

SUSTAINABILITY REPORT



GOVERNANCE DISCLOSURES

Relevant Material Topics:

- Corporate Governance and Anti-Corruption
- Data Privacy and Security

UN SDG Linkage:



SDG 10: Reduced Inequalities

Promote inclusive and equitable corporate governance practices by ensuring fair treatment, equal opportunities, and non-discriminatory policies



SDG 16: Peace, Justice, and Strong Institutions

Contribute to the rule of law and protection of fundamental freedoms by ensuring accountability and transparency

IPB's Aim:



Building a culture of trust and accountability by upholding high standards of integrity and ethics in all business dealings, in line with legal and regulatory requirements.

IPB is dedicated to upholding the highest governance standards in promoting ethical business practices across all operations in line with the Group's strict adherence to local laws and regulations. This dedication fosters a culture of integrity and responsibility that builds trust with stakeholders and contributes to the long-term success of IPB.

To maintain transparency and accountability, the Group consistently engages with internal and external stakeholders, fostering a culture of integrity, responsibility, and ethical decision-making. This collaborative approach is guided by a comprehensive governance framework that ensures strategic oversight, drives informed decision-making and enables effective risk management.

By embedding these principles into its operations, IPB not only fortifies its governance foundation but also creates a robust platform to advance the Group's sustainability priorities, achieve long-term business objectives, and deliver enduring value to all stakeholders.

Achievements in FY2024:

<p>ZERO cases of corruption or bribery</p> 	<p>95 hours of anti-corruption training provided</p> 	<p>Successful receipt of Compliance Certificate from Sabah Forestry Department</p> 
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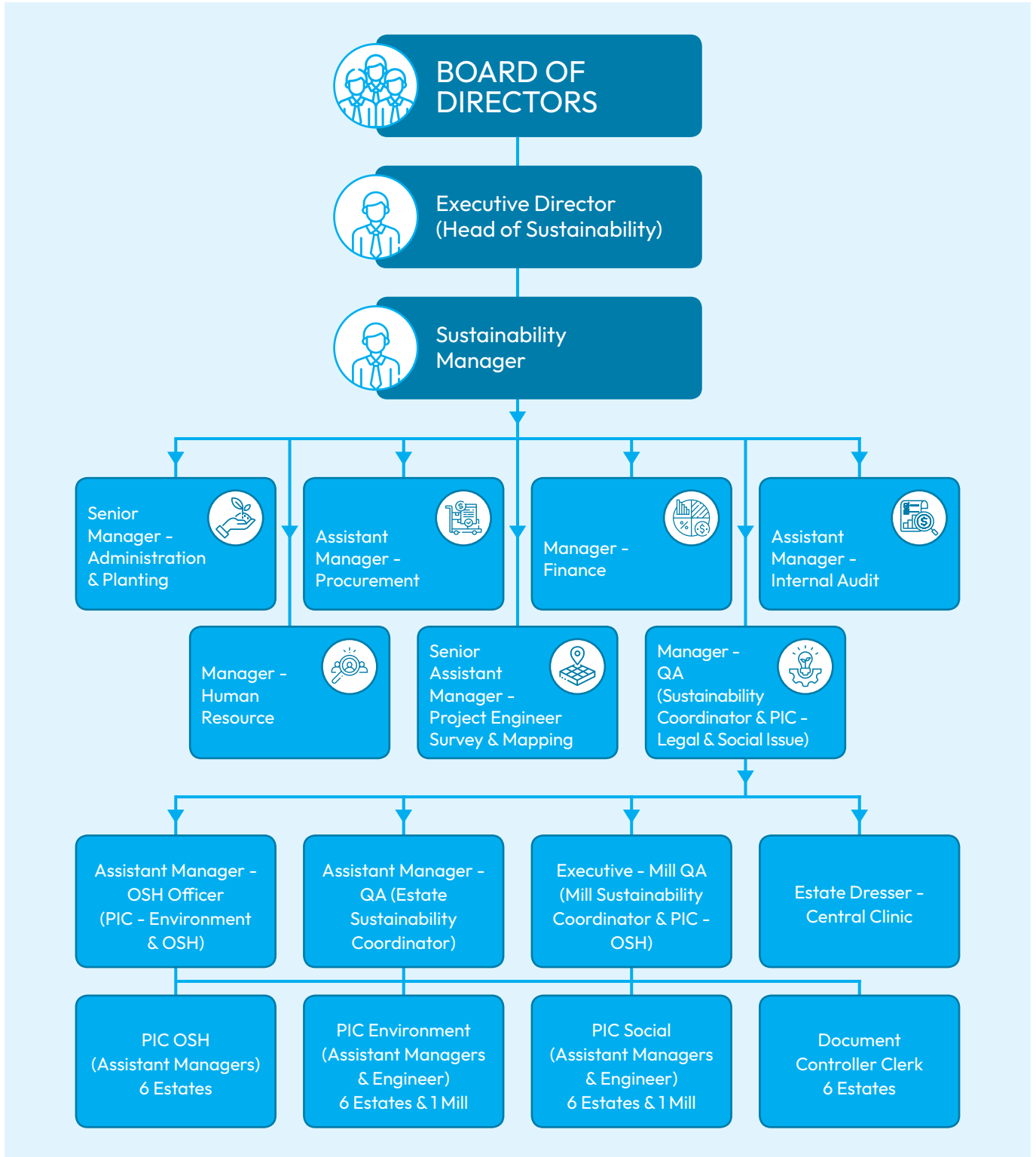
SUSTAINABILITY GOVERNANCE STRUCTURE

