



INNOPRISE PLANTATIONS BERHAD
199301030333 (285072-M)

Innoprise Plantations Berhad

SUSTAINABILITY POLICY STATEMENT

Innoprise Plantations Berhad and its controlled subsidiaries ("IPB" or "the Group") are engaged in oil palm plantation, milling, bioenergy and industrial tree plantation activities in Sabah. Our operations depend on healthy ecosystems, a safe and respected workforce and the trust of the communities around us. Sustainability is therefore not separate from our business; it is how we manage our land, our people and our long-term value.

This Policy Statement sets out the principles that guide how we operate. It applies to the Board, management, all employees, all operations and new projects under the Group's control. We expect our suppliers, contractors and business partners to uphold equivalent standards in the work they carry out for us.

We comply with all applicable laws, permits and certification requirements, and treat them as the minimum. Our commitments are set out below.

1. Environment Protection

1.1 Biodiversity and forest protection. We are committed to avoiding and reducing adverse impacts on biodiversity, protecting High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests, and preventing deforestation across our operations. We prohibit illegal hunting, poaching, the capture of protected wildlife and any deliberate harm to protected habitats. Our conservation, restoration and human-wildlife conflict measures are guided by ecological assessment and protect both people and animal welfare.

1.2 Zero burning. We are committed to a zero-burning policy and prohibit open burning for land clearing, new planting or replanting. Any existing peat areas are managed with appropriate fire prevention and control measures, and emergency responses are never used to bypass this prohibition.

1.3 Impact assessment and mitigation. We are committed to assessing biodiversity, ecosystem and community impacts before any new development or material change to our operations, applying the mitigation hierarchy of avoidance, minimisation and restoration. Any compensation for residual impacts is approved by the Board and supported by ecological assessment, stakeholder engagement and monitoring.

1.4 Water stewardship. We are committed to reducing avoidable water withdrawal and consumption, improving water efficiency, protecting catchments and riparian areas, and preventing contamination. Each of our material operating sites maintains a water management plan covering water sources, use, recycling and reuse, water quality, discharge, drought and flood risks, and responsibilities.

1.5 Climate change and energy. We recognise climate change as a material environmental and business issue, and we support public policy and regulation consistent with the Paris Agreement objective of limiting global warming to 1.5°C. We are committed to improving energy efficiency, reducing our dependence on fossil fuels, expanding the responsible use of renewable energy, and reducing greenhouse gas emissions across our operations.

1.6 Emissions reduction. We are committed to reducing our combined absolute Scope 1 and Scope 2 greenhouse gas emissions, and to assessing material Scope 3 categories so that we can work with our suppliers and value chain on reductions. Following validation of our emissions baseline, we will develop these directional targets into specific, measurable and time-bound reduction targets for Board approval.

1.7 Climate risk and transition planning. We are committed to assessing the physical and transition risks of climate change using appropriate scenarios, and to integrating material findings into our operating, procurement and financial planning. Our transition plan identifies our major emissions sources and the actions, costs, responsibilities and timelines needed to reduce them.

1.8 Climate-aligned investment. We are committed to aligning all future capital expenditure with a pathway consistent with limiting global warming to 1.5°C, and to phasing out investment in carbon-intensive assets and products. New investments are screened for asset life, expected emissions, value-chain effects, alternatives and compatibility with this pathway.

1.9 Industry associations. We are committed to ensuring that the positions taken by the trade associations we belong to are consistent with our climate change commitments.

2. Pollution Prevention

2.1 Preventing pollution. We are committed to preventing and reducing air, water and soil pollution through process control, cleaner technology, effective effluent treatment, safe chemical handling and the prevention of spills. We treat statutory limits as the minimum standard we must meet, not as voluntary reduction targets.

2.2 Responsible chemical use. We are committed to selecting safer chemical alternatives, applying Integrated Pest Management (IPM), and protecting our workers and surrounding communities from chemical exposure.

2.3 Waste and resource efficiency. We are committed to reducing waste generation and disposal, increasing reuse and recycling, and using energy, raw materials and other natural resources efficiently. Hazardous and scheduled waste is segregated, stored safely and transferred only to authorised handlers.

2.4 Continual environmental improvement. We are committed to improving our environmental performance year on year, beyond statutory compliance, including by reducing non-greenhouse-gas pollutant loads, waste sent for disposal, and the intensity of our material and water use. Performance is assessed against the previous comparable financial year using suitable metrics and production denominators, with any changes in scope or production mix explained. As our data quality and baselines mature, we will progress towards specific, measurable reduction targets for our material impacts, subject to Board approval.

3. Labour Practices & Human Rights

3.1 Respect for human rights. We are committed to applying the United Nations Guiding Principles on Business and Human Rights, respecting internationally recognised human rights, and supporting the ILO Declaration on Fundamental Principles and Rights at Work. These commitments guide our own activities and the requirements we set for our business partners. Where they conflict with local law, we comply with the law while seeking lawful ways to respect the underlying rights.

