

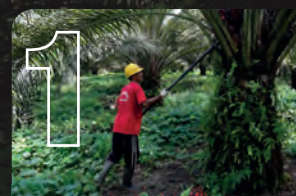
2020 SUSTAINABILITY REPORT

M.P. Evans aspires to the quality of its output and management of its plantations being regarded as a reference point for the industry.

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STRATEGIC FOCUS AREAS



**PROTECT OUR
ENVIRONMENT**

→ Read more on page 10



**DEMONSTRATE
THE BENEFITS OF
SUSTAINABLE
PALM-OIL
PRODUCTION**

→ Read more on page 18



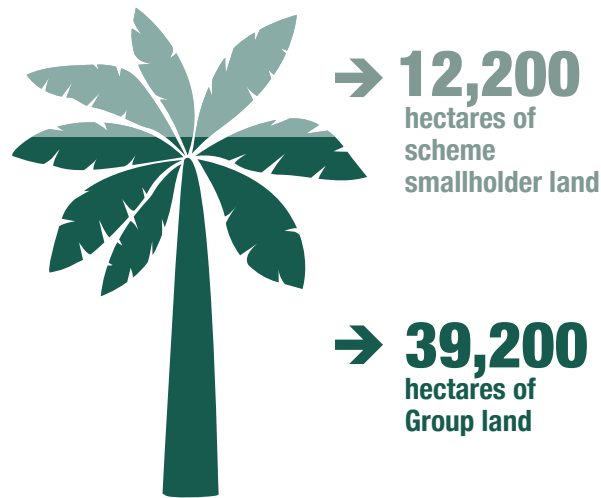
**HAVE A POSITIVE
ECONOMIC AND SOCIAL
IMPACT ON OUR
COMMUNITIES**

→ Read more on page 26

LONG TERM, SUSTAINABLE PALM OIL

M.P. Evans Group PLC ("the Group" or "M.P. Evans") owns, manages and develops sustainable oil-palm estates in Indonesia.

The Group aspires to be a reference point in the industry and is a member of the Roundtable for Sustainable Palm Oil ("RSPO").



ABOUT PALM OIL

Palm oil is a vegetable oil, with a growing share of growing worldwide demand for vegetable oil. Since 1990, world demand for vegetable oils has increased at 4% per year; that for palm oil 7%. It is the world's most popular vegetable oil and its most traded: 72 million tonnes were produced in 2018, 57% of which were in Indonesia and 27% in Malaysia.

Oil palm is extremely efficient in its use of land: it produces 40% of the world's vegetable oil on only 8% of the area devoted to vegetable oil cultivation. And it is socially important, providing a livelihood and nutrition for smallholders and local communities in developing countries.

Approximately half of products found in a UK supermarket contain palm oil or palm-kernel oil, including shampoos, cosmetics, ice cream, biscuits, chocolate and cereals. Growing production of palm oil has reduced human consumption of harmful trans fats.

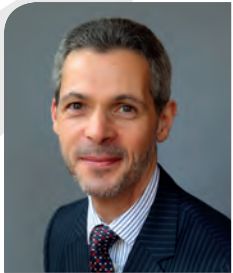
19% of the world's palm oil is currently produced sustainably, but despite a low premium only half of this is bought as sustainable oil. Consumers have not so far exercised their power to insist the products they buy contain sustainable palm oil.



"PALM OIL IS THE WORLD'S MOST PRODUCTIVE OIL CROP, AND WHEN GROWN SUSTAINABLY CAN HELP PROVIDE NUTRITION TO THE WORLD'S GROWING POPULATION IN A SUSTAINABLE WAY."

Tristan Price
Chief executive

INTRODUCTION FROM THE CEO



Our Group is a producer of sustainable Indonesian palm oil. It owns, manages and develops oil-palm estates in Indonesia for itself and on behalf of “scheme smallholders” attached to some of those estates.

M.P. EVANS' STRATEGY

Our strategy is to maintain steady expansion of palm-oil production, and hectareage, in a sustainable and cost-effective manner. Whilst this is our first separate Sustainability Report, we have, for many years, published a wide range of information showing how we approach sustainability in practice.

OUR APPROACH

Our operational and financial success in producing crude palm oil comes from taking the right decisions for the long term. We make long-term decisions investing in land, the environment, our workforce and the communities in and around our operations. This approach is well suited to a robust long-term asset such as the oil palm and aligns completely with the thinking required to make decisions that will lead to a sustainable future for the economy, society and the environment.

As international standards have evolved, so we have increased the effort we devote to setting our own policies on sustainability, engaging our own employees and local communities and working to ensure we meet the high standards we set ourselves. The Group has a ‘zero-waste’ approach in which all of the waste from our mills is converted into either biogas or compost which we use to reduce application of inorganic fertilisers. Not only is this good for the environment; it helps keep our costs down.

WHERE IS OUR FOCUS?

1

PROTECT OUR ENVIRONMENT by minimising emission of greenhouse gases and ensuring the Group is not responsible for any deforestation. This report sets out our activity in capturing methane and generating biogas, preventing any burning of land for subsequent cultivation, the identification and protection of conservation and high-carbon-stock areas, and promoting biodiversity.

→ Read more on page 10

2

DEMONSTRATE THE BENEFITS OF SUSTAINABLE PALM-OIL PRODUCTION by knowing where all the fresh fruit bunches (“fffb”) we process come from, managing water carefully and seeking to prevent pollution of air, land or water. This report sets out how we certify our production and how we plan to achieve full traceability of all ffb that we process, as well as how we manage water and agricultural chemicals.

→ Read more on page 18

3

HAVE A POSITIVE ECONOMIC AND SOCIAL IMPACT ON COMMUNITIES by setting high standards in how we treat our staff and workers, and in how we work in partnership with local communities. This report sets out how we run award-winning smallholder co-operative schemes (“scheme smallholders”) alongside our estates, promote gender equality, work to improve the education and health of our workforce and the communities where we operate, and are vigilant for any sign of modern slavery amongst the firms from which we buy goods and services.

→ Read more on page 26

ROUNDTABLE FOR SUSTAINABLE PALM OIL

The cornerstone of our activity is our membership of the Roundtable for Sustainable Palm Oil (“RSPO”). Palm oil is a global commodity and we believe the way to make meaningful progress is for the industry to commit to a system of universal and transparent rules against which performance is rigorously and independently verified.

All three of our existing mills have been certified and our policy is for any new mills to achieve RSPO certification as soon as practically possible after commencing operation. In the meantime, all Group estates that will in due course supply our mills already comply with RSPO standards. As the chief executive of a producer of sustainable palm oil, I know how demanding it is to produce RSPO certified sustainable palm oil. Certification is a thorough, continuous, process.

At its most basic, we believe the world does not have to choose between saving tropical rainforests and with it the orangutan, and consuming palm oil. There is plentiful land available to grow sustainable palm oil that does not entail rainforest destruction. For example, much more palm oil could be produced from existing plantings by improving the industry’s average yield towards the levels that are achieved by the best operators. We will play our part in this by helping independent smallholders who want to sell us their ffb to become certified under the RSPO Independent Smallholder Standard.

➔ **More about the RSPO: www.rspo.org**

WHO IS ENGAGED IN SUSTAINABILITY?

Everybody in the Group is engaged in making our operations sustainable. I take the lead in setting policy on sustainability, supported by the Group’s UK board and the senior management team in our Jakarta office. We have a dedicated sustainability manager based in Jakarta with a team of field staff resident on the Group’s estates. They support our operational teams in implementing our policies on sustainability, covering the environment, conducting our business in an ethical way and ensuring the communities in and around our operations benefit from what we do.

PLANS FOR THE FUTURE

A significant challenge we face is in persuading independent smallholders who sell us their ffb to commit to producing their crop in line with the RSPO Independent Smallholder Standard, including mapping where the fruit is harvested. Already all the ffb produced in our own estates and those of our scheme smallholders are fully traceable. But independent smallholder ffb are not traceable and, until the Group completes its mill-building programme, not all the ffb we harvest will be processed in RSPO-certified mills. We expect to complete building our new mills before the end of 2024. By this time, our aim is for all fruit coming into our mills to be fully traceable so that we may achieve our target that 100% of our production can be certified as sustainable.

We will train all our staff in how to recognise modern slavery, including child labour, and develop a mechanism to test that the contractors we use live up to the same standards.

To deepen our understanding of the social impact of our operations, we will go on to complete the series of social surveys conducted in collaboration with the University of Indonesia that have been collecting information about the quality of life of people living on and around our operations in Indonesia. A report on the development at Musi Rawas was published in 2018 and one on Kota Bangun in 2019. This work will help ensure the Group understands the impact of its operations on those living on and around its plantations.

Tristan Price
Chief executive

23 January 2020

OUR ESTATES

1 SEMPANG KIRI

Mature oil palm estate in the province of Aceh, near the border with North Sumatra, which was acquired in the early 1980s. Fresh fruit bunches are processed in a nearby third-party mill.

Group planted area:	2,400 hectares
Infrastructure area:	103 hectares
RSPO certified mill:	No – third-party mill
Biogas capture:	No
Average palm age:	7 years; 32% prime
Conservation area:	20 hectares
Number of local villages:	20
Travel time to significant town:	1.5 hours

2 KERASAAN (38% minority share)

Mature (ex-rubber) oil-palm estate near the town of Pematangsiantar in North Sumatra. Fresh fruit bunches are processed in the neighbouring Bukit Marajah mill, owned by the SIPEF Group – also the majority shareholder in Kerasaan.

Planted area:	2,300 hectares
RSPO certified mill:	Yes – third-party mill
Biogas capture:	Yes
Average palm age:	12 years; 43% prime
Conservation area:	0 hectares
Number of local villages:	6
Travel time to significant town:	0.5 hours

3 MUSI RAWAS

Located in South Sumatra province near the town of Lubuk Linggau, the project was started in 2012. Much had previously been planted with smallholders' rubber, which had been abandoned. The Group began planting oil palm at the end of 2014, and harvesting started in 2017.

Group planted area:	5,700 hectares
Smallholder co-operatives planted area:	2,300 hectares
Infrastructure area:	224 hectares
RSPO certified mill:	No – third-party mills
Biogas capture:	No
Average palm age:	2 years; 0% prime
Conservation area:	599 hectares
Number of local villages:	9
Travel time to significant town:	1 hour



4 PANGKATAN GROUP

Grouping of three estates (Pangkalan, Bilah, Sennah) whose fruit is processed in a 40-tonne mill built on Pangkatan in 2005. Combination of a long-established, mature (ex-rubber) oil-palm estate (Pangkalan), and land acquired or planted over the last 30 years (Bilah and Sennah).

Group planted area:	7,000 hectares
Infrastructure area:	285 hectares
RSPO certified mill:	Yes – own mill
Biogas capture:	No
Average palm age:	10 years; 57% prime
Conservation area:	78 hectares
Number of local villages:	7
Travel time to significant town:	1 hour

4

5 BANGKA

Located on the island of Bangka, the land was acquired in 2005. The first areas planted started production during 2009. A 45-tonne mill with composting facility and biogas plant was commissioned in May 2016 and extended to 60 tonnes in 2019.

Group planted area:	6,100 hectares
Smallholder co-operatives planted area:	3,900 hectares
Infrastructure area:	451 hectares
RSPO certified mill:	Yes – own mill
Biogas capture:	Yes
Average palm age:	7 years; 52% prime
Conservation area:	455 hectares
Number of local villages:	4
Travel time to significant town:	1.5 hours

5

7 BUMI MAS

Located in East Kalimantan, north-east of Sangatta next to the Manubar River. The land was acquired in 2017. It was largely planted in 2012-14, with the first harvesting taking place during 2015.

Group planted area:	7,500 hectares
Smallholder co-operatives planted area:	1,400 hectares
Infrastructure area:	112 hectares
RSPO certified mill:	No – third-party mill
Biogas capture:	No
Average palm age:	5 years; 14% prime
Conservation area:	255 hectares
Number of local villages:	5
Travel time to significant town:	6 hours

7

6 KOTA BANGUN ESTATES

Located in East Kalimantan, close to Kota Bangun and next to the Mahakam River, the land was acquired in 2006. The first areas planted started production during 2010; a 60-tonne mill was commissioned in December 2012, and a second mill will be commissioned in 2020.

Group planted area:	10,500 hectares
Smallholder co-operatives planted area:	4,600 hectares
Infrastructure area:	712 hectares
RSPO certified mill:	Yes – own mill
Biogas capture:	Yes
Average palm age:	10 years; 90% prime
Conservation area:	1,850 hectares
Number of local villages:	8
Travel time to significant town:	1.5 hours

6

OUR BUSINESS MODEL

OUR STRATEGY

GROWING CROP AND REPUTATION

Our Group aspires to be a reference point for the industry in the production of sustainable palm oil. We apply our operational expertise and values to our estates and in dealings with our local communities, with the aim of delivering substantial benefits and returns to our stakeholders.

The strategy is to expand our production of certified sustainable palm oil ("CSPO") and maintain a steady rate of growth in the planted hectareage we control, predominantly through the acquisition of land and establishing smallholder co-operative schemes.

