

# Shaping What's Next

Sustainability Report 2025



# What's Inside

## SUSTAINABILITY HIGHLIGHTS

### LEADERSHIP STATEMENTS

- 2 The Group Managing Director's Statement
- 3 Message from the Chief Sustainability Officer

### INTERNATIONAL SUSTAINABILITY STANDARDS BOARD (ISSB) DISCLOSURE

- 4 Basis of Preparation
- 5 Overview of the Group and Value Chain
- 7 Reporting Boundary
- 8 Judgements and Measurement Uncertainties
- 10 Materiality Assessment
- 12 Sustainability Governance
- 13 Events After the Reporting Period

## OUR MATERIAL SUSTAINABILITY RISKS AND OPPORTUNITIES

- 14 Summary of Sustainability-related Risks and Opportunities (SROs)
- 15 Climate-related Risks and Opportunities
  - Physical Risks
  - Transition Risks and Opportunities
- 34 Nature-related Risks and Opportunities
  - Water and Effluent Management
  - Biodiversity and Conservation
- 42 Smallholder Inclusion
- 45 Human Rights
- 49 Sustainability Certification

### APPENDIX

- 51 Independent Practitioner's Limited Assurance Report
- 55 Annex 1: Nature-related Risks and Opportunities: Taskforce on Nature-related Financial Disclosure (TNFD)
- 58 Annex 2: Sustainability Accounting Standards Board (SASB) Index



### COVER RATIONALE

SD Guthrie's goal is simple: make the industry more sustainable for the benefit of everyone. Innovation and sustainability are the twin pillars guiding our growth, shaping a thriving, and responsible palm oil industry.

By harnessing the power of innovation, we unlock sustainable solutions that benefit our people, communities, and the planet. We also embrace mechanisation, automation, and digitalisation to improve efficiency and attract skilled local talent.

### NAVIGATING OUR REPORT

This interactive report contains the following features to enhance your navigation experience:

- Return to contents page
- Go to the next or previous page
- Print

# Our Sustainability Highlights

Anchored by our "Beyond Zero" Framework, SD Guthrie (Guthrie) continued to build on our sustainability progress in FY2025 across the sustainability-related risks and opportunities under the Zero, Restore, and Transform pillars. This contributed to our steady progress in building a more sustainable supply chain and healthier ecosystems, as well as improving community well-being.

## KEY ACHIEVEMENTS IN FY2025

### ZERO



#### NET-ZERO PROGRESS

Net total Scope 1 and 2 emissions reduced by **30%** (compared to FY2020 baseline)



#### DEFORESTATION-FREE FUTURE

**100%** of our operations are deforestation-free  
**89%** of palm-based raw materials are deforestation-free across our entire supply chain



#### SUPPLY CHAIN TRANSPARENCY

**100%** Traceability to Plantation (TTP) for all fresh fruit bunches (FFB) processed in Guthrie-owned mills  
**98%** Traceability to Mill (TTM) for all palm-based raw materials  
**90%** TTP for all palm-based raw materials



#### HEALTH AND SAFETY

**7.5** Lost time injury frequency rate (LTIFR)

### RESTORE



#### CONSERVATION AND RESTORATION

**51,212 hectares**

protected or restored across Guthrie's operations and surrounding landscapes



#### REGENERATIVE AGRICULTURE

**Regenerative Agriculture Framework developed**

Pilot implementation at Binuang and West Estates in Malaysia to commence in 2026

### TRANSFORM



#### WORKER PROTECTION

**100%** of workers across our operations have access to grievance mechanisms



#### WORKER GRIEVANCES

**1,825 cases** resolved in Malaysia as of end-2025, representing 99% of total cases logged since 2022\*

\*Total 2022–2025: 1,846 cases



#### ETHICAL RECRUITMENT

**0.49%** of newly arrived migrant workers in Malaysia (2025 cohort) reported recruitment-related allegations to be investigated  
**99%** of total allegations related to recruitment fee payment have been resolved



#### EMPOWERING SMALLHOLDERS

**37,793** smallholders benefitted from programmes since 2024

# The Group Managing Director's Statement



**Driven by our purpose of “Care to Nourish, Dare to Flourish”, we continue to grow responsibly alongside our people, smallholders, and communities.**

**MOHD HARIS MOHD ARSHAD**  
Group Managing Director

## DEAR STAKEHOLDERS,

I am honoured to take the helm of an organisation that is actively shaping the future of sustainability, with a clear commitment to purpose, innovation, and most importantly, measurable outcomes. Guided by our “Beyond Zero” Framework, we work to minimise negative impacts, restore and conserve the environment, and transform lives and livelihoods within the communities we operate. This is best illustrated by our maiden foray into a new area for the industry, regenerative agriculture – an exercise in pushing existing boundaries to challenge ourselves to do more and to do it better.

## 2025 IN REVIEW

Building on our strong 2024 performance, we reinforced our resilience by proactively managing and monitoring climate and sustainability-related risks, ensuring we remain well-positioned amid evolving regulatory and environmental landscapes. At the same time, digitalisation and innovation have continued to be critical enablers across our operations, strengthening our operations and enhancing efficiency.

Since our rebranding in 2024, SD Guthrie (Guthrie) has achieved milestones that speak to our progress and ambition. We remain one of the largest producers of crude palm oil (CPO), producing 12% of the global supply of certified sustainable palm oil. Guthrie is also proud to have ranked first out of 100 companies in the global palm oil Sustainable Palm Oil Transparency Toolkit (SPOTT) assessment, a testament to our leadership in sustainability issues that matter.

Another win in 2025 was the issuance of Malaysia's largest sustainability-linked sukuk of RM2.1 billion, as recognised by Islamic Finance News (IFN), underscoring investor confidence in our long-term sustainability ambition. This sukuk is underpinned by two key performance indicators, reducing upstream Scope 1

and 2 GHG emissions intensity by 30% per tonne of CPO by 2030 and maintaining 100% Roundtable on Sustainable Palm Oil (RSPO) certification for palm oil mills.

Meanwhile, the work on our regenerative agriculture journey kicked off with the development of a Regenerative Agriculture Framework. Through this, we reaffirm our commitment to move beyond certification requirements to drive measurable and credible progress in biodiversity protection, climate resilience, and community well-being.

Driven by our purpose of “Care to Nourish, Dare to Flourish”, we continue to grow responsibly alongside our people, smallholders, and communities. We are forging lasting partnerships with our smallholders and suppliers, working hand in glove to advance responsible agricultural practices. At the same time, we are cultivating a work environment that thrives on sustainability, operational excellence, and innovation, supported by continuous learning and employee development programmes. In doing so, we hone the capabilities of our people while enhancing their well-being. Our commitment to creating positive impacts extends to the communities in which we operate, where mutual growth and meaningful collaboration exemplify the values that guide our business.

## WHAT'S NEXT

On the road ahead, Guthrie remains committed to defining the future of sustainable palm oil. Anchored in resilience and adaptability, we will continue to grow our footprint responsibly, while building on the strong foundations laid over years of diligent corporate stewardship.

We extend our deepest gratitude to all our stakeholders. With confidence in our people, resources, and strategy, Guthrie is well-positioned to actively participate in shaping a sustainable tomorrow.

# Message from the Chief Sustainability Officer



**Our “Beyond Zero” Framework guides the implementation of sustainability throughout our operations and drives responsible growth.**

**RASHYID REDZA ANWARUDIN**  
Chief Sustainability Officer

The world is facing greater stakeholder scrutiny and rising expectations of companies in how they respond to global environmental, social, and governance (ESG) challenges. Against this backdrop, our first sustainability report prepared in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) issued by the International Sustainability Standards Board (ISSB) communicates the tangible impacts we have made.

Centred on the three pillars of Zero, Restore, and Transform, our “Beyond Zero” Framework guides the implementation of sustainability throughout our operations and drives responsible growth.

## ZERO

SD Guthrie (Guthrie) continues to strive towards net-zero emissions across our entire value chain by 2050. In 2025, we reduced our net Scope 1 and Scope 2 emissions by 30% against our 2020 baseline.

We remain focused on upholding our No Deforestation, No Peat, and No Exploitation (NDPE) commitments and have made steady progress, achieving 89% of palm-based raw materials originating from deforestation-free sources.

Traceability remains central to our responsible sourcing strategy. We achieved 98% Traceability to Mill (TTM) and 90% Traceability to Plantation (TTP) in 2025, reflecting improvements in our systems and close engagement with suppliers.

## RESTORE

Our Biodiversity Conservation Plan (BCP) serves as a strategic blueprint to guide conservation-related decisions in the short-, and medium-term, with a clear target of conserving and restoring more than 100,000 hectares by 2030. As of 2025, we have conserved and restored 51,212 hectares within and around our concession areas across our operations.

Emphasising reforestation and species conservation, non-productive oil palm areas across Malaysia, Indonesia,

Papua New Guinea (PNG), and Solomon Islands (SI), are conserved, restored, or rehabilitated where feasible. In addition, we have developed and are piloting the framework on regenerative agriculture that builds on good agricultural practices to preserve ecosystems, strengthen resilience, and uplift livelihoods.

## TRANSFORM

Since 2024, Guthrie has equipped 37,793 smallholders with the tools and knowledge to cultivate land sustainably and we aim to engage 50,000 smallholders by 2035.

In upholding high standards of human rights and fair labour practices, we continue to actively participate on platforms such as the Roundtable on Sustainable Palm Oil (RSPO) Human Right Working Groups, including the Human Rights Due Diligence Sub-Group, the Labour Sub-Group, the Biodiversity & High Conservation Value Working Group, and the Assurance Standing Committee.

## GOVERNANCE

Sustainability oversight remains a firm part of our governance structure. The Board works in close partnership with the Sustainability Committee to oversee sustainability-related risks and opportunities, ensuring that our actions remain fully aligned with the “Beyond Zero” sustainability framework.

In 2025, we maintained 100% RSPO certification for all palm oil mills.

## WHAT'S NEXT

As a founding member of the Malaysian Sustainable Palm Oil (MSPO) Impact Alliance, Guthrie will work to advance sustainability alongside the industry and across our supply chain through stakeholder collaboration, innovation, and digital solutions. We remain committed to our purpose of “Care to Nourish, Dare to Flourish”, which steers us towards long-term success that is both responsible and sustainable.

# Basis of Preparation

## COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) SUSTAINABILITY DISCLOSURE STANDARDS

In line with the National Sustainability Reporting Framework (NSRF), this Sustainability Report of SD Guthrie Berhad ('Guthrie', 'the Group') has been prepared in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB). The Group has applied IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* for our annual reporting period commencing 1 January 2025.

This report has also been prepared with reference to Bursa Malaysia's Main Market Listing Requirements and Companies Act 2016 in Malaysia. Disclosure topics in the Sustainability Accounting Standards Board (SASB) Standard for the Agricultural Products industry have been referred to and considered.