3.2 No child or forced labour. We prohibit child labour, forced or compulsory labour, bonded labour, human trafficking and all other forms of modern slavery. We verify the lawful minimum age of every recruit and protect young workers from hazardous work. Our workers keep control of their own identity documents, enter employment voluntarily, receive terms they can understand, and are free to leave in line with lawful notice requirements. We prohibit charging workers recruitment fees or related costs.

3.3 Equal opportunity and equal pay. We prohibit discrimination in employment on the grounds of race, religion, gender, age, sexual orientation, disability, nationality or any other protected status. Recruitment, promotion, development and pay are based on merit and fair criteria. We are committed to equal pay for equal work and work of equal value, reasonable workplace accommodation for persons with disabilities, and respectful treatment of migrant workers.

3.4 Freedom of association and collective bargaining. We respect workers' rights to form and join organisations of their choice and to bargain collectively, free from interference, discrimination or retaliation. Where the law restricts these rights, we support lawful alternative forms of worker representation and dialogue, and we provide a genuine channel for worker representatives to raise concerns and receive responses.

3.5 Working hours and wages. We comply with laws on working hours, overtime, rest days and minimum wages, and we are committed to reducing and eliminating excessive working hours. Overtime is voluntary and properly compensated. We are committed to paying a locally determined living wage that supports a decent standard of living, above the legal minimum wherever the living-wage benchmark is higher.

3.6 Dignity at work. We do not tolerate bullying, sexual or other harassment, violence, intimidation or abuse. Employees and other affected people can report concerns confidentially through our grievance channels. Our managers are trained to prevent harassment and to handle reports fairly, protecting privacy, avoiding conflicts of interest and prohibiting retaliation.

3.7 Children's rights. Beyond preventing child labour, we are committed to protecting children's rights to education, health, safety and development, and to preventing their exploitation in our business activities and relationships. We also respect reproductive rights and maternity responsibilities.

3.8 Human rights due diligence. We are committed to assessing actual and potential human rights and labour impacts before new projects and on an ongoing basis across existing operations. Priority issues include recruitment fees and coercion, retention of documents, child labour, migrant worker welfare, excessive hours, wages, discrimination, harassment, safety, land rights, and impacts on children and communities. We use these findings to avoid, prevent and mitigate adverse impacts, and track corrective actions to completion. Where we have caused or contributed to an adverse impact, we provide or cooperate in appropriate remedy through legitimate processes.

3.9 Occupational health and safety. We are committed to preventing work-related injuries, illness and fatalities among our workers and contractors, and to protecting affected communities. We consult workers and contractors, assess and regularly reassess hazards, apply the hierarchy of controls, and provide suitable equipment and training. In line with ISO 45001 and applicable local law, we maintain site-specific emergency plans, test them through drills, and correct any gaps we find.

3.10 Zero fatalities. We target zero work-related fatalities among workers and contractors across the Group. All serious incidents and significant near misses are investigated, and the findings and corrective actions are reviewed by management and escalated where material. We report fatalities, injuries, hours worked and relevant rates using clear definitions and boundaries.

4. Community & Land Rights

4.1 Land and community rights. We are committed to respecting legitimate land tenure, cultural rights and the rights of Indigenous peoples and local communities. Any development that may affect these rights follows appropriate consultation and Free, Prior and Informed Consent (FPIC) processes. Adverse social or environmental impacts we identify are addressed through our human rights due diligence and accessible grievance and remedy processes.

4.2 Stakeholder engagement. We are committed to engaging workers and their representatives, affected communities, vulnerable groups and relevant business partners to identify salient human rights issues and assess impacts. Our engagement is accessible and culturally appropriate. We record the issues raised, who took part, the decisions made and how feedback shaped our actions, while protecting personal information.

4.3 Access to grievance mechanisms. We are committed to providing grievance channels that cover human rights, labour, bullying and harassment, safety, environmental impacts and business misconduct. These channels are open to employees, contractors, supplier workers, communities and other affected stakeholders. Concerns can be raised with Human Resources, the designated site grievance officer, or the independent reporting channel under our Whistleblowing Policy. Any concern involving a responsible officer is directed to an independent recipient.

4.4 Confidentiality and protection from retaliation. We protect the confidentiality of those who raise concerns and accept anonymous reports wherever feasible. No one who raises a concern in good faith will face retaliation, intimidation or disadvantage. Investigations respect privacy, procedural fairness and legal disclosure duties, and we protect human rights defenders and community representatives from retaliation.

4.5 Transparent grievance procedure. We publish our grievance contact channels, languages, acknowledgement and response timeframes, escalation options and access to remedy in a form that affected people can understand. Our procedure does not prevent access to trade unions, regulators, courts or other legitimate processes. Where lawful and appropriate, we report anonymised grievance numbers, issues, resolutions and improvement actions.

