Corrie MacColl Plantations

Overview

Corrie MacColl plantations employs a modern approach to fair and sustainable natural rubber farming across three plantations in Cameroon and Malaysia: Hevecam, Sudcam and JFL.

We invest in agronomical expertise and technology to maximise yield and quality, whilst minimising impact through low-intensity planting. As a sustainable model corporate citizen, ecological conservation, economic growth and social development are at the forefront of our operations strategy.

A low-intensity replanting programme, replacing our end-of-life trees with new trees, will see an increase in our mature rubber trees from 4.6 million in 2020 to 13 million in 2030 on the existing 36,419 ha of rubber planted land. This will yield a production output increase from 19,000mT in 2020 to 89,000mT in 2030.

In line with our no deforestation policy, there is no land designated for future planting. Therefore our land use will remain as 36% planted, 2% infrastructure and 62% HCV, protected and untouched land.

Total Concession: 107,668 ha

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Land Use</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>HCV &amp; Protected</td>
<td>41,989 ha</td>
</tr>
<tr>
<td>23%</td>
<td>Community Forest</td>
<td>25,000 ha</td>
</tr>
<tr>
<td>36%</td>
<td>Plantation</td>
<td>38,411 ha</td>
</tr>
<tr>
<td>2%</td>
<td>Infrastructure</td>
<td>2,268 ha</td>
</tr>
<tr>
<td>34%</td>
<td>Rubber plantation land</td>
<td>36,419 ha</td>
</tr>
<tr>
<td>2%</td>
<td>Oil palm plantation land</td>
<td>1,992 ha</td>
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Corrie MacColl is committed to promoting, developing and implementing the sustainable and responsible use of natural rubber throughout its supply chain. We have achieved 100% traceability to our industrial plantations. Additionally, 69.5% of planted land at our Hevecam plantation is in the process to be certified by FSC FM in 2023.

Please refer to our Sustainable Natural Rubber Supply Chain Policy (SNRSCP) for further information.

**Sustainability Highlights:**

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<th>62% of our land remains unplanted</th>
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<tr>
<td>No peat land</td>
<td>Global no deforestation policy across Corrie MacColl Plantations</td>
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<tr>
<td>Commitment to no slash and burn</td>
<td>Ensure responsible land acquisition and use</td>
</tr>
<tr>
<td>Commitment to good agricultural practices and yield improvement</td>
<td>Develop and implement proper land use plans to prevent overexploitation of natural resources using an integrated landscape management approach</td>
</tr>
<tr>
<td>Support the development of methods to trace natural rubber across the supply chain</td>
<td>Community engagement through local NGOs to address grievances</td>
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<td>Initiatives governed by an independent Cameroon Sustainability Council</td>
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January 2023

**Sustainability**

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**Corrie MacColl**

**Est. 1780**
As the largest private-sector employer in Cameroon, more than 43,000 individuals depend on our success. We recognise our responsibility as a modern employer to work alongside the local communities and identify new opportunities for education, empowerment and socio-economic development.

35,354 residents
32 villages
58 schools
2 hospital
23 health clinics

Community Overview

<table>
<thead>
<tr>
<th>Hevecam Total Employees</th>
<th>4,426 Male</th>
<th>1,519 Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,945</td>
<td>460 Indigenous Male</td>
<td>260 Indigenous Female</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Sudcam Total Employees</th>
<th>599 Male</th>
<th>316 Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>915</td>
<td>119 Indigenous Male</td>
<td>88 Indigenous Female</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JFL Total Employees</th>
<th>332 Male</th>
<th>40 Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>404</td>
<td></td>
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</tbody>
</table>
Corrie MacColl recognises the value of smallholder partnerships in opening new market opportunities and strengthening rural economies. The Cameroon Outgrower Programme will equip 13,000 smallholder farmers with the education and financing to develop 27,000 ha of sustainable farms.

- 13,000 smallholders to benefit.
- Total of 27,000 ha of fallow land to be planted with natural rubber. Please note: this is a forecast figure, the land will not be company-owned or company-managed land, and this land is yet to be sourced for shortlist.
- All land must comply with our Sustainable Natural Rubber Supply Chain Policy (SNRSCP)
- Land within High Conservation Value or High Carbon Stock areas will be excluded, and appropriate land deeds must be secured prior to development.
- 467 smallholders have passed the onboarding assessment criteria developed by Proforest, meeting the social and environmental criteria reflected by our sustainability policy commitments.
- As of January 2023, the programme is operating across 150 hectares of land.
- The programme allows smallholder farmers to incorporate agroforestry in addition to rubber planting.
- Regular classroom and practical training is provided to ensure that smallholders continue to comply with our sustainability policy commitments. The smallholders continue to receive support from our teams, in addition to learning resources.
- The No Deforestation policy is upheld by the external verification of MapHubs, an independent GIS satellite imagery service. MapHubs is provided with the coordinates of all smallholder land and analyses deforestation by reviewing Planet quarterly image from prior to December 2018 and compares it against Planet monthly mosaic and Sentinel-2/Landsat medium resolution imagery from the time of the onboarding assessment. Going forward, the data will be reviewed on a 5-year basis.
- Additionally, Corrie MacColl’s progress across sustainability KPIs in line with our sustainability-linked loan with Deutsche Bank, including No Deforestation, is reviewed annually by an external global consulting firm, ERM. Read more about the loan and sustainability review, and ERM’s appointment here.

