/A

**S1-11: 74 d: All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to parental leave**

No; please refer to the table below:

Covered: yes or no	Employees (permanent)	Daily workers
SAC	Yes	N/A
LAC	Yes	Yes
SOGB	Yes	No
SCC	Yes	N/A
PSG	Yes	Yes
Okomu	Yes	N/A
Safacam	Yes	N/A
Socapalm	Yes	N/A
Camseeds	Yes	N/A
Sogescol Cam	Yes	N/A
Brabanta	Yes	N/A
Agripalma	Yes	N/A

**S1-11: 74 e: All employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to retirement**

Yes; please refer to the table below.

Covered: yes or no	Employees (permanent)	Daily workers
SAC	Yes	N/A
LAC	Yes	Yes
SOGB	Yes	Yes
SCC	Yes	N/A
PSG	Yes	Yes
Okomu	Yes	N/A
Safacam	Yes	N/A
Socapalm	Yes	N/A
Camseeds	Yes	N/A
Sogescol Cam	Yes	N/A
Brabanta	Yes	N/A
Agripalma	Yes	N/A

**S1-11: 75, 76 (1): Disclose the countries where employees do not have social protection with regard to one or more of the types of events and for each of those countries the types of employees who do not have social protection with regard to each applicable major life event**

Country	Type of employee	Sickness	Unemployment	Parental Leave	Employment Injury and acquired Disability	Retirement
Sierra Leone	Employees (permanent)	Have	Don't have	Have	Have	Have
Liberia	Employees (permanent)	Have	Don't have	Have	Have	Have
Liberia	Daily workers	Have	Don't have	Have	Have	Have
Côte d'Ivoire	SCC - Employees (permanent)	Have	Don't have	Have	Have	Have
Côte d'Ivoire	SOGB - Employees (permanent)	Have	Don't have	Have	Have	Have
Côte d'Ivoire	SOGB - Daily workers	Don't have	Don't have	Don't have	Have	Have
Ghana	Employees (permanent)	Have	Don't have	Have	Have	Have
Ghana	Daily workers	Don't have	Don't have	Have	Have	Have
Nigeria	Employees (permanent)	Have	Don't have	Have	Have	Have
Cameroon	Camseeds - Employees (permanent)	Have	Don't have	Have	Have	Have
Cameroon	Safacam - Employees (permanent)	Have	Don't have	Have	Have	Have
Cameroon	Socapalm - Employees (permanent)	Have	Don't have	Have	Have	Have
Cameroon	Sogescol Cam - Employees (permanent)	Have	Don't have	Have	Have	Have
Democratic Republic of Congo	Employees (permanent)	Have	Don't have	Have	Have	Have
São Tomé and Príncipe	Employees (permanent)	Have	Don't have	Have	Have	Have

**S1-11: 75, 76 (2): Disclose the countries where non-employees do not have social protection with regard to one or more of the types of events and for each of those countries the types of employees who do not have social protection with regard to each applicable major life event**

Country	Type of non-employee	Sickness	Un-employment	Parental Leave	Employment Injury and acquired Disability	Retirement
Sierra Leone	Temporary workers	Don't have	Don't have	Don't have	Have	Don't have
Sierra Leone	Contractors	Don't have	Don't have	Don't have	Have	Don't have
Liberia	Contractors	Have	Don't have	Have	Have	Have
Côte d'Ivoire	SCC - Contractors	Have	Don't have	Don't have	Have	Have
Côte d'Ivoire	SOGB - Contractors	Don't have	Don't have	Don't have	Have	Have
Nigeria	Temporary workers	Have	Don't have	Don't have	Have	Don't have
Nigeria	Contractors	Don't have	Don't have	Have	Have	Don't have
Cameroon	Safacam - Temporary workers	Have	Don't have	Have	Have	Have
Cameroon	Safacam - Contractors	Have	Don't have	Have	Have	Have
Cameroon	Socapalm - Temporary workers	Have	Don't have	Have	Have	Have
Cameroon	Socapalm - Contractors	Have	Don't have	Have	Have	Have
Cameroon	Camseeds - Temporary workers	Have	Don't have	Have	Have	Have
Cameroon	Sogescol Cam - Contractors	Have	Don't have	Have	Have	Have
Cameroon	Sogescol Cam - Others	Have	Don't have	Have	Have	Have
Democratic Republic of Congo	Contractors	Have	Don't have	Have	Have	Have
São Tomé and Príncipe	Temporary workers	Have	Don't have	Have	Have	Have
São Tomé and Príncipe	Contractors	Have	Don't have	Have	Have	Have

**S1-11: 75 (1): Disclosure of types of employees who are not covered by social protection, through public programs or through benefits offered, against loss of income due to sickness**

Regarding the social protection of our employees, the majority of our employees are covered for sickness. Only the daily workers of SOGB in Côte d'Ivoire and PSG in Ghana are not covered, representing 4 582 employees out of the 25 699 employees within Socfinaf.

## [S1-13] Training and skills development metrics

Regarding the 2024 data for the training, we don't have any data split by gender. We collected the data of the trainings organised for all the employees.

### **S1-13: 83 a (1): Training and skills development indicators by gender**

18 961 training sessions in 2024.

### **S1-13: 83 a (2): Percentage of employees that participated in regular performance and career development reviews - broken down by gender**

612 887 persons trained; one person can receive different training sessions.

### **S1-13: 83 b (1): Average number of training hours by gender**

Please refer to disclosure S1-13: 83 b (2) as the split is not available by gender.

### **S1-13: 83 b (2): Average number of training hours per person for employees**

85.53 h/person/year.

## [S1-14] Health and safety metrics

**S1-14: 88 a: Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines**

100%.

**S1-14: 88 b (1): Number of fatalities in own workforce as result of work-related injuries and work-related ill health**

3.

**S1-14: 88 b (2): Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites**

0.

**S1-14: 88 c (1): Number of recordable work-related accidents for own workforce**

3 116 of which 77 (including the 3 fatalities) are classified as "severe".

**S1-14: 88 c (2): Rate of recordable work-related accidents for own workforce**

31.51 per 1 000 000 hours.

**S1-14: 88 d: Number of cases of recordable work-related ill health of employees**

This datapoint will be disclosed from 2025, in order to train local doctors to diagnose relevant ill-health cases.

**S1-14: 88 e: Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees**

10 777 days.

**S1-14: 90: Percentage of own workforce who are covered by health and safety management system**

100%.

**S1-14: AR 81: Description of underlying standards for internal audit or external certification of health and safety management system**

As an international player in responsible tropical agriculture, it is essential for us to demonstrate our compliance with globally recognised and shared quality standards.

RSPO (Roundtable for Sustainable Palm Oil): All our subsidiaries that have palm oil mills and oil palm plantations are RSPO certified. RSPO's stringent standards, declined with the Principles & Criteria (P&C), cover health & safety management. Our operations, once RSPO certified, undergo annual surveillance audits which demonstrate compliance with the set of standards.

GPSNR (Global Platform for Sustainable Natural Rubber): The GPSNR Policy Framework covers health & safety management at all our subsidiaries that have rubber factories and plantations. All the subsidiaries

concerned strictly follow these standards. We annually report to GPSNR information related to how we implement the Policy Framework through the GPSNR Reporting Requirements.

**S1-14: AR 94: Number of cases of recordable work-related ill health detected among former own workforce**

This datapoint will be disclosed from 2025, in order to train local doctors to diagnose relevant ill-health cases.



## [S1-15] Work-life balance metrics

### **S1-15: 93 a: Percentage of employees entitled to take family-related leave**

4.70% (for permanent employees).

### **S1-15: 93 b (1): Percentage of entitled employees that took family-related leave**

99.39% (for permanent employees).

### **S1-15: 93 b (2): Percentage of entitled employees that took family-related leave by gender**

Gender	Total entitled employees	Percentage of entitled employees that took family-related leave (%)
Female	310	100
Male	680	99

## [S1-16] Remuneration metrics (pay gap and total remuneration) - general

### **S1-16: 97 a (1): Gender pay gap**

*To be added in upcoming reporting.*

### **S1-16: 97 b: Annual total remuneration ratio**

*To be added in upcoming reporting.*

## [S1-17] Incidents, complaints and severe human rights impacts - general

### **S1-17: 103 a: Number of incidents of discrimination**

*Data that meets the qualitative characteristics of information under preparation for upcoming reporting.*

### **S1-17: 103 b (1): Number of complaints filed through channels for people in own workforce to raise concerns**

*Data that meets the qualitative characteristics of information under preparation for upcoming reporting.*

### **S1-17: 103 b (2): Number of complaints filed to National Contact Points for OECD Multinational Enterprises**

0.

### **S1-17: 103 c (1): Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed**

0 EUR.

### **S1-17: 103 c (2): Information about reconciliation of fines, penalties, and compensation for damages as result of violations regarding work-related discrimination and harassment with most relevant amount presented in financial statements**

Not applicable since no fines, penalties and compensation.

### **S1-17: 103 d: Disclosure of contextual information necessary to understand data and how data has been compiled (work-related grievances, incidents and complaints related to social and human rights matters)**

The issue of grievances is taken seriously and the Group considers datapoints relating to this topic to be material. However, 2024 data would not meet the qualitative characteristics of information required by ESRS. Two years ago, the sustainability team at Group level began an in-depth analysis of the internal grievance mechanisms in place in all subsidiaries.

Site-level grievance policies were examined, and the files used by the different sites to track complaints and requests from workers were reviewed in detail and compared to one another. This brought to light several issues in the tracking of grievances, among which a lack of homogeneity across subsidiary practices that makes it difficult to have a proper overview and accurate numbers at Group level.

A process of homogenisation followed. The sustainability team poured a lot of thought into how the tracking could be homogenised in a way that is both easy for subsidiaries to use and possible for the Group to determine final numbers and trends. Several improvements have been made and tested already, but many remain to be done following discussions with the sites, and data remains unreliable. A new member joined the Group sustainability team at the beginning of 2025 specifically to coordinate this project, which should speed up the process in upcoming months. In parallel to this, an anonymous hotline system was

implemented on all sites and at headquarters, and the deep-dive investigation process with Earthworm Foundation is ongoing.

**S1-17: 104 a (1): Number of severe human rights issues and incidents connected to own workforce**

7.

**S1-17: 104 a (2): Number of severe human rights issues and incidents connected to own workforce that are cases of non-respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises**

7.

**S1-17: 104 a (3): No severe human rights issues and incidents connected to own workforce have occurred**

No (such incidents/issues have indeed occurred).

**S1-17: 104 b: Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce, and reconciliation of amounts with most relevant amount presented in financial statements**

N/A in 2024 since no such incidents have occurred.

# ESRS S2 – Workers in the value chain

## [S2-1] Policies related to value chain workers

### **S2-MDR-P: 65 a: Description of key contents of policy**

Value chain workers are workers upstream and downstream, that are essential to Socfinaf's activities but do not work within the company's own operations. The category identified as being most material to the Group and its activities are third-party suppliers, especially smallholders.

The Group's Responsible Management Policy asserts its commitment to local and rural development in Africa and Asia, including the inclusion of smallholders in its supply chains and the fair and transparent negotiation of prices with them. Moreover, the Responsible Management Policy states the importance of offering and supporting training for smallholders, as well as the applicability of all the Group's sustainability commitments, including human rights, to all its suppliers.

In addition, the Group developed a third-party due diligence policy in September 2024 to establish a framework for evaluating and monitoring the third parties with which the Group and its subsidiaries collaborate. This aims to minimise risks and ensure compliance with quality, compliance and ethical standards.

### **S2-MDR-P: 65 b: Description of scope of policy or of its exclusions**

Socfin Group's Responsible Management Policy applies to all suppliers (third parties). This includes smallholder suppliers who deliver to Socfinaf's factories their oil palm Fresh Fruit Bunches (FFB) or their wet Natural Rubber (NR).