4.6 Community investment. We are committed to investing in education and skills, health and basic welfare, and sustainable local livelihoods in the communities affected by our operations. Projects are

selected based on assessed community needs, with clear objectives and outcome reviews, and safeguards against bribery and conflicts of interest.

4.7 Employee volunteering. We support a voluntary employee volunteering programme with approved charitable partners, guided by annual activity plans. Participation is freely chosen, safe and consistent with work obligations, and we record and report participation and outcomes.

4.8 Access to employment. We are committed to supporting fair access to employment for unemployed youth through suitable recruitment opportunities, apprenticeships and graduate placements, subject to lawful age and safety requirements.

5. Governance & Accountability

5.1 Board oversight. Our Board oversees this policy, and in particular our human rights and labour risks, occupational health and safety risks, environmental impacts and climate-related risks. At least once a year, the Board reviews material risks, objectives, performance, serious grievances and significant corrective actions. Serious incidents and suspected severe human rights impacts are escalated to the Board promptly, and the Board approves material changes to this policy, our targets and the resources needed to deliver them.

5.2 Executive accountability. The Executive Director designated as Head of Sustainability is accountable at Board level for implementing this policy, including human rights and occupational health and safety, and reports to the Board. The Sustainability Manager coordinates implementation. Human Resources leads on employment rights, policy communication and grievance handling; the Group Safety Officer on safety controls; Procurement on supplier requirements; Operations on site environmental controls; and Finance on climate-related financial analysis and data controls.

5.3 Resources and internal assurance. We are committed to resourcing the implementation of this policy with named owners, staffing, training, budget and milestones. Each function keeps evidence of delivery, outstanding gaps and corrective actions, and Internal Audit reviews our controls independently of operational management.

5.4 Ethical business conduct. We maintain zero tolerance of bribery, corruption, fraud, improper payments, misuse of position, improper gifts and conflicts of interest, governed in detail by our Anti-Bribery and Corruption Policy. Our managers communicate these expectations and provide relevant training, including guidance for higher-risk operations and business relationships. We regularly review compliance with our codes of conduct for employees and directors, and report material findings and corrective actions through our oversight channels.

5.5 Responsible suppliers and business partners. We are committed to working only with suppliers, contractors, labour agents and business partners who share our standards. They are required to:

- comply with environmental laws and permits, and manage energy, greenhouse gas emissions, water, biodiversity, pollution, waste and natural resources responsibly, avoiding deforestation and habitat damage;
- comply with labour law and the labour, human rights and safety commitments in this policy, including preventing child and forced labour, eliminating discrimination, respecting freedom of association, reducing excessive working hours, paying at least the minimum wage and committing to a living wage, and providing safe working conditions; and
- pass equivalent requirements on to their own subcontractors and recruitment agents.

We build these requirements into our purchasing procedures, supplier onboarding and contracts. New suppliers are screened for environmental and social risk before engagement, and existing suppliers are assessed periodically, with inspections and targeted audits for higher-risk suppliers. We communicate our requirements in languages suppliers understand, support their improvement through training and guidance, and address serious or persistent non-compliance through corrective action and, where necessary, suspension or termination.

5.6 Fresh Fruit Bunch (FFB) traceability and sourcing. We require third-party FFB suppliers to provide origin and legality information that allows each delivery to be traced to the supplying estate or smallholding. In addition, all FFB suppliers must:

- not develop in High Carbon Stock forests, High Conservation Value areas or peatland of any depth;
- reduce greenhouse gas emissions and not use fire for land preparation or clearing;
- not use Paraquat or WHO Class Ia/Ib pesticides, and comply with the Stockholm and Rotterdam Conventions;
- not capture, poach or hunt native wildlife, particularly rare, threatened and endangered species;
- assess environmental impacts, including through environmental impact assessments where applicable, and avoid, minimise or mitigate them; and
- not operate or develop land within internationally or nationally designated protected areas.

5.7 Transparency and reporting. We are committed to reporting our commitments, implementation, targets, performance and remaining gaps accurately, clearly distinguishing policy from action, targets from results, and internal review from independent assurance. We only make claims on certification, traceability, assurance or initiative membership that are supported by our own records and evidence.

5.8 Communication and training. This policy is published with its approval date, effective date, version and owner. It is communicated to all employees at every Group location in relevant languages and accessible formats, supported by training on human rights, labour, safety and integrity.

5.9 Policy review. The Board reviews this policy at least once a year, and whenever there are material changes in law, risk or our operations.

Our Commitment

These commitments reflect how we have chosen to do business: responsibly, transparently and with respect for people and the environment. They are embedded in our operating procedures and carried out by every employee across the Group. We remain committed to continually improving our practices, learning from our stakeholders, and creating lasting value for our business, our people, the communities we work with and future generations.

This Policy Statement is implemented through IPB's Standard Operating Procedures and related policies, including the SOP for Policy Management, which governs its approval, communication, review and revision.

Sincerely,

A handwritten signature in black ink, appearing to be 'Steven Ong', written over a dashed horizontal line.

Steven Ong

Executive Director