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<table>
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<tbody>
<tr>
<td>Commenced</td>
<td>2020</td>
</tr>
<tr>
<td>Outgrower farmers total</td>
<td>13,000</td>
</tr>
<tr>
<td>Planting programme</td>
<td>2020 - 2027</td>
</tr>
</tbody>
</table>
January 2023
Hevecam
Niete, Cameroon

Established: 1975
Total Concession (ha): 52,607
Niete 40,992
Elogbatindi 3,972
Bissiang 7,643

Factory Annual Capacity: 51,500mT

Total Trees Planted: 7,884,945

Land Allocation

- HCV & Protected 30,067 ha
- Plantation 21,590 ha
- Infrastructure 950 ha

2020
Mature Trees Planted 4,100,600
Production Output 14,242

2030
Mature Trees Planted 6,304,320
Production Output 45,235
Sudcam
Meyomessala, Cameroon

Established: 2008
Total Concession (ha): 45,217
North 8,236
Central 36,981

Est. Factory Completion: Q3 2020
Factory Annual Capacity: 37,500mT

Total Trees Planted:
4,684,589

Land Allocation

- HCV & Protected: 9,706 ha
- Infrastructure: 744 ha
- Community Forest: 25,000 ha
- Plantation: 9,768 ha

Mature Trees Planted
- 2020: 470,250
- 2030: 4,395,600

Production Output
- 2020: 1,254
- 2030: 25,815
JFL
Kelantan, Malaysia

71% Natural Rubber  29% Palm (Certified MSPO)

Established: 2013
Total Concession (ha): 9,844

<table>
<thead>
<tr>
<th>Location</th>
<th>Area (ha)</th>
</tr>
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<tbody>
<tr>
<td>Lebir</td>
<td>2,453</td>
</tr>
<tr>
<td>Ulu Nenggiri</td>
<td>3,775</td>
</tr>
<tr>
<td>Laloh</td>
<td>1,593</td>
</tr>
<tr>
<td>Ulu Temiang</td>
<td>2,023</td>
</tr>
</tbody>
</table>

Total Trees Planted:

- Rubber trees: 1,906,419
- Oil Palm: 186,746

Land Allocation

- Infrastructure: 574 ha
- HCV & Protected: 2,216 ha
- Plantation - Rubber: 5,061 ha
- Plantation - Oil Palm: 1,992 ha

2020 → 2030

- Mature Rubber Trees Planted: 0 → 2,277,450
- Production Output: 0 → 9,365
Our Hevecam and Sudcam plantations feed two modern factories, producing high quality concentrated latex, dry latex and TSR grades to the dipping industry, as well as specialty product makers. The Sudcam factory is poised to supply 100% traceable and sustainable raw material.

Operating under the LATEXPRO and HEVEAPRO standards, the factories are accountable to a stringent 3rd party-certified audit covering Quality Standards, EHS, Sustainability and Supply Chain Security.

Our two factories have a combined capacity of 89,000mT. Production of latex is poised to increase from 10,000mT in 2020 to 60,000mT from 2030 onwards, as our trees mature and come into production.

The 2 Hevecam and Sudcam factories source rubber from our company-owned plantations, the remaining 36 Halcyon Agri factories source from third-party plantations.

- ISO 9001, ISO 14001, LATEXPRO and HEVEAPRO
- 100% traceable raw material
- A state-of-the-art laboratory

Environmental measures:
- 100 kW solar-power
- 100% effluent water recycling
- Soil erosion control
- Green corridor protection
- Dryer Exhaust Scrubber System
- Proximity to Kribi and Douala load ports
Halcyon Agri Group sources 74% of traded volume from smallholder farmers in the form of raw material, 2% is sourced from company-owned plantations and the remaining 24% is sourced from other distributors in the form of finished goods.

3% of rubber sourced by company-owned processing facilities comes from our own operations, whilst 97% comes from third-parties.