The Group's intention is to bring each of our estates towards an optimal size of 10,000 hectares with a palm-oil mill, to maintain or improve agronomic standards and productivity, and to produce 100% certified sustainable CPO by 2024.

APPLYING OUR VALUES

INTEGRITY: We are a reliable partner and employer with a reputation for keeping our word and not tolerating any form of bribery or corruption. We train our staff on our policies and make our codes of conduct easily available to all staff members. Read more on page 35.

TEAMWORK: We are open about our challenges and solve them together. Over the next few years we will develop and roll out a scheme to persuade independent smallholders to adopt sustainable practices. Read more on page 23.

EXCELLENCE: The Group emphasises the quality of its output and management of its plantations. Our strong operational management maximises the productive potential of our land and we produce higher than industry-average yields from our crop. Read more on page 23.

MAKING LONG-TERM, SUSTAINABLE DECISIONS

Producing palm oil sustainably is integral to our business model. Our ability to deliver value to all our stakeholders can only come about if we make long-term decisions. As a member of the RSPO we are required to meet strict criteria in how we grow and process our crop.



PLANTATION LAND

Our plantation land is used to grow oil palms and harvest them to the fullest extent.

39,200
hectares of oil palm



RELATIONSHIPS WITH COMMUNITIES

We engage with the local communities living on or near our operations and we manage superlative smallholder schemes on their behalf.

12,200
hectares of scheme
smallholder oil palm



PEOPLE

Over 5,000 people work for M.P. Evans, including 190 agronomic staff, 80 engineers and more than 3,500 harvesters.

5,000+
employees

HOW SUSTAINABILITY IS WOVEN INTO OPERATIONAL EXCELLENCE

Sustainable success comes from repeatedly making decisions for the long term and from persistently monitoring and improving our operations. We have carefully developed a system of monitoring our operations and ensure that any improvements needed are swiftly implemented by moving skilled staff where they are needed most. The foundation for operational excellence is investment in top-quality planting; a competent and motivated workforce; and a supportive local community.



STABLE FUNDING

Our robust capital structure with US\$34.2m of cash, low levels of debt, and access to the capital markets provides us with the funding we need to grow our business and increase our sphere of influence.

7%
net gearing

THE M.P. EVANS APPROACH

PROMOTE A PHILOSOPHY OF ZERO WASTE

We use all of the ffb. In addition to crude palm oil and palm kernels, we collect shell and fibre to fuel our mill boilers, produce compost, capture methane and generate bioelectricity.

FOCUS ON OUR STRENGTH AS A PRODUCER OF CERTIFIED SUSTAINABLE INDONESIAN PALM OIL

We demonstrate how sustainable production can support increasing crop, production and revenues to the benefit of our shareholders and stakeholders.

MAINTAIN STRONGLY INCREASING CROP

Increasing our crop means increasing the volume of certified sustainable palm oil and palm kernels that are available for food, cosmetics and other consumer goods manufacturers to buy.

CONTROL OUR OPERATIONS

Where we control our estates we can adopt the best agronomic practices that prevent pollution, maintain conservation areas and maximise yield, making best use of the land.

MAKE SMALLHOLDER CO-OPERATIVES A SUCCESS

We help local communities by supporting smallholder schemes and by helping independent smallholders produce their ffb in line with RSPO standards. We support human development in tandem with environmental protection.

DO A THOUSAND SMALL THINGS WELL, REPEATEDLY

In order to operate to a high standard we invest time and effort to train our staff and workers. We offer advice on agricultural techniques to smallholders to help them improve their practices and yields.



MATERIAL TOPICS OVERVIEW

FOCUSING ON WHAT REALLY MATTERS

The board has identified the Group's stakeholders as being:

- investors
- employees
- certain service suppliers
- local communities
- co-investors
- European plantation companies

In the last year, we interviewed them to ensure that our sustainability strategy focuses on what really matters. Together, we identified six material topics which helped us to define our strategic focus areas.

More on our stakeholders, and how we engage with them, is set out on page 38.

We link our material topics to the United Nations' Sustainable Development Goals ("SDG") to illustrate the part we are playing in the world's shared plan to end extreme poverty, reduce inequality, and protect the planet by 2030.



PROTECT OUR ENVIRONMENT

We believe that producing palm oil does not have to come at the expense of tropical rainforests, reduced biodiversity or threatened endangered species. Adhering to RSPO standards means we assess the suitability of land for planting using the High Carbon Stock Approach (HCSA), have a zero-burn policy and that we won't develop high conservation value (HCV) land.

MATERIAL TOPICS



Greenhouse gases

Forest protection

→ Read more on page 10



DEMONSTRATE THE BENEFITS OF SUSTAINABLE PALM-OIL PRODUCTION

We believe that all palm-oil production should be and can be certified sustainable. We lead by example, making the right investment decisions and putting in place the right policies. For example, we practice and promote responsible production, using mill effluent to generate 'green' electricity.

MATERIAL TOPICS



Water

Traceability

→ Read more on page 18



HAVE A POSITIVE ECONOMIC AND SOCIAL IMPACT ON OUR COMMUNITIES

We believe that our business practices can also benefit those we work alongside and that our long-term success is bound up with the success of neighbouring communities. We have developed excellent smallholder co-operative schemes for local smallholders managed by us to the same standard as our own operations.

MATERIAL TOPICS



Community

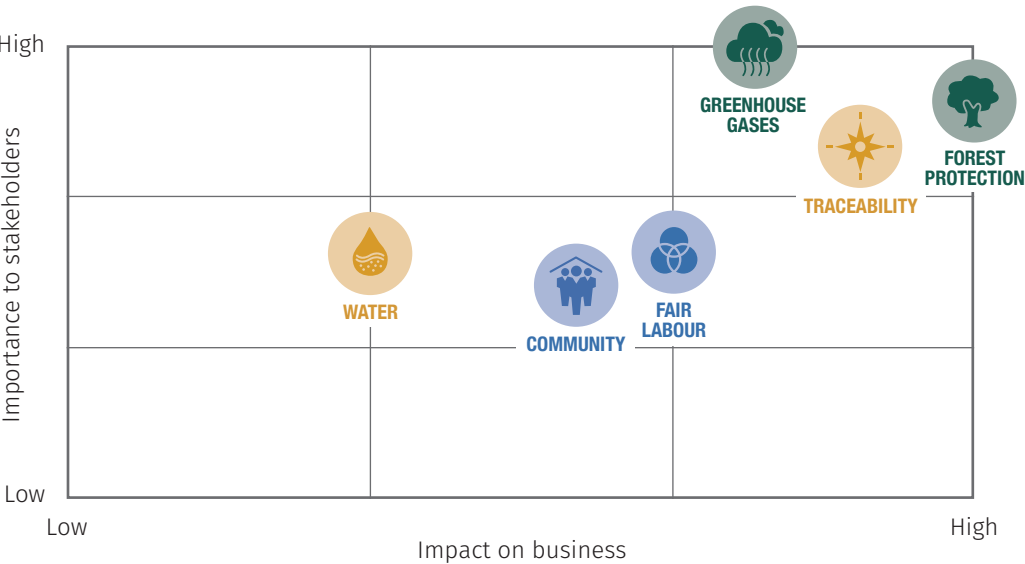
Fair labour

→ Read more on page 26

STAKEHOLDER MATERIALITY ANALYSIS

Having identified material topics in conjunction with our stakeholders, the board conducted a risk assessment. This identified two things: how large the negative impact on the business could be if we failed to manage the risk attaching to the material topics successfully and, on the other side, the positive effects that could be gained from engaging with them. Taking the positive and negative effects together, a judgement was made about potential ‘impact on the business’.

The chart below shows broadly that those topics with higher impact on the Group were the ones more important to our stakeholders.



These impacts should also be reviewed in conjunction with our principle risks as outlined in our 2018 Annual Report pages 26-29.

RISK MANAGEMENT

The directors acknowledge their responsibilities for the Group's system of risk management. Such a system can provide reasonable, but not absolute, assurance against material misstatement or loss. A review of the process of risk identification, evaluation and management is carried out regularly and presented to the board for discussion and approval.

The review process considers the control environment and the major business risks faced by the Group. Such risks include, but are not limited to:

- the risks of operating in Indonesia;
- the geographical distance between head office and area of operation;
- the protection of the environment;
- the relationship with local populations where the Group has operations;
- the relationship with local partners;
- weather and natural disasters;
- commodity-price fluctuation; and
- exchange-rate fluctuation.

Important control procedures, in addition to the day-to-day supervision of holding-company business, include regular executive visits to the areas of operation of the Group and of its associates, comparison of operating performance and monthly management accounts with plans and budgets, application of authorisation limits, internal audit of subsidiary undertakings and frequent communication with local management.

1 PROTECT OUR ENVIRONMENT

Building a successful and sustainable business means making long-term decisions, including protecting the environment for the benefit of all.

FOREST PROTECTION

- High carbon stock and high conservation value ("HCV") areas
- Species protection
- Biodiversity

GREENHOUSE GASES

- Burning
- Peat
- Biogas



FOREST PROTECTION



GREENHOUSE GASES



RISK

Protection of the environment
Weather and natural disasters





PROTECT OUR ENVIRONMENT

WHY IT MATTERS

Concerns about global warming and particularly the destruction of the tropical rainforest have rightly received, and continue to receive, close scrutiny. As an industry, palm oil is one of those associated with cutting down tropical rainforest and destroying the habitat of endangered species. However, far from all cleared forest ends up as oil-palm plantations. We believe there is plentiful land available to grow sustainable palm oil that does not require rainforest destruction. Certified sustainable palm oil is not grown on land that was still forested in 2005.

The illegal practice of burning is typically carried out in the dry season as a cheap way to clear and prepare land for planting, further affecting the environment. In Indonesia, where there are large areas of peatland, fires can smoulder for weeks or months before reigniting if there is a lack of rainfall, making them hard to control and put out. The effect on air quality and creation of a smoky 'haze' is well reported, affecting regularly and directly the well-being and economic health of Indonesia and neighbouring countries. Whilst the Indonesian Government's permanent ban on land clearing has slowed deforestation, these issues persist and remain a major challenge for our sector.

Palm-oil production is also associated with the creation of greenhouse gases ("GHG") in the form of methane and carbon dioxide. With modern sustainable certified mills and zero-waste policies, the amount of GHG released into the atmosphere can be significantly reduced and gases can be converted into biogas.



860,000
hectares

of land burned in Indonesia in 2019 fanned by dry weather, resulting in dangerous air quality in the region.



c.440,000
hectares

of primary forest were cleared in Indonesia in 2018. It is illegal to clear primary forest for oil palm, but it is likely that at some point in the future a part of this land may end up as oil-palm plantation.

COMPANY
POLICIES AND
GUIDELINES



FOREST PROTECTION

GROUP POLICIES

- Never contribute to deforestation
- High conservation value ("HCV") and high carbon stock ("HCS") assessments must only be carried out by assessors accredited to the HCV Resource Network's Assessor Licensing Scheme
- Hunting is banned on all estates and HCV areas

TRAINING

Training is conducted with our own workers and amongst local villages to raise awareness of the importance of HCV areas to local communities.



GREENHOUSE GASES

GROUP POLICIES

- A strict policy prohibiting the burning of vegetation or old palms
- Fire watch operated on all our estates
- Water tenders maintained
- No planting on peat

TRAINING

Teams are trained in emergency response and to react quickly to any fires that do arise through natural forces or by accident.



Policy introduced to stop routine removal of birds' nest ferns in our plantations as these provide an excellent habitat for invertebrates



Expanded biogas facility at our Bumi Permai mill in East Kalimantan, with an agreement to supply electricity to the grid in East Kalimantan



Completed detailed soil surveys across all our estates to identify peat areas in line with our policy not to plant on peatlands

2018-19

CHANGES IN THE LAST 24 MONTHS

2020 →
PLANS FOR THE FUTURE



Continue to increase the amount of biogas we produce



Bring three new certified-sustainable mills into commission between now and 2024



Increase production of electricity from biogas to 60,000 MWh in 2024



Carry out integrated HCV and HCS assessments on all areas we are considering for planting, including mapping and vegetation density assessments

CARING FOR OUR PEATLANDS

In accordance with its RSPO commitments, the Group and its scheme smallholders do not plant on peat and, since November 2018, in high carbon stock ("HCS") areas.

Where we have older plantings in peat made before joining the RSPO, we use best-management practices as advised by expert agronomists to maximise soil conservation. These include techniques for minimising erosion and maintaining water levels to slow down the decomposition of organic matter. In addition, we recycle nutrients through composting.

NEVER CONTRIBUTE TO DEFORESTATION

Our policy is to ensure that any new development, including development for scheme smallholders, only takes place in heavily degraded areas which are neither forested nor suitable habitats for endangered species. We assess any area we propose to plant using the HCS Approach.

The Group's adherence to the RSPO's standards and procedures ensures we do not contribute to any deforestation and do not endanger any species of conservation concern, notably those on the IUCN (International Union of the Conservation of Nature) Red List. Importantly, we apply the same standards to our scheme smallholders as those we apply to our own areas.