The third-party due diligence policy applies to all third parties, including but not limited to suppliers.

### **S2-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

The Group's Responsible Policy is approved by the Board of Directors. The third-party due diligence policy is under the responsibility of the Compliance Officer.

### **S2-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

The principles of Socfin's Responsible Management Policy and the strategy enabling them to be implemented are intended to be in line with the UN Guiding Principles on Business and Human Rights, the RSPO Principles and Criteria, and the GPSNR Policy Framework.

### **S2-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

The Socfin Group Responsible Management Policy was developed ensuring that the interests of stakeholders, including suppliers were taken into account.

**S2-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

Policies related to value chain, and especially suppliers and smallholders, are generally communicated through public displays and meetings (individual or group), and clauses of the policies are included in the contracts of the suppliers when they have one.

Specific actions are also conducted based on local needs. For instance, LAC has completed an ethics training programme with most of its third parties. Others signed the service provider code of conduct and are also given a copy of the 2023 code of conduct. The third-party due diligence mechanism is outlined in the cooperation contract between the subsidiary and the third party.

**S2-1: 17: Description of relevant human rights policy commitments relevant to value chain workers**

Through Socfin Group's Responsible Management Policy, which is applicable to all operations under Socfinaf, the following human rights key elements relevant to third party suppliers, especially smallholders, are included: child labour, forced or bonded labour, prevention of the violation of human rights.

Suppliers and smallholders have access to a grievance mechanism in line with Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights. The third-party due diligence policy ensures that third parties are evaluated against ethics and social responsibility including commitment to the Socfin's code of conduct.

**S2-1: 17 a: Disclosure of general approach in relation to respect for human rights relevant to value chain workers**

Socfinaf is committed to respecting the rights of local communities, including local smallholders and their workers, in all operations and supply chains. Commitments more specifically include:

- Applying a zero-tolerance approach regarding serious violations of human rights, such as intimidations, physical attacks and/or threats.
- Promoting gender equity and strengthen gender equality.
- Acknowledging and respecting the rights of all workers, including subcontractors, temporary workers, or migrant workers.
- Maintaining permanent, efficient, transparent, open and culturally appropriate communication channels.
- Encouraging long-term collaboration to implement local projects supporting decent livelihood: social life, health, education, food security, etc.
- Implementing a grievance mechanism in compliance with guiding principle 31 of the UN Guiding Principles on Business and Human Rights. This mechanism is used to settle ongoing disputes; the implementation of the agreed corrective measures is monitored jointly by the community/communities and the Socfin Group and/or the appointed third party/parties.

**S2-1: 17 b: Disclosure of general approach in relation to engagement with value chain workers**

Socfinaf adopts a comprehensive and context-sensitive approach to engaging with smallholders, recognising their pivotal role in the agricultural supply chain. This strategy encompasses direct interactions, tailored support programmes, and robust monitoring systems to foster sustainable and mutually beneficial partnerships.

Extensive traceability efforts, allowing 100% traceability for suppliers of Fresh Fruit Bunches (FFB) and rubber, are the backbone of the company's approach, allowing to identify and reach out directly to the smallholders and their workers on the field.

**S2-1: 17 c: Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts**

Suppliers and smallholders have access to a grievance mechanism in line with Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights.

**S2-1: 18 (1): Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour**

Yes.

**S2-1: 18 (2): Undertaking has supplier code of conduct**

Yes.

**S2-1: 19 (1): Disclosure of whether and how policies are aligned with relevant internationally recognised instruments**

The principles of the Group's Responsible Management Policy and the strategy enabling them to be implemented are intended to be in line with the UN Guiding Principles on Business and Human Rights, the RSPO Principles and Criteria, and the GPSNR Policy Framework.

**S2-1: 19 (2): Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers**

None.

## [S2-2] Processes for engaging with value chain workers about impacts

### **S2-2: 22: Disclosure of whether and how perspectives of value chain workers inform decisions or activities aimed at managing actual and potential impacts**

Perspectives of smallholders are collected through grievance systems, direct meetings, trainings and through the platforms put in place for own workforce (committees, hotline etc.).

When feedback collected relate to impacts of the operations on the smallholders, measures are taken to remediate or prevent those impacts according to the processes in place.

### **S2-2: 22 a: Engagement occurs with value chain workers or their legitimate representatives directly, or with credible proxies**

Yes.

### **S2-2: 22 b: Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement**

Specifics of engagement with value chain workers varies depending on the scale of the value chain (number of raw material suppliers) and local context of each operation. Frequency can range from weekly to quarterly to share information, gather feedbacks or disseminate trainings.

Raw material suppliers and especially smallholders are often engaged with directly through: on-site individual meetings, group meetings, written communication (text message, WhatsApp, letters) but also indirectly through representatives such as cooperative's designated contacts.

### **S2-2: 22 c: Disclosure of function and most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform undertakings approach**

Responsibility for ensuring that engagement happens and that results inform undertakings approach are attributed to various functions depending on the local context. These include: direction of administration, Plantation Superintendent, Smallholders' Department Manager, Raw Material Purchase Department Manager.

### **S2-2: 22 d: Disclosure of Global Framework Agreement or other agreements related to respect of human rights of workers**

There is no Global Framework Agreement applicable to this category of suppliers of raw material.

### **S2-2: 22 e: Disclosure of how effectiveness of engagement with value chain workers is assessed**

Effectiveness of engagement can be generally evaluated through potential complaints logged through the grievance system and their resolution. Long-term collaboration with smallholders also reflects the quality of a company's engagement with them collectively or individually. Furthermore, on-site assessments ensure controls that any engagement has been successful in implementing company policies. Monitoring of engagement (number of trainings, stages of identification and geolocation of suppliers) also reflect the scale of engagement.



**S2-2: 23: Disclosure of steps taken to gain insight into perspectives of value chain workers that may be particularly vulnerable to impacts and (or) marginalised**

Insight into perspectives of raw material suppliers that may be particularly vulnerable to impacts and (or) marginalised is obtained through potential complaints logged through the grievance system and their resolution. The systems put in place for the own workforce such as gender committees, suggestion boxes, toll-free numbers can also help to reach out to vulnerable or marginalised individuals. In turn, direct meetings ensure that all individuals have a contact with representatives of the company during which they can share their insights. Finally, trainings on topics such as equal opportunity and fight against discrimination also ensure that these individuals feel included in the company's operations.

## [S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

### **S2-3: 27 a: Disclosure of general approach to and processes for providing or contributing to remedy where undertaking has identified that it connected with a material negative impact on value chain workers**

The main instrument for providing remedy if Socfinaf is identified as being connected to a material impact on suppliers of raw materials or their workers is the external grievance procedure, and other related systems (toll-free number, whistle-blower protection). It ensures that any negative impact reported is investigated and that remedy is provided if needed, in a form that is acceptable to the party impacted.

Impacts can also be reported by smallholders through the engagement channels previously described. In that case the relevant departments shall be informed and actions implemented to remediate the impact but also to prevent future reoccurrence.

### **S2-3: 27 b: Disclosure of specific channels in place for value chain workers to raise concerns or needs directly with undertaking and have them addressed**

Please refer to the different forms of engagement described under S2-2 and the grievance system that is available to all third parties engaging with Socfinaf.

### **S2-3: 27 c: Disclosure of processes through which undertaking supports or requires availability of channels**

Please refer to the different forms of engagement described in S2-2 and the grievance system that is available to all third parties engaging with Socfinaf.

### **S2-3: 27 d: Disclosure of how issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured**

All grievances raised through the various levels of the grievance system, at Group level or locally, are registered. Whether deadlines for responding to complaints are met, as well as the type of resolution found, serve to inform the company on the effectiveness of the system.

### **S2-3: 28 (1): Disclosure of whether and how it is assessed that value chain workers are aware of and trust structures or processes as way to raise their concerns or needs and have them addressed**

The assessment is based on the concerns received, dealt with and the level of satisfaction of the people who submitted these requests. In addition, on-site assessments can be carried out for the smallholders on their level of awareness and trust of the grievance management procedure.

### **S2-3: 28 (2): Policies regarding protection against retaliation for individuals that use channels to raise concerns or needs are in place**

Yes.

### **S2-3: AR 24: Third-party mechanisms are accessible to all workers**

Yes.

**S2-3: AR 25 (1): Grievances are treated confidentially and with respect to rights of privacy and data protection**

Yes.

**S2-3: AR 25 (2): Channels to raise concerns or needs allow for value chain workers to use them anonymously**

Yes.

## [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

### **S2-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

Socfinaf is committed to supporting smallholders and workers across its supply chain. In 2024, various initiatives have been implemented across its subsidiaries to enhance training, sustainability, and access to essential agricultural resources. This includes:

1. Training and capacity-building programmes for smallholders
2. Regular awareness campaigns and workshops
3. Integration of smallholders into sustainability initiatives (e.g., EUDR, certification schemes)
4. Regular assessments of smallholders

### **S2-MDR-A: 68 b: Description of scope of key action**

These actions are designed for the smallholders supplying raw material to Socfinaf's subsidiaries in Cameroon, Côte d'Ivoire, Nigeria and Liberia.

### **S2-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Key action name	Time horizon to complete this action
All	Long-term

### **S2-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

These actions are not meant to provide remedy but to improve labour and environmental practices along with regulatory compliance.

### **S2-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

Resources are allocated in the form of OpEx to conduct activities tailored to the local context (road improvement, outreach activities, etc.).

### **S2-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

The amounts disclosed are part of the subsidiary costs allocated to sustainability matters.

### **S2-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

0 EUR.

**S2-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

2 456 718 EUR.

**S2-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

0 EUR.

**S2-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

2 324 694 EUR.

**S2-4: 32 a: Description of action planned or underway to prevent, mitigate or remediate material negative impacts on value chain workers**

The actions planned or underway to prevent, mitigate or remediate material negative impacts on value chain workers are detailed in under MDR-A disclosures for S2.

**S2-4: 32 b: Description of whether and how action to provide or enable remedy in relation to an actual material impact**

Please refer to MDR-A disclosures for S2.

**S2-4: 32 c: Description of additional initiatives or processes with primary purpose of delivering positive impacts for value chain workers**

Initiatives and processes with primary purpose of delivering positive impacts for value chain workers are detailed under MDR-A disclosures for S2.

**S2-4: 32 d: Description of how effectiveness of actions or initiatives in delivering outcomes for value chain workers is tracked and assessed**

Socfinaf employs various mechanisms to track and assess the effectiveness of its initiatives for value chain workers across its subsidiaries. The approaches vary by location but generally include impact assessments, audits, Key Performance Indicators (KPIs), and feedback mechanisms.

These methods ensure continuous monitoring, improvement, and accountability in delivering positive outcomes for workers in the value chain.

**S2-4: 33 a: Description of processes to identifying what action is needed and appropriate in response to particular actual or potential material negative impact on value chain workers**

Socfinaf subsidiaries utilise various processes to identify and respond to actual or potential negative impacts on value chain workers. These processes generally involve risk assessments, smallholder engagements, and grievance mechanisms to ensure appropriate actions are taken.

By implementing these processes, Socfinaf subsidiaries aim to proactively identify risks and take appropriate actions to mitigate negative impacts on value chain workers.

**S2-4: 33 b: Description of approach to taking action in relation to specific material negative impacts on value chain workers**

Socfinaf subsidiaries have structured approaches to taking action if material negative impacts on value chain workers are identified. These approaches focus on implementation timelines, effectiveness

monitoring, and corrective measures when needed. By implementing these methods, Socfinaf subsidiaries aim to effectively address material negative impacts on value chain workers.

**S2-4: 33 c: Description of approach to ensuring that processes to provide or enable remedy in event of material negative impacts on value chain workers are available and effective in their implementation and outcomes**

Socfinaf's subsidiaries implement various mechanisms to ensure that remedy processes for material negative impacts on value chain workers are available and effective. These include monitoring, audits, grievance mechanisms, and worker engagement initiatives. By implementing these measures, Socfinaf's subsidiaries aim to ensure that remedy processes are accessible, properly executed, and lead to effective outcomes for workers affected by material negative impacts.

