

SUSTAINABILITY REPORT

PRODUCT QUALITY

The Group maintains a strong focus on product quality through structured controls across harvesting, handling, and milling processes. In FY2025, enhanced harvesting standards and stricter quality controls were implemented as part of a broader operational strategy to improve oil extraction efficiency and reduce field losses. This included tighter fruit ripeness criteria, improved loose fruit collection, and strengthened crop handling practices. While these measures contributed to a marginal moderation in production volumes, they supported improved operational efficiency and reinforced the Group's commitment to delivering consistent product quality.

The Group recorded one quality-related customer complaint during the year. Appropriate corrective actions were undertaken to address the issue, reflecting the Group's continued focus on maintaining product reliability and customer confidence.

The Group's moderated performance in FY2025 should be viewed in the context of its strategic shift towards quality-driven production. While production volumes were marginally lower, the emphasis on operational efficiency and improved extraction performance supported margin resilience and long-term value creation.



ENVIRONMENTAL DISCLOSURES



Relevant UNSDGS

- **SDG 7** - Affordable and Clean Energy
- **SDG 12** - Responsible Consumption and Production
- **SDG 13** - Climate Action
- **SDG 15** - Life on Land



ENVIRONMENTAL FOOTPRINT

Our Performance

Absolute Figures	FY2023	FY2024	FY2025
Total Electricity Generated (kWh)	9,290,620	9,244,597	9,815,355
Electricity Intensity (kWh/MT product)	33.88	33.29	36.13
Total Water Consumption (Megaliter)	2,201.21	1,997.60	2,184.21
Water Intensity (Megaliter/ha)	0.18	0.16	0.18

In FY2025, the Group recorded total energy consumption of 9,815,355.14 kWh, increasing from 9,244,597.13 kWh in FY2024 and 9,290,620.92 kWh in FY2023, reflecting an overall upward trend across the three-year period. Electricity intensity increased to 36.13 kWh/MT product in FY2025, compared with 33.29 kWh/MT product in FY2024 and 33.88 kWh/MT product in FY2023. This suggesting that electricity use per unit of product was higher during the year despite the increase in total generation. Total water consumption increased to 2,184.21 megaliters in FY2025 from 1,997.60 megaliters in FY2024, although it remained below the 2,201.21 megaliters recorded in FY2023. Similarly, water intensity rose slightly to 0.18 megaliters/ha in FY2025 from 0.16 megaliters/ha in FY2024, in line with the level recorded in FY2023. Overall, this indicates that water intensity decreased in FY2024 before increasing in FY2025 to levels comparable to FY2023. The Group's water consumption trend reflects strengthened monitoring and improved operational control.

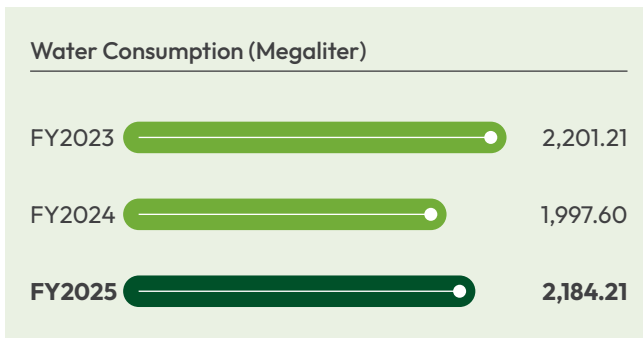
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WATER MANAGEMENT

Our Approach

Water management remains an important part of the Group's operational and environmental stewardship, given the role of water in supporting oil palm cultivation and mill operations. Effective water management is necessary not only to support productivity and operational continuity, but also to reduce potential impacts on surrounding ecosystems and nearby communities. Operating in remote areas, the Group relies primarily on surface water sources, including Sungai Imbok and surrounding water conservation zones, which are located in non-water-stressed areas. This reduces exposure to significant drought-related risks while supporting operational water needs across its estates and mills. To promote responsible water use, the Group conducts daily monitoring of water consumption and continues to improve efficiency through a range of operational measures. These include upgrading milling systems to reduce water use, reusing recycled water in the CPO extraction process, and harvesting rainwater for non-potable applications. At the estate level, soil moisture retention is also supported through the use of cover crops and mulching.