ALWAYS ALERT TO BURNING

We operate a strict policy prohibiting the burning of vegetation or old palms in order to clear land and when carrying out new planting or replanting on our estates. Vegetation or old palms are chipped and stacked in inter-rows between new planting lines and allowed to rot down.

All our managers are trained to be alert to fires and react quickly to any that do arise through natural forces or by accident, and we operate a fire watch on all our estates. We also maintain water tenders that can be quickly deployed and used to pump water from drains on the estate in an effort to extinguish any fire.

We are aware of a small number of fire hotspots on the Group's estates and those of our scheme smallholders. These are nearly always the result of fires spreading from nearby village land. Where hotspots are identified in or near our estates or those of our scheme smallholders, these are promptly investigated. A report is made to the RSPO and, where evidence of fire is found, to the police.

CASE STUDY

RE-FORESTING

On average, oil palms are productive for around 25 years, and we replant areas of older palms continuously as they cease to be productive. Before replanting, we re-assess the area to see whether it should be kept as agricultural land, or be planted with forest species and left to return to nature. The best practice for planting has changed over the last decades, so we are careful to make our assessments according to today's standards not those of the time when the palms were originally planted.

At Simpang Kiri, in Aceh, over the last three years we concluded that 25 hectares of land were too steep to be replanted, so we have planted 1,500 seedlings of 11 types of forest species. At Sennah, in North Sumatra, 18 hectares of wetlands close to the Bilah river had never been very productive, so this area is being prepared for re-forestation. Forest species will be planted between the palms and the palms will gradually be removed as the forest trees mature.



CASE STUDY

BIODIVERSITY

At Pangkatan, in North Sumatra, we were excited to discover in 2016 that a *Tomistoma schlegelii*, a fresh-water fish-eating crocodile, had made its home in one of our conservation areas.

As a species listed as vulnerable on the IUCN Red List, and with a global population estimated at fewer than 2,500 mature individuals, it is important that our own staff leave this reptile undisturbed, and we make sure that local villagers do not try to hunt it.

We sent our staff into local communities to explain the habits of the crocodile and that it was not a threat to them or their livelihoods. We wanted them to understand we were keen for the crocodile to remain.

Since then it has been joined by a second crocodile and we are hopeful that they can establish themselves in this area and breed.



TAKING RESPONSIBILITY FOR HCV AND PROMOTING BIODIVERSITY

We have more than 3,300 hectares of high conservation value (“HCV”) areas, which are regularly monitored by sustainability teams resident on its estates. Prominent signboards are set out giving specific details of the HCV area and warning that unauthorised access is prohibited. Conservation areas are patrolled daily and we use camera traps to monitor wild animals and carry out biodiversity surveys. We also conduct training with our own workers and amongst local villages to raise awareness of the importance of HCV areas to local communities. The Group already uses satellite imagery to monitor its HCV areas annually, and from early in 2019 we have used drones to help protect our conservation areas from encroachment. Hunting is banned on all our estates and conservation areas.

In accordance with RSPO rules, since 2005 land is only planted when it has been subject to an independent social impact assessment and has been independently certified as not having a high conservation value. Additionally, we only plant on heavily degraded areas which will not be suitable habitats for major endangered species.

It is the Group's policy that HCV assessments are only carried out by assessors accredited to the HCV Resource Network's Assessor Licensing Scheme.

On new projects, well-marked conservation areas are set aside in areas designated as having HCV status. Ongoing programmes of planting jungle trees and other plants are undertaken. Areas alongside river banks are set aside as conservation areas, both to prevent leaching of fertilisers into water courses and to provide wildlife corridors.

New planting procedure documents are routinely lodged with the RSPO Secretariat in a timely manner and are available on the RSPO website. All new plantings carried out since the beginning of 2019 have been covered by independent HCV and high carbon stock assessment.

The Group has in the past supported and accommodated plantation inspections from the Borneo Orangutan Survival Foundation and Sainsbury's. An inspection was carried out by the French energy group TOTAL at the end of 2019.



Creating biogas is a key strategy in our drive to reduce our carbon footprint. All future mills will be built with integrated methane capture and biogas facilities.

GENERATING ELECTRICITY FROM BIOGAS

Collecting biogas is a key strategy in our drive to reduce our carbon footprint. Since 2010, all our mills have been built with integrated methane capture and biogas facilities and, in addition to reducing our emissions, this gave rise to a significant reduction in the diesel we use to power generators, keeping our costs down. All our future mills will be built in this way.

The Group's mills in Kalimantan and Bangka capture methane from mill effluent. This methane is captured from covered ponds and used to fuel a biogas engine which generates electricity for the mill, pumps to manage the flow of water, office compounds and housing in workers' villages in the vicinity of the mill. In Bangka, we began selling surplus electricity to the state electricity company in May 2017.

Our third, and oldest, mill in Pangkatan does not currently have a biogas facility, and the effluent is converted into compost for use on our plantations instead. Whilst our preference would be to build a facility, this is only viable if the excess electricity generated could be sold to the power grid, as we do in Bangka and in East Kalimantan.

This approach would have the advantage of improving energy security for ourselves, reducing our reliance on back-up diesel generators, as well as for local communities, since the area regularly suffers from power outages. We have met with officials representing the power company and discussed the environmental and social benefits of our approach with them. However, until we have a commitment, at least in principle, from them to buy our excess power, the project is on hold.

MINIMISING OUR GREENHOUSE GAS ("GHG") EMISSIONS

Through consistent investment we aim to minimise the levels of GHG emissions from our mills.

We assess our GHG emissions, embodying those produced by our crop of ffb, using the system published by the RSPO.

Industry average 5.50 →

Bumi Permai Mill, East Kalimantan 2.10 →

Pangkalan Mill, North Sumatra 1.33 →

Tengkalat Mill, Bangka 1.07 →

Tonnes CO₂ equivalent per tonne CPO

REPORTING ON CRITICAL CONCERNS

At the end of 2018, a comprehensive review of our operations by our newly-appointed sustainability manager revealed two instances in which our staff had infringed HCV land, at our estates in Musi Rawas and Kota Bangun. The exact area is still to be determined, but is not expected to exceed 150 hectares. We take such incidents, however small, extremely seriously as they contravene our ethical stance, our own policies on sustainability and RSPO standards.

As soon as we became aware of the situation, the breach was reported to the UK board and we informed the RSPO. Following further investigative work and assessment, we formally reported ourselves to the RSPO in March 2019 suggesting a mechanism to determine the financial penalty and proposing to enter into a contractual commitment with a prominent conservation organisation to disburse this amount in a multi-year programme.

In order to help prevent any breaches in future, we also investigated carefully what had led to these HCV incursions and took remedial action to help prevent further breaches. This included additional training of managers and recruitment of extra staff working on sustainability. We have also taken disciplinary action against individuals held responsible, including a reduction in earnings. Sadly, we cannot recover this area of HCV land. However, we acknowledge fully our responsibility to make amends for what happened, and our steadfast approach is on prevention rather than retrospective remediation.

2 DEMONSTRATE THE BENEFITS OF SUSTAINABLE PALM-OIL PRODUCTION

We would like to see all palm oil across the globe produced sustainably; currently sustainable production stands only at 19% and, of this, only half is bought as sustainable oil. Transformation on this scale requires determination and a change of mind set from all those in the supply chain. As a palm-oil producer, we believe we should lead by example and play our part in encouraging the global community to embrace this goal.

TRACEABILITY

- Product certification
- Training

WATER

- Water usage
- Pollutants to water and soil
- Zero waste
- Soil management



TRACEABILITY



WATER



RISK

Relationship with local populations
Supervision of operations





DEMONSTRATE THE BENEFITS OF SUSTAINABLE PALM-OIL PRODUCTION

WHY IT MATTERS

Just 19% of all palm oil is currently RSPO certified and we want to see this grow across the industry until eventually all palm oil produced is certified as sustainable. For this to happen the industry needs to ensure that all ffb are traceable. The biggest challenge is persuading independent smallholders, who account for an estimated 40% of all ffb supply, to adopt sustainable standards. If this can be done, the amount of certified sustainable palm oil ("CSPO") produced will increase significantly.

Palm-oil production has a number of byproducts that can be turned into useful resources. However, without proper management, they are harmful to water systems and the wider environment. Processing ffb requires a substantial amount of water and produces palm-oil mill effluent ("POME") which has high acidity, temperature, biological oxygen demand, and chemical oxygen demand.

When discharged into waterways untreated, POME contaminates drinking water for humans and animals and endangers water life. When treated in a series of open-air ponds, as done traditionally, before eventual discharge into water courses, biological and chemical oxygen demand are reduced, but significant amounts of damaging methane are released into the atmosphere. One way to change this is for the industry as a whole to invest in and adopt zero-waste methods of production; the majority of palm-oil mills do not currently observe environmental standards.



2.5-3.0
tonnes of POME

are generated from every tonne of crude palm oil ("CPO") production which needs to be properly processed to turn into useful resources.



+4°C warmer
water temperatures

are reported in streams around land recently cleared for plantations where untreated POME enters the water system.

COMPANY
POLICIES AND
GUIDELINES



TRACEABILITY

GROUP POLICIES

- All of our own ffb production and that of our scheme smallholders is traceable

TRAINING

Train independent smallholders on how to improve yields through better agronomy.



WATER

GROUP POLICIES

- Use natural controls over chemical controls where possible
- Waste no fertiliser by monitoring application closely to avoid unnecessary runoff
- Mix chemicals in specifically constructed stations where any spillage is contained and reused for mixing
- Conserve natural vegetation of riparian areas to limit leaching and runoff from reaching waterways
- Periodically monitor water quality of waterways
- Construct watergates and bundings to mitigate the effects of floods and reduce the effects of droughts

TRAINING

Regular in-field training for workers. Monthly health and safety meetings.



Acquired a 10,000-hectare project, PT BMA, in December 2017 and introduced the Group's high standards



Participated on the RSPO panel to introduce the new RSPO Independent Smallholder Standard ("RISS") that was launched in 2018. Our involvement was motivated by the important part independent smallholders will play in changing our industry to becoming more sustainable



Begun a project to make the significant volume of ffb purchased from independent smallholders in Bangka traceable under RISS



Provided staff with re-useable aluminium water bottles and eliminated provision of water in small single-use plastic bottles

2018-19
CHANGES IN THE LAST 24 MONTHS

TRACING ALL OUR FRESH FRUIT BUNCHES

The way for us to have full traceability of the fresh fruit coming into our mills is to use ffb coming from our own expanding land, take in ffb from the smallholder co-operative schemes we run or persuade independent smallholders to qualify under RISS.

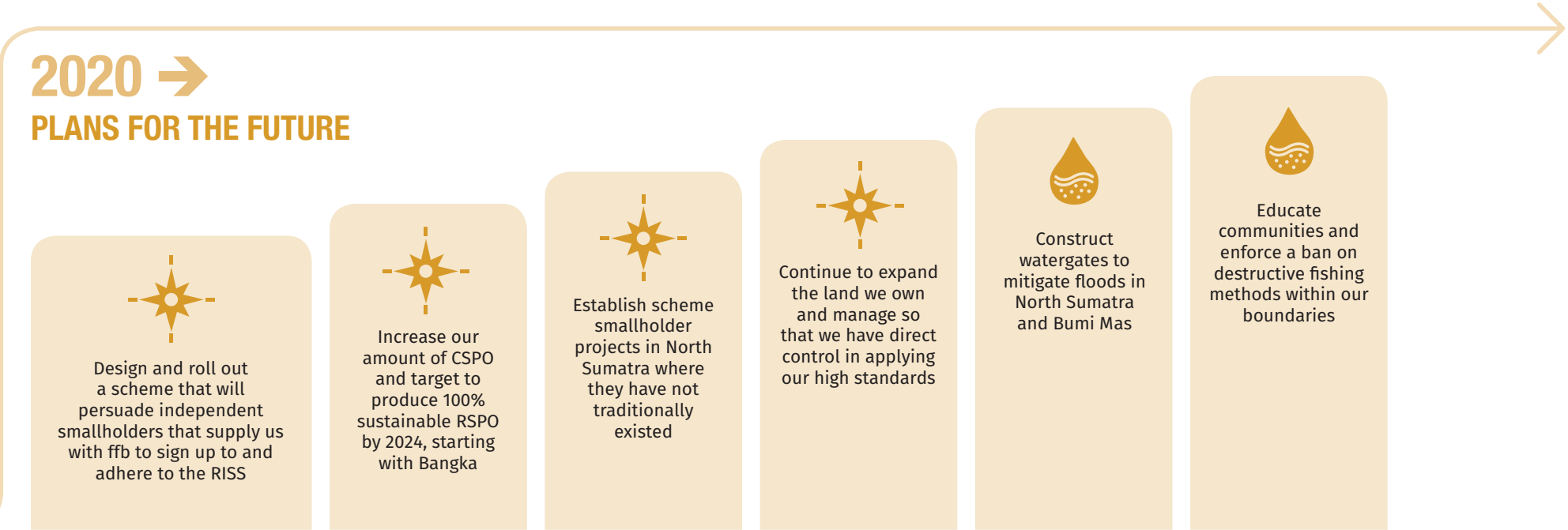
Since 2013, the land planted to our high standards has grown by 22,000 hectares to 51,300 hectares, of which 39,200 hectares is owned directly by us. We are constantly appraising potential land purchases, attached either to our existing plantations or to new estates.