IPB implements a top-down approach in its approach to governance, overseen by the Group's Board. Directly under them, the Sustainability Department takes charge of implementing any sustainability-related initiatives.

This division is led by the Executive Director, who manages and implements the sustainability initiatives throughout all levels of IPB's operations, including maintaining regulatory compliance by bodies such as the MSPO and Sabah Forestry Department. The Sustainability Manager then communicates sustainability strategies with all other departments and business units while also ensuring that the created targets and KPIs are aligned and feasible for operational staff to execute.

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The various departments implement sustainability directives from the Sustainability Department and regularly update their progress and issues to both the Sustainability Head and Manager. This provides IPB with a clear communicational hierarchy that allows the Board to create and communicate sustainability initiatives effectively while reviewing strategies as necessary.



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ANTI-CORRUPTION

IPB takes matters of corruption and bribery very seriously and does not tolerate any such activities within the Group’s operations and supply chains. To solidify and enforce this commitment, the Group has established the Anti-Bribery and Corruption (“ABC”) Policy that details the protocols and mechanisms used to prevent corruption and bribery within the Group.

For more information on this Policy, see: <https://innoprise.com.my/governance/>

To ensure that the ABC practices are implemented throughout the Group, IPB communicates the ABC Policy during the employee’s induction process. The ABC Policy is also communicated through periodic training, attended by a total of 173 employees throughout FY2024. Training aside, 99% of IPB’s employees have also signed their acknowledgement of the Group’s ABC Policy by the end of FY2024.

As IPB only began tracking anti-corruption data in the previous financial year, the Group only has historical data for two years and will fully establish the three-year benchmark by FY2025.



● Anti Bribery and Anti-Corruption Internal Training for all Field Executives and Staffs

In events where employees suspect that acts of corruption are in place, employees are encouraged to report such activities even if they prove detrimental to the Group’s financial performance and brand image. Employees will be protected from any penalisation for reporting acts of corruption and bribery as outlined in the ABC Policy, showing the Group’s dedication to eradicating corruption. Through this stringent approach, the Group faced 0 cases of corruption or bribery throughout FY2024.

CODE OF ETHICS

To ensure that the highest levels of IPB’s governance continue to operate with integrity and accountability, the Group has formed the Code of Ethics for Company Directors (“Code”) that guides the expected ethical behaviour of the Directors of IPB and its subsidiaries. By enforcing the Code to the Directors, IPB’s management can lead the Group by example and develop a culture of high integrity and professionalism.

Beyond serving as a behavioural guide, the Code defines the relationship of the Board with the rest of the Group, which includes stakeholders, creditors, and customers. This also extends to the Group’s supply chain, who are expected to conduct their business with the utmost dedication to accountability and transparency.

