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ANGLO-EASTERN PLANTATIONS PLC CARBON AND ENERGY DATA 2021

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ANGLO-EASTERN PLANTATIONS PLC

SECR COMPLIANT DIRECTORS STATEMENT

Anglo-Eastern Plantations Plc (AEP) recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year-on-year. We are also aware of our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, we continue to report on our energy and carbon performance and are committed to transparent communication about our environmental impact to our stakeholders.

2021 PERFORMANCE SUMMARY

AEP's total carbon emissions have reduced by 15% in 2021. This is primarily due to a reduction in land clearance activities (-26% drop in emissions). As an agricultural business our carbon footprint is closely linked to our land management and planting practices. This is currently exacerbated by the lack of amortisation of our land-based emissions.

The sequestration across our estates balances some of the increases in emissions, though the amount of carbon dioxide sequestered has reduced by 14% in 2021. This is due to the age profile of our estates, as oil palm at the beginning and nearing the end of its crop cycle does not have as great a sequestration potential as those in the middle of the lifecycle.

Our operational emissions have increased by 8% in 2021, driven primarily by an increase in fuel use (diesel and biomass) and Palm Oil Mill Effluent (POME) treatment. Our overall production of crude palm oil (CPO) increased by 17%, which has driven the increase in emissions from the treatment of the effluent. Our overall transport emissions have decreased both onsite (-44%) and for third party (-13%) transport. This comes despite an increase in FFB production, highlighting the increases in efficiency of our transport planning.

ENERGY AND CARBON ACTION

In the period covered by the report AEP has not undertaken specific emissions and energy reduction initiatives. However, we have reviewed our past carbon footprint performance and conducted an exercise to establish specific emissions reduction targets for the business. We are aware of upcoming changes in best practice guidance, both in the form of the GHG Protocol land sector and removals standard and across wider target setting guidance. We will review our approach once this guidance has been finalised and released over the course of 2022.

Anglo Eastern Plantations commits to a reduction in absolute scope 1 and 2 emissions by 20.5% by 2030 from a 2019 baseline. This target does not include the impact of sequestration on site, as activity on this is limited to the age profile of our crop.

In 2021 our scope 1 and 2 emissions (excluding sequestration) are 6% higher than in 2019. We have identified the key areas we need to take action as a business to achieve this target, including the conversion of our remaining mills to biogas plants from anaerobic lagoons, limiting our land clearance levels, implementing a no new peat policy and investigating our peat management processes, particularly regarding management of drainage depths.

We commit to reporting progress towards this target each year, and revisiting its appropriateness and ambition on a regular basis to maintain its value to our business and stakeholders.

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2021 RESULTS

Methodology

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

- World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version)
- Defra's Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019).

Following an operational control approach to defining our organisational boundary, our calculated GHG emissions from business activities fall within the reporting period of 1st January 2021 to 31st December 2021 and use the reporting period of January 2020 to December 2020 for comparison.

Note on agricultural emissions

Emissions from agricultural cultivation form the most significant part of our carbon footprint. As such we have assessed these emissions in line with the methodology development by the Roundtable for Sustainable Palm Oil (RSPO). Version 4 of the RSPO's PalmGHG application has been used to source relevant emission factors and provide a sense check of calculations.

We include emissions from agricultural cultivation on our own estates within our direct scope 1 and estimate these agricultural emissions from any outgrower crops processed in our mills, included within our scope 3. This is consistent with previous years reporting and is aligned to the WRI reporting principles of completeness and relevance, whereby scope 1 are the direct emissions sources that we own and control. As mentioned above, we will review our approach upon the release of the new GHG Protocol guidance.

Emissions from land clearance are only reported for the land clearance occurring during the reporting year in question due to lack of industry acknowledged guidance on amortisation (the period over which land clearance emissions should be distributed). We review industry guidance each year and update our methodology as appropriate. There has been no further guidance throughout 2020, thus the approach taken this year is in line with our previous years reporting.

Terminology

Our emissions and energy use for 2021 is presented in Table 1. The following terminology is used.