## STATEMENT OF ASSURANCE

We recognise the importance of independent verification to ensure the accuracy of our sustainability disclosures. For FY2025, we engaged PricewaterhouseCoopers PLT, Malaysia (PwC) to conduct an independent limited assurance on the following sustainability information:

- Gross Scope 1 emissions (tCO<sub>2</sub>e)
- Gross Scope 2 emissions (Location-based) (tCO<sub>2</sub>e)
- Gross Scope 3 emissions (tCO<sub>2</sub>e)
- Scope 1 and Scope 3: Carbon removals (tCO<sub>2</sub>e)
- Scope 1 and Scope 2 emissions (net of removal) intensity of estates and mills (tCO<sub>2</sub>e/MT of CPO)
- GHG emissions (net of removal) intensity of refineries (tCO<sub>2</sub>e/MT of refined products)

PwC's independent limited assurance can be found in the Independent Practitioner's Limited Assurance Report section of this Sustainability Report. Our deforestation-free supply chain status for FY2025 was determined using supplier assessments by PT Inovasi Digital.

## CONNECTIVITY WITH FINANCIAL STATEMENTS

### Reporting Period

The sustainability-related financial disclosures cover the period from 1 January 2025 to 31 December 2025, and are aligned with the reporting period of the Group's FY2025 consolidated financial statements.

The Group defines time horizons based on when the sustainability-related risks and opportunities (SROs) could reasonably be expected to occur. These time horizons are aligned with the timeline used for the Group's strategic decision-making and planning cycle. For all SROs, except for climate-related physical and transition risk assessments, the following time-horizons apply:

Short-term	Medium-term	Long-term
2026 (0–12 months)	2027–2030 (four years)	2031 and beyond (more than four years)

### Presentation Currency

Where monetary amounts are presented, we use the same presentation currency as the consolidated financial statements.

### Reporting Entity

The sustainability-related financial disclosures apply to the same reporting entity as the consolidated financial statements. The reporting entity comprises the Group and our subsidiaries. The Group assessed SROs across our integrated palm oil value chain, including upstream (Malaysia, Indonesia via Minamas Group, Papua New Guinea (PNG), and Solomon Islands (SI) via New Britain Palm Oil Limited (NBPOL)), downstream or SD Guthrie International (SDGI) businesses in 11 countries, Industrial Development & Renewable Energy, Innovation & Research, and the joint ventures and associates of the Group.

### First-time Adoption of IFRS Sustainability Disclosure Standards

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025. The Group has applied the transition relief for the FY2025 reporting period, under which comparative information is not required in the first annual reporting period for new metrics that have not been disclosed in the previous reporting period. No other transition reliefs have been applied.

The Group has assessed newly issued amendments to the sustainability standards that are not yet mandatory for the current reporting period and concluded that they will not affect the sustainability statement.

# Overview of the Group and Value Chain

SD Guthrie (Guthrie) is a globally integrated palm oil group engaged in the sale of crude palm oil (CPO) and palm kernel (PK) within our upstream segment, as well as specialty fats, edible oils, and other palm oil derivatives to business-to-business customers in our downstream segment. Guthrie produces approximately 12% of the world's certified sustainable palm oil.

In 2025, the Group operated in 12 countries:

- Upstream: Malaysia, Indonesia, Papua New Guinea (PNG), and Solomon Islands (SI).
- Downstream: Malaysia, Indonesia, PNG, Singapore, Thailand, South Africa, the United Kingdom, the Netherlands, Germany, China, and the United States.

Guthrie serves customers in about 90 countries, employing 82,380 people, and manages a landbank of 703,115 hectares, of which 557,258 hectares are planted with oil palm. The Group has 232 estates, 63 mills, 10 refineries, and 20 biogas plants.

## KEY BUSINESS ACTIVITIES

With a heritage spanning two centuries, the Group has grown into a recognised vertically integrated palm oil company, operating across the entire palm oil value chain alongside other agribusinesses. In line with our new brand identity, the Group is expanding into a new business vertical – Industrial Development & Renewable Energy – to unlock opportunities for value generation and business diversification. These initiatives support long-term sustainable value creation in an evolving global landscape and enhancing expansion potential within our industrial parks.

## Summary of Business Segments, Key Countries, and Business Activities

<p><b>Upstream</b></p>	The Group's upstream business is a core part of our value chain, involving the cultivation and management of oil palm plantations and the milling of fresh fruit bunches (FFB) to produce CPO. The Group operates 232 estates and 63 mills in Malaysia, Indonesia, PNG, and SI.	
	<b>Countries</b>	<b>Business Activities</b>
	Malaysia	<ul style="list-style-type: none"> <li>Developing, cultivating, and managing oil palm and coconut plantations; and</li> <li>Milling of FFB into CPO and PK.</li> </ul>
	Indonesia	<ul style="list-style-type: none"> <li>Developing, cultivating, and managing oil palm plantations; and</li> <li>Milling of FFB into CPO and PK.</li> </ul>
	PNG and SI	<ul style="list-style-type: none"> <li>Developing, cultivating, and managing oil palm and sugarcane plantations;</li> <li>Milling of FFB into CPO and PK;</li> <li>Refining of sugarcane and coconut oil; and</li> <li>Cattle rearing and beef production.</li> </ul>
<p><b>Downstream</b></p>	As the downstream arm of the Group, SD Guthrie International owns and operates 10 refineries. The Group operates a diverse portfolio to meet worldwide demand for edible oils, palm oil-based biodiesel, nutraceuticals, and other palm oil derivatives. Adopting a customer-centric approach, we develop bespoke solutions to meet the specific requirements of our customers.	
	<b>Countries</b>	<b>Business Activities</b>
	Malaysia, Indonesia, South Africa, the Netherlands, PNG, Thailand, Singapore, China, Germany, the United Kingdom, and the United States	<ul style="list-style-type: none"> <li>Production and sales of refined oils and fats, including specialty and end-user oils, and fats;</li> <li>Sales of CPO;</li> <li>Sales of oleochemical products, refining of coconut and soybean oils;</li> <li>Production of biodiesel products, sales of derivatives; and</li> <li>Crushing of PK to crude palm kernel oil (CPKO) and palm kernel expeller (PKE).</li> </ul>
<p><b>Industrial Development &amp; Renewable Energy</b></p>	Established in 2020, SD Guthrie Renewable Energy Sdn Bhd (SD Guthrie RE) is the wholly owned subsidiary of the Group that is also responsible for our biogas portfolio to reduce methane emissions from palm oil mill effluent. The renewable energy business focuses on green technology development, including solar, biogas, and biomass projects. The Group also recognises industrial development as a medium- to long-term growth area.	
	<b>Country</b>	Malaysia
<p><b>Others</b></p>	The Group engages in the trading of agricultural products and services, production and sales of oil palm seeds and seedlings, as well as oil palm research and breeding programmes with a special focus on genomics.	
	<b>Countries</b>	Malaysia, Singapore, China, Indonesia, PNG, SI, the Netherlands, and the United States

» For more details on the Group's revenue by business segment, refer to the Business Review section of our Integrated Report.

## Overview of the Group and Value Chain

### OUR INTEGRATED VALUE CHAIN

Our operations rely on a steady inflow of raw materials from partnering smallholders and vendors, supported by a diverse estate and processing workforce that underpins our upstream and downstream activities. The efficiency of global logistics networks and trusted logistics partners contributes towards the smooth transport of raw materials and finished products, supporting the Group's ability to deliver sustainably produced palm-based products to customers worldwide.

These interdependencies, together with the activities, resources, and relationships arising from our subsidiaries, associates, and joint ventures, form the backbone of our integrated operations. They also guide the identification of sustainability-related risks and opportunities (SROs) across every stage of our value chain. More information is presented in the Integrated Value Chain section of our Integrated Report.

### STRATEGY AND SUSTAINABILITY-RELATED GOALS

The Strategy Compass of SD Guthrie outlines the interplay between our core upstream and downstream businesses, supported by the new business vertical, in pursuit of sustainable growth and resilience. Our sustainability goals are reinforced by

internal controls embedded across governance, capital management, sustainability processes, and people development.

Our Industrial Development & Renewable Energy vertical focuses on maximising value through strategic initiatives with like-minded partners. Growth within this vertical also involves the development of solar power. This is expected to become a long-term contributor through opportunities to develop solar projects, strengthening Guthrie's presence in renewable energy in line with Malaysia's National Energy Transition Roadmap (NETR).

Our "Beyond Zero" Framework shapes the Group's overall sustainability strategy and goals, guiding us to move beyond compliance and create meaningful positive impact. It sets out our sustainability strategy that addresses today's global challenges while supporting business growth. Built on the pillars of Zero, Restore, and Transform, the framework drives tangible outcomes that will benefit both people and the planet, while ensuring sustainable growth.

Our key priorities include setting science-based goals to reach net-zero, cultivating positive outcomes for nature, and advancing human and labour rights in the palm oil sector. Through this framework, we bring to life our purpose, "Care to Nourish, Dare to Flourish", while actively managing the SROs.

### "BEYOND ZERO" FRAMEWORK

<b>ZERO</b> 	<b>Zero Emissions</b> Guided by our Net-zero Roadmap, we aim to reduce greenhouse gas (GHG) emissions and became the first in our industry to have our targets approved by the Science Based Targets initiative (SBTi).
	<b>Zero Harm</b> Traceability, supplier engagement, and labour rights are fundamental to the Group's operations, reflecting our commitment to No Deforestation, No Peat, and No Exploitation (NDPE).
	<b>Tackling Waste Through Circularity</b> Waste management and reduction efforts are embedded across our operations. By identifying new waste stream pathways, we minimise environmental impact while enhancing resource efficiency.
<b>RESTORE</b> 	<b>Improving Biodiversity</b> We will build on existing initiatives and develop a Biodiversity Conservation Plan across our key sourcing countries. In addition, we aim to issue a Taskforce on Nature-related Financial Disclosures (TNFD)-aligned report. >> See Annex 1 for details of our TNFD disclosures.
	<b>Regenerative Agriculture</b> Through collaborative efforts, we have developed a regenerative agricultural framework and are running pilot projects to measure the impact of our good agricultural practices and enhance the resilience of our agricultural operations.
	<b>Restoration and Conservation</b> Guthrie's efforts extend beyond our operations, with ongoing conservation initiatives in reforestation, peatland rehabilitation, and the conservation of 100,000 hectares across our sourcing landscape.
<b>TRANSFORM</b> 	<b>Transforming Lives and Livelihoods</b> Smallholders are essential to our supply chain, and we strive to improve their lives and livelihoods through training and certification programmes.
	<b>Promoting Human, Land, and Labour Rights</b> We continuously seek to improve our human rights and labour standards, leveraging our influence to advocate for greater change across the industry.
	<b>Great Place to Work and Live</b> We invest in essential infrastructure and long-term career development, creating the right conditions for our workforce and communities to thrive, while ensuring sustainable value creation for the Group.

## Reporting Boundary

### REPORTING ENTITY

This Sustainability Report should be read in conjunction with the consolidated financial statements of SD Guthrie (Guthrie), which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia.

The sustainability-related financial disclosures cover the same reporting entity as the consolidated financial statements. During the reporting period, several changes occurred in the Group structure, including liquidations, disposals, acquisitions, and incorporations across subsidiaries and joint ventures. For further details, please refer to the Notes to the Financial Statements section of our Integrated Report.