**S2-4: 34 a: Description of what action is planned or underway to mitigate material risks arising from impacts and dependencies on value chain workers and how effectiveness is tracked**

Guided by the Responsible Management Policy and EUDR requirements, the Group is implementing measures to mitigate, eliminate, and monitor risks such as deforestation and child labour in its value chain.

**S2-4: 34 b: Description of what action is planned or underway to pursue material opportunities in relation to value chain workers**

The same measures allow to pursue the opportunity relating to value chain workers, as the Group focuses on supporting value chain actors to comply with regulations. This ensures that no child labour occurs and that there is no deforestation, all the while improving yield and gaining access to premiums.

**S2-4: 35: Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on value chain workers**

Socfinaf's subsidiaries implement various measures to prevent their own practices from causing or contributing to material negative impacts on value chain workers. These measures generally include risk assessments, audits, worker consultations, grievance mechanisms, and transparency initiatives.

**S2-4: 36: Disclosure of severe human rights issues and incidents connected to upstream and downstream value chain**

None.

**S2-4: 38: Disclosure of resources allocated to management of material impacts**

The allocation of resources for managing material impacts on value chain workers, outside from financial resources detailed under MDR-A disclosures, mostly consist in having dedicated personnel and expert resources to manage engagement with the smallholders and pilot and monitor actions towards them.

**S2-4: AR 30: Disclosure of whether and how undertaking seeks to use leverage with relevant business relationships to manage material negative impacts affecting value chain workers**

Socfinaf seeks to use its influence with business partners and stakeholders to manage material negative impacts affecting value chain workers through actively engaging in capacity-building, compliance requirements, and industry-wide initiatives.

**S2-4: AR 31: Disclosure of how participation in industry or multi-stakeholder initiative and undertaking's own involvement is aiming to address material impacts**

The Group's participation in RSPO and the certification of its industrial units against this standard benefits value chain workers by addressing a range of issues related to labour rights, safety, fair compensation, and working conditions. In particular for smallholders, RSPO aims to address material impacts by focusing on sustainable practices and creating frameworks for equitable growth.

In turn, the Group's participation in GPSNR for its rubber activities also helps address a similar array of issues impacting value chain workers. The platform's focus on sustainability, capacity building, advocating for fair pricing and promotion for market transparency provide long-term benefits for smallholders, and the broader supply chain.

**S2-4: AR 37: Initiatives or processes whose primary aim is to deliver positive impacts for value chain workers are designed also to support achievement of one or more of Sustainable Development Goals**

Yes.

## [S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

### **S2-MDR-T: 80 a: Description of the relationship of the target(s) to the policy objectives**

The Group's 100% traceability target for its raw material supply by 2025 is directly aligned with the objectives outlined in its Responsible Management Policy. The policy commits to transparency, sustainability, and ethical sourcing across all operations and supply chains. The traceability initiative ensures that all the natural rubber and FFB supplied to Socfinaf's mills and factories are fully traceable to their source plantations or smallholder farms, including polygon mapping and smallholder's identification.

This target supports the policy's broader objectives by:

1. Enhancing supply chain transparency: By achieving 100% traceability, the Group strengthens its ability to monitor, verify, and ensure compliance with its sustainability commitments, reducing environmental and social risks.
2. Mitigating deforestation and land use risks: The policy explicitly commits to zero deforestation. Full traceability enables the company to verify that suppliers are not linked to deforestation after 31 December 2020, in line with the EU Deforestation Regulation (EUDR).
3. Ensuring compliance with environmental and social standards: Traceability allows the Group to assess and monitor supplier compliance with local environmental regulations, social standards, and best agricultural practices.
4. Strengthening the Group's sustainable sourcing strategy: The policy mandates engagement with smallholders and suppliers to support their compliance with sustainability requirements. The traceability initiative enables better smallholder engagement, risk assessment, and targeted support to improve farming practices.
5. Enhancing market access and customer confidence: Achieving full traceability aligns with customer expectations and global sustainability frameworks, such as the Roundtable on Sustainable Palm Oil (RSPO) and the Global Platform for Sustainable Natural Rubber (GPSNR).

By integrating traceability as a core sustainability metric, the Group ensures that its policy commitments translate into tangible, measurable actions that drive long-term environmental and social benefits.

### **S2-MDR-T: 80 b (1): List of Measurable target(s)**

The Group has set an absolute target of achieving 100% traceability of its raw material supply by 2025. This means that all the natural rubber and FFB supplied to its rubber factories and oil palm mills must be fully traceable to the exact plantation or smallholder farm where it was grown.

Measurement Unit: Percentage (%) of traceable raw materials (rubber and oil palm).



**S2-MDR-T: 80 b (2): Nature of target(s)**

Target name	Nature of target
100% raw material traceability	Absolute

**S2-MDR-T: 80 c: Description of scope of target(s)**

The 100% traceability target for raw material supply by 2025 applies to the Group's upstream supply chain, covering all rubber and FFB sourced from company-owned plantations, third-party suppliers, and smallholders.

Activities covered:

- Raw material sourcing: Ensures that all Fresh Fruit Bunches (FFB) from oil palm and natural rubber are traceable to their exact smallholder farm or plantation of origin.
- Supplier and smallholder identification: Collecting polygons of farm plots (geo-referenced mapping) and planter information to establish traceability.
- Data management: Implementing traceability databases and monitoring systems to verify compliance.

Value chain coverage:

- Upstream supply chain:
  - Company-owned plantations: 100% traceability is already established, with GPS-mapped boundaries and plantation management records.
  - Third-party suppliers, including smallholder farms: Full traceability required, including geo-mapping and compliance verification.
- Downstream operations: While the primary focus is on upstream sourcing, traceability also benefits downstream operation, ensuring that only verified, sustainably sourced raw materials are provided to downstream actors.

Geographical scope:

- The geographical scope includes all countries of operation (Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Nigeria, Cameroon, São Tomé and Príncipe, and Democratic Republic of Congo) and countries where raw materials are being sourced from.

**S2-MDR-T: 80 d (1): Baseline value of target(s)**

Target name	Baseline value	Unit
Traceability	0	%

**S2-MDR-T: 80 d (2): Baseline year of target(s)**

Target name	Baseline year
100% raw material traceability	2017

**S2-MDR-T: 80 e (1): Period to which target(s) applies**

Target name	Target year
100% raw material traceability	2025

**S2-MDR-T: 80 e (2): Indication of milestones or interim targets**

No milestones or interim targets.

**S2-MDR-T: 80 f: Description of methodologies and significant assumptions used to define target(s)**

The Group's 100% traceability target for its raw material supply by 2025 was defined using scientific methodologies, industry best practices, regulatory alignment, and socio-economic considerations. The methodology ensures compliance with global sustainability goals and local operational realities.

Methodologies used to define the target:

Supply chain traceability standards:

- GIS-based plantation mapping (polygon mapping and GPS coordinates):
  - Each supplier farm or plantation is geo-referenced to ensure precise location tracking.
  - Mapping is conducted using on-the-ground GPS data collection and verified through with GIS tools.
- Supplier identification and data collection:
  - Smallholders and suppliers must provide ownership details, land size, and production capacity for traceability records.
  - Digital traceability platforms are used to centralise supplier data and ensure compliance.

Compliance with Certification and Sustainability Frameworks:

- Roundtable on Sustainable Palm Oil (RSPO):
  - RSPO traceability requirements provide benchmarks for farm-to-mill verification.
- Global Platform for Sustainable Natural Rubber (GPSNR):
  - Traceability aligns with GPSNR's framework for responsible sourcing and supplier monitoring.

Significant assumptions in setting the target:

- Feasibility of data collection from smallholders and suppliers: Data collection timelines depend on regional access, technological adoption, and engagement with independent smallholders.
- Accuracy of farm boundary data: Assumes all mapped farms have verified boundaries and no land-use overlaps with protected areas.
- Adoption of digital traceability system: The target assumes full implementation of digital traceability systems for real-time data tracking and reporting.

Selected scenario and alignment with policy goals:

Regulatory and market compliance:

- The target is aligned with the EU Deforestation Regulation (EUDR), ensuring that all sourced raw materials comply with the December 31, 2020 cut-off date for deforestation.

- Supports compliance with national environmental laws in sourcing countries, particularly those governing land-use rights, deforestation, and conservation.

Consideration of local social and economic factors:

- The target is designed to avoid excluding smallholders from Socfinaf's supply chain where possible by providing capacity-building programmes to help them comply with traceability requirements.
- Recognises regional challenges such as limited digital infrastructure and works to bridge the gap through training and local partnerships.

**S2-MDR-T: 80 g: Whether the undertaking's targets related to environmental matters are based on conclusive scientific evidence**

Target name	Target is based on scientific evidence
100% raw material traceability	Yes

**S2-MDR-T: 80 h: Disclosure of whether and how stakeholders have been involved in target setting**

The Group's 100% traceability by 2025 target aligns with international industry standards such as RSPO and GPSNR, as well as regulatory requirements under the EU Deforestation Regulation (EUDR). These frameworks are developed through multi-stakeholder processes, involving NGOs, private companies, financial institutions, policymakers, and smallholders. By adopting this target, the Group ensures compliance with evolving market, regulatory, and stakeholder expectations, while strengthening transparency and sustainability across its supply chain.

**S2-MDR-T: 80 i: Description of any changes in target(s) and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and adopted processes to collect data**

No changes were noted.

**S2-MDR-T: 80 j: Description of performance against disclosed target(s)**

1. Progress toward the target:

The Group is actively working toward achieving 100% traceability of its raw material supply by 2025, ensuring that all rubber and oil palm sourced is fully traceable to the plantation or farm of origin. The current status is:

- Traceability implementation is progressing in both company-owned plantations and third-party suppliers, with significant advancements in polygon mapping and supplier registration.
- For company-owned plantations, traceability is 100%, with farm boundaries geo-referenced.
- For third-party suppliers and smallholders, traceability coverage is steadily increasing, with a focus on mapping and compliance verification.
- 99.5% of Socfinaf's rubber production and 82.4% for its palm oil production were fully traceable in 2024.
- Socfinaf already made EUDR-compliant rubber sales in 2024.

## 2. Monitoring and review:

The Group tracks progress toward the traceability target using:

- GIS mapping & polygon data collection: Ensures farms are accurately geo-referenced.
- Supplier registration & data verification: Ensures all suppliers provide farm information and comply with traceability requirements.
- Compliance monitoring: Periodic internal inspections verify sourcing transparency.
- Stakeholder engagement: Smallholder training and engagement programmes support compliance.

## 3. Metrics used to evaluate progress:

- Percentage of raw material supply that is fully traceable (measured in %).
- Number of supplier farms mapped and recorded in traceability databases.

## 4. Trends & significant changes:

- Progress is in line with initial plans, with increasing supplier participation and adoption of traceability measures.
- Challenges: Ensuring smallholder compliance remains a key focus, requiring capacity-building programmes to facilitate data collection.
- Technology Integration: Enhanced use of satellite monitoring and traceability databases is improving verification capabilities.

### **S2-5: 42 a: Disclosure of whether and how value chain workers, their legitimate representatives or credible proxies were engaged directly in setting targets**

The Group did not directly engage with its value chain workers when setting the 100% traceability target, but relied on multi-stakeholder engagements conducted by industry frameworks such as RSPO and GPSNR. These frameworks incorporate input from worker representatives, NGOs, private sector actors, and policymakers to ensure that sustainability targets reflect industry-wide best practices. Through these engagements, it was determined that achieving full traceability would be beneficial for the majority of stakeholders, including Socfinaf's value chain workers, by promoting supply chain transparency, responsible sourcing, and regulatory compliance.