Percentage of Employees Who Received Anti-Corruption Training over Total Workforce by Employment Category in FY2024

Employment Category	Percentage of Employees Who Received Training (%)	
	FY2023	FY2024
Management	83.33	73.68
Executive	66.67	93.48
Non-Executive	12.71	86.26
General Worker	0.00	0.36



● “Strengthening ethical leadership! Our managerial team participated in the Anti-Bribery & Corruption Training held on 17th July 2024”

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WHISTLE BLOWING POLICY

In IPB's efforts to uphold ethical conduct within its operations, the Group has created a Whistle Blowing Policy that provides individuals, whether internal or external, with a safe and anonymous channel to report any actions of potential or real wrongdoing. This channel is created in accordance with the Whistleblower Protection Act 2010, ensuring that the identities of whistle blowers are kept to the highest confidentiality to protect them from any possible acts of retribution from other individuals or groups. For more information on the Policy, readers may refer to the following link: <https://innoprise.com.my/governance/>

Individuals seeking to report acts of wrongdoing can directly file a report to the line manager. However, individuals reluctant to do so can also file a report directly to the Audit Committee Chairman. Reportable acts may include, but are not limited to bribery and corruption, abuse of power, non-compliance with the Group's established policies, and other activities that may lead to reputational damage or financial loss of IPB.

Upon receiving a report, IPB's management will conduct a series of investigations to collect evidence to determine whether there are sufficient grounds for concern. Upon the identification of misconduct, the issue will be escalated to the Audit Committee to collect further evidence. The results of the investigation will be compiled into a report and sent to the Board, where a decision on the required course of action is made. After deliberation, the Board will issue a penalty ranging from suspension up to dismissal and potential involvement of the relevant authorities, in accordance with the scale of the misconduct. Throughout FY2024, the Group received 0 whistle blowing reports.

ETHICAL SUPPLY CHAIN

While IPB upholds the highest standards in maintaining the integrity of its operations, the Group expects suppliers and business associates to maintain an equivalent level of integrity and accountability throughout all business dealings. The Group requires all suppliers and contractors that conduct business with IPB to provide any form of endorsement to the ABC Policy. Suppliers who fail to comply with this requirement will be given a warning and any further escalation will lead to IPB terminating contracts with non-complying parties. If necessary, the Group may also report non-complying parties to the relevant authorities.

Through this implementation, the Group has obtained an ABC endorsement from 95% of its supply chain.

REGULATORY COMPLIANCE

IPB takes a proactive approach to regulatory compliance, ensuring that all operations are aligned with the standards and expectations set by relevant authorities such as the Malaysian Sustainable Palm Oil ("MSPO") certification scheme and the Sabah Forestry Department. Recognising that non-compliance could result in operational disruptions or legal penalties, the Group has tasked its Quality Assurance Department with closely monitoring daily operations and updating internal control systems to reflect current regulatory requirements. This department, along with all employees, is expected to identify and report any potential non-compliance issues, reinforcing a culture of accountability and vigilance. Ongoing reminders and training sessions further embed this compliance-focused mindset throughout the organisation. As a result of these efforts, there were no reported cases of non-compliance in FY2024.

In the same year, IPB strengthened its regulatory compliance efforts by achieving key milestones aligned with the requirements set by the Sabah Forestry Department. One of the major accomplishments was the successful receipt of the Compliance Certificate, which necessitated meeting 100% of the silviculture targets across a 500-hectare area. This milestone not only demonstrates IPB's dedication to sustainable forestry practices but also affirms its alignment with regulatory benchmarks essential for uninterrupted operations.

Operationally, the Group met its FFB production targets for FY2024, which reflects both effective plantation management and adherence to sustainable agriculture standards.

DATA PRIVACY AND SECURITY

The Group takes matters of data privacy and security seriously and implements safeguards and measures to ensure that the data of its staff, operations, and customers are always protected. This commitment is aligned with the Personal Data Protection Act ("PDPA") 2010 and ensures that the Group only collects relevant data with the explicit consent of the respective data owners. Collected data will not be sold or made available to any third party except when summoned to be used as evidence to resolve issues by enforcement authorities.

The Group also has internal control systems that ensure data remains secure. The Group's cybersecurity measures are implemented by the IT Department, which is also responsible for monitoring the Group's digital network and conducting routine maintenance to safeguard servers from unrestricted access. Throughout FY2024, there were 0 instances of data breaches.