These changes were assessed and are determined to be immaterial, with no impact on information relating to the Group's identified sustainability-related risks and opportunities (SROs). In the current reporting period, all metrics reported, except for greenhouse gas (GHG) emissions, relate to the Group's own operations.

### REPORTING BOUNDARY FOR GHG EMISSIONS

This section outlines the reporting boundaries and key references for the Group's Scope 1, 2, and 3 GHG emissions inventory, as presented in this Sustainability Report and in the Performance Data Annex FY2025, which provide supplementary, granular sustainability metrics in response to other stakeholders' needs.

The Group uses the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the 'GHG Protocol') to measure our GHG emissions unless otherwise stated by IFRS S2 *Climate-related Disclosures*. The Group uses the GHG Protocol Corporate Value Chain Standard 2011 ('Scope 3 Standard') to define the 15 Scope 3 categories as part of the requirement to disclose Scope 3 GHG emissions.

The Group's emissions are reported across two sectors:

- Forest, Land, and Agriculture (FLAG): Emissions related to agricultural activities up to the farm gate, including land use change, managed soils, enteric fermentation, fertilisers, and fuel use in estates.
- Energy and Industrial Processes: Emissions from operational activities beyond the farm gate, such as fossil fuel combustion and the processing of agricultural products in mills and refineries.

The Group reports three of the six GHGs, carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), as these are material to our operations. Fugitive hydrofluorocarbon (HFC) emissions from refrigeration and air conditioning systems represent only 0.01% of our total Scope 1 and Scope 2 emissions and have been excluded. The nature of our operations does not release perfluorocarbons (PFC), sulphur hexafluoride (SF<sub>6</sub>), or nitrogen trifluoride (NF<sub>3</sub>) emissions, as we do not use these fluorinated compounds. For reporting purposes, all relevant GHGs are converted into tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) using their respective global warming potentials in accordance with the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6.

Our boundary includes operating assets where the Group has financial control. We apply the same financial boundary when accounting for relevant third-party Scope 1 and Scope 2 emissions. The following operations are included in our GHG inventory:

- Upstream operations encompassing estates and palm oil mills located in Malaysia, Indonesia, Papua New Guinea, and Solomon Islands.
- Downstream operations represented by SD Guthrie International.
- Group headquarters and SD Guthrie Innovation & Research offices.

Operations outside the Group's direct financial control but within our value chain are accounted for under Scope 3.

# Judgements and Measurement Uncertainties

In preparing this Sustainability Report, SD Guthrie (Guthrie) exercised judgement in assessing sustainability-related risks and opportunities (SROs) that could potentially affect the Group, and in identifying material information for disclosure. The preparation of this report also requires the use of estimates for certain amounts that cannot be measured directly.

This section outlines the key judgements applied by the Group during the preparation of the report, together with significant measurement uncertainties.

## SIGNIFICANT JUDGEMENT

Topic	Description	Section
<b>Materiality Process</b>	The Group exercised significant judgement to identify the SROs relevant to us, as well as the material information related to those risks and opportunities. Risk exposure and ratings were evaluated based on estimated likelihood and magnitude, in line with the Group's enterprise risk management (ERM) framework.	Materiality Assessment
<b>Source of Guidance</b>	The Group applied the Sustainability Accounting Standards Board (SASB) Standard for Agricultural Products industry as a source of guidance for metrics. Judgement was applied in considering which metrics are applicable and relevant to the SROs.	Basis of Preparation
<b>Climate Scenario</b>	<p>Where forward-looking climate and sustainability impacts are disclosed, the Group exercised significant judgement in considering the regulatory, technological, and market developments affecting our business operations.</p> <p>Climate-related Physical Risks: The Group has applied significant judgement in assessing climate physical risks due to uncertainties in future emissions pathways, climate-model limitations, and variations in local conditions that influence hazards such as floods and dry weather. These factors may create wide ranges of possible outcomes over different time horizons, requiring the use of different scenarios and adjusted modelling assumptions.</p> <p>Climate-related Transition Risks: Judgement was applied in assessing transition-related risks, including assumptions on future carbon-tax exposure and internal carbon pricing. This assessment also reflects long-term uncertainty over industry performance and regulatory regimes, which may tighten or ease depending on climate-transition trajectories.</p>	Climate Resilience and Scenario Analysis
<b>Scope 3 Emissions</b>	The Group has applied a combination of different calculation methods to calculate the Group's Scope 3 GHG emissions. Judgement was applied in determining the calculation methods that are most appropriate for each category, depending on availability and quality of data, and prioritises the use of supplier-specific data where available and of sufficient quality. Significant judgement was also applied in the interpretation of satellite imagery and geospatial data for historical land-use categories.	Climate-related Transition Risk

## MEASUREMENT OF UNCERTAINTIES

The following amounts are subject to a high degree of measurement uncertainty.

Topic	Description	Section
<b>GHG-related Metrics</b>	<p>The Group's measurement of GHG emissions is subject to inherent uncertainty due to reliance on third-party data, published emission factors, estimation techniques, incomplete scientific knowledge, and the value used to aggregate emissions across different gases, as further outlined in the Group's GHG Inventory Methodology Statement issued on 20 April 2026. For Scope 1 Land Use Change, annual carbon stock changes for relevant land-use categories are determined using published scientific literature where country-specific emission factors are unavailable.</p> <p>These uncertainties are more pronounced for Scope 3 GHG emissions, where a combination of accounting approaches is applied when supplier- or region-specific primary data is unavailable. Where primary activity data or emission factors are unavailable, incomplete or not available on a timely basis, estimation methods are applied. For Scope 3 Category 1 – Purchased goods and services (Palm supply) and Scope 3 Category 10 – Processing of sold product, emissions are estimated using supplier-specific or customer-specific emissions intensities, industry-average emission factors, or spend-based methods. For Scope 3 Category 1 – Purchased goods and services (Palm FFB), supplier emissions, and carbon removals from oil palm sequestration are estimated based on purchase volumes, yield assumptions, and emissions intensities.</p>	Climate-related Transition Risk
<b>Carbon Price</b>	The Group acknowledges significant uncertainty in estimating the financial impact of carbon pricing on operations. Carbon price assumptions are based on current regulatory signals and market benchmarks; however, future national carbon policies, prices, regional implementation timelines, and price trajectories remain highly variable. These factors could materially affect cost structures, particularly for energy-intensive milling and logistics operations. The Group will continue to monitor evolving carbon markets and policy developments, updating assumptions as part of our scenario analysis and climate risk management framework.	Climate-related Transition Risk Climate Resilience and Scenario Analysis
<b>Climate-related Physical Risk</b>	There is inherent uncertainty in assessing how climate change may influence the future frequency and severity of extreme weather events in the regions where the Group operates. This uncertainty stems from variability in climate projections, potential non-linear changes in weather patterns, and evolving climatic conditions, together with their interdependent impacts on the Group's operations.	Climate-related Physical Risk Climate Resilience and Scenario Analysis

# Materiality Assessment

Although this is our first Sustainability Report prepared in accordance with International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, the Group has previously considered the sustainability-related risks and opportunities (SROs) within our regular risk management processes. Sustainability is embedded in the Group's Risk Management Framework, with risks and opportunities identified through the FY2025 materiality reassessment.

The assessment was conducted to identify SROs that could reasonably be expected to affect the Group's prospects over the short-, medium-, and long-term. It was further updated to reflect operational activities, the value chain, and stakeholder insights.

The materiality assessment, including the identification of SROs, was finalised at the end of the 2025 financial reporting period. Events and changes that occurred during the period, such as acquisitions and disposals of subsidiaries<sup>1</sup>, were considered as part of the materiality determination process.

## MATERIALITY PROCESS

This report includes information that could reasonably influence the decisions of primary users of the Group's financial and sustainability-related disclosures. The materiality process was conducted by a Working Group (WG) comprising management executives from Group Sustainability, Group Risk, Group Finance, Group Strategy, SD Guthrie Innovation & Research, and Upstream and Downstream operations, overseen by the executive-level Steering Committee<sup>2</sup>, with input from external consultants. The outcome of the process was endorsed by the Sustainability Committee (SC)<sup>2</sup>.

The Group's FY2025 materiality assessment followed a structured, multi-stage process aligned with IFRS S1 and S2 to identify SROs that could reasonably be expected to affect the Group's prospects across the short-, medium-, and long-term.

### 1 Identification of SROs

The process began with the identification of SROs, which were refined through two dedicated workshops held with the WG and senior leadership team. These workshops focused on reviewing the SROs, validating potential impacts across the value chain, and assessing the likelihood and magnitude of financial effects. Following the workshops, a shortlist of SROs was prioritised using financial materiality criteria, with further validation by the Steering Committee to confirm the final set of material SROs.

<p><b>Understand the Group's Operations, Resources, and Relationships</b></p>	<p>The Group considered our business activities, including products and services provided, the value chain, and the geographical, legal, and regulatory landscape of operations. We also considered the resources required and the relationships across our value chain, together with our key capitals.</p> <p>»» For more details, refer to the Our Value Creating Business Model section in our Integrated Report.</p>
<p><b>Identify SROs</b></p>	<ol style="list-style-type: none"> <li><b>i. Analyse operations and value chain</b> The Group evaluated critical resource inputs, relationships, and interdependencies to determine whether they constitute SROs with probable effects on the Group's prospects.</li> <li><b>ii. Review internal and external sources</b> We identified additional risks or opportunities through: <ul style="list-style-type: none"> <li>• Previous risk management and due diligence processes undertaken by the Group, such as our Enterprise Risk Management (ERM) framework.</li> <li>• Educational and exemplar materials issued by the IFRS Foundation related to IFRS S1 and IFRS S2.</li> <li>• Disclosure topics from the Sustainability Accounting Standards Board (SASB) Standard for Agricultural Products industry.</li> <li>• Similar SROs identified by peer entities within the same sector.</li> <li>• Internal and external stakeholders (investors, lenders, civil society organisations, and employees) engaged.</li> <li>• Regulatory developments.</li> </ul> </li> <li><b>iii. Seek independent advice</b> We engaged sustainability consultants and third-party experts.</li> </ol>

<sup>1</sup> For more details, refer to the Notes to the Financial Statements section of our Integrated Report.

<sup>2</sup> For more details, refer to the Governance section of this report.