During this time, we have been particularly successful in implementing smallholder schemes in Bangka, Musi Rawas and Bumi Mas, so that 24% of the land we manage is through these schemes compared to 20% in 2013. Our plans to increase scheme smallholders continue apace and we are now in the process of establishing schemes in North Sumatra for the first time.

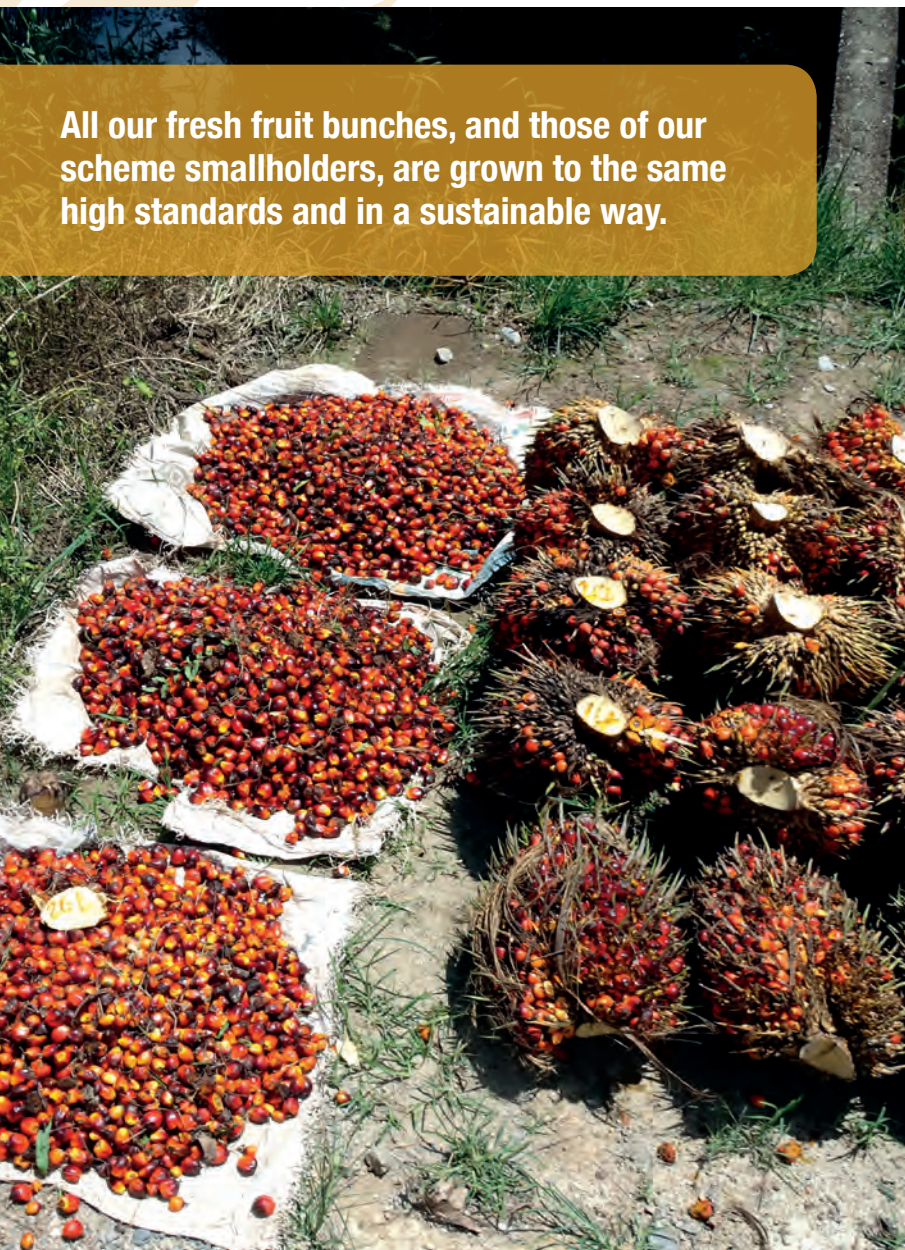
We also recognise the important role that independent smallholders have towards achieving the goal of making all palm oil produced across the globe fully sustainable.

In the year to 30 June 2019, around 15% of the ffb coming into our mills originated from independent smallholders in order to use spare capacity resulting in 85% of production in Group mills being CSPO. Also, in those estates where we do not yet have a mill, our ffb were sold to third-party mills which are not certified by the RSPO. This resulted in 73% of our total production being certified sustainable. By 2024, we plan to mill all of our own ffb and make all purchases from independent smallholders fully traceable under RISS.

Our plans to achieve this are ambitious and will require considerable time and management to achieve. However, we are fully dedicated to this goal since we believe our actions will encourage others, and with sufficient determination, all growers, no matter their size, can adopt sustainable practices to the benefit of all.



All our fresh fruit bunches, and those of our scheme smallholders, are grown to the same high standards and in a sustainable way.



INCREASING OUR VOLUME OF CERTIFIED SUSTAINABLE PALM OIL ("CSPO")

All our ffb, and the ffb of our scheme smallholders, are grown to the same high standards and in a sustainable way. However, where we don't have mills of our own, we have no alternative other than to use neighbouring third-party mills that may not be RSPO certified. This results in some of our crude palm oil ("CPO") not being certified sustainable.

At M.P. Evans, we expect to achieve 100% RSPO certification in all our estates and mills by the end of 2024. Our strategy to achieve this is to build and operate a mill on every one of our estates as soon as we have sufficient planted hectareage to make it financially viable. Once a mill is built, it takes time to gather the data and evidence before we can sell our CPO as RSPO certified. Our target is to achieve certification within 18 months of our mills being commissioned.

We currently operate our own RSPO certified mills in our North Sumatra, Kota Bangun and Bangka estates, which process all our crop produced in these regions. Crop from our 38%-owned Kerasaan Estate, is processed in a RSPO certified mill operated by the estate majority owner, SIPEF Group.

Sustainably grown ffb produced at our Simpang Kiri estate, Musi Rawas and at Bumi Mas are sold for processing at third-party mills. None of these mills are RSPO certified.

HOW WE ARE WORKING TO INCREASE CSPO

OUR ESTATES

- Increase our planted hectareage to raise the total quantity of oil palm grown to our high standards
- Increase the land we manage by expanding scheme smallholders and introduce our high standards to more growers
- Have an RSPO certified mill on every estate so that all the oil palm we process is done in a sustainable way
- Work with industry bodies and other

producers to increase the demand for CSPO

INDEPENDENT SMALLHOLDERS

- Encourage membership of the RISS by engaging with communities
- Design incentives to gain momentum in take-up of RISS
- Give access to our RSPO certified mills
- Boost income by maximising CPO yield from our efficient mills

MAXIMISING YIELD AND QUALITY OF CRUDE PALM OIL ("CPO")

Our strong operational management maximises the productive potential of our land and continues to improve yields. The growing volumes of crude palm oil result in rising cash flows which we can use to pay dividends to our shareholders and reinvest into our operations and communities.

Our mills are operated to the highest standards and produce very high levels of crude palm oil from the fruit they process. New mills allow us to extract the maximum value from the crop they process. We achieve oil-extraction rates, on average, of 23.5%, with levels of up to 26% in our newer mills, which compares favourably with the typical industry rates of around 20%.

The quality of CPO is typically measured by the percentage of free fatty acids ("FFA") present in the oil. FFA is associated with health issues and therefore the lower, the better. On average we produce oil with an 3.1% FFA content, much less than the maximum allowed level of 5%.

A key strategy to increasing both yield and quality of CPO is to own and operate a mill on each of our estates. We currently have three new mills planned: a mill in Kota Bangun is under construction with completion expected in mid-2020, tendering has begun for a mill in Bumi Mas, while a site has been acquired in Musi Rawas and is expected to begin construction in 2022 for completion in 2023.

By demonstrating our own productivity and achieving higher than average yields, we can also encourage independent smallholders towards sustainable production.

FOCUS

WORKING WITH INDEPENDENT SMALLHOLDERS

We were proud to volunteer as a member of the panel that drafted RSPO Independent Smallholder Standard ("RISS"). The new scheme is designed for oil-palm growers who may own as little as one hectare of land. The standard's overarching objectives are to improve livelihoods, increase market access and simplify the certification process. Before its introduction, registered independent smallholders to the RSPO tended to be comparatively large producers, and 'true' smallholders were generally put off or restricted in their ability to become members.

We buy a significant amount of ffb from independent smallholders, particularly in Bangka. In advance of the RSPO launching RISS in November 2019, we had already begun preparing to explain to local smallholders how they can get a premium for farming in a more sustainable way. Our aim is to support them so that they can qualify to sign up to the new standard and supply us with RSPO certified ffb for us to meet our 2024 target to produce 100% sustainable palm oil.

The biggest challenge we face is answering the one question we hear time and time again – "What's in it for me?". Although greatly simplified, in the context of smallholders' day-to-day needs, the benefits of RISS may not be immediately obvious. Becoming RSPO certified not only takes a change of mind set, but crucially has

an immediate financial impact on individual households that must be managed. Smallholders need to be certain that during the time they make the changes necessary, their loss of income from crop sales will be replaced by some other means. Furthermore, it is essential that they are confident that their commitment to the RISS will be rewarded eventually through higher yields and the sustainability premia.

The first step is for them to register with the RSPO by plotting the co-ordinates of their land and promising to meet some basic standards, such as not setting any fires. Over time they get help and advice from us which, if followed, can increase the premium they receive. By the end of September 2019, we had spoken to and received provisional agreement from 110 smallholders in Bangka, who between them own some 620 hectares of land, to sign up to the RISS standard.

We are also aware that we need to establish systems ensuring that any ffb acquired from agents are also fully traceable, since currently much of the ffb brought in from independent smallholders is channeled through third-parties. Our own ambitions will require us to have a more direct relationship with the independent smallholders and employ technology that allows us to verify the origin of the ffb we buy.

MANAGING OUR WATER AND LAND

Indonesia and Malaysia experience high levels of rainfall. This is a critical ingredient for palms, but often entails the need to manage high volumes of water. Rain is very beneficial, but flooding can reduce palm productivity.

We manage the water level in our estates carefully. Where there are slopes, contour terraces are dug to conserve water and prevent erosion. In any areas with old plantings in peat soils, water levels are kept high. In order to manage water effectively, we have a continuing programme on our estates to establish drainage ditches where these are needed and keep them clean. Where necessary, we establish a system of earthworks and tide gates to enable us to manage the water level in order to protect the palms either from flooding or incursion of sea water, or to create outlets to allow water to flow naturally into rivers or the sea.

Water transport is used in favour of land, in order to reduce road construction, and when we do need to build roads we use local materials if possible.

Effluent is never discharged into rivers or water courses and any water discharged by the Group is below the statutory threshold for biological oxygen demand and chemical oxygen demand.

FIVES WAYS WE KEEP OUR SOIL HEALTHY

1

Produce and use compost

2

Reduce use of chemicals where possible

3

Tolerate non-invasive weeds

4

Apply the correct amount of fertilisers

5

Use natural alternatives to pesticides where possible

Our zero-waste production process means that we make efficient use of all our resources. We produce compost from empty bunches, a waste product in our mills.

KEEPING OUR SOIL HEALTHY

Our zero-waste production process means that we make efficient use of all our resources. We produce compost from empty bunches, a waste product in our mills. Using compost reduces the need for inorganic fertilisers and helps us to minimise the use of organic and inorganic chemicals. We do not use any chemicals listed under the Rotterdam or Stockholm Conventions on any of our estates.

Cut palm fronds are left in the field to rot, returning organic matter to the soil while leguminous cover crops are planted to fix nitrogen, prevent erosion and provide nutritious leaf litter. In areas with slopes above 12°, contour terraces are constructed as this prevents soil erosion and retains water for palms on the terrace. We do not plant on slopes of more than 25°.

Weeds are tolerated to an extent but controlled where necessary, particularly 'woody' plants that can inhibit palm growth by competing with the palms for nutrients from the soil and fertiliser applied by us. Harvesters' paths are kept clear to facilitate harvesting but also to enable ready access to the field for the workers applying fertiliser or carrying out other tasks.

Fertiliser is expensive to buy and store, so it is vital that we manage it properly. Applying exactly the right amount of fertiliser helps us to achieve the best yields from the palms and also to prevent any excess leaching into the water system and ground.

We take expert advice from agronomists each year on the recommended amount of fertiliser and other nutrients that are needed in each field, based on leaf sampling and analysis conducted in laboratories. The application of fertiliser is closely supervised.

Where we have older plantings that were made in peat, we adopt best management practices as advised by expert agronomists to maximise soil conservation. These include techniques for minimising erosion and maintaining the right water levels to slow down the decomposition of organic matter. In addition, the Group recycles nutrients through composting and applying mill effluent directly to the field.

We use integrated pest management to control pests on our plantations. Beneficial host plants are planted alongside estate roads to attract predators (insects) of leaf pests. The predators feed on leaf pest larvae thus reducing the need for chemical spraying.

Where possible, barn owls are bred and introduced to control rats, minimising the need for chemical baits.