Our Performance



Total water consumption decreased from 2,201.21 megaliters ("ML") in FY2023 to 1,997.60 ML in FY2024, indicating improved efficiency across plantation and milling operations. The reduction was supported by enhanced monitoring practices, operational optimisation measures, and increased awareness among operational personnel regarding resource conservation. In FY2025, total water consumption recorded a moderate increase to 2,184.21 ML. Despite this increase, overall consumption remained below the FY2023 baseline, demonstrating continued effectiveness of water management practices. The variation observed in FY2025 may reasonably be associated with higher operational activity levels, seasonal conditions, and periodic operational requirements such as equipment maintenance and cleaning activities, which influence water demand in plantation

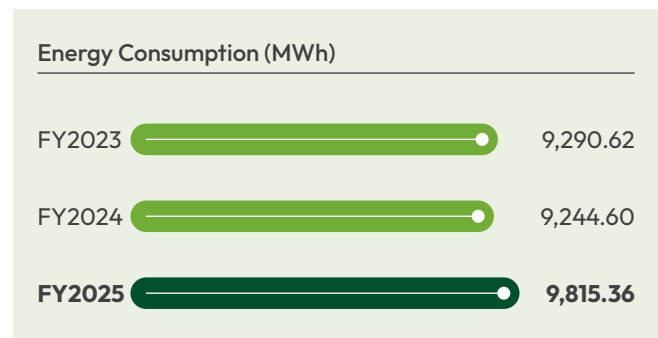
and milling environments. Overall, the three-year trend demonstrates relatively stable and controlled water usage, supported by strengthened governance, systematic monitoring, and continuous operational improvements.

ENERGY MANAGEMENT

Our Approach

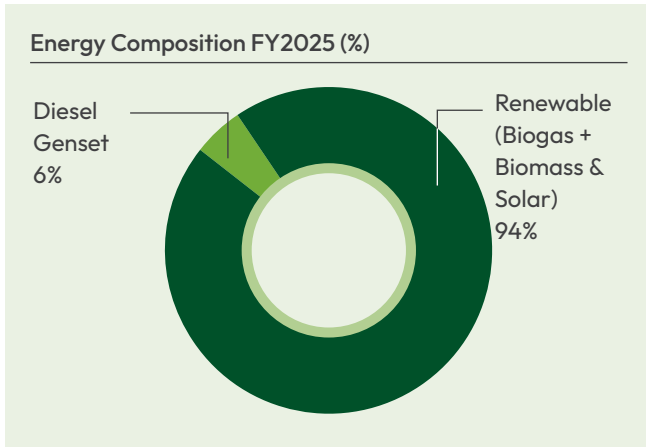
The Group manages energy consumption through regular monitoring of electricity and fuel usage, supported by periodic review of operational processes to identify opportunities for efficiency improvement. Equipment optimisation, preventive maintenance, and operational controls are implemented to minimise energy losses and improve performance. Renewable energy forms a key component of the Group's energy strategy, particularly using biogas, biomass, and solar energy, which significantly reduce dependence on fossil fuels and contribute to lower emissions intensity. Energy performance indicators, including energy consumption per unit of production, are monitored to evaluate efficiency and guide improvement initiatives. Through systematic monitoring, operational optimisation, and increased utilisation of renewable energy, the Group aims to improve energy efficiency, reduce environmental impact, and strengthen long-term sustainability performance.

Our Performance



Total energy consumption increased from 9,290.62 MWh in FY2023 to 9,244.60 MWh in FY2024, before rising to 9,815.36 MWh in FY2025. This indicates a generally upward trend in energy use over the three-year period, with FY2025 recording an increase of approximately 6.17% compared with FY2024. The year-on-year increase in FY2025 may be associated with variations in operational activity, production throughput, and energy requirements across mill and estate operations during the year. Overall, while energy consumption increased, the trend should be interpreted in relation to production levels and operational intensity to provide a more complete view of energy performance.

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Based on the FY2025 data, the Group recorded total energy consumption of 9,815,355.14 kWh, with a strong contribution from renewable energy sources (biogas, biomass and solar) at 9,214,540.00 kWh, representing 94% of total energy use. This demonstrates the Group’s continued commitment to prioritising cleaner energy sources and reducing reliance on non-renewable energy. While the remaining 6% was contributed by the diesel genset. This indicates that the Group continues to rely predominantly on renewable energy sources in supporting its operations.