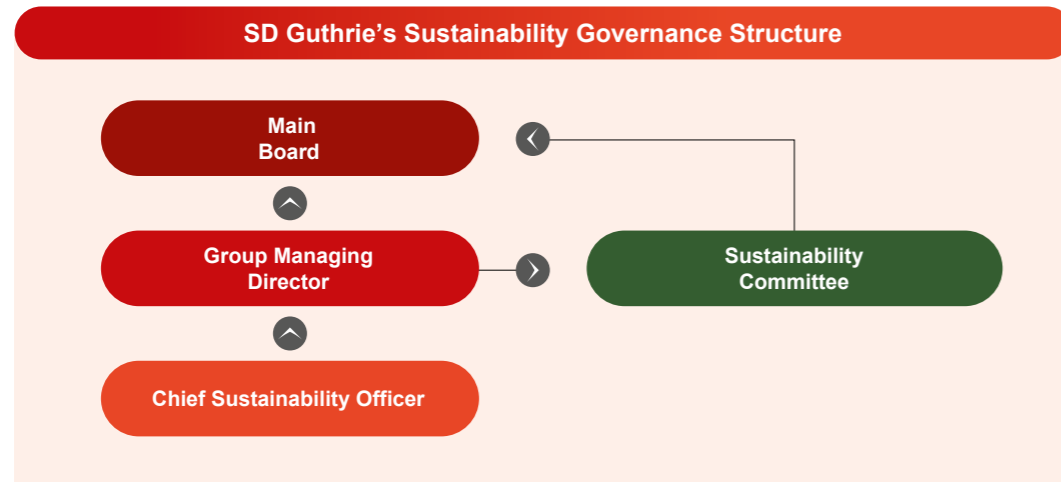
<p><b>Assessment and Prioritisation</b></p>	<p>We assessed whether the SROs could reasonably be expected to affect the Group's prospects using the criteria as outlined in our Risk Management Framework:</p> <table border="1" style="width: 100%;"> <tr> <td data-bbox="1849 415 2309 583"> <p style="text-align: center;"><b>Likelihood</b></p> <p>The Group considered probable outcomes and assigned likelihood ratings. Where similar events had occurred in the past, we attributed higher likelihood to recurrence.</p> </td> <td data-bbox="2323 415 2813 583"> <p style="text-align: center;"><b>Magnitude</b></p> <p>We evaluated the potential financial impact on cash flows, access to finance, or cost of capital across the short-, medium-, and long-term horizons.</p> </td> </tr> </table> <p>The results were plotted on a matrix to highlight SROs with higher probability and/or magnitude, prioritising them for disclosure. We reported only specific SROs that could reasonably be expected to affect the Group's cash flows, access to finance, or cost of capital.</p>	<p style="text-align: center;"><b>Likelihood</b></p> <p>The Group considered probable outcomes and assigned likelihood ratings. Where similar events had occurred in the past, we attributed higher likelihood to recurrence.</p>	<p style="text-align: center;"><b>Magnitude</b></p> <p>We evaluated the potential financial impact on cash flows, access to finance, or cost of capital across the short-, medium-, and long-term horizons.</p>
<p style="text-align: center;"><b>Likelihood</b></p> <p>The Group considered probable outcomes and assigned likelihood ratings. Where similar events had occurred in the past, we attributed higher likelihood to recurrence.</p>	<p style="text-align: center;"><b>Magnitude</b></p> <p>We evaluated the potential financial impact on cash flows, access to finance, or cost of capital across the short-, medium-, and long-term horizons.</p>		
<p><b>Final Consolidation and Approval</b></p>	<p>We presented the prioritised list of SROs to the SC for feedback. The SC endorsed the final list on 3 February 2026.</p> <p>»» For more details, refer to the Summary of SROs section of this report.</p>		

### 2 Determining the Material Information

The Group assessed the material information in the context of our overall sustainability-related financial disclosures and performed both qualitative and quantitative assessments of the prioritised SROs. Where we deemed any information as material, we prepared disclosures accordingly.

# Sustainability Governance

Our sustainability governance ensures accountability and oversight in implementing strategic sustainability initiatives. This framework defines clear roles and responsibilities across SD Guthrie (Guthrie) to drive meaningful progress in our sustainability efforts.



## BOARD LEVEL OVERSIGHT

### Main Board

At the highest level, the Group's Board of Directors (Board) provides overarching direction, setting the vision and values that guide our sustainability strategy. The Board ensures that business activities align with sustainability commitments and stakeholder expectations, while reviewing the progress of our sustainability goals, key initiatives, and risk management measures.

The Board also assesses sustainability-related risks and opportunities (SROs) and incorporates environmental, social, and governance (ESG) considerations into the decision-making processes. At the same time, the Board embeds sustainability into Guthrie's overall corporate strategy, ensuring that sustainability-related, climate-related, and nature-related risks and opportunities are considered when setting strategic priorities, performance targets, and risk-management approaches. This includes evaluating how these factors support the Group's long-term direction and business model. Additionally, the Board considers its performance and competency through the Board and Director's Effectiveness Evaluation.

### Sustainability Committee

The Sustainability Committee (SC) oversees and evaluates the adequacy and effectiveness of the Group's sustainability-related risk management processes. It monitors SROs across the Group and supervises the implementation of mitigation strategies. The SC also escalates significant concerns and progress on sustainability strategy, targets, and policies to the Board. In addition, the SC oversees the preparation of the Sustainability Report for the Board's approval. Meeting at least four times a year, the SC also guides the Board on the alignment of SRO management with the Group's broader objectives, risk appetite, long-term resilience, and other emerging sustainability matters. Its terms of reference set out the SC's mandate and responsibilities.

» For more details, refer to the Sustainability Committee Report section of our Integrated Report.

Overseeing the implementation of the Group's "Beyond Zero" Framework and the management of the SROs, the SC is updated on a quarterly basis on progress against relevant metrics and targets. The SC also engages with key stakeholders on global best practices, emerging trends, and expectations of the Group's sustainability commitments. For the year under review, the stakeholders included a key customer, a Malaysian regulatory body, and a civil society organisation.

### Sustainability Remuneration Governance

Guthrie's remuneration governance is overseen by the Nomination & Remuneration Committee, which determines the Group's remuneration framework in line with Board-approved policies. Leadership performance evaluations are conducted annually and incorporate sustainability-related key performance indicators (KPIs). Key sustainability-related performance indicators are integrated into management performance scorecards, directly affecting remuneration. In FY2025, 100% of top management's rewards were linked to sustainability performance.

Additionally, the ESG Scorecard for Upstream Malaysia operations measures the effectiveness of key human rights initiatives, including effective grievance channel management, Social Dialogue platforms, and "Oil Palm Pal"<sup>1</sup>. It also tracks the results of Worker Satisfaction Surveys, health and safety performance indicators, greenhouse gas (GHG) emissions intensity performance, and compliance with Roundtable on Sustainable Palm Oil (RSPO) standards.

<sup>1</sup> "Oil Palm Pal" is an online platform that was first introduced in Malaysia in 2022 as a systematic approach to monitor workers' housing repair requests.

## MANAGEMENT

<b>Group Managing Director</b>	Bridging strategy and execution, the Group Managing Director (GMD) drives sustainability initiatives across our organisation. As Chair of the Group Leadership Council (GLC), the GMD spearheads discussions on the progress of "Beyond Zero", as well as the Group's sustainability initiatives, performance, and compliance at monthly GLC meetings.
<b>Steering Committee</b>	Management's role in assessing and monitoring SROs is embedded into the executive-level Sustainable Financing and Reporting Steering Committee (Steering Committee). The Steering Committee is co-chaired by the Chief Financial Officer (CFO) and Chief Sustainability Officer (CSO), and its members include the Chief Group Strategy Officer and Chief Legal & Risk Officer. In FY2025, the Steering Committee identified KPIs related to sustainable financing, validated the Group's SROs, and provided oversight of the assurance process for GHG indicators.
<b>Group Leadership Council</b>	Comprising leaders from various functions across the Group, the GLC ensures that sustainability initiatives are effectively implemented within their respective areas while coordinating closely with Group Finance, Risk, Strategy, Upstream and Downstream operations, and Group Human Resources (HR).  Management embeds climate, nature, and social risks into Enterprise Risk Management (ERM), budgeting, capital expenditure approvals, internal audit, and HR performance processes. Selected sustainability KPIs are cascaded through performance scorecards, influencing employees' performance evaluations and incentives.
<b>Chief Sustainability Officer</b>	The CSO oversees the execution of sustainability strategies, targets, and plans by the sustainability team across all business units. The CSO reports directly to the GMD and provides quarterly updates to the SC on progress, challenges, and key concerns.  The CSO evaluates and manages the SROs. This includes evaluating trade-offs to ensure informed decision-making. Furthermore, the CSO monitors progress against the Group's "Beyond Zero" targets, while driving continuous improvement and ensuring alignment with global standards.
<b>Group Sustainability</b>	Management-level oversight is supported by the Group Sustainability team, which identifies, prioritises, monitors and manages the SROs. Comprehensive assessments and recommendations, including proposed sustainability performance and targets, are presented to the GLC, the SC, and the Board for endorsement.

## INTEGRATED RISK MANAGEMENT

The Group integrates sustainability-related risks into our overarching enterprise risk assessment, in accordance with the ISO 31000:2018 standard on risk management and COSO 2017 Enterprise Risk Management – Integrating with Strategy and Performance, the Risk Management Framework adopts a systematic approach to identify, assess, monitor, and manage risks, including sustainability-related risks.

» For more information, refer to the Statement on Risk Management and Internal Control section of our Integrated Annual Report.

As the risk owner for sustainability risks, Group Sustainability regularly evaluates data sources<sup>2</sup> and operational scope to enhance risk assessments. This enables us to adapt to emerging challenges while embedding sustainability-related risks into decision-making processes across all operations. In line with the Risk Management Framework, our processes for identifying and assessing sustainability-related risks are described in the Materiality Assessment section of this report.

## Events After the Reporting Period

No transactions, events, or conditions occurred after the end of the reporting period and before the date of authorisation of this Sustainability Report that would require disclosure. Guthrie assessed subsequent events in accordance with IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* (IFRS S1) and concluded that non-disclosure would not influence the decisions of primary users of our general-purpose financial reports.

<sup>2</sup> For more details, refer to the Materiality Assessment section of this report.

# Summary of Sustainability-related Risks and Opportunities (SROs)


The table below provides the SROs of SD Guthrie (Guthrie) along with a directory of where the detailed disclosures are located in this Sustainability Report.

