

RGE's statement on Bloomberg Article on 16 October 2024

16 October 2024

Bloomberg published a media article dated 16 October 2024 titled *"Billionaire Family Fueled by Green Debt Faces Deforestation Claims"*. This article was written in collaboration with and based on a report by the Gecko Project. It repeats past unsubstantiated claims from NGOs about RGE and its shareholders and these claims have previously been refuted.

As background, RGE responded on 28 August 2024 to questions in a letter dated 21 August 2024 from the Gecko Project, categorically refuting claims that RGE and/or its shareholders have control or ownership of the companies which are said to have contributed to deforestation. We have shared our response with Bloomberg and provided further information in response to Bloomberg's questions.

The claims of any such links of ownership or control are unfounded, unsupported and untrue. We have made it clear that to Bloomberg and the Gecko Project that it is inappropriate for RGE to comment on the ambiguous remarks of those said by the Gecko Project to be employees or former employees of companies that we have no connection with.

RGE has, in the normal course of business, a wide range of formal and informal contact with a diverse number of associates, companies, partners and other stakeholders that participate in our industry. All engagement is conducted with good governance and in compliance with RGE policies and practices and applicable regulations and that it would be illogical and without basis to infer any such contact constitutes ownership or control or association beyond standard business conduct.

We believe that at the core of these allegations is the continuing opposition by some stakeholders to the FSC remedy process that would enable companies that have established their plantations after 1994 to gain FSC certification. FSC has itself moved the cut-off to December 2020 following a vote at its General Assembly in 2022. We are committed to the FSC remedy process which we believe is a significant opportunity to deliver positive environmental and social benefits for affected stakeholders, particularly the impacted rightsholders. We believe that engaging in the remedy process has also enabled a further strengthening of our commitments and practices on sustainable forest management, overall governance and stakeholder engagement. We will continue to engage with the communities, indigenous groups, local and national NGOs, the FSC, and other stakeholders to ensure the FSC remedy process is conducted credibly, transparently and fairly, and that it delivers on the potentially significant benefits.

During our engagement with Bloomberg, we have also provided extensive background regarding our Sustainability Linked Loans (SLLs). Information provided include:

1. For each of the SLLs, we strictly adhere to recognised industry principles known as the [Sustainability-Linked Loan Principles](#) which guide all parties involved in the SLL on the robust process of selecting and calibrating the sustainability performance targets (SPTs), including the reporting and verification of performance against these.
2. There is a clear and transparent maker-checker system in place, with an independent third party opinion on the materiality and ambitiousness of the targets; appropriateness of the baselines; methodologies for data collection and calculations; and the roadmap to achieve the SPTs. This process is also backed by an annual audit of the borrower's performance against the pre-agreed targets.

3. Beyond industry principles, RGE has put in place an internal rule for all business groups who are members of RGE, to derive the SPTs for each SLL from the business group's longer-term 2030 sustainability goals. The aim is for each SLL's SPTs, a subset of the business' 2030 targets, to meaningfully contribute to its broader and longer-term sustainability commitments.
4. When RGE committed to deriving the majority of its financing through SLLs in 2022, our intent was to use SLLs as one of the tools to better align internal teams to deliver on our sustainability goals. We also believe that with SLLs, the financial institutions, external opinion providers and independent reviewers involved in the process can challenge us and help us to sharpen our sustainability parameters to better embrace global best practices and ensure high-quality SLLs and SPTs with accurate data.

We remain open to clarify any questions or concerns and will continue to engage based on facts and information.

Contact: corporatecommunications@rgei.com