Hunting is banned on all our estates and conservation areas.

3 HAVE A POSITIVE ECONOMIC AND SOCIAL IMPACT ON OUR COMMUNITIES

We believe our business makes a significant contribution to the local and wider economies where we operate, benefiting the more than 110,000 people who live there. We estimate that some 21,000 people directly rely on M.P. Evans for income or their livelihood.

COMMUNITY

- Free, Prior and Informed Consent ("FPIC")
- Scheme smallholder co-operatives
- Transparency in agreeing land compensation
- Worker health
- Worker quality of life
- Employment opportunities

FAIR LABOUR

- Modern slavery
- Child labour
- Health and safety
- Gender inclusion



COMMUNITY



FAIR LABOUR



RISK

Relationship with local populations
Supervision of operations





HAVE A POSITIVE ECONOMIC AND SOCIAL IMPACT ON OUR COMMUNITIES

WHY IT MATTERS

Palm-oil estates are often in remote rural locations and are likely to be the largest source of income in the area, supporting both families and the entire community. The estate and the local communities are to an extent mutually dependent. It is therefore imperative that palm-oil operators act both responsibly and ethically, and work hard to engender goodwill with communities to secure a committed and skilled work force and to maintain efficient operations.

Palm-oil estates can act as beacons demonstrating the value of good governance and responsible development.

Yields from smallholder areas are commonly very significantly less than those achieved by commercial operators. If those commercial operations can share information and techniques with smallholders in co-operative schemes and those in the wider community, they can help them to improve their yields. Improving the productivity of their land can help improve living standards and relieve pressure for further deforestation.



Just **8%**
of smallholder

production is currently certified as sustainable.



c. **15m**
people

are employed directly or are indirectly dependent on the palm-oil industry in Indonesia and Malaysia.

COMPANY POLICIES AND GUIDELINES



COMMUNITY

GROUP POLICIES

- Respect all smallholders', and the community's, right to be fully informed and freely to give, or withhold, their consent to any Group activity affecting their land, livelihood and environment
- Respect covenants on health, education and living standards
- Support international convention concerning Indigenous and Tribal Peoples

TRAINING

Training on why we have HCV areas and what these mean.
Training on basic RSPO principles.



FAIR LABOUR

GROUP POLICIES

- Regularly compare wages with others, paying at above minimum wage and offer benefits such as housing
- Respect the statutory rights of all our workers
- Endorse conventions against discrimination in all its forms
- Apply our own policies to those of our suppliers and contractors

TRAINING

Training explaining modern slavery and the indicators of potential modern slavery and how to report suspected slavery to management.



Conducted site visits at six of our largest suppliers to explain our policies on modern slavery and looked for any indicators of modern slavery



Social surveys conducted in Kota Bangun and Musi Rawas

2020 →

PLANS FOR THE FUTURE



Expand our smallholder co-operative schemes in Bangka and establish new schemes in North Sumatra



Develop a system for monitoring the highest risk Group contracts and validating that no signs of modern slavery have been detected



All staff with any management responsibility will receive training on modern slavery in their local language before the end of 2020

2018-19

CHANGES IN THE LAST 24 MONTHS

SUPPORTING OUR COMMUNITIES

In the last three years, M.P. Evans has partnered with the University of Indonesia to conduct social surveys at two of our locations: Musi Rawas and Kota Bangun. A third survey, at Bumi Mas, will be completed in 2020.

These surveys collect information about the quality of life of people living on and around our plantations. The reports help us to understand the positive and negative impacts that we make, as well as any concerns from the people who come into contact directly or indirectly with our operations. We use the findings to help us make decisions, bring about improvements and focus on activities that deliver the maximum benefits to communities.

On a more regular basis, our managers consult the village heads where we operate and maintain an open dialogue with them on any issues that affect their communities.

We conduct a variety of community projects to bring about improvements to the lives of those touched by our operations and foster social cohesion. In the last two years we have:

- built a 1km access road for Leban Jaya Village in South Sumatra;
- put in place infrastructure for groundwater extraction at Tebing Tinggi Village in North Sumatra, to give it reliable access to safe and clean water for the community's daily use;
- paid for a surgeon to fly to the Kota Bangun district to perform corrective surgery free of charge on children with cleft palates;
- built a new bridge at Pelawan Village crossing the Putar Belawan River after the previous bridge collapsed;
- created a vegetable plot for each of our worker houses.





CO-OPERATIVES ARE CENTRAL TO OUR BUSINESS MODEL

In order to engender good relations with our local communities, the smallholder co-operative schemes attached to our operations are planted and managed to exactly the same standard as our own areas. Over the years, these have become substantial undertakings and now account for 24% of all the land we manage.

Before beginning new development in any area, the Group enters into an agreement with the local community to provide land planted with oil palms. This is done through a co-operative scheme, whose members are eligible individuals in nearby villages.

We offer compensation terms with local people in a fair and transparent manner. We have an intensive programme of engagement designed to ensure that all individuals giving up rights to land do so freely and only after they fully understand what is being given up, in terms of either legal or customary rights, in return for financial compensation. This is fully in line with the principles of free, prior and informed consent ("FPIC").

Transactions are meticulously recorded and witnessed, including by representatives of local government. In this way, we seek to ensure both legal and customary rights are fully taken into account during discussion and agreement of land compensation. The Group's process is designed to respect the rights of communities and indigenous groups wherever it operates.

In the early stages, we loan the funds to plant these areas and help the co-operative in obtaining its own bank finance, often guaranteed by the Group, once official land titles have been issued.

Amounts due to the Group, which can be substantial, are repaid out of the co-operatives' own bank borrowing or profits. We provide working capital funding to the co-operative so that it can pay a modest dividend to its members once harvesting begins even though the co-operative is not, at this point, yet profit making.

We manage the co-operative schemes on behalf of their members, buying their fruit at a price set by the provincial Indonesian government. This has been a successful way to engender goodwill with the community in and around our areas of operation, as well as providing smallholders with a tangible and remunerative business which is owned by them.

3 WAYS CO-OPERATIVES CAN BENEFIT 'SCHEME' SMALLHOLDERS



COMPENSATION

Members receive a compensation payment if they offer land to us to develop



EMPLOYMENT

They may come and work for the Group for a wage and take advantage of employee benefits



INCOME

Members own their share in a co-operative, receiving an income from a well-managed and productive asset

PROVIDING SECURE EMPLOYMENT OPPORTUNITIES

In the last two years, we have changed our own employment practices to increase the number of workers that are engaged and paid directly by the Group. We did this so that we can offer more stable employment opportunities, ensure that we can develop skills appropriately and take direct responsibility for the people who work for us.

We continually train our staff to improve skill levels and offer opportunities to extend education and qualifications. We have built a first-class residential training facility on our project in East Kalimantan and offer our staff external training courses. Training also takes place in the field and in our own estate offices.

We want to pay our workers fairly and offer a level of wages that allows us to recruit and retain the best workers. We monitor carefully what our workers earn and adjust the premiums that we offer to reflect the difficulty of the work they do. We also make available better equipment, such as carbon-fibre harvesting poles, and have developed a smarter way of adjusting pole length that significantly reduces the physical effort needed to harvest taller palms.

FOCUS ON QUALITY OF LIFE

On our plantations, we provide good-quality housing for our employees, together with water and proper sanitation.

All our estate and mill houses have vegetable plots attached to them for which we freely provide seeds, advice and encouragement to grow fruits and vegetables for the households' consumption.

We make sure everybody who works for us has access to medical care either in a local hospital or in clinics and medical centres we build and staff. We provide free crèches to care for workers' children as well as build and staff nursery schools, allowing parents to go to work. For primary and secondary schools, we organise buses to transport students to the nearest government schools and in 2019, we began construction of our first secondary school, at Kota Bangun.

Medical care is provided on the plantations in polyclinics staffed on a daily basis by trained employees. Additionally, doctors visit these clinics once or twice a week. On our Kalimantan project, we employ two full-time doctors. In other areas, a doctor holds a clinic on the estate at least weekly and there are nurses permanently available. The Group pays for hospital treatment if this is required.

CASE STUDY

PROVIDING ACCESS TO QUALITY FOOD

In our estates we establish good co-operative shops where workers and their families can buy basic foodstuffs and the necessities of everyday life at a reasonable price.

In many places we also provide a weekly bus service to a nearby market, so that families have the chance to buy a wider variety of goods and foodstuffs.

Since 2018, all of our estate houses have a small allotment attached to them so that everybody can grow fresh vegetables.

Free of any charge to the workers, we provide seeds, advice and cheerful encouragement as one way to improve their food security.



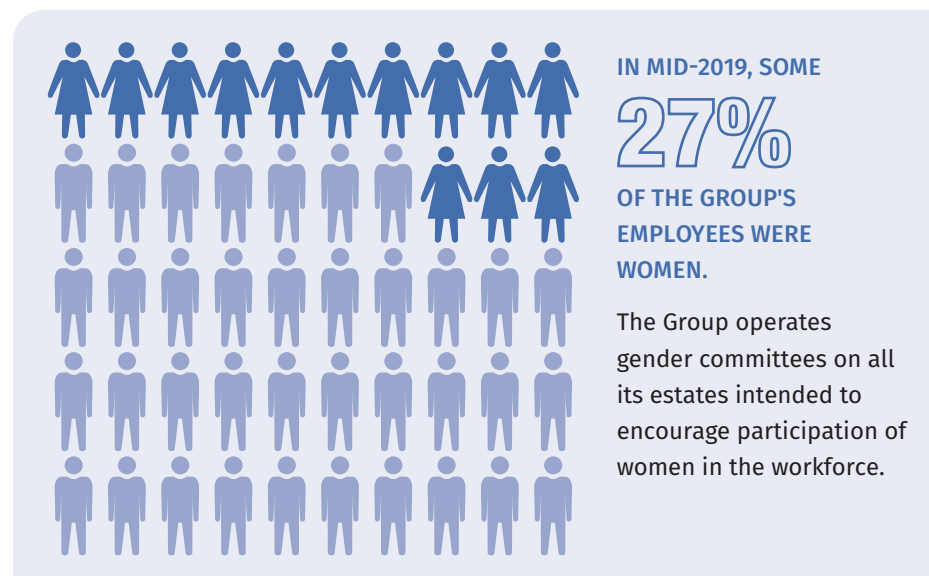
ENSURING GOOD WORK PRACTICES AND FAIR LABOUR

As an agricultural business, M.P. Evans employs more than 5,000 permanent estate workers, as well as working with contractors who are responsible for the delivery of other services including planting and construction. In addition, we acquire supplies critical to our operations, including seedlings, machinery spare parts and fertiliser, from third-party suppliers. We also purchase some oil-palm fresh fruit bunches from third parties.

We are committed to respecting the rights of all our workers, whether they be permanent, temporary or casual, indigenous or immigrants from other Indonesian islands or elsewhere. We also apply the same policies to our own work practices as we do to our suppliers.

Workers in three out of six areas are represented by a trade union for collective wage bargaining and discussion of health, safety and other matters affecting employees. Wages are never less than the minimum wage set by the provincial government.

We have clear policies, strictly enforced, to prevent children working or any form of forced labour.



COMMITTED TO ETHICAL WORK PRACTICES

In accordance with the UK Modern Slavery Act 2015, M.P. Evans is committed to combating slavery and human trafficking. Our policy is also to ensure modern slavery is not taking place at any of our suppliers or business partners.

We have produced training material that explains modern slavery and sets out indicators of potential modern slavery. This has been translated into Indonesian and has been used on induction courses; it will be further used with the intention that all staff with any management responsibility will receive training in their local language before the end of 2020.

In respect of our suppliers, standard Group contracts permit termination without notice or compensation in cases where a supplier is found guilty of modern slavery and the Group has written to all its suppliers setting out its expectations in respect of modern slavery.

PUTTING HEALTH AND SAFETY FIRST

We give priority to the health and safety of our employees, whether permanent, temporary or casual, and those affected by our activities. The managers of all of the estates and mills hold a monthly meeting with key staff to review health and safety.

Sprayers applying chemicals or pesticides in the field are given suitable training and provided with appropriate personal protective equipment and clothing; showering facilities are available and required to be used, and sprayers receive regular medical checks.

We were saddened by the accidental death of an employee in 2018. The harvester succumbed to injuries from a harvesting sickle. Also in 2018, one of our contractor's workers died when the truck in which he was travelling overturned. In 2018 and 2019, a total of six employees died outside working hours in traffic accidents on public roads. We carefully investigated all of these accidents and took action to prevent recurrence. For example, we issued new rules on motor vehicle safety as a preventive measure in all our sites. We fully acknowledge our obligation to keep our workers safe by implementing and improving safety standards.

CASE STUDY

PROMOTING WORKFORCE EQUALITY

Our industry has grown quite quickly over the last two decades. This means that it is not always easy to find and recruit staff with the right qualifications, energy and outlook that we want to work in our operations.

Whilst this is the case for all office and operational staff, it has been particularly difficult to find suitable engineering staff. Our policies make clear that we do not tolerate any gender-based discrimination and we are keen to promote diversity in all parts of our workforce, whether in our Jakarta regional office or in our operations.