Sustainability-related Risks and Opportunities	Value Chain Location	Time Horizon		
		Short-term (2026)	Medium-term (2027–2030)	Long-term (2030 and beyond)
<b>Climate-related Physical Risks</b> >> Pages 15–19 Rising frequency, severity of flooding, and prolonged dry seasons constitute an acute climate-related physical risk that could disrupt operations and damage the Group's assets. Risk intensity varies depending on location and topography.	Entire palm oil production segment, spanning upstream to downstream operations.	✓	✓	✓
<b>Climate-related Transition Risks and Opportunities</b> >> Pages 20–33 <b>Carbon Pricing</b> Increasing exposure to tightening climate-related regulations (i.e. carbon pricing mechanisms and energy efficiency requirements). <b>No Deforestation, No Peat, and No Exploitation (NDPE) Expectations</b> Increasing market pressure as stakeholders tighten expectations for NDPE compliance and full supply chain traceability. <b>Failure to Meet Climate-related Targets</b> Given our net-zero commitment, failure to decarbonise may undermine reputation. <b>Opportunity: Low-carbon Technologies</b> Material opportunity to accelerate the Group's decarbonisation plan and generate additional revenue.	Group-wide operations and supply chain.			✓
		✓	✓	✓
			✓	✓
<b>Water and Effluent Management</b> >> Pages 34–37 Inadequate water supply combined with inefficient water consumption would increase competition for water with surrounding communities and increase fire risks in peat areas. Failure to meet discharge-quality requirements leads to compliance risk.	Entire palm oil production segment, spanning upstream to downstream operations.	✓	✓	✓
	Estate operations.	✓	✓	✓
<b>Biodiversity and Conservation</b> >> Pages 38–41 Nature-related risks arising from our dependencies and impacts on ecosystem services, such as loss of pollinator populations, reduced effectiveness of natural pest control, diminished habitat connectivity, and weakened landscape resilience.	Estate operations.	✓	✓	✓
<b>Smallholder Inclusion</b> >> Pages 42–44 Expanding smallholder inclusion helps to ensure good fresh fruit bunches (FFB) quality and cost, supply consistency, and compliance with sustainability requirements.	Mill operations and the supply chain.	✓	✓	✓
<b>Human Rights</b> >> Pages 45–48 Risk arising from violation of human rights standards and conventions, and unsafe working conditions.	All business segments, spanning upstream to downstream operations, and the supply chain.	✓	✓	✓
<b>Sustainability Certification</b> >> Pages 49–50 Risk of suspension or withdrawal of sustainability certificates would affect the entire supply chain, with operational, financial, and reputational consequences.	Entire palm oil palm production segment, spanning upstream to downstream operations, and the supply chain.	✓	✓	✓

# Climate-related Risks and Opportunities

## PHYSICAL RISKS

SD Guthrie (Guthrie) estates, mills, refineries, and the supporting infrastructure are located in regions that may be vulnerable to acute and chronic physical climate risks, primarily flooding, prolonged dry seasons, and long-term sea-level rise.



**Flooding and Sea-level Rise**

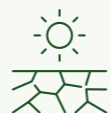
The Group's estates, mills, refineries, and the supporting infrastructure (including roads, drainage systems, and water storage facilities), particularly in low-lying, peat, and coastal areas, may be exposed to prolonged waterlogging, sudden flooding, and rising sea levels. The potential impacts could include operational disruptions, reduced yields, and damage to the Group's assets, including oil palm crops and critical infrastructure.

Coastal estates may face heightened risks from tidal surges, river overflows, and intense monsoon rainfall, leading to increased frequency and duration of flooding, salinity intrusion, erosion, and waterlogging. These conditions may have adverse effects on long-term asset integrity and agricultural productivity, if left unmitigated.

Rising sea levels also increase the frequency of coastal and tidal flooding, including "King Tide" events, which may affect the Group's estates and mills, as well as refineries over the short-, medium-, and long-term.

Additionally, a portion of the Group's fresh fruit bunch (FFB) supply from third-party Tier 1<sup>1</sup> suppliers in Malaysia, Indonesia, Papua New Guinea (PNG), and Solomon Islands (SI) could be similarly exposed, with approximately 1.8% at risk of flooding and 5% facing potential impacts from sea-level rise.

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**Prolonged Dry Season**

Prolonged dry seasons may cause moisture stress in oil palm trees, leading to reduced growth, lower yields, and weaker soil nutrient absorption, while increasing susceptibility to pests and diseases. This risk affects the Group's estates, mills, and refineries, over the short-, medium-, and long-term. In addition, the Group sources a significant portion of the FFB from third-party suppliers, who may face similar physical risks.

## EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

**Flooding and Sea-level Rise**  
 Flooding and associated coastal hazards may adversely affect oil palm health, infrastructure, and overall productivity.

<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Palm Health</b></p> <p>Prolonged waterlogging may deplete oxygen in the root zone, leading to root decay, nutrient stress, and reduced palm vigour. Young palms are particularly vulnerable and could experience irreversible damage or mortality after extended submergence.</p>	<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Infrastructure Damage</b></p> <p>Estate roads, bridges, culverts, bunds, watergates, and worker facilities may be damaged, disrupting harvesting, fertilisation, and transport activities, thereby increasing operational downtime.</p>
<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Yield</b></p> <p>Physiological stress may reduce flower formation, increase fruit drop, and compromise fruit quality, resulting in lower FFB output.</p>	<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Coastal Erosion</b></p> <p>Rising sea levels may intensify wave action and shoreline instability, leading to loss of coastal land and degradation of mangroves and natural barriers.</p>
<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Soil Sedimentation</b></p> <p>Flooding can lead to sediment deposition within drainage systems, exacerbating flood severity, and increasing infrastructure damage.</p>	<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Saltwater Intrusion</b></p> <p>Seawater ingress into rivers, groundwater, and agricultural soils may elevate salinity levels, causing soil stress and reduced oil palm growth and yields.</p>
<p style="text-align: center; background-color: #e91e63; color: white; padding: 5px; border-radius: 5px;"><b>Diseases</b></p> <p>Stagnant water may favour fungal pathogens such as <i>Ganoderma</i> and <i>Phytophthora</i>, which reduce oil palm yields by damaging roots and decaying stem tissues.</p>	

<sup>1</sup> In line with the Sustainability Accounting Standards Board (SASB) Standard for Agricultural Products, Tier 1 suppliers are defined as suppliers that transact directly with the entity.

# Climate-related Risks and Opportunities

## Physical Risks

### Flooding and Sea-level Rise Vulnerability Assessment

The assessment shows that 19% of Group-owned facilities are vulnerable to flooding (including sea-level rise).

#### Assets in the Group and supply chain that are vulnerable to flooding and sea-level rise<sup>1</sup> in FY2025

Metric	Unit	Country	Estates	Mills	Refineries
Number and percentage of Group facilities vulnerable to flooding (including sea-level rise) <sup>1</sup>	Number (% of total facilities)	Malaysia	32 (14%) Approximately 3,200 hectares <sup>2</sup>	4 (6%)	3 (30%)
		Indonesia	14 (6%) Approximately 130 hectares <sup>2</sup>	–	1 (10%)
		Papua New Guinea (PNG)	–	2 (3%)	–
		Thailand	–	–	1 (10%)
		The Netherlands	–	–	1 (10%)
		<b>Total</b>		<b>46 (20%)</b>	<b>6 (9%)</b>
Metric	Unit	Country	Estates	Processing Facilities	
Number and percentage of Tier 1 supplier facilities <sup>3</sup> vulnerable to flooding (including sea-level rise)	Number (% of total facilities)	Malaysia	8 (6%)	3 (4%)	
		Indonesia	–	1 (1%)	
		Thailand	–	2 (3%)	
		<b>Total</b>	<b>8 (6%)</b>	<b>6 (8%)</b>	

<sup>1</sup> All data were produced based on present day risks obtained from Swiss Re's Risk Data and Services (RDS) platform.

<sup>2</sup> Estimated hectares affected is only available for Group-owned estates in Malaysia and Indonesia and were estimated based on topographical mapping and elevation analysis in 2024 for sea-level rise.

<sup>3</sup> Total Tier 1 supplier facilities with known coordinates, including plantations companies and processing facilities (palm oil mills and non-palm oil factories).

### Prolonged Dry Season

Extended dry periods may cause moisture stress on palms, reducing growth, yields, and oil extraction rates (OER). The key impacts include:

#### Palm Growth

Water deficit may limit leaf expansion and slow vegetative growth. Reduced frond formation could reduce canopy size and photosynthetic capacity.

#### Yield Reduction

Stress conditions may lead to abortion of female inflorescences, reducing fruit bunch formation. Stress during bunch development may also lower FFB weight.

#### Soil and Nutrient Dynamics

Reduced soil moisture also limits nutrient absorption and root activity, lowering nutrient uptake efficiency.

### STRATEGIC APPROACH AND MITIGATION PLAN

To mitigate the impact of climate-related physical risks, the Group has adopted a strategic climate adaptation plan that integrates resilience measures into our operational practices. These strategies address both flooding and prolonged dry seasons, ensuring continuity of operations and safeguarding long-term productivity.

#### Flooding and Sea-level Rise

Flooding poses a significant risk to oil palm plantations, particularly in low-lying and coastal areas. To safeguard palms, infrastructure, and yields, the Group has implemented comprehensive water management and preparedness strategies in line with Guthrie's Agricultural Reference Manual. Key measures include:

#### Regular Drain Maintenance

Annual systematic maintenance and desilting of main drains, collection drains, and field drains, to ensure efficient water removal during heavy rainfall.

#### Climate-resilient Coastal Bund Enhancement

Raising and reinforcing coastal bunds, supported by climate-resilient design and erosion-resistant materials such as riprap and rock armour, enhances structural stability and protects estates from tidal surges and extreme weather events.

#### Controlled Water Table Management

Monitoring water levels using markers and piezometers to prevent root suffocation and anaerobic soil conditions.

#### Flood-risk Zoning

Identifying high-risk zones and implementing contingency plans such as compartmentalisation, emergency drainage, and temporary pumps to minimise operational disruption.

#### River Buffer Rehabilitation

Restoring river buffers to reduce water spillage during heavy rainfall and protect adjacent fields.

#### Restoring and Conserving Mangrove Forests

Mangrove restoration provides natural coastal protection and enhances biodiversity in areas such as Poliamba Estate in PNG, and West and East Estates in Malaysia.

#### Maintaining Screw and Tidal Gates and Pumping Systems

Regular inspection and servicing of gates and pumps ensure effective water control during high tides and heavy rainfall.

#### Climate-tolerant Planting Material

Deploying seeds that are designed to enhance palm tolerance against climate risks and support stable yields under variable rainfall and waterlogged conditions.

#### Digital Water Level Monitoring Dashboard

A centralised dashboard integrates real-time data from water-level markers and sensors in flood-prone estates in Malaysia. Real-time piezometer readings for peatlands monitoring in Indonesia enable timely deployment of mitigation measures.



>> Mangrove trees planted along Carey Island, Selangor, Malaysia.

# Climate-related Risks and Opportunities

## Physical Risks

### Prolonged Dry Season

To strengthen resilience against extended dry periods and *El Niño*-related droughts, the Group has implemented the following measures at estates:

#### Terrace Construction

Conservation terraces built during land preparation to reduce soil erosion and enhance water retention.

#### Moisture Conservation Pits (MCPs)

MCPs constructed during replanting to retain soil moisture during prolonged dry spells and uneven rainfall.

#### Empty Fruit Bunch (EFB) Application

Applying EFB in mature fields enhances water-holding capacity, lowers soil surface temperature, and supports root development. This indirectly reduces drought impacts.

#### Ground Cover Establishment

Maintaining soft weeds and *Nephrolepis* ferns that conserve soil moisture and reduce erosion.

#### Irrigation System

In PNG, an irrigation plant covering approximately 1,100 hectares sources water from the Gusap River to ensure consistent supply during dry periods.

#### Climate-tolerant Planting Material

Developing seeds designed to tolerate moisture deficit helps sustain productivity under extended dry conditions.

#### FronD Cover around Immature Palms

Strategic placement of oil palm fronds around immature palms helps conserve soil moisture.



>> FFB evacuated through waterways at peat estates in Indonesia. Water levels are maintained to reduce peat oxidation and reduce fire risk, particularly during dry seasons.