### **S2-5: 42 b: Disclosure of whether and how value chain workers, their legitimate representatives or credible proxies were engaged directly in tracking performance against targets**

The Group directly interacts with its third-party raw material suppliers to communicate traceability targets, collect relevant supply chain data, and provide feedback on their performance. This engagement ensures that suppliers understand their compliance obligations under the Group's Responsible Management Policy.

1. Performance monitoring: Suppliers are required to submit traceability data, including farm polygons and sourcing information, which the Group evaluates against policy requirements.
2. Compliance feedback: Suppliers are notified if they meet or fail to meet compliance standards.
3. Continuous engagement: The Group ensures ongoing dialogue with suppliers through direct communication, monitoring, and training initiatives to improve traceability performance.

This approach ensures that value chain actors are actively engaged in tracking and improving compliance with the Group's 100% traceability target.

**S2-5: 42 c: Disclosure of whether and how value chain workers, their legitimate representatives or credible proxies were engaged directly in identifying lessons or improvements as result of undertaking's performance**

Suppliers are directly notified if they meet or fail to meet compliance standards, and those not in compliance are provided with guidance on corrective actions and a time-bound implementation plan to move toward compliance, where possible.

## ESRS S3 – Affected communities

### [S3-1] Policies related to affected communities

#### **S3-MDR-P: 65 a: Description of key contents of policy**

The key contents of the Socfin Group Responsible Management Policy related to the affected communities are the following:

“To respect the rights of local communities in all our operations and supply chains:

- We respect the right of indigenous populations and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to all operations affecting the land or resources on which they have legal, community or customary rights, using RSPO’s FPIC methodology;
- We maintain ongoing, effective, transparent, open and culturally appropriate channels of dialogue with indigenous people and local communities;
- We promote long-term collaboration to implement local community projects supporting decent living conditions: social life, health, education, food security, etc.;
- We respect land access rights and tenure by local and indigenous communities;
- We uphold traditional rights of access to our operations for hunting and gathering of animals and plants for the purpose of:
  - Subsistence;
  - Indigenous cultural religious traditions;
  - Customs and ceremonies;in line with legal requirements and Socfin’s commitment to protect rare, threatened, endangered, and critically endangered species;
- We implement a grievance mechanism in line with Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights. This is used to bring ongoing disputes to a solution; the implementation of the agreed remedy measures is jointly monitored by the communities and Socfin and/or by mutually agreed third parties.”

#### **S3-MDR-P: 65 b: Description of scope of policy or of its exclusions**

This Responsible Management Policy is applicable, without exception, to:

- All operations of the Socfin Group, and those of its subsidiaries, including all the factories, palm oil mills and plantations that the Group owns, manages or in which it invests, regardless of the level of its share;
- All suppliers (third parties).

This includes smallholders’ suppliers who deliver to the Group’s factories their oil palm Fresh Fruit Bunches (FFB) or their wet Natural Rubber (NR).

**S3-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

The most senior level in the undertaking that is accountable for the implementation of the policy is the undertaking's Board.

Section 7 on the implementation of the Responsible Management Policy namely includes the following statement: "The Socfin Group commits to make available the human and financial resources necessary for the proper implementation of this policy. To that aim, the Group will embed these commitments into its decision-making processes, systems, and performance metrics of its corporate management, relevant business units, joint ventures, and company affiliates and subsidiaries."

**S3-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

The third-party standards that are respected through the implementation of this policy are:

- RSPO Principles and Criteria 2024,
- GPSNR Policy Framework,
- HCV Resource Network,
- HCS Steering Group,
- UNDRIP (United Nations Declarations on the Rights of Indigenous People),
- UNGPBHR (United Nations Guiding Principles on Business and Human Rights),
- FPIC,
- ILO (International Labour Organisation).

**S3-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

The policy was designed in 2017 with the support of Earthworm Foundation (formerly TFT) which is a non-profit organisation supporting companies with social and environmental aspects of the supply chain. The policy was revised in 2022, again with the support of Earthworm Foundation, taking into account some additional elements from the GPSNR Policy Framework.

**S3-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

The policies of our operations are made available to the communities. They are explained during meetings such as bipartite and tripartite meetings that regularly take place.

**S3-1: 15: Disclosure of any particular policy provisions for preventing and addressing impacts on indigenous peoples**

In the Responsible Management Policy, the Group in fact commits to respecting the rights of indigenous peoples by complying with the articles in the United Nations Declaration on the rights of indigenous population groups.

Section 4.2 of the policy includes the following elements:

- "We maintain ongoing, effective, transparent, open and culturally appropriate channels of dialogue with indigenous peoples (...)"
- "We respect land access rights and tenure by local and indigenous communities"

In turn, the Appendix reiterates the Group's commitments:

- “The Group commits to identify and respect the customary and individual rights of local and indigenous communities through participatory mapping. The Group commits to ensure that the laws and the best international practices in FPIC are implemented for all its operations. This includes the United Nations Declaration on the Rights of Indigenous Peoples.”

In Socfinaf's case, one indigenous population group lives in the vicinity of Socapalm's operations in Cameroon: the Bagyéli Pygmies, close to Kienké.

### **S3-1: 16: Description of relevant human rights policy commitments relevant to affected communities**

Socfinaf's subsidiaries are committed to protecting the human rights of affected communities, ensuring land tenure security, fair engagement, and grievance resolution mechanisms in line with international human rights frameworks.

Key commitments include:

- Adherence to international human rights standards:
  - Alignment with the UN Guiding Principles on Business and Human Rights (UNGPs), the Universal Declaration of Human Rights, and ILO standards.
- Respect for indigenous and local community rights:
  - Commitment to Free, Prior, and Informed Consent (FPIC) before any operations that impact community land.
  - Supporting sustainable development initiatives, including healthcare, job creation, and capacity building for affected communities.
- Community consultation and grievance mechanisms:
  - SOGB formalised its commitments through a Memorandum of Understanding with displaced villages.
  - Subsidiaries operate structured grievance and complaint mechanisms, ensuring that community concerns are heard and addressed.
- Specific protections for vulnerable groups:
  - Policies on reproductive rights, child labour, sexual harassment, and freedom of expression, gender committees.

Through these commitments, Socfinaf subsidiaries integrate human rights protections into their business practices, ensuring community engagement, land rights security, and transparent grievance mechanisms.

### **S3-1: 16 a: Disclosure of general approach in relation to respect for human rights of communities, and indigenous peoples specifically**

Socfinaf's subsidiaries have adopted a comprehensive approach to respecting community and indigenous peoples' rights, incorporating legal compliance, FPIC commitments, continuous engagement, and impact mitigation.

Key approaches include:

- Free, Prior, and Informed Consent (FPIC) & community consultation,
- Human rights policy & social impact management,
- Cultural & land rights protections,



- Training & security measures.

### **S3-1: 16 b: Disclosure of general approach in relation to engagement with affected communities**

Engagement with affected communities is done through different methods. There are the regular platforms for discussions at regular intervals between subsidiaries and communities or between subsidiaries, communities and local authorities (bipartite and tripartite meetings).

There are ad hoc consultations between communities and subsidiaries when a specific issue needs to be discussed urgently. There are also the grievance channels for communities to expose grievances; this is less frequently used as the bipartite and tripartite meetings are the forum where most grievances will be presented, discussed, registered and for which corrective actions will be suggested. It is also during these meetings that CSR projects requested by the communities will be presented and prioritised for implementation by the subsidiaries.

### **S3-1: 16 c: Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts**

Socfinaf's subsidiaries have structured mechanisms to identify, address, and remediate human rights impacts on affected communities. These mechanisms focus on grievance resolution, external engagement, and compliance with human rights standards.

Key approaches include:

- Grievance and whistleblowing mechanisms:
  - Accessible external grievance systems enable communities to report human rights concerns via dedicated complaint channels, whistle-blower policies, and direct engagement with company representatives.
- Community consultation and FPIC compliance:
  - Free, Prior, and Informed Consent (FPIC) before starting new projects, ensuring community concerns are considered.
  - Conducting participatory mapping to respect land rights and traditional practices.

Through these measures, Socfinaf subsidiaries ensure transparent, accountable, and accessible mechanisms for communities to report concerns and seek remedy for human rights impacts.

### **S3-1: 17 (1): Disclosure of whether and how policies are aligned with relevant internationally recognised instruments**

The Socfin Group Responsible Management Policy covers affected communities and is aligned with the following internationally recognised instruments:

- FPIC process before any new development project, using RSPO's FPIC methodology.
- A grievance mechanism in line with Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights. This is used to bring ongoing disputes to a solution. The implementation of the agreed remedy measures is jointly monitored by the communities and the Group and/or by mutually agreed third parties.
- Mappings and studies identifying the HCS, HCV and peatland areas have been completed by qualified experts, and made public. This includes using the HCSA Steering Group and/or HCV Network's ALS quality assurance systems whenever relevant.

**S3-1: 17 (2): Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities**

The deep dive investigation exercise undertaken by Earthworm Foundation (EF) at the Group's request evaluated as founded allegations of inadequate compensation process for communities at the time of establishing the plantations at SRC, LAC and SAC. This occurred from 2005 to 2012. Development of plantations on limited small areas extending to community land has also taken place at Safacam and SOGB. Furthermore, at Socapalm, EF deemed that an allegation of non-efficiency of retrocession of areas from the reduction of leased areas was partially founded. In this context, it is important to highlight that Socapalm leases the land from the government and the retrocession process is the responsibility of the government; in practice it is an exercise that involves the government, the communities and the company. The process largely depends on the speed and will of the government to conclude it. An allegation of cases of sexual harassment of women from communities by employees was evaluated as founded for Socapalm's site Edéa.

The issues reported above are being addressed by appropriate action plans and the progress of these action plans is regularly published on Socfin's website. For additional details, please refer to the links provided in the section "Entity-specific – Partnerships for sustainable development at a glance".

**S3-1: AR 11: Disclosure on an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant**

Socfinaf's subsidiaries employ a variety of communication methods to ensure their policies are accessible and understood by relevant stakeholders, including employees, contractors, and local communities. Common channels include notice boards, social media, community meetings, and the use of Community Liaison Officers (CLOs) who facilitate engagement with local populations. Companies like SAC and PSG also use radio stations and public announcement systems to spread information to remote communities. Okomu and Agripalma utilise electronic communication, including websites, internal newsletters, and bulk SMS, while others provide physical copies of policies for stakeholders. Additionally, regular sensitisation sessions and face-to-face meetings are held to ensure comprehensive understanding and compliance with company policies, particularly in relation to sustainability, human rights, and health and safety.

## [S3-2] Processes for engaging with affected communities about impacts

### **S3-2: 21: Disclosure of whether and how perspectives of affected communities inform decisions or activities aimed at managing actual and potential impacts**

Most of the companies actively involve affected communities in decision-making processes through regular consultations, meetings, and feedback loops. Engagement methods include participatory mapping, community forums, and impact assessments like the Environmental and Social Impact Assessments (ESIA). Communities are consulted before, during, and after project implementations, ensuring their concerns are addressed. For example, SAC and Okumu both emphasise transparency and community feedback in shaping operational decisions. Audits and surveys (e.g., Earthworm Foundation audits) are conducted to identify potential impacts on communities and take corrective actions.

#### **S3-2: 21 a: Engagement occurs with affected communities or their legitimate representatives directly, or with credible proxies**

Yes.

#### **S3-2: 21 b: Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement**

The engagement process with communities generally follows a structured approach, but varies in terms of frequency and methods across companies.

1. **Initial engagement** typically begins with participatory processes (such as consultation meetings and town hall discussions), which are often held before or during project initiation.
2. **Types of engagement** include participatory, consultative, and informative interactions. Participatory methods, such as participatory mapping and community-led projects, are common in most companies. Consultative meetings and informational sessions (sensitisation, training) also play significant roles, with specific events focused on raising awareness on rights, responsibilities, and project impacts.
3. **Frequency** is generally regular, with some companies scheduling monthly or quarterly meetings, and others holding special meetings in response to specific concerns or developments. For example, some hold quarterly sessions, while others organise town halls biannually or as needed. Special committees (e.g., tripartite) may meet once or twice per year to address specific community concerns or disputes.