The Group sources all rubber from the following countries:

**Asia:**
- Cambodia
- India
- Indonesia
- Malaysia
- Myanmar
- Philippines

**Africa:**
- Cameroon
- Gabon
- Ghana
- Guinea
- Ivory Coast
- Liberia

**Americas:**
- Guatemala

78% of supply from our Corrie MacColl plantations is traceable to industrial plantation level. 22% of supply from our Corrie MacColl factories is traceable to smallholders at jurisdictional level.

Smallholder sourcing jurisdictions include the following:
- Central region, Cameroon
- East region, Cameroon
- South region, Cameroon
- Littoral region, Cameroon

**Sustainable Sourcing Policy**
Early last year, we launched our Sustainable Sourcing Policy (SSP) with the purpose of extending our in-house sustainability standards to our business partners in the supply chain. The Policy was collaboratively developed with international NGO, Rainforest Alliance, based on the results of a previously undertaken Supplier Risk Assessment.

We have entered Phase 2 of this process by releasing the Policy’s Implementation Manual and Strategic Actions Guide. Also developed with Rainforest Alliance, the purpose of the newly launched Manual is to ensure that our suppliers understand the values expressed within the Policy and can demonstrate alignment with them through the implementation of pragmatic and appropriate actions.

As of January 2023, the SSP has been received by 129 suppliers, with more to follow going forward. Collectively, these suppliers account for over 60% of our supply, and originate from all the major global production regions of Southeast Asia, Africa and South America.
Responsible Practices

Water Use Intensity
We commit to improve our water use intensity across our operations. The following forms part of the criteria for our sustainability-linked loan with Deutsche Bank:

- To complete a water audit to establish baseline and identify improvement opportunities; and
- To set, meet and maintain meaningful targets to improve the factory’s water use intensity (targets to be aligned with Deutsche Bank and ERM).

KPI: Achieve water use intensity (freshwater withdrawals) of 9.02m3/mT by 2025 vs a 2021 baseline of 9.49m3/mT. This translates to approximately 5% absolute reduction in freshwater requirements by the Asian factories.

Additionally, building on Halcyon Agri’s partnership with Alliance for Water Stewardship at processing sites, we have initiated the sustainable water management certification for our Cameroon and Malaysia plantations. Hevecam has secured AWS Gold certification while JFL has successfully registered for AWS certification in 2021. These third-party certifications, which are beyond the regulatory requirement, demonstrated our commitment to consume natural resources responsibly.

Fertilizer Use
We are actively making efforts to reduce our use of chemical fertilizer. This has included a reduction in chemical fertilizer application, as well a precision agriculture and targeted soil and leaf analysis to optimize yield.

Fire Monitoring
Hevecam recently held a fire monitoring and response training session, hosted by the Department of Safety, Health, Environment and Security at Work (S-HSET). The teams joined by external parties: the Niété Sub Divisional Officer, the Forces of Law and Order (FMO).

Net Zero
Halcyon Agri has announced that we are launching an industry-leading roadmap to net zero carbon emissions, making headway towards committing to the Science Based Targets initiative (SBTi). Through the standard, the SBTi clarifies that science-based net-zero requires companies to achieve deep decarbonization of 90-95% before 2050.

Read more here.

FSC-certification
We’re strengthening our capacity for FSC-certified rubber, with 2% of our natural rubber supply coming from independent smallholders, outgrowers and third-party natural. 2% percentage of the natural rubber products we handle and trade is FSC-certified.

People
We commit to implementing gender policies through an anti-discrimination policy and regular employee training sessions on tackling practices that discriminate against women. We have also developed anti-bribery and corruption policies, and have made these readily available to employees via shared online folders (December 2022).
Concession Maps

Niete, Hevecam

Bissiang, Hevecam
Elogbatindi, Hevecam

Sudcam Concession with RBD
Planted Area, North Concession, Sudcam

HCV Localisation, Sudcam
January 2023

Laloh Estate, JFL

Ulu Temiang Estate, JFL
January 2023

Lebir Estate, JFL

Ulu Nenggiri Estate, JFL
Location of smallholder farmers’ supplying estates:
Coordinates: 4.86699°, 12.81226°

Location of scheme smallholders:
We launched a capacity building program with smallholder farmers in Jambi, Indonesia in 2022 to support traceability and livelihoods. The farmers are specifically located in the subdistrict of Bajubang within the Batang Hari Regency of Jambi province.

Coordinates: -1.9190580807308089, 103.41223145713069
We monitor climate change risks, including fluctuations in rainfall patterns from 2016 to July 2021, to ensure that we take appropriate steps for risk mitigation. This includes the construction of water conservation pits, and studies to track their impact on plantation production and tree growth.