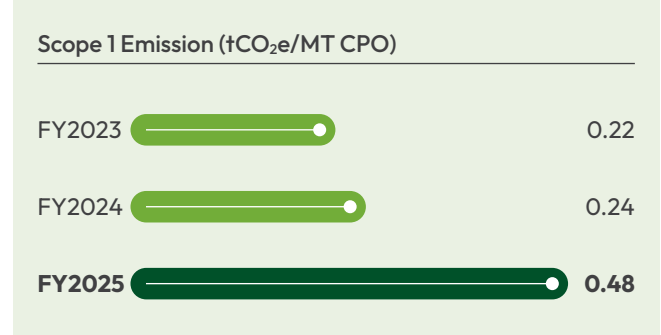
The Group’s focus on operational efficiency extends beyond production into resource management, where improvements in process control and disciplined operations contribute to better utilisation of energy and natural resources.

EMISSION MANAGEMENT

Our Approach

The Group manages greenhouse gas (“GHG”) emissions through structured monitoring of fuel consumption, energy use, and refrigerant handling across its operations. Emissions are calculated using the RSPO Palm GHG Calculator, supported by emission factors from the IPCC Sixth Assessment Report (“AR6”) and the GHG Protocol, and are periodically reviewed to ensure accuracy and completeness. This approach aligns with Malaysia’s climate commitments and the Group’s broader sustainability strategy. To minimise emissions and improve operational efficiency, the Group has invested in a biogas generator system that captures methane from palm oil mill effluent (“POME”) and converts it into renewable electricity. This system has eliminated reliance on the national electricity grid, resulting in zero Scope 2 emissions, while significantly reducing the use of diesel-powered generators, which are now only used during emergency situations. To manage non-carbon airborne emissions, the Group has implemented Vortex Separation (“VORSEP”) technology in its boiler systems. This system captures fine particulate matter from flue gases, ensuring emissions remain below the Department of Environment (“DOE”) regulatory threshold of 150 mg/m³. In addition, training and capacity-building programmes are conducted to strengthen employee awareness and support effective implementation of emissions management practices across operations.

Our Performance

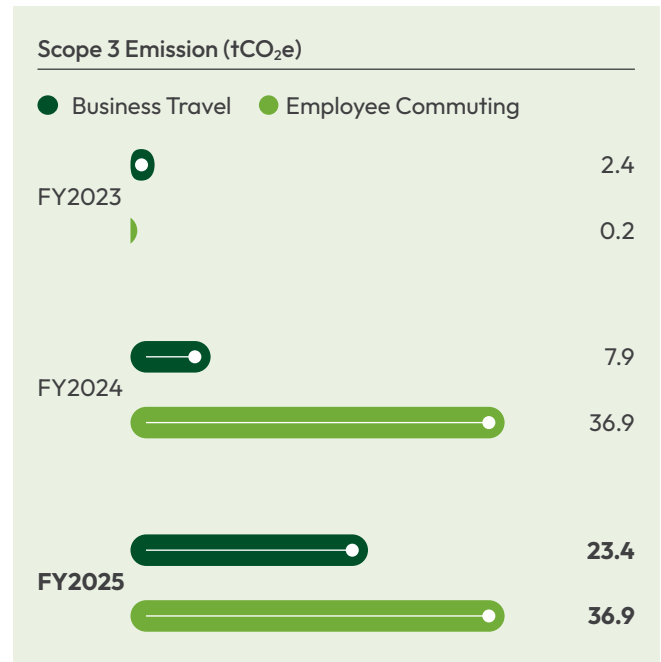


Scope 1 emissions arise from direct fuel combustion within the Group’s operational control, including diesel usage for genset operations, estate vehicles, and operational machinery.

Between FY2023 and FY2024, Scope 1 emissions remained relatively stable at 0.22 tCO₂e/MT CPO and 0.24 tCO₂e/MT CPO, reflecting largely unchanged operational activity and fleet composition. In FY2025, reported Scope 1 emissions increased to 0.48 tCO₂e/MT CPO following the establishment of a more comprehensive emissions inventory, incorporating stationary combustion, mobile combustion, and fugitive emission sources across operational sites.