Through investments in climate adaptation measures, the Group anticipates that the adverse effects of extreme weather events will be partially mitigated in the medium- and long-term. For operational expenses (OPEX) and capital expenditures (CAPEX) in the short- and medium-term, we expect future spending to remain broadly consistent with current levels, aside from inflationary impacts.

Depending on the nature and cost of mitigation actions, the Group would assess the need for external funding accordingly. The Group does not foresee significant changes to our capital structure in the short- and medium-term due to the funding requirements from this risk.

Impact to Financial Statements	FY2025 Financial Effects (In RM million)
<b>Financial Performance</b>	
Revenue decrease from FFB	Not available <sup>1</sup>
OPEX: Direct estate cost in relation to the adaptation measures	144
<b>Financial Position</b>	
Property, plant & equipment: Climate adaptation infrastructure in estates	26
<b>Cash Flows</b>	
Cash used for operations (outflow)	144
Cash used for investing activities (outflow)	26

<sup>1</sup> The Group is unable to quantify due to significant level of uncertainty, as the revenue impact is influenced by multiple interdependent factors, making the impact not separately identifiable.

### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

Adherence to Guthrie's Agriculture Reference Manual is continuously monitored to enable early detection of physical-risk triggers and ensure timely deployment of mitigation actions. Key practices include periodic tracking of water levels, rainfall, drainage performance, and coastal conditions using field markers and piezometers, alongside daily patrols to identify early signs of bund erosion or structural weakness.

No material changes were made to the Group's climate-related physical risk management processes during the reporting year. Progress and compliance outcomes were monitored and reported through established governance channels to the Group and the Sustainability Committee (SC).

>> For more details, refer to the Sustainability Governance section of this report.

## FINANCIAL EFFECTS

### Current Financial Effects

Dry weather in Kalimantan from the previous years and flooding in Sumatra have contributed to lower FFB production and OER for the Indonesian segment. However, quantifying direct impacts on revenue from year-on-year difference in FFB production and OER remains challenging, as fruit formation and yield quality are influenced by multiple interdependent factors, making the impact not separately identifiable.

The Group's current financial impacts from climate-related physical risks are primarily linked to ongoing mitigation and adaptation initiatives to ensure a consistent supply of FFB to our mills for crude palm oil (CPO) production.

To mitigate these risks, the Group invested RM26 million during the reporting year in climate-adaptation infrastructure, which is capitalised as fixed assets. This includes flood management facilities in estates identified as high-risk. Additionally, we incurred RM144 million for the upkeep of climate-adaptation infrastructures, such as bunds, tide gates and drainage systems, moisture conservation pits, and water catchments.

### Anticipated Financial Effects

Estimating potential revenue loss from climate-related physical risks that may affect FFB production and yields remains inherently challenging, given the many interdependent factors involved. These include potential land disposals to government authorities, surrounding developments that may alter watercourses, harvesting intervals, fruit formation during heatwaves, as well as flood duration and severity. Considering the uncertainties, the revenue impacts are not separately or reliably quantified.

# Climate-related Risks and Opportunities

## TRANSITION RISKS AND OPPORTUNITIES

SD Guthrie (Guthrie) continues to advance our transition towards net-zero and remains exposed to climate-related transition risks arising from changing markets, stakeholder expectations, and regulatory developments. These risks are material across the short-, medium-, and long-term. Key risks include:

Transition Risks (TR)		
<b>TR1</b>	<b>Regulatory Risk:</b> <b>Carbon Pricing</b>	Increasing exposure to tightening climate-related regulations across operations and export markets, including emerging carbon pricing mechanisms, emissions trading schemes, carbon taxes, and strengthened energy efficiency requirements. Such regulatory changes may raise operating costs and heighten compliance demands.
<b>TR2</b>	<b>Market Risk:</b> <b>No Deforestation, No Peat, and No Exploitation (NDPE) Expectations</b>	Growing market pressure as buyers, financiers, and regulators strengthen expectations for NDPE compliance and full supply-chain traceability. Our NDPE commitment reflects our responsibility to the environment and society, while maintaining access to sustainability-focused markets.
<b>TR3</b>	<b>Reputational Risk:</b> <b>Failure to Meet Climate-related Targets</b>	Given our net-zero commitment, delays in adopting low-emissions practices and insufficient progress by suppliers may undermine stakeholder trust. This risk is particularly pronounced in markets that prioritise low-carbon supply chains.

Transition Opportunity (TO)		
<b>TO</b>	<b>Low-carbon Technologies</b>	<p>A material opportunity exists to accelerate decarbonisation, bolster operational resilience, and generate rental income through low-carbon technologies. These initiatives may reduce Scope 1 and Scope 2 Energy and Industrial Processes emissions, while also enabling the provision of green power. The Group is actively expanding renewable energy adoption across our estates, mills, refineries, and production sites, including:</p> <ul style="list-style-type: none"> <li>Up to 1 gigawatt (GW) of solar photovoltaics (PV) including large scale, rooftop, and off-grid solar for remote estates</li> <li>Biogas capture from palm oil mill effluent (POME)</li> <li>Exploration of biomass projects</li> </ul>

## EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The Group continues to monitor the development of climate-related policies, including carbon pricing mechanisms such as the European Union (EU) Emissions Trading System (ETS), the EU Carbon Border Adjustment Mechanism (CBAM), and the evolving market expectations. Depending on jurisdictional developments and carbon price levels, regulatory changes may increase operating and financing costs, and require stronger supply-chain traceability.

Conversely, low-carbon technologies present opportunities to generate renewable-energy revenue, achieve cost savings, and enhance long-term asset value, thereby strengthening resilience across the Group's operations and value chain.

Transition Risks and Opportunity	Business Model & Value Chain Effects
<b>TR1</b> <b>Regulatory Risk:</b> <b>Carbon Pricing</b>	<ul style="list-style-type: none"> <li>Pass-through of carbon-related costs (e.g. fertilisers, energy) may raise input prices and increase margin pressure.</li> <li>Escalating carbon prices and compliance costs would affect Guthrie's value chain.</li> <li>Potential CBAM exposure for EU-bound products.</li> </ul>
<b>TR2</b> <b>Market risk:</b> <b>NDPE Expectations</b>	<ul style="list-style-type: none"> <li>Reduced flexibility in supply chain options.</li> <li>Higher compliance and administration costs.</li> <li>Short- to medium-term uncertainty over documentation requirements and thresholds to demonstrate EU Deforestation Regulation (EUDR) compliance.</li> <li>Potential negative impact on sourcing agricultural products from smallholders for EU markets.</li> </ul>
<b>TR3</b> <b>Reputational Risk:</b> <b>Failure to Meet Climate-related Targets</b>	<ul style="list-style-type: none"> <li>Higher expectations from customers regarding Scope 3 emissions may increase decarbonisation and segregation costs.</li> <li>Guthrie's Sustainable Finance Framework links financing to key performance indicators (KPIs) on emissions, certification, and traceability. Failure to meet targets could raise cost of capital and tighten lender covenants.</li> </ul>
<b>TO</b> <b>Opportunity:</b> <b>Low-carbon Technologies</b>	<ul style="list-style-type: none"> <li>Revenue opportunities through electricity sales, renewable energy certificates, and carbon credits.</li> <li>Greater reliance on internally generated renewable energy reduces exposure to grid and diesel price volatility.</li> <li>Protects and stabilises land value, improving profit per hectare.</li> </ul>

### Transition Risks and Opportunity: Vulnerability and Alignment

The Group has assessed the vulnerability of our business activities to transition risks and alignment to the opportunities across our facilities and supply base.

<b>TR1</b> <b>Carbon Pricing</b>	Malaysia's carbon tax plan currently targets iron, coal, and the energy sector. Guthrie's exposure to carbon tax is limited at present, however exposure may potentially increase in the long-term, particularly for energy-related emissions.
<b>TR2</b> <b>NDPE Expectations</b>	11% of the Group's refining capacity is vulnerable to EUDR requirements.
<b>TR3</b> <b>Failure to Meet Climate-related Targets</b>	Non-compliance may lead to higher cost of capital, tighter lender covenants, and stricter disclosure requirements.
<b>TO</b> <b>Low-carbon Technologies</b>	The opportunity is identified across our operations, and anticipated to realise positive financial effects in the long-term.

# Climate-related Risks and Opportunities

## Transition Risks and Opportunities

### STRATEGIC APPROACH AND MITIGATION PLAN

We have implemented and evaluated a range of mitigation measures to address transition risks. These include strengthened NDPE controls, end-to-end traceability, a Science Based Targets initiative (SBTi)-aligned net-zero decarbonisation roadmap, supplier and smallholder engagements, and targeted investments in energy efficiency and low-carbon technologies.

Transition Risks	Mitigation Efforts
<p><b>TR1</b> Carbon Pricing</p>	<p>Climate assessments are integrated into decision-making. All investments, acquisitions, and divestments proposals must evaluate greenhouse gas (GHG) emissions impact.</p> <p><b>Internal Carbon Price</b> Guthrie applies an internal carbon pricing in the form of a shadow price to support renewable energy-related investment decision-making. The shadow price was incorporated into investment appraisal and cost-benefit analysis for biogas investment proposals. The adopted prices vary based on the investment's geography, with RM10 per tCO<sub>2</sub>e derived from the indicative local carbon tax for biogas projects in Indonesia, and RM24 per tCO<sub>2</sub>e derived from the Network for Greening the Financial System (NGFS) REMIND-MagPIE<sup>1</sup> (Current Policies) Scenario for biogas projects in Malaysia.</p> <p>Several carbon prices have been applied in the climate scenario analysis to assess potential long-term financial impacts of carbon-tax exposure under different policy and emissions trajectory pathways. A carbon price of USD131.70 per tCO<sub>2</sub>e has been applied in the most probable baseline scenario. The carbon price guides our strategic climate planning, enabling Guthrie to evaluate how varying carbon prices could influence future exposures and resilience across short-, medium-, and long-term horizons.</p> <p>The price assumptions are reviewed periodically to ensure continued relevance to the Group's climate transition strategy and long-term emissions reduction targets. Internal validation of the methodology and assumptions are conducted jointly by the Group's Sustainability and Finance departments, with oversight from the Sustainable Financing and Reporting Steering Committee (Steering Committee).</p>
<p><b>TR2</b> NDPE Expectations</p>	<p>We have identified and developed EUDR-compliant supply chains originating from Malaysia, Papua New Guinea (PNG), and Solomon Islands (SI).</p> <p>We continue to test and strengthen the operational readiness, governance controls, and traceability mechanisms embedded within our EUDR compliance framework, in preparation for the implementation of the EUDR in 2027.</p>
<p><b>TR3</b> Failure to Meet Climate-related Targets</p>	<p>The following efforts support the progress we have made towards our Net-zero Roadmap.</p> <p><b>Short-term</b> Accelerating renewable energy deployment and improving process efficiency to manage Scope 1 emissions:</p> <ul style="list-style-type: none"> <li>Regenerative agriculture practices and efficient fertiliser usage</li> <li>Expanding methane capture to over 47 biogas plants by 2030</li> <li>Advancing land-use measures such as reforestation</li> <li>Peat rehabilitation and maintaining water levels at planted peat areas</li> <li>Switching to biofuel such B20 and B30 blends in Malaysia</li> </ul> <p>Reduce Scope 3 emissions through supplier capability building sessions:</p> <ul style="list-style-type: none"> <li>Direct engagements with our top suppliers to align their commitments with our net-zero targets and enhance suppliers' understanding of SBTi. As a member of the Carbon Disclosure Project Supply Chain Programme, we engaged 187 key suppliers across the Group on emissions calculation and target setting in FY2025.</li> <li>However, many suppliers are still unfamiliar with emissions accounting concepts. Approximately 70% of these suppliers remain at an early stage of maturity and are only beginning to develop the capability to calculate their GHG emissions. In line with our commitment to supporting "Just Transition", we continue to work closely with these suppliers to build their capabilities so they can progress alongside us towards our climate objectives.</li> </ul> <p><b>Long-term</b> Over the long-term, the Group plans to install 47 biogas plants by 2030, increase carbon sequestration through restored landscapes, implement further improvements in fertiliser management, and engage suppliers to achieve our 2050 targets. SD Guthrie Innovation &amp; Research 2040 strategy identifies climate change as a priority focus area, directing research investment towards efficient fertiliser usage and climate-tolerant planting material.</p>