#### **S3-2: 21 c: Disclosure of function and most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform undertakings approach**

Most companies assign a dedicated senior role or manager to oversee community engagement, ensuring that processes are consistent and that feedback influences company policies.

Key roles typically include a Community Liaison Officer (CLO), a Sustainability Manager, or a similar senior figure responsible for engagement and grievances. These roles ensure engagement with local communities, grievance resolution, and continuous improvement of processes.

The most senior roles are usually tied to broader functions such as external relations, sustainability, and stakeholder management. For example, CLOs report to Senior Managers or Directors (e.g., Sustainability Managers, Heads of External Relations, or Communication Officers) who then inform the company's operational strategies based on community feedback. These roles also ensure that relevant personnel, such as environmental specialists or HR representatives, are involved in engagements when needed.

**S3-2: 21 d: Disclosure of how the undertaking assesses the effectiveness of its engagement with affected communities**

The effectiveness of community engagement is assessed through a variety of methods, including regular reviews, feedback, monitoring, and audits. Several companies conduct routine assessments through direct feedback from community leaders, CLOs, and regular engagement meetings. Some sites evaluate community satisfaction through surveys or grievance mechanisms, while others rely on the outcomes of their Corporate Social Responsibility (CSR) projects or the overall level of harmony between the community and the company. Many of these assessments are reviewed during internal management meetings to continuously improve engagement practices and address any identified shortcomings.

**S3-2: 22: Disclosure of steps taken to gain insight into perspectives of affected communities that may be particularly vulnerable to impacts and (or) marginalised**

Companies employ various methods to gain insight into the perspectives of vulnerable or marginalised groups, such as women, youth, the elderly, and people with disabilities. These methods include conducting separate meetings for specific groups to ensure their voices are heard. Engagement processes often involve community mapping, focus group discussions, and tailored outreach to ensure that all segments of the population, particularly those at higher risk of exclusion or harm, are considered. This approach ensures gender inclusion, addresses socio-economic disparities, and promotes social inclusion for marginalised groups within affected communities.

**S3-2: 23: Disclosure of whether and how the undertaking takes into account and ensures respect of particular rights of indigenous peoples in its stakeholder engagement approach**

Our commitment regarding indigenous peoples' rights is translated into several elements when it comes to stakeholder engagement. It notably involves:

- Respecting their right to give or withhold their Free, Prior and Informed consent (FPIC) on all operations affecting the land or resources they are legally, communally or customarily entitled to.
- Maintaining permanent, efficient, transparent, open and culturally appropriate communication channels with indigenous populations and local communities.
- Ensuring that the respect of their rights is communicated and taken into account when engagement occurs (notably their right to access and occupy land, and the traditional rights to access the plantations for hunting and harvesting plants for subsistence, for indigenous cultural religious traditions and for customs and ceremonies – in compliance with legal requirements and the Group's commitment to protect rare, threatened, vulnerable or critically endangered species).

When starting a new development project, environmental and social impact studies are always carried out. They comprise environmental and social impact plans, impact mitigation measures, a community development plan, and a stakeholder engagement plan. All form integral part of the occupancy agreement with the government and the communities.

## [S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

### **S3-3: 27 a: Disclosure of general approach to and processes for providing or contributing to remedy where undertaking has identified that it connected with a material negative impact on affected communities**

When material negative impacts are identified, companies take steps to remedy these issues through structured grievance and compensation mechanisms. These processes allow affected communities to report concerns, with solutions discussed in engagement meetings. Some companies use external complaints management systems, and others rely on participatory mechanisms, such as the FPIC approach, to address grievances. Grievances are resolved through a collaborative process that involves both the company and the affected communities, ensuring that feedback is addressed in a transparent and timely manner.

### **S3-3: 27 b: Disclosure of specific channels in place for affected communities to raise concerns or needs directly with undertaking and have them addressed**

Socfinaf's subsidiaries have a variety of grievance and communication channels in place to address concerns or needs raised by affected communities. These channels generally include face-to-face dialogues, phone calls, text messages, written correspondence, and community engagement meetings. They also offer dedicated grievance hotlines or whistleblowing platforms to ensure anonymity and ease of communication.

Community Liaison Officers play a central role in guiding community members through the grievance process, often offering assistance in local languages. In addition, grievance logs and tracking systems are used to ensure that complaints are addressed in a timely and transparent manner. The companies also strive to make these channels accessible by displaying contact information publicly, providing toll-free numbers, and offering 24/7 accessibility in some cases.

### **S3-3: 27 c: Disclosure of processes through which undertaking supports or requires availability of channels**

Besides providing a wide array of channels for communities to express grievances, concerns and suggestions, Socfinaf's subsidiaries also make sure that these mechanisms are easily accessible, confidential and effective.

Indeed, most companies offer grievance/suggestion boxes, as well as grievance forms that are available at various locations. These ensure that community members can submit grievances in writing at any time. Channels like hotlines or whistleblowing platforms are also advertised on community notice boards. In turn, the regular visits by the Community Liaison Officers complement this as they provide a channel for open communication and the submission of grievances orally, notably in cases of illiteracy. The Community Liaison Officer is usually a member of a community who works for the company. They regularly meet with surrounding communities to see if any issues should be brought up and to follow up on ongoing projects, and community members also know how to contact them directly outside of the regular visits.

Mechanisms are in place to maintain anonymity when required, and awareness raising also plays a key role. Sensitisation sessions are regularly conducted with communities to explain how to access the various channels, thereby ensuring that they understand the procedures and feel confident in using the channels to raise concerns. These elements, as well as the availability of channels in local languages and the transparency of processes, have built mutual trust and collaboration over the years.

**S3-3: 27 d: Disclosure of how issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured**

The regular meetings of the CLOs with communities allow to follow up on grievances that have already been raised and are under resolution. This can also occur in a more formal context during bipartite and tripartite meetings, when relevant. Furthermore, sites usually have an external grievance tracking file to record issues raised by community members. Bipartite and tripartite meetings are also summarised and any issues raised there are kept track of. Each site has its own follow-up procedure and deadlines to monitor issues, but the regularity of meetings and variety of ways for communities to share concerns overall ensure consistent monitoring.

As with internal grievances, it is the tracking of numbers and tendencies from a Group perspective that is more challenging, because of the heterogeneity of procedures across sites and the diversity of tracking mechanisms even on one plantation. However, the improvements that are underway at Group level regarding internal grievances (please refer to S1-17, para. 103(d)) also apply to external ones.

**S3-3: 28 (1): Disclosure of whether and how it is assessed that affected communities are aware of and trust structures or processes as way to raise their concerns or needs and have them addressed**

Awareness of engagement processes, especially grievance mechanisms, is prioritised across all companies. Awareness-building methods include the display of grievance mechanisms on notice boards, sensitisation sessions, public announcements via radio, and direct communication through CLOs. Meetings are another common channel, where communities are regularly briefed on how to raise concerns or access grievance processes. In some cases, companies hold annual or quarterly review meetings to assess community understanding and gather feedback on these processes. Communication tools are further bolstered by distributing copies of policies, explaining grievance procedures during engagements, and conducting follow-up meetings to ensure clarity and transparency.

In turn, several methods are used to gauge the level of trust communities have in grievance and engagement processes. First, direct feedback is often solicited through surveys, interviews, and community consultations during engagement meetings. Some companies track the volume of complaints or requests as a measure of trust, with more complaints indicating confidence in the process. Second, the level of participation in engagement activities and grievance processes also serves as an indicator of awareness and trust, with high participation typically reflecting trust in the system in place. Third, satisfaction surveys and ongoing assessments (e.g., biannual monitoring or follow-up actions from grievances) help companies evaluate whether community concerns are being addressed adequately. And last but not least, transparency and follow-up actions are emphasised, where companies ensure that responses to grievances are communicated back to the community and that actions align with their expectations. A lack of complaints about the process itself is often seen as a sign of strong community trust.

**S3-3: 28 (2): Policies regarding protection against retaliation for individuals that use channels to raise concerns or needs are in place**

Yes.

**S3-3: AR 19: Disclosure of whether and how affected communities are able to access channels at level of undertaking they are affected by**

All the measures in place described in the disclosures above are available directly at the level of the company within Socfinaf they may be affected by. Communities therefore always have direct access to the company, be it through the regular meetings, the role of the CLOs and the explanations provided in local languages, or the written means of communication.

**S3-3: AR 20: Third-party mechanisms are accessible to all affected communities**

Yes.

**S3-3: AR 21 (2): Affected communities are allowed to use anonymously channels to raise concerns or needs**

Yes.

[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

**S3-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

- Construction of boreholes, water wells with handpumps,
- Maintenance and rehabilitation of community water points,
- Quarterly surface water quality analysis,
- Construction and rehabilitation of community centres,
- Construction of toilets,
- Subsidised education of community students in subsidiaries schools,
- Access to health care facilities,
- Provision of scholarships,
- School renovation and provision of school furniture,
- Capacity building training,
- Road grading,
- Alternative livelihood programmes,
- Periodic meetings between subsidiaries and communities,
- Support the registering of community land titles,
- Update customary maps of community villages,
- Partnership with Earthworm Foundation with action plans related to communities.

**S3-MDR-A: 68 b: Description of scope of key action**

Key actions apply to local communities neighbouring the subsidiaries.

**S3-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Short-term, many of them being recurring actions.

**S3-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

The list of key actions reported under S3-MDR-A: 68a is not remedy for harm caused by material impacts but are in line with the Group's commitments taken with the Responsible Management Policy.

**S3-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

There is a mix of OpEx and CapEx.



**S3-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

The amounts disclosed are part of the subsidiaries' costs allocated to sustainability matters.

**S3-MDR-A: AR 23: Current and future financial resources allocated to action plan, breakdown by time horizon and resources**

All are short-term.

**S3-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

993 507 EUR.

**S3-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

810 523 EUR.

**S3-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

218 159 EUR.

**S3-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

933 494 EUR

**S3-4: 32 a: Description of action taken, planned or underway to prevent, mitigate or remediate material negative impacts on affected communities**

Each company has established measures to prevent, mitigate, or remediate the negative impacts their activities may have on local communities. Common actions include:

- Water quality monitoring, waste management plans, and the establishment of buffer zones to reduce environmental impacts.
- Proactive engagement of communities through regular consultations and implementing projects that benefit the community, such as access to clean water, road maintenance, and health infrastructure improvements.
- Supporting local economies by providing training, creating job opportunities, and contributing to community welfare initiatives.

These actions align with the principle of Free, Prior, and Informed Consent (FPIC) to ensure that communities are involved in decision-making processes.

**S3-4: 32 b: Description of whether and how the undertaking has taken action to provide or enable remedy in relation to an actual material impact**

Key actions include:

- **Grievance mechanisms and committees:** Companies have set up grievance mechanisms or external helplines, ensuring that community concerns are addressed in a timely and effective manner. Special committees are often formed to resolve specific grievances.

- **Periodic monitoring and assessments:** Regular environmental assessments help ensure that environmental standards are maintained. In cases of water pollution or air quality issues, immediate corrective actions are implemented.
- **Engagement and dialogue:** Direct engagement with affected communities through meetings (bipartite, tripartite) is a common approach to understanding and addressing grievances. This ensures continuous dialogue and transparency to identify and address concerns.
- **Remedial actions:** These may include restitution, compensation, rehabilitation, or adjustments to company processes.

Overall, all subsidiaries have similar approaches to tracking grievances and ensuring that corrective actions are taken based on the nature of the material impact.