Our newest engineering recruits joined us in August 2019 in preparation for the new mill being built at Kota Bangun.

We are pleased that in our cohort of six recruits, all of whom have excellent credentials and feel confident about our working environment and future prospects, three are women.



CORPORATE GOVERNANCE

M.P. Evans aims to conduct its business around the world sustainably and with the highest degree of integrity.



MANAGING FOR SUSTAINABILITY

The CEO takes primary responsibility for setting strategy on sustainability, specifically relating to environmental and social issues, ensuring its delivery and monitoring outcomes. In consultation with the board, the CEO is also responsible for setting policies on identifying, managing and mitigating material issues and risks relating to sustainability in the business. The Group has a dedicated sustainability manager based in Jakarta, supported by dedicated field staff resident on estates.

Since 2017, the Group has commissioned social surveys in and around three of its estates in conjunction with the University of Indonesia. These surveys are designed to ensure our management understands the impact of its operations on those living on and around its plantations. They inform the CEO and the Group in setting the sustainability strategy and ensuring that its activities make the most efficient use of resources whilst maximising positive outcomes. These surveys help identify areas of greatest need and any adjustments we should make in our policies or procedures.

The Group has a set of policies covering different aspects of its approach to sustainability freely available on its website (www.mpevans.co.uk). These policies apply to the Group's employees, service providers and suppliers, as well as visitors to the Group. They are distributed throughout its operations and explained to the workforce, service providers and contractors. Copies of the policies in Bahasa Indonesia, the local language, are displayed in estate offices. The policies are reviewed regularly and revised where necessary to adapt to changes in applicable regulation and standards.

GOVERNANCE AND RISK MANAGEMENT

Governance and risk management are the overall responsibility of the board at M.P. Evans. The board is structured to ensure that there is a clear balance of responsibilities between the executive and the non-executive functions. The Group has adopted the Quoted Companies Alliance Corporate Governance Code ("QCA Code") as its recognised corporate governance code.

Further details on how we set our strategy, how the board reviews corporate governance and how board members keep their knowledge current can be found on the Group's website (www.mpevans.co.uk) and in its annual report (www.mpevans.co.uk/investors/reports-presentations).

RISK MANAGEMENT

Any system for risk management can provide reasonable, but not absolute, assurance against material misstatement or loss. The way in which the Group identifies, evaluates and manages risk is reviewed by the audit committee. The committee considers the Group's principal risks, and a summary is presented to the board for discussion and approval. The review process considers the control environment and the major business risks faced by the Group, including those relating to meeting its sustainability objectives. This is reported in the Group's Annual Report 2018.

ENSURING IMPLEMENTATION AND COMPLIANCE

Important control procedures, in addition to the day-to-day supervision of the parent-Company business, include: regular executive visits to the areas of operation of the Group and its associates; comparison of operating performance with plans and budgets; internal audit visits to all operations and frequent communication with local management.

TRANSPARENCY & DISCLOSURE

In framing its policies and reporting, the Group has drawn on a number of international standards. A full list of disclosures can be found at www.mpevans.co.uk/sustainability/policies.



United Nations



REMUNERATION

M.P. Evans' remuneration packages are partly weighted towards performance, with pay linked to the delivery of the Group's strategic goals. They are designed to ensure decisions are made in the Group's best long-term interests, including the Group operating sustainably.

Full details of the Group's Remuneration Report can be found in our 2018 Annual Report.

ETHICAL CONDUCT

M.P. Evans' commitment to ethical behaviour is clearly set out in the Group's Policy on Sustainable and Ethical Business, which is freely available on the Group's website. The Group's ethical policies are thoroughly considered by the Group's senior management and, where appropriate, stakeholders and experts. Policies are implemented with appropriate training and resources.

Regular visits by executive board members to the Group's operations provide an opportunity to meet staff at all levels to discuss a variety of operational matters and so to determine and monitor at first hand how ethical values and behaviours are embedded into working practices on estates. The Group's senior management also visits the operations of its associates, using these occasions to judge whether the associates apply the ethical standards which the Group expects of its own operations.

BRIBERY AND CORRUPTION

The Group will not tolerate any form of bribery and corruption. It has a code of conduct which has been formally approved by the board of directors. This code applies to all of the Group's business dealings and transactions, in all countries around the world in which any member of any Group company, its associates, joint-venture partners or agents operate.

CORPORATE GOVERNANCE continued

Any employee, director or officer of any Group company who is found to have breached the Group's code of conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of the code by suppliers, joint-venture partners or third-party contractors and advisors to any Group company, may result in immediate termination for breach of all contracts with the Group.

WHISTLEBLOWING

The Group has a whistleblowing line which all employees can use to raise issues of concern. Telephone or text messages can be sent to the head of the Group's Indonesian internal audit department or by email to different addresses specifically set up for this purpose in Indonesia or the UK.

Where known, the identity of any caller is protected, generally being restricted to the head of internal audit and our Indonesian president director. By preserving their anonymity, we defend whistleblowers from reactions by others. The Group rewards those who bring forward material concerns in their confidential annual appraisals.

GRANTS, DONATIONS AND SPONSORSHIP

The Group's policy on grants, donations and sponsorship can be found on our website. This covers support by the Group for not-for-profit causes where no commercial advantage or other service is expected in return. The Group seeks to ensure any support given is aligned with its strategic aims and its core values of integrity, teamwork and excellence. Donations are not made retrospectively, and the Group does not make donations to political parties, political organisations or individuals standing for political office.

LEGAL RIGHTS

The Group is committed to respecting the rights of all its workers, whether they be permanent, temporary or casual, indigenous or immigrants from other Indonesian islands or elsewhere. The details are set out in its policy on ethical code of conduct (www.mpevans.co.uk/community/ethical-code-of-conduct).





CORPORATE GOVERNANCE continued

FREE, PRIOR AND INFORMED CONSENT

In accordance with guidance issued by the RSPO, we respect scheme smallholders', independent smallholders' and the community's right to be fully informed and freely to give, or withhold, their consent to any Group activity affecting their land, livelihood and environment.

LABOUR

The Group makes sure the statutory rights of all its workers are respected and we are committed to consulting our workers.

Workers are all represented by a trades union for collective wage bargaining and discussion of health, safety and other matters affecting employees. The Group's wages are never less than the minimum wage set by the provincial government.

Some 27% of the Group's employees are women; the Group operates gender committees on all its estates intended to encourage participation of women in the workforce. We have clear policies, strictly enforced, to prevent children working or any form of forced labour.

HUMAN RIGHTS

In its dealings with employees, smallholder co-operatives, independent smallholders or peoples living in and around its projects, the Group seeks to respect the United Nations' Universal Declaration on Human Rights, notably the Articles relating to employment, working hours, standard of living and education. It also endorses relevant United Nations conventions as set out in its policy on ethical code of conduct (www.mpevans.co.uk/community/ethical-code-of-conduct).

INDIGENOUS PEOPLE

The Group supports the ILO Convention 169 concerning Indigenous and Tribal Peoples respecting the customs, culture, traditions and heritage as well as the freedom of religion of employees and communities, according to national laws. The Group will not undermine, intervene in or infringe on the way in which indigenous people govern themselves and responds to grievances systematically and sympathetically.

SAFETY, HEALTH AND HOUSING

Independent health and safety inspections are carried out on the Group's estates. There was one accidental death of an employee in 2018 when a harvester succumbed to injuries from a harvesting sickle. In 2018 and 2019, a total of four employees died outside working hours in traffic accidents on public roads. We carefully investigated all of these accidents and took action to prevent recurrence. For example, we issued new rules on motor vehicle safety as a preventive measure in all our sites. We fully acknowledge our obligation to keep our workers safe by implementing and improving safety standards.

Details of medical, housing and educations provision can be found on pages 44 to 45 .

ENGAGING WITH OUR STAKEHOLDERS

We engage actively and regularly with all our stakeholders who have a reasonable expectation of being significantly affected by our business and operations. Our stakeholders are identified by the board and, in addition to regular contact, we each year review how we engage with them. We set out to build long-term relationships and maintain trust, which we regard as essential to the long-term success and sustainability of our business.

EMPLOYEES

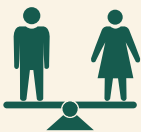
WHY THEY ARE IMPORTANT

Our business relies on people. We promote a culture of integrity, excellence and collaboration in a diverse workforce which enables us to implement our strategy.

HOW WE ENGAGE

- Annual performance reviews
- Exit interviews
- Workplace meetings
- Employee newsletters
- Whistleblowing policies
- Frequent site visits by senior management including UK executive directors
- Director sessions with employees

HOW WE DELIVER VALUE



GENDER BALANCE
27% female staff



Trade unions
in 3/6 estates

LOCAL COMMUNITIES

WHY THEY ARE IMPORTANT

Working in remote geographical locations, the support of our local communities is key to our ability to operate. By supporting our local communities we can share the value we create, influence their situation for the better and ensure the long-term sustainability of our business. Our smallholder co-operatives engender support from our communities and provide us with additional hectareage that is planted to the same high standards as our own wholly-owned areas.

HOW WE ENGAGE

- Local managers meet regularly with co-operative land-owner representatives
- Our managers get to know the village heads and maintain an open dialogue on any issues that affect their communities. Any issues that cannot be resolved locally are brought to the attention of senior managers
- The University of Indonesia produces comprehensive social surveys that objectively document the status of individual groups and communities on and around the Group's operations
- Group estate grievance books are available for community members to raise concerns

HOW WE DELIVER VALUE



150,000 tonnes
of fresh fruit bunches
produced by
scheme smallholders



105,000 tonnes
of fresh fruit bunches
purchased from
independent smallholders

INVESTORS

WHY THEY ARE IMPORTANT

Investors are a key source of potential funding for M.P. Evans to develop its business. As owners of M.P. Evans, we believe it is important to provide our shareholders with transparent and balanced communications and the information they need to make informed decisions.

HOW WE ENGAGE

- 1:1 meetings by executives with larger investors
- Meeting with smaller shareholders at the AGM
- Regular updates via public announcements
- Maintenance of investor relations section on our website including videos, presentations and publications

HOW WE DELIVER VALUE


US\$20m
Operating cash generated


£10m
Total value of dividends paid to shareholders


320%
increase in share price since new strategy adopted in 2005

CERTAIN SERVICE SUPPLIERS

WHY THEY ARE IMPORTANT

We rely on suppliers for services and products we cannot provide ourselves and procure many of these locally.

HOW WE ENGAGE

Our Group purchasing teams are based in Jakarta and in three smaller local offices. They are responsible for maintaining relationships with individual suppliers.

HOW WE DELIVER VALUE


Group procurement spend
US\$36m


Number of registered suppliers
800

CO-INVESTORS

WHY THEY ARE IMPORTANT

Indonesian law requires us to have a local partner for at least 5% of our operations in Indonesia. They are able to provide insight into potential legislative and regulatory changes and can advise on our dealings with local suppliers.

HOW WE ENGAGE

We have regular one-to-one meeting with our partners.

HOW WE DELIVER VALUE


Co-invested hectares
4,520

EUROPEAN PLANTATION COMPANIES


WHY THEY ARE IMPORTANT

Investors and the public think of European plantation companies as a group: what affects one is assumed to affect all.

HOW WE ENGAGE

We maintain a regular dialogue between ourselves and senior representatives of the other companies, and we host occasional informal seminars to discuss common issues and concerns.

HOW WE DELIVER VALUE


Good governance and strong environmental credentials that are important to European investor perception

DATA ANNEX

All data at, or for year to, 30 June, unless otherwise indicated

GREENHOUSE GASES		UNITS	2019	2018
Diesel consumption		Litres per tonne FFB	2.9	3.1
Direct CO ₂ emissions		Tonnes	261,700	234,400
CO ₂ emissions*	Pangkatan	Tonnes CO ₂ equivalent per tonne CPO	1.3	1.6
	Tengkalat (Bangka)	Tonnes CO ₂ equivalent per tonne CPO	1.1	1.1
	Bumi Permai (Kota Bangun)	Tonnes CO ₂ equivalent per tonne CPO	2.1	1.8
	Group total	Tonnes CO ₂ equivalent per tonne CPO	1.5	1.5
Electricity generation	Total electricity generated	MWh	12,200	9,200
	<i>of which:</i> Consumed in own operations	MWh	5,100	3,300
Incidents of fires within boundary of operations		Number	0	0

→ Read more on pages 10 to 17

TOTAL ELECTRICITY GENERATED
(MWH)



2019 **12,200**

2018 **9,200**

CO₂ EMISSIONS
(TONNES CO₂ EQUIVALENT PER TONNE CPO)



2019 **1.5**

2018 **1.5**

* CO₂ is measured using Palm GHG (version 4) published by the RSPO.