The increase primarily reflects enhanced reporting completeness and expanded coverage, rather than a material change in operational intensity.

Scope 2 emissions relate to indirect emissions from purchased electricity. As the Group generates its electricity requirements internally through renewable energy sources, no electricity is sourced from the national grid. Accordingly, no Scope 2 emissions were recorded during the reporting period.



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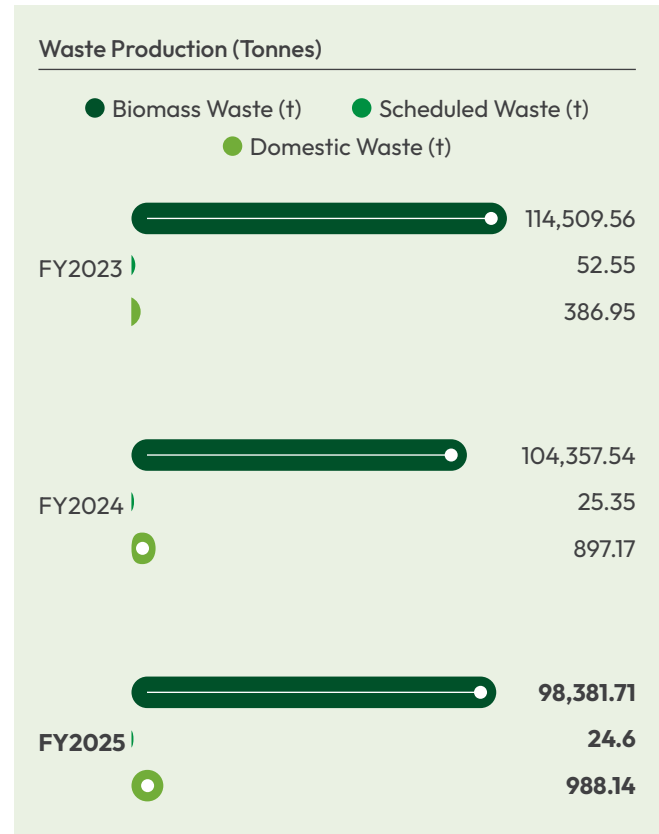
Scope 3 emissions comprise selected indirect sources, namely employee commuting and business travel. In FY2023, employee commuting and business travel emissions were recorded at 0.2 tCO₂e and 2.4 tCO₂e, respectively. In FY2024, employee commuting emissions were restated to 36.9 tCO₂e, while business travel emissions increased to 7.9 tCO₂e. In FY2025, employee commuting emissions remained at 36.9 tCO₂e, while business travel emissions rose further to 23.4 tCO₂e in line with operational requirements. The year-on-year movement primarily reflects expanded reporting boundaries, improved data capture, and refinements in emissions accounting methodology, particularly for employee travel between headquarters and estate locations, rather than a structural change in the Group's core emissions profile. Overall, the three-year trend demonstrates strengthened emissions accounting practices, improved transparency through broader reporting coverage, and continued integration of climate-related data into operational monitoring.

WASTE MANAGEMENT

Our Approach

The Group manages waste in accordance with the Reduce, Reuse, and Recycle (3R) principles, with emphasis on minimising waste generation and maximising resource recovery. Waste management practices are embedded within operational monitoring systems and aligned with Department of Environment ("DOE") regulations and MSPO standards. Established procedures guide the proper segregation, storage, handling, and disposal of waste, with regulated waste collected and treated by DOE-registered contractors. In support of circular economy practices, the Group promotes waste reduction and reuse initiatives across plantation and mill operations. Operational biomass, including Empty Fruit Bunches (EFB), shell, and fiber, is repurposed within operations as organic fertiliser and boiler feedstock, ensuring that 100% of biomass generated from fresh fruit bunch ("FFB") processing is reused, thereby reducing landfill dependency and improving resource efficiency. To strengthen monitoring, the Group maintains a waste identification system that records waste sources, classifications, and disposal methods, supported by operational checklists and periodic reviews. Attention is given to scheduled waste, such as used lubricants, used oil filter and spent solvent, which are stored in designated containment areas and disposed of through licensed contractors in accordance with regulatory requirements. Employee engagement further supports effective waste management. Through training and awareness programmes, employees are encouraged to practice waste segregation and recycling, supported by infrastructure such as recycling bins and designated collection points across operational sites.