#### **S3-4: 32 c: Description of additional initiatives or processes with primary purpose of delivering positive impacts for affected communities**

Positive impacts are delivered through infrastructure projects, community investments, and environmental conservation efforts. Some of the key initiatives include:

- **Community infrastructure:** Investing in building or maintaining essential infrastructure such as schools, health centres, roads, and water supply systems through the corporate social responsibility programmes.
- **Job creation and economic opportunities:** Prioritising local employment opportunities by offering service contracts to local residents and recruiting from the community. Engagement of community members as service providers for various activities, boosting local economies.
- **Environmental conservation:** Preserving buffer zones, high carbon stock areas, and doing conservation efforts. This is done to protect local ecosystems and biodiversity while delivering tangible benefits to the local communities.
- **Community support programmes:** Initiatives like educational scholarships, agricultural projects, and financial assistance are put in place to support local communities.

These initiatives overall aim to improve living conditions, provide economic opportunities, and foster positive relationships with the local communities.

#### **S3-4: 32 d: Description of how effectiveness of actions or initiatives in delivering outcomes for affected communities is tracked and assessed**

The effectiveness of initiatives is tracked through regular monitoring, feedback sessions, and continuous engagement with the communities.

Key methods include:

- **Monitoring and evaluation:** Using a combination of audits, monitoring committees, and assessment reports to evaluate the effectiveness of their actions. This ensures projects are meeting their intended goals and outcomes.
- **Community feedback:** Holding regular community meetings or feedback sessions where community members can share their experiences and evaluate the projects. These sessions help companies to adjust and improve their ongoing initiatives.

- **Tracking impact:** The effectiveness of actions is documented through regular reporting, action plans, and meeting minutes. These reports track project progress, identify challenges, and ensure accountability.
- **Continuous improvement:** Using lessons learned from prior years to improve strategies. The tracking of effectiveness focuses on aligning company actions with community needs and adjusting based on feedback to ensure continuous improvement.

**S3-4: 33 a: Description of processes to identifying what action is needed and appropriate in response to particular actual or potential material negative impact on affected communities**

Socfinaf subsidiaries use structured assessments, stakeholder engagement, and grievance mechanisms to identify and respond to negative community impacts.

Key processes include:

- Environmental and Social Impact Assessments (ESIA) and HCV Assessments to proactively identify risks and develop mitigation strategies.
- Community consultations and grievance mechanisms:
  - Direct engagement with affected communities ensures solutions are mutually agreed upon.
  - Bipartite and tripartite meetings facilitate discussions between communities, company representatives, and external stakeholders.
  - Formal grievance procedures and helplines provide additional channels for identifying and addressing issues.

**S3-4: 33 b: Description of approach to taking action in relation to specific material negative impacts on affected communities**

Socfinaf's subsidiaries take a structured and consultative approach to addressing specific material negative impacts on affected communities, ensuring transparent resolution, compensation where applicable, and community engagement.

Key approaches include:

- Impact assessment and investigation: To assess reported impacts, ensuring accurate problem identification and resolution planning through action plans with clear responsibilities, deadlines, and resource allocation, tracking progress through stakeholder meetings.
- Community dialogue and FPIC: FPIC procedures before implementing community impact solutions, ensuring mutual agreement on corrective measures.

Open dialogue to identify mutually acceptable actions for resolving community grievances.

**S3-4: 33 c: Description of approach to ensuring that processes to provide or enable remedy in event of material negative impacts on affected communities are available and effective in their implementation and outcomes**

Sites have several mechanisms in place to ensure that communities can raise issues, and that the necessary measures are taken to provide remedy when necessary (please refer to S3-3, para. 27 (d)). Awareness-raising at local level regarding such measures is a key part of ensuring their availability and effectiveness. Moreover, the deep-dive investigations by Earthworm Foundation and following action plans put in place

by the Group and the sites has played an important role in identifying any non-addressed issues and implementing long-lasting corrective measures. Finally, the hotline number implemented by the Group in partnership with a third expert party allows for an additional global mechanism to raise problems and ensure all-round compliance.

**S3-4: 34 a: Description of what action is planned or underway to mitigate material risks arising from impacts and dependencies on affected communities and how effectiveness is tracked**

Socfinaf's subsidiaries are focused on engaging with affected communities through participatory processes to identify and mitigate material risks.

Actions include:

- Regular community engagement and public disclosures,
- Monitoring and addressing grievances through dedicated community liaison departments,
- Collaborating with local governments and local communities to ensure continuous dialogue and avoid conflicts,
- Implementing environmental and social management plans,
- External audits and tracking mechanisms, including annual evaluations and third-party assessments to ensure ongoing compliance and effectiveness.

**S3-4: 34 b: Description of what action is planned or underway to pursue material opportunities in relation to affected communities**

Socfinaf is implementing several actions to pursue opportunities in relation to local communities, and generally promote sustainable development and support the communities in which its subsidiaries operate:

- Investments in infrastructure like roads, water systems, schools, and health facilities.
- Employment and smallholder support, including local hiring, job creation, and entrepreneurship development.
- Specific community projects like microfinance and agriculture.

The Group's commitment to provide infrastructure and support for local communities contributes to nurturing the relationship with them.

**S3-4: 35: Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on affected communities**

Socfinaf and its subsidiaries demonstrate a strong commitment to ensuring that their operations do not cause negative impacts. This is notably illustrated by:

- Compliance with national and international standards, including environmental and social audits.
- Implementation of policies that safeguard environmental health, human rights, and community welfare.
- Engaging in proactive risk assessments (ESIA) and monitoring to ensure that material negative impacts are prevented or mitigated.
- Ongoing monitoring of water quality and biodiversity protection measures.
- Conflict resolution and grievance mechanisms to address concerns from affected communities.

Monitoring mechanisms include third-party audits, community engagement, environmental assessments, and the establishment of corrective actions, when necessary, thus ensuring that any negative impacts are promptly addressed.

**S3-4: 36: Disclosure of severe human rights issues and incidents connected to affected communities**

Please refer to point S3-1: 17 (2).

**S3-4: 38: Disclosure of resources allocated to management of material impacts**

Socfinaf's resources allocated to the management of impacts include:

- Management of resources with local sustainability teams including community liaison services
- OpEx and CapEx projects dedicated to social projects such as water quality and availability, education, medical, roads, villages infrastructure
- Support for smallholders
- Livelihood projects
- Evaluation of impacts through external assessment with Earthworm Foundation

**S3-4: AR 28: Disclosure of how participation in industry or multi-stakeholder initiative and undertaking's own involvement is aiming to address material impacts**

Socfinaf's participation in the sustainability platforms RSPO and GPSNR confirm the engagement to address material impacts related to communities as both platforms cover this aspect. In parallel, the commitments made towards communities in the Group's Responsible Management Policy, as well as the assessment of its implementation both internally and externally with the support of Earthworm Foundation, demonstrate Socfinaf's involvement in addressing material impacts.

**S3-4: AR 34 a: Disclosure of whether and how affected communities play role in decisions regarding design and implementation of programmes or investments**

All sites emphasise the involvement of affected communities in the design and implementation of their projects and investments, with a strong focus on dialogue, consultation, and participation. Many companies utilise a structured approach, including regular meetings such as bipartite or tripartite meetings, community representatives (chiefs, elders, development committees, or women's groups) actively voicing their needs, and employing frameworks like Free, Prior, and Informed Consent (FPIC). Consultation with community representatives is conducted to register their priority needs and ensuring they guide the selection of projects. Social impact assessments, participatory mapping, and needs assessments are common methods used. These processes are ongoing and recurring, allowing communities to continually influence decisions, select projects, and even monitor their execution. Ultimately, there is a shared commitment across sites to empower communities and ensure projects align with their priorities for mutual benefits.

**S3-4: AR 34 b: Information about intended or achieved positive outcomes of programmes or investments for affected communities**

Please refer to S3-4: AR 34a.

**S3-4: AR 35: Initiatives or processes whose primary aim is to deliver positive impacts for affected communities are designed also to support achievement of one or more of Sustainable Development Goals**

Yes.

**S3-4: AR 43: Description of internal functions that are involved in managing impacts and types of action taken by internal functions to address negative and advance positive impacts**

Across the different sites, managing community impacts involves multiple internal functions working collaboratively to address negative impacts and enhance positive ones. Key roles often include the General Manager or Managing Director for strategic oversight, the Community Liaison Officers for maintaining communication with communities, and the Sustainability Managers for ensuring adherence to environmental and social goals. Other roles such as the HSE (Health, Safety, and Environment) Managers, Estate Managers, and Finance Managers contribute by ensuring resources are allocated, environmental sustainability is prioritised, and risks are mitigated. The companies' actions range from implementing corrective action plans in response to grievances to engaging in ongoing dialogue to assess and address community needs. Many companies also have dedicated roles, such as administrative and quality managers, responsible for ensuring compliance with national laws, environmental standards, and the effective execution of community projects. These functions work together to ensure that actions taken are transparent, accountable, and aimed at creating positive social and environmental outcomes for the communities.

## [S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

### **E3-ESRS 2: 72: Whether targets have been set and if not, reasons for not having adopted targets**

Outcome-oriented targets relating to communities have not been adopted because the focus is on ongoing monitoring of the actions taken on an annual basis. There is currently no need for outcome-oriented targets.

### **S3-MDR-T: 81 b: Whether the undertaking tracks the effectiveness of its policies and actions in relation to the material sustainability-related impact, risk and opportunity**

Yes.

### **S3-MDR-T: 81 b i: Description of processes through which effectiveness of policies and actions is tracked in relation to material sustainability-related impact, risk and opportunity**

Effectiveness of policies and actions related to affected communities is tracked through:

- Regular meetings between subsidiaries' management and communities' representatives with review of status of previous agreed actions and agreement of new actions resulting from expressed grievances or requests,
- Follow up of specific MoUs between subsidiaries and communities,
- Internal and external RSPO audits done every year,
- GPSNR annual reporting,
- Earthworm Foundation visits and follow-up.

### **S3-MDR-T: 81 b ii: Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress**

Full implementation of the Socfin Group Responsible Management Policy, with zero non-compliance towards the list of commitments made towards affected communities.

### **S3-MDR-T: 81 b ii 80 d: Base year from which progress is measured**

2017.

## [Entity-specific] Food security

### Food security

Within some communities, demographic growth in rural areas has had an impact on land and resource availability, which has on occasion led them to raise concerns about their food security with the company. Of course, this issue is to be taken seriously with local communities and collaborating with them to find satisfactory solutions is key. However, it is also important to highlight that the industrial production of palm oil has been assessed as necessary by the governments in question, to maintain food security by responding to a high and ever-increasing local demand in palm oil.

Indeed, palm oil is globally the most consumed oil, representing 40.20% of consumption\*, although it only covers 8.60% of the area planted with oil crops. Oil palm crops are therefore efficient and hardy to feed the populations of tropical regions. Moreover, palm oil – also known as red oil – has been the food base of traditional cuisine of hundreds of millions of people in tropical regions. Thanks to its qualities, it is an important and stable source of vitamin A and antioxidants in the daily diet. A common saying in Cameroon is: “the red oil helped us grow”. The oil is indeed highly appreciated for its taste and nutritional qualities as well as for its low cost. Contrary to Europe, there is no production of butter or even milk in the tropical regions where we operate. Palm oil has thus been the main fat intake of these populations for millennia.

In the countries where we operate, the surplus produced by local family agriculture is not sufficient to meet these countries’ national oil needs, making them dependent on imports from Southeast Asia. In this context, it is important to highlight that **97%** of our production is consumed locally in the host countries. **Together, local production from large plantations like those of Socfinaf and local production from smallholders progressively contributes to the improvement of these regions and sub-regions’ food security.**

*\* Source: Oil World*



## ESRS S4 – Consumers and end-users

Most disclosures under S4 are not applicable to Socfinaf, since the topic was assessed as non-material. For further explanations, please refer to those provided under ESRS 2:

- S4-SBM-3
- IRO-1 para. 53 b ii
- IRO-2 point 58 (8)

## [S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

### **S4-3: 27 (1): Statement in case the undertaking has not adopted a general process to engage with consumers and/or end-users**

Because of the far-removed relationship with consumers and end-users, and since the Group's products do not imply particular risks of harm for them, there is no formal process in place to engage with consumers and end-users. However, these can always contact the site in question or the Group in case of concerns.

