

Tunas Sawa Erma (TSE) Group Statement on Deforestation Concerns in the Iska Bekai Cooperative Plantation

MERAUKE, February 5, 2025 – Tunas Sawa Erma (TSE) Group wishes to address stakeholder concerns regarding deforestation concerns near PT Dongin Prabhawa, one of TSE Group's subsidiaries, with the following clarifications:

1. Indications of Deforestation in the Iska Bekai Cooperative Plantation

In late 2024, indications of deforestation were reported in the Salamepe, Merauke Regency, South Papua situated southwest of PT Dongin Prabhawa's concession. The affected area belongs to the Iska Bekai Cooperative (KSU Iska Bekai) and is not part of PT Dongin Prabhawa's HGU (land use rights). KSU Iska Bekai has held these rights since 2023. Currently, KSU Iska Bekai is partnering with PT Tritama Lestari, under local government directives, to develop an oil palm plantation. PT Dongin Prabhawa has no involvement in this development. For further details, refer to the TSE Group Statement dated August 30, 2023.

2. TSE Group's NDPE Policy

Since 2019, TSE Group has enforced a No Deforestation, No Peat, No Exploitation (NDPE) policy, which covers both nucleus and plasma plantations. Our sustainability principles include:

- No new developments until we identify and effectively protect High Conservation Value (HCV) and High Carbon Stock (HCS) areas within our concessions.
- No new plantation development on peatland.
- Preventing exploitation of communities and employees.

3. TSE Group's Traceability Policy

Aligned with our ESG Policy, TSE Group only sources Fresh Fruit Bunches (FFB) from suppliers adhering to our stringent policy.

TSE Group is steadfast in its commitment to implementing ESG and NDPE policies, as well as supporting sustainable community development initiatives.

This statement is issued for public awareness and is communicated with full accountability.

Regards,

Tunas Sawa Erma Group Management

For more information, contact:

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(Attachment)