<sup>1</sup> The REMIND-MAgPIE integrated assessment framework, which couples the Regional Model of Investment and Development (REMIND) with the Model of Agricultural Production and its Impacts on the Environment (MAgPIE). This combined modelling system simulates energy-economy dynamics alongside land-use and agricultural impacts, supporting the NGFS climate scenario pathways.

Transition Opportunity	Strategic Response
<p><b>TO</b> Low-carbon Technologies</p>	<p>Renewable energy initiatives have already been embedded in the Group's strategy to enhance operational efficiency and achieve emissions reduction targets. Guthrie sees long-term opportunities through renewable energy initiatives.</p> <p><b>Biogas</b></p> <ul style="list-style-type: none"> <li>The Group currently operates biogas plants to capture methane from POME and generate electricity for supply to the grid under the Feed-in Tariff (FiT) scheme, supply power to mills and estates under a captive power model for diesel-saving initiatives, or utilise biogas in mill boilers through co-firing to displace palm kernel shells (PKS). The recurring cost savings strengthen mill profitability and lower long-term exposure to fossil fuel price volatility.</li> <li>To accelerate rollout, the Group adopted the build, own, operate, and transfer (BOOT) model, enabling faster expansion of biogas projects and reinforcing our commitment to sustainable growth. Currently, 20 biogas plants have been installed across our mills in Malaysia, Indonesia, and PNG under different models and businesses. Key models adopted for the implementation include FiT, captive power, co-firing and Bio-Compressed Natural Gas (Bio-CNG).</li> <li>Moving forward, Guthrie plans to roll out these initiatives to the remaining 27 mills to meet our SBTi near-term target by 2030.</li> </ul> <p><b>Solar PV Power Generation</b></p> <ul style="list-style-type: none"> <li>As part of our commitment to the National Energy Transition Roadmap (NETR), Guthrie announced in 2025 our target to develop 1 GW of solar renewable energy assets. The Group has successfully commissioned our first 15 MW Solar Plant under the Corporate Green Power Programme (CGPP) programme, demonstrating our commitment towards the growth potential of this sector.</li> <li>Through our partnership with Gamuda Energy, the Group plans to develop up to 1.2 GW of solar and storage assets, meeting growing renewable-energy demand from industrial and data-centre users under the Corporate Renewable Energy Supply Scheme (CRESS).</li> <li>Under the Net Energy Metering (NEM) scheme, the Group has installed and commissioned solar panels across offices, estates, and refineries, enhancing on-site energy security and reducing electricity costs.</li> </ul> <p><b>Solar Land Lease Programmes</b></p> <ul style="list-style-type: none"> <li>Under Large Scale Solar (LSS) and CGPP, Guthrie has entered into multi-year tenancy agreements with solar developers, many of which have already achieved commercial operation, allowing the Group to earn long-term, guaranteed rental income with minimal operational risk.</li> </ul> <p><b>Biomass</b></p> <ul style="list-style-type: none"> <li>Guthrie is actively exploring oil palm biomass valorisation opportunities and carbon-emission reduction initiatives through biomass projects, while concurrently developing a Biomass Strategic Framework to ensure a structured and aligned approach to biomass utilisation.</li> </ul>



CGPP Site in Bukit Selarong, Kedah.

### FINANCIAL EFFECTS

Financial effects from transition risks and opportunities are expected to arise primarily from higher operational costs linked to the Group's climate mitigation actions and investments in low-carbon technologies. These may necessitate additional funding, alongside compliance costs from emerging sustainability and climate-related regulations.

In assessing baseline financial effects of climate-related transition risks, the Group assumes our decarbonisation efforts remain on track with stated targets, incorporating the most probable climate environment as the baseline scenario. Current risk mitigation measures integrate climate resilience, in line with Guthrie's "Beyond Zero" Framework.

Against this baseline, the short- and medium-term financial effects are anticipated to be insignificant, with reliable measures in place to minimise the risks. Across all time horizons, climate-related transition risks and opportunities are not expected to materially affect the Group's financial position, financial performance, or cash flows.

# Climate-related Risks and Opportunities

## Transition Risks and Opportunities

### Current Financial Effects

#### Transition Risks and Opportunity

The current financial effects reflect the immediate costs of climate-related transition risk mitigation, along with the savings and investments generated from Guthrie's renewable energy initiatives.

<b>TR1</b> Carbon Pricing	No material financial impact was observed during the reporting year.
<b>TR3</b> Failure to Meet Climate-related Targets	
<b>TR2</b> NDPE Expectations	Guthrie has embedded sustainable and NDPE-compliant practices throughout our operations, incurring ongoing costs for certification (for more details, refer to the Sustainability Certification section), smallholder engagement (for more details, refer to the Smallholder Inclusion section), and supplier capacity-building.  In addition to the previous years' investment, the Group incurred approximately RM770,000 in FY2025 to maintain our NDPE commitments and enhance traceability systems across our operations and supply chain.
<b>TO</b> Low-carbon Technologies	The current financial effects are driven by investments and operational outcomes from renewable energy initiatives, particularly biogas capture and solar deployment across our mills and estates.  Contributions from the Renewable Energy segment include: <ul style="list-style-type: none"> <li>Solar Land Tenancy: Rental income from solar farms under utility-scale ground-mounted solar PV facilities, reflecting the Group's strategic land-use plan.</li> <li>Biogas Operations: Operational savings from reduced diesel and electricity consumption, positively impacting operating margins.</li> </ul> <p>Guthrie invested approximately RM49 million in the phased development of biogas plants and solar projects, capitalised as fixed assets. Funding was sourced internally or through external financing, depending on project arrangements.</p>

### Anticipated Financial Effects

#### Transition Risks: TR1, TR2, TR3

The Group anticipates financial effects to be mainly driven by ongoing initiatives, including supplier and smallholder engagement, supply chain traceability, and deployment of low-carbon technologies. These measures are expected to adequately mitigate potential impacts in the short- and medium-term. The cost of meeting our 2050 Net-zero Roadmap will be quantified in future reporting. Overall, financial effects are expected to remain relatively stable, aside from inflationary pressures.

If carbon tax regimes are implemented, the potential financial impact is expected to be minor, which is projected at USD131.70 per tCO<sub>2</sub>e in the long-term based on the NGFS's Fragmented World scenario. This estimate is applied to the Group's 2050 residual Scope 1 emissions, covering Energy and Industrial Processes, aligned with Guthrie's current emission reduction targets.

Overall, the financial impacts remain difficult to separately identify and quantify. The Group is committed to strengthening our internal systems to enable additional disclosure in future reporting.

#### Transition Opportunity: TO

The Group expects positive financial effects from low-carbon technology initiatives over the medium- and long-term. As renewable energy assets (including biogas and solar facilities) scale across the Group's operations, we anticipate steady revenue contributions from LSS, CGPP, and CRESS. These revenue streams are expected to stabilise cash inflows and reduce reliance on commodity-linked earnings.

Operational cost savings from biogas and solar initiatives are expected to continue in the short- and medium-term. In the long-term, increased self-generation of renewable energy is projected to lower exposure to grid electricity tariffs, diesel price volatility, and future carbon pricing mechanisms.

Low-carbon technology adoption is also expected to enhance the Group's eligibility for premium, low-carbon offtake arrangements, supporting pricing resilience and market access. Guthrie plans to continue investing in renewable energy assets in the short-, medium-, and long-term, with potential annual capital expenditure (CAPEX) of between RM50 million to RM175 million, which will be capitalised as fixed assets. We anticipate funding to be secured internally or externally, depending on project requirements.

Overall, the Group anticipates that the financial and sustainability benefits of low-carbon technology adoption will increasingly outweigh associated costs, contributing positively to long-term financial performance and value creation.

### METRICS AND TARGETS

#### TR2 NDPE Expectations

Traceability to Mill (TTM) and Traceability to Plantation (TTP) serve as core measures to ensure our supply chain meets customers' NDPE expectations.

Metric	Unit	FY2023 <sup>3</sup>	FY2024 <sup>3</sup>	FY2025	Target
TTM for all palm-based raw materials <sup>1</sup>	%	95.7	96.9	98	100
TTP for all palm-based raw materials <sup>2</sup>	%	81.5	84.9	90	100

<sup>1</sup> TTM represents the proportion of traceable volumes against total product received. Raw materials are deemed traceable if mill-level data, including facility name, location, and certification status, are available.  
<sup>2</sup> TTP represents the proportion of volumes traceable to plantation level against total product received. Raw materials are deemed traceable if estate-level data including GPS coordinates and ownership information, are available.  
<sup>3</sup> FY2023 and FY2024 TTM and TTP data were externally verified by Control Union Certifications (Malaysia) Sdn. Bhd.