As opposed to consumers and end-users, regular contact is maintained with Socfinaf's clients, notably tyre-makers. Please refer to the sections mentioned above for further explanations.

## Governance disclosures

# ESRS G1 – Business conduct

## [G1-1] Business conduct policies and corporate culture

### G1-MDR-P: 65 a: Description of key contents of policy

Section 6. *Transparency* of the Group's Responsible Management Policy addresses commitments relating to business conduct. Its states:

- "We commit to comply with all local and international laws and regulations applicable to our operations;
- We prohibit any form of corruption (see details in the Socfin anti-bribery & anti-corruption policy);
- We will publish a global action plan with precise objectives and timelines to ensure transparency and constant improvement. Progress, updates and adaptations of this action plan will be made and published annually and submitted to the Board of Directors;
- We will make the maps of our concessions public, our permits and the outcomes of HCS and HCV participatory mappings, if local legislation authorises it;
- In order to work constructively we will proactively consult and collaborate with all relevant stakeholders (internal and external). This includes NGOs, civil society organisations, local and national authorities, local communities, companies neighbouring our operation areas, customers, suppliers and industry organisations;
- We commit to obtain traceability for 100% of our raw material supply by 2025."

In addition, specific policies are in place to complement the overarching commitments of the RMP.

- Anti-bribery & anti-corruption policy:
  - o The Group does not accept bribery or corruption in any form in its business activities. Particular areas of attention are:
    - Bribery of government officials
    - Misrepresentation of accounting records
    - Use of agents known to be corrupt
  - o The Group is committed to conducting its business in an ethical, transparent and sustainable manner that should be understood and applied by all.
- Whistleblowing policy:
  - o Any individual must feel comfortable and safe when raising issues of wrongdoing such as criminal activities, bullying, harassment, environmental damage, unsafe working conditions.
  - o Multiple reporting channels are made available including letter boxes, telephone hotline, website, gender committee, with a commitment of follow-up from the Group/its companies.
  - o Whistle-blowers are protected from retaliation and guaranteed confidentiality for issues raised in good faith.
- Socfin data protection policy (in line with GDPR):

- The Group collects personal data directly or indirectly for clearly defined and legitimate purposes and for a defined period of time.
- Personal data is adequately protected and only accessible to persons that have a legitimate reason to use it, unless legally required to disclose any of the information.
- Data is not shared outside Europe without the explicit & affirmative consent of the data owner.
- The data owner has the right to consult, correct and request removal of his/her data, unless the Group is legally required to store the data.
- Third party due diligence policy:
  - Due diligence is based on red flag check lists, questionnaires, audits, site visits, contracts with compliance clauses, risk management and documented processes.
  - The due diligence process is the responsibility of the initiating department, with the assistance of compliance and legal to ensure adequate documentation.
  - In the event of non-conformity with the assessment criteria, the third party must be informed immediately, and a deadline set to remedy the problems identified.
  - If non-conformities persist, measures such as suspension or termination of the contract may be taken.
- Purchasing policy:
  - All purchases must be carried out in accordance with the steps of: purchase request, request for quotation, order, receipt, invoicing and payment under the responsibility and control of different departments.
  - When a purchasing programme such as Sage or Hermès is available, it must be used for the entire purchasing process.
  - The validation of purchases is subject to an approval matrix provided as an appendix to the policy.

#### **G1-MDR-P: 65 b: Description of scope of policy or of its exclusions**

The policies are applicable to all the Group's operations and subsidiaries, and all its third parties.

#### **G1-MDR-P: 65 c: Description of most senior level in organisation that is accountable for implementation of policy**

Board-level accountability: The Board of Directors, including senior executives, holds ultimate responsibility for overseeing the Responsible Management Policy and the more specific, complementary policies.

Operational oversight: Day-to-day accountability is assigned to senior managers within Socfinaf's operations, ensuring adherence to elements of the policy related to business conduct. The HQ Compliance Officer collaborates with on-site managers to implement initiatives and monitor compliance.

#### **G1-MDR-P: 65 d: Disclosure of third-party standards or initiatives that are respected through implementation of policy**

Socfinaf's operations are audited according to RSPO and GPSNR. We uphold the Universal Declaration of Human Rights and implement Guiding Principle 31 of the UN Guiding Principles on Business and Human Rights, as well as the EU Whistle-blowing Directive.

**G1-MDR-P: 65 e: Description of consideration given to interests of key stakeholders in setting policy**

As explained in other *MDR-P: 65 e* parts of the report, the interests of key stakeholders were duly taken into account when setting the Responsible Management Policy. In the case of elements relating to business conduct, key stakeholders' interests notably include those of suppliers, clients, NGOs/civil society organisations, and governmental authorities.

**G1-MDR-P: 65 f: Explanation of whether and how policy is made available to potentially affected stakeholders and stakeholders who need to help implement it**

The Responsible Management Policy is publicly available on its website and communicated to all interested parties through meetings and information sessions.

Socfin's Code of Conduct is available on the Group's website. All other policies (anti-bribery & anti-corruption policy, whistleblowing policy, data protection policy, third party due diligence policy, conflict of interest policy and purchase policy) are made available to the Group's employees through an internal SharePoint and local network accessible to all entities of the Group.

**G1-1: 9: Description of how the undertaking establishes, develops, promotes and evaluates its corporate culture**

The Group has put in place a code of conduct applicable to all, and has implemented various training programmes, including a comprehensive online training platform for senior and junior managers and employees in sensitive roles.

**G1-1: 10 a: Description of the mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules**

The Group has multiple channels to report wrongdoings, including web-based and phone reporting channels operated by an external service provider to guarantee confidentiality and impartiality. These channels are available to both internal and external stakeholders.

**G1-1: 10 c: Disclosure of safeguards for reporting irregularities including whistleblowing protection**

The whistle-blowing policy guarantees protection against retaliation. Channels available for whistleblowing allow for anonymity and guarantees confidentiality.

**G1-1: 10 e: Undertaking has procedures to investigate business conduct incidents promptly, independently and objectively**

Yes.

**G1-1: 10 g: Information about policy for training within organisation on business conduct**

Training on business conduct is done through online training courses, plenary training sessions, short awareness sessions and billboards. Attendance is recorded through attendance sheets or directly through the system for online training.

**G1-1: 10 h: Disclosure of the functions that are most at risk in respect of corruption and bribery**

Functions that are most at risk of bribery and corruption are: purchasing, sales, finance, logistics (import & export), and senior plantation management.

**G1-1: 11: Entity is subject to legal requirements with regard to protection of whistle-blowers**

Yes.

**G1-MDR-P: 62 (1): Disclosure of reasons for not having adopted policies**

N/A.

**G1-MDR-P: 62 (2): Disclosure of timeframe in which the undertaking aims to adopt policies**

Other policies on specific topics such as sales, raw material procurement and IT security are being developed and expected to enter into force in the course of 2025.

## [G1-2] Management of relationships with suppliers

### **G1-2: 14: Description of policy to prevent late payments, especially to SMEs**

The Group has no policy specifically preventing late payments. However, the majority of the sites' suppliers require advance payments and others will generally require payment with 30 days of invoice date. There is no record of late payments save exceptional circumstances linked to transfer delays (often due to local central bank processes).

### **G1-2: 15 a: Description of approaches in regard to relationships with suppliers, taking account risks related to supply chain and impacts on sustainability matters**

Socfinaf's subsidiaries adopt due diligence, supplier codes of conduct, monitoring mechanisms, and risk assessments to ensure compliance with ethical, environmental, and social sustainability standards in their supply chains.

Key approaches include:

- Supplier due diligence & code of conduct:
  - A third-party due diligence policy and a supplier code of conduct outline ethical labour practices, environmental responsibilities, and governance expectations.
  - All suppliers must acknowledge and adhere to these codes before engaging in business with Socfinaf's subsidiaries.
  - Regular supplier audits are conducted to verify compliance with social, environmental, and human rights standards.
- Child & forced labour prevention measures:
  - Policies prohibit child labour, forced labour, and discrimination in supplier contracts.
  - Supplier contracts include specific clauses requiring adherence to international labour conventions (e.g., ILO standards).
  - Checks are conducted through audits and field visits to ensure no underage workers are present in supplier operations.
- Environmental & social impact mitigation:
  - Suppliers are trained on responsible pesticide use, forest conservation, and occupational health and safety (OHS) practices.
  - Suppliers are encouraged to adopt environmental certification standards such as RSPO and ISO 14001.
  - Engagements are conducted to reduce deforestation, pollution, and social risks within supply chains.
- Supplier engagement & corrective action plans:
  - Regular supplier engagements.
  - If a supplier is found non-compliant, corrective action plans are implemented, and termination may occur in cases of unresolved breaches.



**G1-2: 15 b: Disclosure of whether and how social and environmental criteria are taken into account for selection of supply-side contractual partners**

Socfinaf's subsidiaries incorporate social and environmental considerations based on their local context when selecting contractual partners. These criteria aim to ensure ethical labour practices, environmental sustainability, and responsible supply chain management. These criteria include the respect of ILO labour standards, environmental sustainability measures such as local proximity or circular supply chain, and due diligence procedures in supplier selection.

## [G1-3] Prevention and detection of corruption or bribery

### **G1-3: 18 a: Information about procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery**

Prevention and detection of bribery and corruption are done through various forms of training, availability of whistle-blowing channels and internal audits.

Senior and middle management must complete an online training that covers bribery and corruption in a detailed manner, including examples and testing.

### **G1-3: 18 b: Investigators or investigating committee are separate from chain of management involved in prevention and detection of corruption or bribery**

Yes.

### **G1-3: 18 c: Information about process to report outcomes to administrative, management and supervisory bodies**

Management is informed through monthly reports from Compliance, during periodic executive committee meetings and ad-hoc reports on alerts, investigations and outcomes in relation to non-compliant events and reports.

### **G1-3: 20: Information about how policies are communicated to those for whom they are relevant (prevention and detection of corruption or bribery)**

Policies are communicated through meetings, plenary training sessions, online training, notice boards and e-mails.

### **G1-3: 21 a: Information about nature, scope and depth of anti-corruption or anti-bribery training programmes offered or required**

Training on compliance includes a 4-module online training course covering all key areas of compliance including compliance basics, data protection, information security and preventing corruption. The latter module covers:

- What is corruption,
- Corruption around the world,
- Public officials and the private sector,
- Benefits and gratuities,
- Consultants and intermediaries.

### **G1-3: 21 b: Percentage of functions-at-risk covered by training programmes**

85% completed in 2024, however training is ongoing, and the objective is to cover 100% of the functions at risk.

**G1-3: 21 c: Information about members of administrative, supervisory and management bodies relating to anti-corruption or anti-bribery training**

All senior management at holding and subsidiary level have completed an online training course on compliance, including on anti-bribery and corruption.

## [G1-MDR-A] Actions and resources related to business conduct

### **G1-MDR-A: 68 a: The list of key actions taken in the reporting year and planned for the future**

In 2024, policies, including anti-corruption, personal data protection, conflict of interest management, gifts & entertainment, whistleblowing, purchasing and code of conduct were formally approved by the Board of Directors. Information and training sessions started in 2024 as well.

In 2025, policies on sales, purchase of raw materials and IT security are to be finalised and implemented.

### **G1-MDR-A: 68 b: Description of scope of key action**

The policies relate to all activities, from field to head office management and applicable in all countries of operation. They are applicable to all employees and entities working for or with the Group.