SUSTAINABILITY REPORT DATA ANNEX continued

All data at, or for year to, 30 June, unless otherwise indicated

ENVIRONMENT		UNITS	2019	2018
Conservation area		Hectares	3,300	3,300
Water consumption		M³ per tonne ffb	3.0	2.6
Compost		Tonnes per hectare	10.7	11.0
Inorganic fertiliser		Tonnes per hectare	0.7	0.8
Herbicide		Litres per hectare	5.9	6.6
Pesticides		Litres per hectare	0.7	0.7
Pollution	Pollution complaints	Number	1	1
	of which: Upheld	Number	0	0
PROPER status	Pangkalan	Status	Blue	Blue
	Tengkalat (Bangka)	Status	Blue	Blue
	Bumi Permai (Kota Bangun)	Status	Green	Green
IUCN Red List species by category	Least concern	Number	158	
	Vulnerable	Number	15	
	Near threatened	Number	18	
	Endangered	Number	3	
	Critically endangered	Number	1	

→ Read more on pages 10 to 17

COMPOST
(TONNES PER HECTARE)



2019 10.7

2018 11.0

INORGANIC FERTILISER
(TONNES PER HECTARE)



2019 0.7

2018 0.8

HERBICIDE
(LITRES PER HECTARE)



2019 5.9

2018 6.6

PESTICIDE
(TONNES PER HECTARE)



2019 0.7

2018 0.7

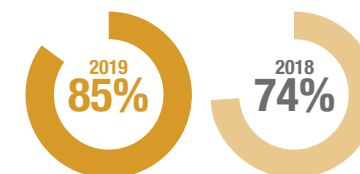
SUSTAINABILITY REPORT DATA ANNEX continued

All data at, or for year to, 30 June, unless otherwise indicated

PRODUCTION		UNITS	2019	2018
Planted area	Group	Hectares	39,200	37,800
	Scheme smallholders	Hectares	12,200	11,700
			51,400	49,500
Age profile of total planted area	Immature	Hectares	11,800	13,800
	Young	Hectares	13,900	11,200
	Prime	Hectares	24,700	23,100
	Old	Hectares	1,000	1,400
Production in Group mills	CPO	Tonnes	167,600	159,000
	PK	Tonnes	37,800	36,200
Traceability to plantation by mill		Per cent	85	74
Yield per hectare	Group	Tonnes per hectare	19.0	18.8
	Scheme smallholders	Tonnes per hectare	17.4	17.7
	Total	Tonnes per hectare	18.6	18.5
Extraction rates	Crude palm oil	Per cent	23.5	23.4
	Palm kernels	Per cent	5.3	5.3
Free fatty acid content in CPO		Per cent	3.1	3.5

→ Read more on pages 18 to 25

TRACEABILITY TO PLANTATION BY MILL



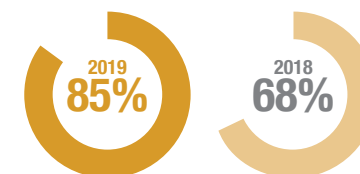
SUSTAINABILITY REPORT DATA ANNEX continued

All data at, or for year to, 30 June, unless otherwise indicated

CERTIFICATION		DATE OR STATUS		
Date of initial certification by body	Pangkalan			
	RSPO	October 2012		
	ISCC (Issued annually)	Yes		
	ISPO	January 2014		
	Tengkalat (Bangka)			
	RSPO	November 2017		
	ISCC (Issued annually)	No		
	ISPO	August 2019		
	Bumi Permai (Kota Bangun)			
	RSPO	June 2014		
	ISCC (Issued annually)	Yes		
	ISPO	April 2017		
	UNITS	2019	2018	
Sustainably certified CPO output from Group mills	Per cent	85	68	
CPO sold as sustainably certified	Tonnes	140,100	99,200	
CPO sold as sustainably certified	Per cent total certified	99	91	
Independent smallholders certified	Number	0	0	

→ Read more on pages 18 to 25

SUSTAINABLY CERTIFIED CPO OUTPUT



INDEPENDENT SMALLHOLDERS CERTIFIED



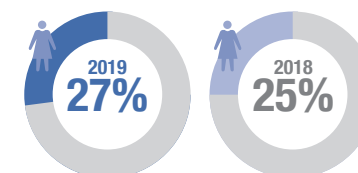
2019	0
2018	0

SUSTAINABILITY REPORT DATA ANNEX continued

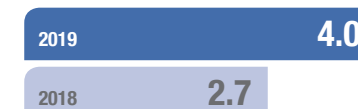
All data at, or for year to, 30 June, unless otherwise indicated

LABOUR		UNITS	2019	2018
Employees	Permanent	Number	5,800	5,300
	Fixed term	Number	3,900	3,400
Women in the workforce	Total	Per cent	24	24
	Permanent	Per cent	27	25
	Fixed term	Per cent	19	24
	Field upkeep	Per cent	20	19
	Harvesting	Per cent	35	33
	Processing	Per cent	4	3
	General	Per cent	15	15
Female pay as a percentage of male pay (there are no women in Grades A-C)	Grade D	Per cent	58	57
	Grade E	Per cent	82	83
	Grade F	Per cent	101	99
	Grade G	Per cent	94	90
	Grade H	Per cent	99	99
Employee turnover		Per cent	16	13
Workers represented by a trades union		Per cent	36	36
Average monthly wage (excludes housing, health and other benefits)	Permanent workers	IDRm per month	2.9	2.7
	Permanent workers	% minimum wage	106	106
	Contract workers	IDRm per month	2.9	2.7
	Contract workers	% minimum wage	106	106
Fatalities		Number	1	0
Accidents		Number	349	213
Injury frequency*		Injuries per year per 100 workers	4.0	2.7
Injury severity*		Days lost per injury	9.2	4.9

WOMEN IN THE PERMANENT WORKFORCE



INJURIES PER YEAR PER 100 WORKERS*



* Injury measures are calculated using a denominator of 200,000

→ Read more on pages 26 to 33

SUSTAINABILITY REPORT DATA ANNEX continued

All data at, or for year to, 30 June, unless otherwise indicated

COMMUNITY		UNITS	2019	2018
Smallholder land		Per cent of Group area	24	24
Scheme smallholders		Numbers	10,026	9,713
Scheme smallholder ffb		Tonnes	150,100	121,900
Independent smallholder ffb processed		Tonnes	104,500	120,000
Schools	Kindergarten	Number	5	5
	Primary	Number	2	2
	Secondary	Number	0	0
School pupils in Group schools	Kindergarten	Number	202	160
	<i>of which: girls</i>	Per cent	49	51
	Primary	Number	414	322
	<i>of which: girls</i>	Per cent	42	39
	Total pupils	Number	616	482
	Retention of girls in primary education	Percent balance	-7	-12
Clinics		Number	11	11
Patients treated		Number	36,200	30,600
Child vaccinations		Number	780	760
Land rights claims	Claims	Number	0	5
	Area involved	Hectares	0	710
Grievances		Number	15	4
Donations to community	Roads bridges and other infrastructure	IDR million	413	441
	Community buildings	IDR million	197	306
	Education	IDR million	41	50
	Health	IDR million	29	54
	Cultural	IDR million	157	88
	Sports	IDR million	81	59
	Other	IDR million	281	166

SCHEME SMALLHOLDER FFB

2019 (TONNES) **150,100**

2018 (TONNES) **121,900**

INDEPENDENT SMALLHOLDER FFB PROCESSED

2019 (TONNES) **104,500**

2018 (TONNES) **120,000**

SCHOOL PUPILS IN GROUP SCHOOLS

2019 **616**

2018 **482**

RETENTION OF GIRLS IN PRIMARY EDUCATION

2019 **-7%**

2018 **-12%**

PATIENTS TREATED

2019 **36,200**

2018 **30,600**

→ Read more on pages 26 to 33

GRI: GENERAL DISCLOSURES

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 101 Foundation				
GRI 102: General disclosures: organisation profile				
GRI 102-1	Name of organisation	Yes	2020 Sustainability Report, front cover	
GRI 102-2	Activities, brands, products and services	Yes	2018 Annual Report, pages 2, 6-9, 31-35 2020 Sustainability Report, page 1	
GRI 102-3	Location of headquarters	Yes	2018 Annual Report, page 96	
GRI 102-4	Location of operations	Yes	2018 Annual Report, pages 6-7	
GRI 102-5	Ownership and legal form	Yes	2018 Annual Report, pages 38-40	
GRI 102-6	Markets served	Yes	2018 Annual Report, pages 10-11, 24-25	
GRI 102-7	Scale of organisation	Yes	2018 Annual Report, page 1 2020 Sustainability Report, page 1	
GRI 102-8	Information on employees and other workers	Yes	2020 Sustainability Report, pages 31-33	
GRI 102-9	Supply chain	Yes	www.mpevans.co.uk/plantations/approach	
GRI 102-10	Significant changes to the organisation and its supply chain	N/a		Changes will be reported in the Group's second and subsequent Sustainability Reports.
GRI 102-11	Precautionary principle or approach	Yes	2018 Annual Report, pages 26-29	
GRI 102-12	External initiatives	Yes	www.mpevans.co.uk/approach/policies	
GRI 102-13	Membership Associations	Yes	www.mpevans.co.uk/plantations/approach	
GRI 102: General disclosures: strategy				
GRI 102-14	Statement from key decision maker	Yes	2020 Sustainability Report, page 2	
GRI 102-15	Key impacts, risks and opportunities	Yes	2018 Annual Report, pages 15, 26-29	
GRI 102: General disclosures: ethics				
GRI 102-16	Values, principles, standards and norms of behaviour	Yes	2018 Annual Report, pages 5 and 9 2020 Sustainability Report, pages 34-37 Policy on sustainable and ethical business, www.mpevans.co.uk/sustainability/policies	

GRI: GENERAL DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 102-17	Mechanisms for advice and concerns about ethics	Yes	2020 Sustainability Report, pages 35-36 Policy on sustainable and ethical business, www.mpevans.co.uk/sustainability/policies	
GRI 102-18	Governance structure	Yes	www.mpevans.co.uk/about/board/board-objective	
GRI 102-19	Delegating authority	Yes	www.mpevans.co.uk/about/board/board-committees	
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Yes	2020 Sustainability Report, page 34	
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Yes	2020 Sustainability Report, pages 9 and 38-39 www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 102-22	Composition of the highest governance body and its committees	Partially	2018 Annual Report, pages 36-37, 44-47 www.mpevans.co.uk/about/board	No plans to report other commitments of non-executive directors.
GRI 102-23	Chair of the highest governing body	Yes	2018 Annual Report, pages 36-37	
GRI 102-24	Nominating and selecting the highest governance body	Yes	2018 Annual Report, pages 42-44	
GRI 102-25	Conflicts of interest	Yes	www.mpevans.co.uk/about/board-working	
GRI 102-26	Role of the highest governance body in setting purpose, values and strategy	Yes	2018 Annual Report, page 39	
GRI 102-27	Collective knowledge of highest governance body	Yes	2018 Annual Report, pages 42-44	
GRI 102-28	Evaluating the highest governance body's performance	Yes	2018 Annual Report, pages 42-44	
GRI 102-29	Identifying and managing economic, environmental and social impacts	Yes	2018 Annual Report, pages 42-44 2020 Sustainability Report, page 8 www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 102-30	Effectiveness of risk management process	Yes	2018 Annual Report, pages 26-29, 43-44 www.mpevans.co.uk/about/corporate-governance/risk-management	
GRI 102-31	Review of economic, environmental and social impacts	Yes	www.mpevans.co.uk/about/board/directors-responsibilities 2020 Sustainability Report, pages 10-33	
GRI 102-32	Highest governance body's role in sustainability reporting	Yes	2020 Sustainability Report, pages 1 and 34	

GRI: GENERAL DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 102-33	Communicating critical concerns	Yes	www.mpevans.co.uk/plantations/grievances	The Group is in the process of formalising and reinvigorating its whistleblowing policy and channels.
GRI 102-34	Nature and total number of critical concerns	Yes	2020 Sustainability Report, pages 8-9	
GRI 102-35	Remuneration policies	Yes	2018 Annual Report, pages 46-49	
GRI 102-36	Process for determining remuneration	Yes	2018 Annual Report, pages 46-49	
GRI 102-37	Stakeholders' involvement in remuneration	No		Section on remuneration policy to be revised in 2019 Annual Report.
GRI 102-38	Annual total compensation ratio	No		Ratio of 3.9 for the UK in 2019; information judged by the board to be commercially sensitive in respect of its Indonesian employees.
GRI 102-39	Percentage increase in annual total compensation ratio	No		Ratio of 0.2 for the UK in 2019; information judged by the board to be commercially sensitive in respect of its Indonesian employees.

GRI 102: General disclosures: stakeholder engagement

GRI 102-40	Stakeholder groups engaged by the organisation	Yes	www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 102-41	Collective bargaining agreements	Yes	2020 Sustainability Report, page 44	
GRI 102-42	Identifying and selecting stakeholders	Yes	www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 102-43	Approach to stakeholder engagement	Yes	www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 102-44	Key topics and concerns raised	Yes	www.mpevans.co.uk/about/board/directors-responsibilities	

GRI 102: General disclosures: reporting practise

GRI 102-45	Entities included in the consolidated financial statements	Yes	2018 Annual Report, page 90	
GRI 102-46	Defining report content and topic boundaries	Yes	2020 Sustainability Report, back cover and page 8	
GRI 102-47	List of material topics	Yes	2020 Sustainability Report, page 8	
GRI 102-48	Restatement of information	N/a		
GRI 102-49	Changes in reporting	N/a		

GRI: GENERAL DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 102-50	Reporting period	Yes	2020 Sustainability Report, back cover	
GRI 102-51	Date of most recent report	N/a		
GRI 102-52	Reporting cycle	Yes	2020 Sustainability Report, back cover	
GRI 102-53	Contact point for questions regarding the report	Yes	2020 Sustainability Report, back cover	
GRI 102-54	Claims of reporting in accordance of GRI standards	N/a		Substantial compliance evidenced in this index. The Group aims to achieve full compliance with GRI standards in its second Sustainability Report.
GRI 102-55	GRI content index	Yes	2020 Sustainability Report, pages 49-56	
GRI 102-56	External assurance	N/a		The Group does not plan to seek external assurance on its Sustainability Report.