Our Performance



The Group monitors waste generation over a three-year period to assess trends and strengthen waste management practices across its operations. Based on the latest data, domestic waste increased significantly from 386.95 tonnes in FY2023 to 897.17 tonnes in FY2024, before rising further to 988.14 tonnes in FY2025. This upward trend reflects higher general waste generation driven by operational activity, workforce-related waste, and overall site domestic waste volumes during the year. A small portion of this domestic waste was diverted to recycling centres as recycled waste, amounting to 0.36 tonnes in FY2023, 0.37 tonnes in FY2024, and 0.19 tonnes in FY2025. Scheduled Waste showed a declining trend over the reporting period. The volume decreased substantially from 52.55 tonnes in FY2023 to 25.35 tonnes in FY2024, followed by a slight further reduction to 24.60 tonnes in FY2025. This trend indicates more consistent control over scheduled waste generation and handling, supported by ongoing monitoring and disposal. In addition, biomass waste remained the most substantial waste stream in absolute volume, while demonstrating a positive year-on-year reduction, decreasing from 114,509.56 tonnes in FY2023 to 104,357.54 tonnes in FY2024 and further to 98,381.71 tonnes in FY2025. This may reflect changes in production volume, improved resource optimisation, enhanced process efficiency, and biomass management practices across operations during the reporting period.

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Indicator	FY2023	FY2024	FY2025
Effluent Discharge (m ³)	192,114.00	170,986.00	169,284.20
Total Fibre and Shell (tonnes)	49,462.94	49,432.52	44,209.27
Total Empty Fruit Bunch (EFB) (tonnes)	65,047.00	54,925.00	54,172.44

In addition, the Group continues to monitor key by-products and effluent indicators to strengthen environmental management across its operations. Effluent discharge showed a gradual declining trend, reducing from 192,114.00 m³ in FY2023 to 170,986.00 m³ in FY2024 and further to 169,284.20 m³ in FY2025. This may indicate improved process efficiency, better water management practices, or lower wastewater generation in line with operational conditions.

Total fibre and shell, as key biomass by-products, remained significant but declined from 49,462.94 tonnes in FY2023 to 49,432.52 tonnes in FY2024, before decreasing more noticeably to 44,209.27 tonnes in FY2025. Similarly, total Empty Fruit Bunch (EFB) decreased from 65,047.00 tonnes in FY2023 to 54,925.00 tonnes in FY2024 and slightly further to 54,172.44 tonnes in FY2025. This may reflect changes in production volume, improved resource optimisation, enhanced process efficiency, and biomass management practices across the mills.

The declining trend in effluent discharge, fibre and shell, and EFB indicates closer control over mill outputs and waste-related streams during the reporting period. This supports the Group's ongoing efforts to strengthen resource management and improve operational environmental performance.

BIODIVERSITY AND CONSERVATION

Our Approach

Biodiversity conservation remains an important part of the Group's environmental stewardship, given the nature of its plantation operations across large rural landscapes. To manage potential impacts on surrounding ecosystems, the Group implements structured measures focusing on habitat protection, ecological restoration, and the management of human-wildlife interactions within and around its operational areas.