### **G1-MDR-A: 68 c: The time horizons under which the undertaking intends to complete each key action**

Key action name	Time horizon to complete this action
Code of conduct	Short-term
Compliance training	Medium-term
Whistle-blowing	Short-term
Data protection	Short-term
Purchasing policy	Short-term
Conflict of interest	Short-term
Third party due diligence	Medium-term
Sales policy	Medium-term
Raw material purchasing	Medium-term
Compliance network	Medium-term

### **G1-MDR-A: 68 d: Description of key actions taken, and its results, to provide for and cooperate in or support provision of remedy for those harmed by actual material impacts**

N/A.

### **G1-MDR-A: 68 e: Disclosure of quantitative and qualitative information regarding progress of actions or action plans disclosed in prior periods**

Resources allocated at holding level relate to staffing, training, a whistle-blowing channel and mobility. In each subsidiary, a person has been appointed to act as compliance liaison with direct contact with HQ.

### **G1-MDR-A: 69 a: Disclosure of the type of current and future financial and other resources allocated to the action plan (CapEx and OpEx)**

All resources linked to the implementation of the compliance department are for the account of the holding company and do not apply to the accounts of the reporting entity.

**G1-MDR-A: 69 b: Explanation of how current financial resources relate to most relevant amounts presented in financial statements**

Resources allocated at holding level relate to staffing, training, whistle-blowing channel and mobility.

**G1-MDR-A: 69 b (1): Current financial resources allocated to action plan (CapEx)**

0 EUR.

**G1-MDR-A: 69 b (2): Current financial resources allocated to action plan (OpEx)**

0 EUR.

**G1-MDR-A: 69 c (1): Future financial resources allocated to action plan (CapEx)**

0 EUR.

**G1-MDR-A: 69 c (2): Future financial resources allocated to action plan (OpEx)**

0 EUR.

## [G1-4] Incidents of corruption or bribery

**G1-4: 24 a (1): Number of convictions for violation of anti-corruption and anti- bribery laws**

0.

**G1-4: 24 a (2): Amount of fines for violation of anti-corruption and anti- bribery laws**

0 EUR.

**G1-4: 24 b (2): Disclose any actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery**

No breaches related to bribery or corruption have been identified in 2024, however in case of unlawful incidents in this area, the Group will act in accordance with its Anti-Bribery and Anti-Corruption Policy.

**G1-4: 25 b: Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents**

0.

## [G1-5] Political influence and lobbying activities

**G1-5: 30: Information about appointment of any members of administrative, management and supervisory bodies who held comparable position in public administration in two years preceding such appointment**

No appointment of members of these bodies within 2 years in a comparable public position.

**G1-5: AR 13: The entity is legally obliged to be a member of a chamber of commerce or other organisation that represents its interests**

Yes.

## [G1-6] Payment practices

**G1-6: 33 a: Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated**

Currently no quantitative data on this element. Please refer to the explanation provided under G1-2: 14.

**G1-6: 33 b (1): Description of undertakings standard payment terms in number of days by main category of suppliers**

Same as above.

**G1-6: 33 b (2): Percentage of payments aligned with standard payment terms**

Same as above.

**G1-6: 33 c: Number of outstanding legal proceedings for late payments**

In principle 0.

**G1-6: 33 d: Disclosure of contextual information regarding payment practices**

Please refer to the explanation provided under G1-2: 14.



# Annex I – Glossary of terms

## Acronyms and abbreviations

Same table for Socfinaf and Socfinasia CSRD reports.

Abbreviation	Meaning
A.I.	Active Ingredient
ACOP	Annual Communication of Progress (part of RSPO processes)
AR	Application Requirements
ASA	Annual Surveillance Audit
BMP	Best Management Practices
BSA	Biodiversity Sensitive Area
CBA	Collective bargaining agreement
CB	Certification Body
CEC	Cation Exchange Capacity
CFO	Chief Financial Officer
CLO	Community Liaison Officer
COD	Chemical Oxygen Demand
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPO	Crude Palm Oil
CS	Certified Sustainable
CSRD	Corporate Sustainability Reporting Directive
DC	Decanter Cake
DLW	Decent Living Wages
DMA	Double Materiality Assessment
EF	Earthworm Foundation
EFB	Empty fruit bunches
EFRAG	European Financial Reporting Advisory Group
EMS	Environmental Management System
ESG	Environmental, Social and Governance
ESIA	Environmental and Social Impact Assessment
ESRS	European Sustainability Reporting Standards
EU	European Union
EUDR	EU Deforestation Regulation
FEFO	First Expired-First Out
FFB	Fresh Fruit Bunches
FGD	Focus Group Discussion
FIRMS (NASA)	Fire Information for Resource Management System

FPIC	Free, Prior and Informed Consent
GFW	Global Forest Watch
GHG	Greenhouse Gas
GOV	Governance
GPSNR	Global Platform for Sustainable Natural Rubber
GRI	Global Reporting Initiative
ha	Hectare
HCS	High Carbon Stock
HCSA	High Carbon Stock Approach
HCV	High Conservation Value
HQ	Head Quarter
HR	Human Resources
HSE	Health, Safety and Environment
ILO	International Labour Organisation
IP	Identity Preserved
ISO	International Organization for Standardization
IPM	Integrated Pest Management
IRO	Impacts, Risk and Opportunity
ISPO	Indonesia Sustainable Palm Oil
IT	Information Technology
KLHK	Ministry of Environment and Forestry
KPI	Key Performance Indicators
LCA	Life Cycle Assessment
LUC	Land Use Change
MB	Mass Balance
MDR	Minimum Disclosure Requirements
MDR-A	Minimum Disclosure Requirements - Actions
MDR-M	Minimum Disclosure Requirements - Metrics
MoU	Memorandum of Understanding
N/A	Not Applicable
NGO	Non-Governmental Organization
NMVOCs	Non-Methane Volatile Organic Compounds
NPP	New Planting Procedure
NR	Natural rubber
OECD	Organisation for Economic Co-operation and Development
P&C	Principles & Criteria (of RSPO)
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
PKO	Palm Kernel Oil

PM	Particule Matters
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PROPER	Indonesian public disclosure programme to improve corporate environmental governance
QHSE	Quality, Health, Safety, and Environment
R&D	Research and Development
REC	Renewable Energy Certificate
RMP	Responsible Management Policy
RSPO	Roundtable on Sustainable Palm Oil
SBM	Strategy and Business Model
SCCS	Supply Chain Certification Standard
SDGs	Sustainable Development Goals
SG	Segregated
SIPH	Société Indochinoise de Plantations d'Hévéas (Indochinese Rubber Plantation Company)
SNI	Indonesian certification
SPOTT	Sustainability Policy Transparency Toolkit
SRI	Indonesian certification
SSPL	Socfindo Seed Production and Laboratories
UN	United Nations
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNFCCC	United Nations Framework Convention on Climate Change
UNGPBHR	United Nations Guiding Principles on Business and Human Rights
WHO	World Health Organization

## Synonyms and definitions

The term “companies” is used throughout the sustainability statement as a synonym for “subsidiaries”, that is, all operational entities within Socfinaf.

The term “severe” regarding work-related accidents refers to hospitalization, loss of an eye, and/or amputation. Any other work-related accidents classified by local medical team as severe due to their expertise.

## Annex II – Additional DMA information

### **ESRS 2-IRO-1: 53 b: Description of process to identify, assess, prioritise and monitor potential and actual impacts on people and environment, informed by due diligence process**

Specifications regarding the Group's approach for the following topics:

Productivity and yield": This topic was included into the list of topics that would be evaluated in the DMA not only because it is very important to some stakeholders but also because it has a solid relationship with sustainability. Indeed, it is directly linked to R&D, which cover subjects like maintaining production levels while using less surface; monitoring biodiversity systems that are vital for production; and monitoring climatic conditions and their evolution while testing palm and rubber tree varieties that can adapt to these. In that sense, "Productivity and yield" in fact covers the part of ESRS E1 relating to climate change adaptation.

"Water consumption": The name of this topic was kept general, but it in fact covered the notion of water withdrawals, which was reflected in the stakeholder questionnaire.

"Protection of ecosystems and ecosystem services": Within this topic, there was no need to specifically focus on ESRS E4's sub-sub-topics "land degradation", "desertification" and "soil sealing" because these are not so relevant in the Group's case. In fact, with the commitment made with the release of the Socfin Group Responsible Management Policy in 2017 and also because of its certifications the Group has to protect forests and ensure that land quality does not degrade. Moreover, the soil is not sealed since roads are all dirt roads.

"Local employees": Under this topic, the sub-topic "Protection and respect of the rights of employees (Labour Standards, Universal Declaration of Human Rights)" was meant to cover several ESRS S1 sub- or sub-sub-topics, such as: "secure employment, working time and adequate wages", "collective bargaining", "gender equality and equal pay", "measures against violence and harassment in the workplace", "diversity" and "child labour and forced labour". The fact that these sub-sub-topics were not evaluated on their own in no way means that the Group disregards them. On the contrary, the Group is aware of these very sensitive issues, which are notably addressed through its Code of conduct, subsidiaries' non-discrimination policies, and the investigations by the Group's partner Earthworm Foundation and the resulting action plans.

"Local employees": The sub-topic "Social well-being" was meant to cover the ESRS sub-topic "adequate housing".

"Sustainable value chains": The sub-topic "Protection and respect of the rights of employees in the value chain (Labour Standards, Universal Declaration of Human Rights)" was meant to cover the different sub- and sub-sub-topics of ESRS S2. Socfin Group's commitments in its Responsible Management Policy apply to all of the Group operations, as well as to all suppliers.

"Community relations": First, the sub-topics "Rural development" and "Local infrastructure" were meant to cover the sub-topic "water and sanitation" under ESRS S3, since these notably include elements like water infrastructure, medical facilities and education facilities. Second, our sub-topic "Protection and respect of the rights of local communities (Labour Standards, Universal Declaration of Human Rights)" was

meant to cover ESRS S3's sub-topics "land-related impacts and security-related impacts", "communities civil and political rights" and "rights of indigenous peoples". These elements are all monitored through the Group's certifications and the partnership with Earthworm Foundation.

ESRS S4 Consumers and end-users: This topic fell outside the initial scope of relevance for the Group's DMA. Indeed, activities are situated quite at the beginning of our clients' upstream value chain, so the Group has no contact with consumers or end-users; only with clients.

Details on the methodology applied to process stakeholder questionnaire results:

1. The first step was, for each individual questionnaire received, to go from results at sub-topic level to results at topic level. Within a topic, the scores for *scale* of the different sub-topics were averaged, and the same was done for *scope*, and when relevant for *irremediability* and *likelihood*. Thus, scores for scale, scope, irremediability and likelihood were obtained for each topic, averaged from the corresponding sub-topic results. This was advised to simplify the consolidation of results afterward.
2. Then, for each topic and within each individual questionnaire, the average between scale, scope, irremediability and likelihood was calculated to obtain one final materiality score per topic.
3. For potential negative human rights impacts, a few additional tests were run to check whether likelihood had to be weighted differently than severity (that is, scale, scope and irremediability), since the ESRS specify that for such impacts severity takes precedence over likelihood. Seeing that weighting likelihood more lightly did not affect the final scores, the same weight as for the other impacts was kept.
4. Once materiality scores per topic were obtained for each individual questionnaire, the topic scores of all questionnaires within the same stakeholder category were brought together. This allowed to obtain a materiality score per topic for a whole stakeholder category (e.g., "employees") rather than for one individual respondent.
5. Then, the materiality score of each topic, for a given group of stakeholders, was weighted with the score of the stakeholder category in question.
6. In turn, for each topic, the average of the scores of all stakeholder categories was done, thus obtaining final impact materiality scores for each topic, based on the stakeholder consultation.
7. Based on these final scores a ranking of topics was established. The thirteen (13) topics were ranked from the highest scoring topic (13 points) to the lowest scoring topic (1 point).
8. Results were processed this way for headquarters, Safacam and Socfindo separately, and then consolidated at the end by adding, for each topic, the points obtained under the different entities.