GRI: MATERIAL TOPIC DISCLOSURES

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
ENVIRONMENT				
GRI 103: Management approach				
GRI 103-1	Explanation of the material topic	Yes	2020 Sustainability Report, page 11	
GRI 103-2	The management approach and its components	Partially	2020 Sustainability Report, page 12	Using this Sustainability Report as a basis, the Group intends to set itself targets and to embark on relevant specific actions.
GRI 103-3	Evaluation of the management approach	Partially	2020 Sustainability Report, page 12	Integral to setting targets and deciding on specific actions, the Group will establish a mechanism for monitoring and evaluating progress.
GRI 301: Materials				
GRI 301-1	Materials used by volume	Yes	2020 Sustainability Report, page 41	Only significant volume is for fertilisers.
GRI 302: Energy				
GRI 302-1	Energy consumption within the organisation	Yes	2020 Sustainability Report, page 40	
GRI 302-2	Energy consumption outside of the organisation	N/a		There is no upstream consumption; downstream consumption of the commodity produced is too varied and dissipated to allow meaningful calculation of this figure.
GRI 302-3	Energy intensity	Yes	2020 Sustainability Report, page 40	
GRI 302-4	Reduction of energy consumption	N/a		Change in energy consumption will be shown in the second and subsequent Sustainability Reports.

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 302-5	Reductions in energy requirements of products and services	N/a		Change in energy consumption will be shown in the second and subsequent Sustainability Reports.
GRI 303: Water & effluents				
GRI 303-1	Interactions with water as a shared resource	Yes	www.mpevans.co.uk/sustainability/environment/water-chemical-management Policy on environmental sustainability, www.mpevans.co.uk/sustainability/policies	
GRI 303-2	Management of water discharge-related impacts	Yes	www.mpevans.co.uk/sustainability/environment/water-chemical-management	
GRI 303-3	Water withdrawal by source	Yes	www.mpevans.co.uk/sustainability/environment/water-chemical-management	
GRI 303-4	Water discharge	Yes	www.mpevans.co.uk/sustainability/environment	
GRI 303-5	Water consumption	Yes	2020 Sustainability Report, page 41	
GRI 304: Biodiversity				
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Yes	2020 Sustainability Report, pages 4-5	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Yes	2020 Sustainability Report, pages 10-17	
GRI 304-3	Habitats protected or restored	Yes	2020 Sustainability Report, pages 4-5 and 10-17	
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Yes	2020 Sustainability Report, page 41	
GRI 305: Emissions				
GRI 305-1	Direct (scope 1) GHG emissions	Partial	2020 Sustainability Report, pages 40 and 15-16	
GRI 305-2	Energy indirect (scope 2) GHG emissions	No	Information unavailable	Downstream consumption of the commodity produced is too varied and dissipated to allow meaningful calculation of this information.

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 305-3	Other indirect (scope 3) GHG emissions	No	Information unavailable	Downstream consumption of the commodity produced is too varied and dissipated to allow meaningful calculation of this information.
GRI 305-4	GHG emissions intensity	Yes	2020 Sustainability Report, page 40	
GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	N/a		

GRI 306: Effluents and waste

GRI 306-1	Water discharge by quality and destination	N/a		
GRI 306-2	Waste by type and disposal method	Yes	www.mpevans.co.uk/sustainability/environment 2018 Annual Report, pages 32-33	
GRI 306-3	Significant spills	Yes	www.mpevans.co.uk/sustainability/environment	
GRI 306-4	Transport of hazardous waste	N/a		
GRI 306-5	Water bodies affected by water discharges and/or runoff	Yes	www.mpevans.co.uk/sustainability/environment/water-chemical-management	

GRI 307: Environmental compliance

GRI 307-1	Non-compliance with environmental laws and regulations	Yes	2020 Sustainability Report, pages 43 and 17	
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GRI 308: Supplier environmental assessment

GRI 308-1	New suppliers that were screened using environmental criteria	No		The Group will assess the feasibility of introducing screening of suppliers on environmental criteria before the publication of its second Sustainability Report.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	No		The Group will assess the feasibility of introducing screening of suppliers on environmental criteria before the publication of its second Sustainability Report.

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
LABOUR PRACTICES				
GRI 103: Management approach				
GRI 103-1	Explanation of the material topic	Yes	2020 Sustainability Report, page 26	
GRI 103-2	The management approach and its components	Partially	2020 Sustainability Report, page 27	Using this Sustainability Report as a basis, the Group intends to set itself targets and to embark on relevant specific actions.
GRI 103-3	Evaluation of the management approach	Partially	2020 Sustainability Report, page 27	Integral to setting targets and deciding on specific actions, the Group will establish a mechanism for monitoring and evaluating progress.
GRI 401: Employment				
GRI 401-1	New employee hires and employee turnover	Yes	2020 Sustainability Report, page 44	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	www.mpevans.co.uk/sustainability/people/employees	We state what benefits are available to employees but not specifically that these are not available to temporary or part-time employees.
GRI 401-3	Parental leave	Yes	www.mpevans.co.uk/sustainability/people/employees	
GRI 402: Labour management/relations				
GRI 402-1	Minimum notice periods regarding operational changes	Yes	www.mpevans.co.uk/sustainability/people/employees	
GRI 403: Occupational health and safety				
GRI 403-1	Occupational health and safety management system	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	
GRI 403-3	Occupational health services	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	
GRI 403-5	Worker training on occupational health and safety	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	
GRI 403-6	Promotion of worker health	Yes	www.mpevans.co.uk/sustainability/people/employees	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	N/a		
GRI 403-8	Workers covered by an occupational health and safety management system	Yes	www.mpevans.co.uk/plantations/operational-excellence/osh	
GRI 403-9	Work-related injury	Yes	2020 Sustainability Report, page 44	
GRI 403-10	Work-related ill health	Yes	2020 Sustainability Report, page 44	

GRI 404: Training and education

GRI 404-1	Average hours of training per year per employee	Partially		The Group has not previously collected information by gender. It will begin to do so from the beginning of 2020.
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Yes	www.mpevans.co.uk/sustainability/people/employees	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Yes	2020 Sustainability Report, page 38	

GRI 405: Diversity and equal opportunity

GRI 405-1	Diversity of governance bodies and employees	Yes	www.mpevans.co.uk/about/board	
GRI 405-2	Ratio of basic salary and remuneration of women to men	No	2020 Sustainability Report, page 44	

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
HUMAN RIGHTS: <i>Human rights is included in corporate governance; it is not considered to be a material risk for M.P. Evans' operations but disclosures have been made in recognition of the fact that it is considered a material topic for companies working in the oil-palm industry and our geographic locations.</i>				
GRI 103: Management approach				
GRI 103-1	Explanation of the material topic	No		
GRI 103-2	The management approach and its components	N/a		
GRI 103-3	Evaluation of the management approach	N/a		
GRI 406: Non-discrimination				
GRI 406-1	Incidents of discrimination and corrective actions taken	Yes	www.mpevans.co.uk/sustainability/people/employees	
GRI 408: Child labour				
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Yes	www.mpevans.co.uk/plantations/modern-slavery-statement Policy on sustainable and ethical business, www.mpevans.co.uk/sustainability/policies	
GRI 409: Forced or compulsory labour				
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Yes	www.mpevans.co.uk/plantations/modern-slavery-statement	
GRI 410: Security practices				
GRI 410-1	Security personnel trained in human rights policies or procedures	No		The Group plans to put in place training in human rights for all its security personnel.
GRI 411: Rights of indigenous peoples				
GRI 411-1	Incidents of violations involving rights of indigenous peoples	Yes	2020 Sustainability Report, page 45 Policy on sustainability of local communities, www.mpevans.co.uk/sustainability/policies	

GRI: MATERIAL TOPIC DISCLOSURES continued

The 2020 Sustainability Report and 2018 Annual Report are both available at www.mpevans.co.uk/investors/reports-presentations

GRI REFERENCE CODE	GRI REFERENCE TITLE	REFERENCED	DOCUMENT LOCATION	OMMISSIONS AND REASONS
GRI 412: Human rights assessments				
GRI 412-01/2/03	01: Operations that have been subject to human rights reviews or impact assessments 02: Employee training on human rights policies or procedures 03: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/a		
SOCIETY				
GRI 103: Management approach				
GRI 103-1	Explanation of the material topic	Yes	2020 Sustainability Report, page 27	
GRI 103-2	The management approach and its components	Partially	2020 Sustainability Report, page 28	Using this Sustainability Report as a basis, the Group intends to set itself targets and to embark on relevant specific actions.
GRI 103-3	Evaluation of the management approach	Partially	2020 Sustainability Report, pages 27-28	Integral to setting targets and deciding on specific actions, the Group will establish a mechanism for monitoring and evaluating progress.
GRI 413: Local communities				
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	Yes	www.mpevans.co.uk/plantations/modern-slavery-statement Policy on sustainable and ethical business www.mpevans.co.uk/sustainability/policies www.mpevans.co.uk/about/board/directors-responsibilities	
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Yes	2020 Sustainability Report, pages 26-33	
GRI 419: Socio-economic compliance				
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Yes	2020 Sustainability Report, pages 26-33	

GLOSSARY

CPO	Crude palm oil. The crude oil produced by palm-oil mills and sold on the open market to be processed for a wide range of products. Measured in tonnes.
CSPO	Certified sustainable palm oil. Palm oil certified as sustainable by the RSPO. Measured in tonnes.
ESG	Environmental, social and corporate governance.
FFA	Free fatty acids. Industry standards require CPO to have less than 5% FFA content as higher levels are associated with health and environmental issues.
ffb	Fresh fruit bunch. The fruit bunches coming into mills for processing into palm oil. Measured in units.
HCS	High carbon stock areas.
HCSA	High carbon stock approach.
HCV	High conservation value areas.
IPM	Integrated pest management technique.
ISCC	International Sustainability and Carbon Certification.
ISPO	Indonesian sustainable palm oil.
NPP	New planting procedure documents.
PK	Palm kernels. The nut at the centre of the oil palm fruit is cracked to extract the kernel. Palm kernels are pressed to produce palm kernel oil (PKO). M.P. Evans sells palm kernels on the open market.
PKO	See 'palm kernels'.
POME	Palm-oil mill effluent. The effluent created from palm-oil mill processing consisting of approximately 95% water and 5% palm oil and suspended solids. With proper treatment it can be used as an organic fertiliser in plantations or to create biogas to generate electricity.
RISS	RSPO Independent Smallholder Standard
RSPO	Round Table for Sustainable Palm Oil. The most rigorous and internationally recognised standard for producers to adhere to in producing sustainable palm oil.
RTE	Rare, threatened and endangered species.

By using Carbon Balanced Paper for this Sustainability Report, M.P. Evans Group PLC has balanced through World Land Trust the equivalent of 374kg of carbon dioxide. This support will enable World Land Trust to protect 262m² of critically threatened tropical forest.

World Land Trust's Carbon Balanced project sites offset emissions through the protection of tropical forest under imminent threat of deforestation and degradation.

For further information on the land area preserved through your use of Carbon Balanced Paper please visit www.carbonbalancedpaper.com and www.worldlandtrust.org/eco-services/carbon-balanced.

Certificate number CBP002381, issued on 21/01/2020.

ABOUT THIS REPORT

This is the Group's first Sustainability Report covering our activities during the two-year period to 30 June 2019. All figures quoted in this report relate to a year ended 30 June 2019, unless otherwise indicated. It should be read in conjunction with the 2018 Annual Report which is available to download from www.mpevans.co.uk.

As this is our first report we are working towards providing disclosures to Global Reporting Initiative ("GRI") Standards in the future. In the meantime, this report contains Standard Disclosures from the GRI's Sustainability Reporting Guidelines, focusing on the topics that are material to our business and stakeholders. We have set out the Group's strategy, policies and practices, and in future we will use the GRI Standards to inform us where we need to make adjustments to our current practices. In many topics we have been able to reference GRI standards and provide the required disclosures (see pages 46 to 56). We have set out our performance in the last 24 months to establish a benchmark for future reporting and set out our expectations with regard to the future.

Our sustainability policies and reporting processes are aligned with international standards including: UN Global Compact, the UN Universal Declaration of Human Rights Convention of Biological Diversity (CBD), and International Labour Organisation (ILO). A full list is available at www.mpevans.co.uk/approach/policies.

We make regular disclosures, as our membership requires, to the Roundtable for Sustainable Palm Oil ("RSPO").



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