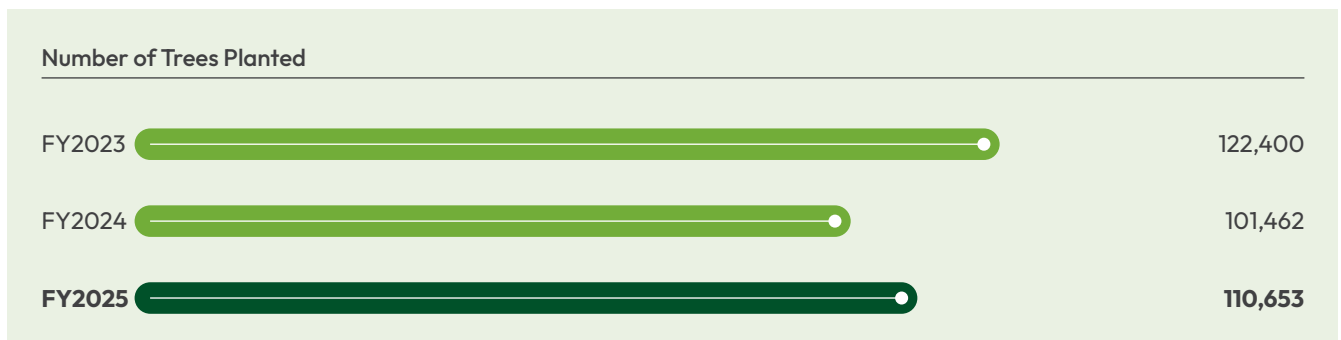
Key Biodiversity Conservation Initiatives	
Initiative	Description
Habitat identification and protection	The Group manages biodiversity matters in line with MSPO requirements, relevant regulatory expectations, and internal procedures. This includes the use of High Conservation Value ("HCV") assessments to identify and protect ecologically important habitats, as well as the establishment of buffer zones around sensitive areas and water bodies to preserve ecosystem functions and wildlife movement.
Habitat restoration and biodiversity monitoring	The Group undertakes habitat restoration initiatives in suitable vacant or steep areas designated as biodiversity buffer zones to help rehabilitate degraded areas and strengthen ecosystem resilience. Annual biodiversity audits by third-party specialists are also conducted to assess conservation value, monitor species presence, and support ongoing biodiversity management planning.
Human-wildlife conflict management and awareness	The Group implements measures to manage human-wildlife interactions, including the use of electric fencing in selected areas and participation in collaborative platforms such as the Human-Elephant Conflict programme. Workforce awareness is also strengthened through regular communication and training on wildlife protection, conflict response, buffer zone preservation, and prevention of illegal hunting.

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Our Performance

Restoration Progress (FY2025)		
Estate	Target (Ha)	Actual (Ha)
Imbak	100.00	100.00
Gunung Rara	100.00	91.72
Labau	75.00	75.00
Maliau	75.00	74.00
Lokan	75.00	75.00
Luasong	75.00	102.82
TOTAL	500.00	518.54

In FY2025, the Group achieved 518.54 hectares of habitat restoration against a target of 500 hectares, exceeding the target by 3.7%. This reflects continued implementation of biodiversity conservation initiatives across operational areas.



Tree planting efforts remained active, with 110,653 trees planted during the year, supporting ecosystem restoration, habitat connectivity, and carbon sequestration.

Identified RTE and Resident Species			
No.	Scientific Name	Common Name	IUCN Red List Status
1	<i>Elephas maximus borneensis</i>	Bornean Pygmy Elephant	Endangered (EN)
2	<i>Macaca fascicularis</i>	Long-tailed Macaque	Endangered (EN)
3	<i>Spilornis cheela</i>	Crested Serpent Eagle	Least Concern (LC)
4	<i>Todiramphus chloris</i>	Collared Kingfisher	Least Concern (LC)
5	<i>Aplonis panayensis</i>	Asian Glossy Starling	Least Concern (LC)
6	<i>Ardea alba</i>	Great Egret	Least Concern (LC)
7	<i>Bronchocela cristatella</i>	Green Crested Lizard	Least Concern (LC)
8	<i>Crocodylus porosus</i>	Saltwater Crocodile	Least Concern (LC)
9	<i>Hirundo tahitica</i>	Pacific Swallow	Least Concern (LC)
10	<i>Polypedates leucomystax</i>	Common Tree Frog	Least Concern (LC)

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In terms of biodiversity monitoring, the Group continued to identify and record wildlife species within its operational landscape and surrounding conservation areas. During FY2025, species recorded during monitoring activities included the Bornean Pygmy Elephant (*Elephas maximus borneensis*), classified as Endangered (EN), and the Long-tailed Macaque (*Macaca fascicularis*), which has been presented in the Group's data under the relevant IUCN Red List classification used for reporting purposes.



Bornean Elephant sighting leading into IPB's estates



Crested Serpent Eagle observed in Estate Biodiversity Area



Shield Bug recorded within Estate Ecosystem



*The collared kingfisher (*Todiramphus chloris*) is observed in inland plantation areas*