CPO – Crude Palm Oil

FFB – Fresh Fruit Bunches

POME – Palm Oil Mill Effluent

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Emissions and energy use

	Emissions Source	Global Emissions tCO_2e		Variance	UK Emissions tCO_2e*		Variance
		2020	2021		2019	2020	
Scope 1	Fuels	19,613	25,058	28%	0	0	0%
	Plantation vehicles	14,442	8,077	-44%	0	0	0%
	Fertiliser use	19,719	18,531	-6%	0	0	0%
	POME Treatment	124,429	142,262	14%	0	0	0%
	Sequestration	-531,479	-458,738	-14%	0	0	0%
	Land clearance	617,678	459,740	-26%	0	0	0%
	Peat soil cultivation	488,858	486,436	0%	0	0	0%
Total Scope 1		**753,260**	**681,366**	**-10%**	**0**	**0**	**0%**
Total Scope 2	**Electricity**	**2,657**	**2,657**	**0%**	**0**	**0**	**0%**
Total Scope 1 & 2		**755,917**	**684,023**	**-10%**	**0**	**0**	**0%**
Scope 3	Electricity transmission and distribution	211	211	0%	0	0	0%
	3rd party vehicles	8,317	7,254	-13%	0	0	0%
	Outgrower land clearance	510,467	441,247	-14%	0	0	0%
	Outgrower peat soil cultivation	51,241	59,146	15%	0	0	0%
	Outgrower sequestration	-439,239	-440,333	0%	0	0	0%
Total Scope 3		**130,997**	**67,525**	**-48%**	**0**	**0**	**0%**
Total (Location Based)		**886,914**	**751,548**	**-15%**	**0**	**0**	**0%**
Total Energy Usage (kWh)[1]		**1,289,300,798**	**1,465,500,566**	**14%**	**0**	**0**	**0%**
Intensity ratio	tCO_2e per hectare of planted area	12.7	10.6	-17%	0	0	0%
Intensity ratio	tCO_2e per tonne CPO production	2.2	1.6	-27%	0	0	0%
Intensity ratio	tCO_2e per tonne FFB production	0.8	0.6	-25%	0	0	0%

Table 1 – Energy and carbon disclosures for reporting year.[2]

* Note Anglo Eastern Plantations Plc is a UK registered company. However, the business does not have any physical presence within the UK, hence the 0% contribution of UK emissions. It is shown in the table for transparency.

[1] Energy reporting includes kWh from scope 1, scope 2 and scope 3 3rd party vehicles only (as required by the SECR regulation)

[2] This work is partially based on the country-specific CO_2 emission factors developed by the International Energy Agency, © OECD/IEA 2020 but the resulting work has been prepared by Anglo-Eastern Plantations Plc and does not necessarily reflect the views of the International Energy Agency

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APPENDIX

AEP are required to report to the UK Streamlined Energy and Carbon Reporting (SECR) regulations. To provide comparison with our reporting for 2019 and earlier the data is also provided in a similar format below.

Emissions source	Results (tCO_2e)			
	2020		2021	
POME Treatment	124,429		142,262	
Fertiliser application	19,719		18,531	
Fuel use	19,613		25,058	
Electricity consumption	2,657		2,657	
Electricity T&D	211		211	
Company owned vehicles	14,442		8,077	
Third party vehicles	8,317		7,254	
Total operational emissions	**189,388**		**204,050**	
	Own crop	Outgrower	Own crop	Outgrower
Land clearance	617,678	510,467	459,740	441,247
Carbon sequestered	-531,479	-439,239	-458,738	-440,333
Peat soil cultivation	488,858	51,241	486,436	59,146
Total land use emissions	**697,526**		**547,498**	
Overall emissions	**886,914**		**751,548**	

Table 2 - 2021 vs 2020 emissions comparison

The normaliser reported within the main report is calculated using total CO_2e emissions. In previous years the normaliser has been calculated on operational emissions only. This reduces the influence of the fluctuations in agricultural emissions. As such, the operational normalisers are also reported below. The operational planted area intensity has increased because the increase in operational emissions (8%) exceeds to increase in planted area (1%).

	2020	2021
Per hectare Planted Area	2.72	2.89
Per tonne CPO production	0.47	0.42
Per tonne FFB production	0.17	0.17

Table 3: 2021 vs 2020 Operational emissions intensity (tCO_2e)

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