#### TR3 Failure to Meet Climate-related Targets

##### Greenhouse Gas (GHG) Emissions

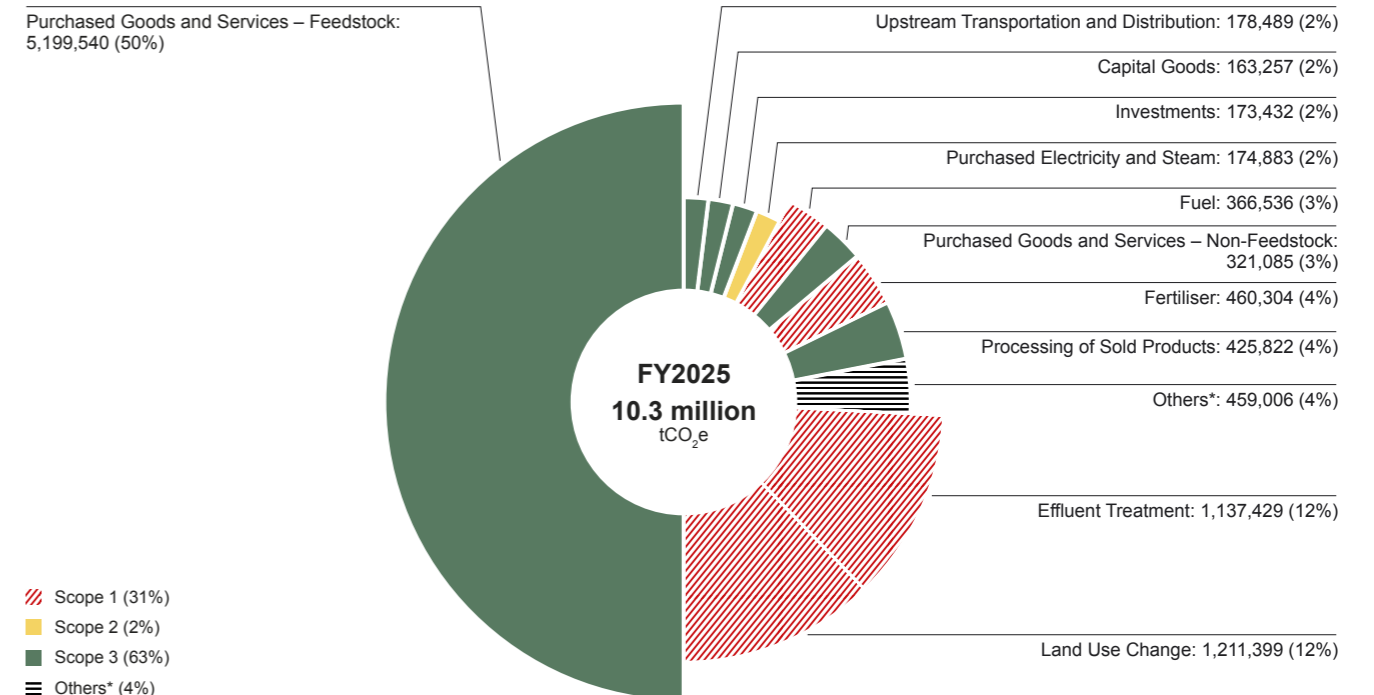
For FY2025, total emissions amounted to 17,339,964 tCO<sub>2</sub>e, excluding Scope 1 and Scope 3 carbon removals from the sequestration of oil palm, rubber, and high conservation value (HCV) areas, which account for -7,068,783 tCO<sub>2</sub>e, in respect of the consolidated accounting group under Guthrie. With 67% of our net emissions attributed to Scope 3 emissions from our supply chain, the Group continues to strengthen supplier engagement to address and reduce these emissions in collaboration with our partners.

The Group did not purchase any renewable energy certificates (RECs) or carbon credits in FY2025 and does not plan to utilise them as part of our strategy to reduce location-based Scope 2 emissions. We continue to monitor our decarbonisation progress and will reconsider these instruments if needed to achieve our emission reduction targets. These efforts form part of our broader transition towards cleaner energy sources, aligned with our long-term decarbonisation strategy.

Climate-related KPIs are integrated into the Environmental, Social, and Governance (ESG) Scorecard for Upstream Malaysia to support the monitoring of emissions intensity performance across the Group's estates and mills.

### Summary of GHG Emissions

#### FY2025 NET EMISSIONS BY SOURCE (tCO<sub>2</sub>e)



\* Others refer to Scope 1 Enteric Fermentation, Scope 1 Manure Management, Scope 1 Managed Soils, Scope 3 Fuel & Energy-related Activities, Scope 3 Downstream Transportation and Distribution, Scope 3 Waste Generated, Scope 3 Business Travel, Scope 3 Employee Commuting, Scope 3 Use of Sold Product, and Scope 3 End-of-Life.



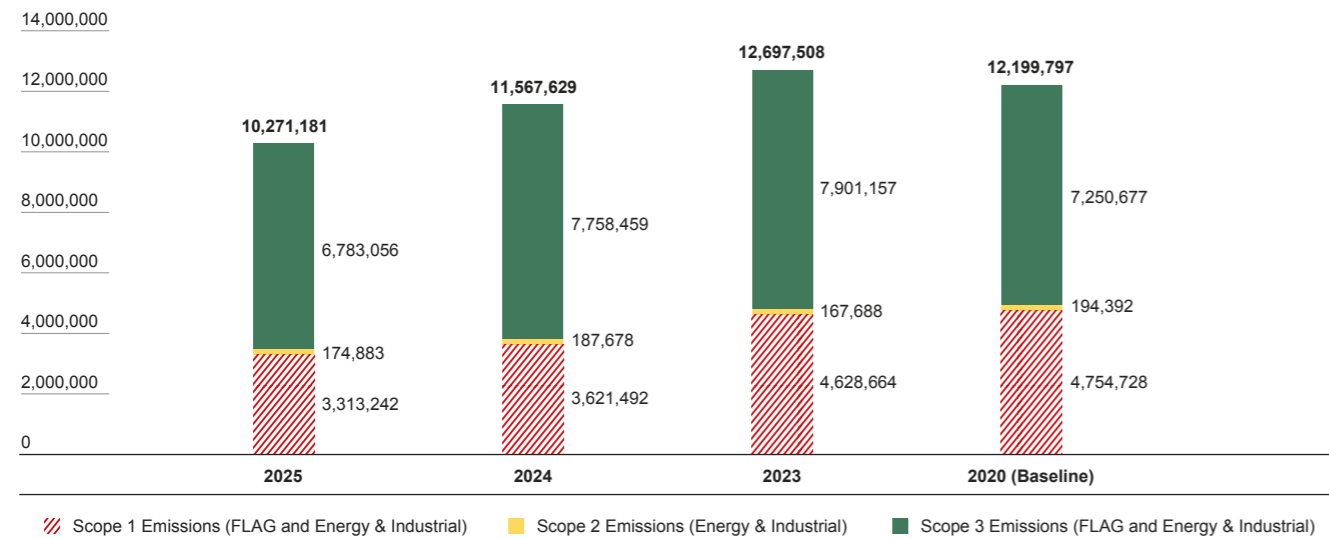
# Climate-related Risks and Opportunities

## Transition Risks and Opportunities

Aligned with the Group's net-zero emissions target, we achieved a 37% reduction in Scope 1 Forest, Land, and Agriculture (FLAG) net emissions compared to the FY2020 baseline. This improvement was primarily driven by the implementation of our NDPE policy and enhanced data availability and quality, which strengthened emissions measurement and management. In parallel, Scope 1 Energy and Industrial Processes emissions declined by 19%, supported by the expansion of biogas capture facilities, which increased from nine plants in FY2020 to 20 plants by FY2025. This expansion significantly reduced methane emissions from effluent treatment processes. Scope 2 emissions decreased by 10% relative to the baseline, reflecting both lower grid electricity consumption and the application of reduced grid emission factors.

With respect to Scope 3, emissions from the FLAG sector increased by 2% compared to FY2020, largely due to increase in the sourcing volume of raw materials. In contrast, Scope 3 emissions from the Energy and Industrial Processes sector reduced by 21%, despite increase in raw material sourcing, driven by improved supplier emissions disclosures and data, thus allowing more precise suppliers' data to be applied rather than relying on industry estimates. The following table summarises the Group's emissions from FY2023 to FY2025, alongside the FY2020 baseline.

### TOTAL NET EMISSIONS IN RECENT YEARS (tCO<sub>2</sub>e)



Total GHG Emissions (tCO <sub>2</sub> e) <sup>1</sup>				
Scope	FY2025	FY2024	FY2023	FY2020 (Baseline)
Gross Scope 1 Emissions <sup>2</sup>	9,090,257 <sup>ⓐ</sup>	9,415,867 <sup>5</sup>	10,250,863 <sup>5</sup>	10,516,952
Gross Scope 2 Emissions <sup>2</sup> (Location-based)	174,883 <sup>ⓐ</sup>	187,678	167,688	194,392
Gross Scope 3 Emissions <sup>3</sup>	8,074,824 <sup>ⓐ</sup>	9,014,329 <sup>5</sup>	9,122,658 <sup>5</sup>	8,007,549
Total Gross Scope 1, Scope 2, and Scope 3 (without removals)	<b>17,339,964</b>	<b>18,617,874</b>	<b>19,541,208</b>	<b>18,718,893</b>
Scope 1 Carbon Removals <sup>4</sup>	(5,777,015)	(5,794,375)	(5,622,199)	(5,762,224)
Scope 3 Carbon Removals <sup>4</sup>	(1,291,768)	(1,255,870)	(1,221,501)	(756,872)
Total Scope 1 and Scope 3 Carbon Removals	<b>(7,068,783)<sup>ⓐ</sup></b>	<b>(7,050,245)</b>	<b>(6,843,700)</b>	<b>(6,519,095)</b>
Net Scope 1, Scope 2, and Scope 3	<b>10,271,181</b>	<b>11,567,629</b>	<b>12,697,508</b>	<b>12,199,797</b>

<sup>1</sup> For detailed GHG emissions calculation, assumptions, methodology, and emissions factor used, please refer to the GHG Inventory Methodology Statement (issued on 20 April 2026) published on our website: [www.sdguthrie.com/beyond-zero/resource-centre](http://www.sdguthrie.com/beyond-zero/resource-centre).

<sup>2</sup> The emissions disclosed above are in respect of entities within the consolidated accounting group.

<sup>3</sup> The Group's significant Scope 3 emissions arise from Category 1: Purchased Goods and Services (6,812,393 tCO<sub>2</sub>e) and Category 10: Processing of Sold Products (425,822 tCO<sub>2</sub>e). All other Scope 3 categories are assessed to be immaterial for separate disclosure.

<sup>4</sup> Scope 1 and Scope 3 carbon removals are primarily attributable to oil palm sequestration.

<sup>5</sup> Scope 1 and Scope 3 emissions for FY2023 and FY2024 have been restated following the reclassification Scope 3 Category 13: Downstream Leased Assets emissions.

<sup>ⓐ</sup> This data was subjected to external independent limited assurance by PricewaterhouseCoopers PLT, Malaysia ("PwC"). Refer to PwC's limited assurance report on pages 51 to 54. For more details on the reporting criteria applied, refer to Guthrie GHG Inventory Methodology Statement (issued on 20 April 2026) published on our website: [www.sdguthrie.com/beyond-zero/resource-centre](http://www.sdguthrie.com/beyond-zero/resource-centre).

### Guthrie's Approved SBTi Targets

The Group's approved SBTi targets and progress against our 2020 baseline are as follows:

Category	Unit	Progress (FY2025)	2030 Target	2050 Target
Forest, Land and Agriculture (FLAG) GHG Emissions <sup>6</sup>	% reduction	13%	30.3% absolute reduction (Scope 1 & 3)	72% absolute reduction (Scope 1 & 3)
Energy and Industrial Processes GHG Emissions <sup>7</sup>	% reduction	20%	42% absolute reduction (Scope 1 & 2)	90% absolute reduction (Scope 1, 2, and 3)

<sup>6</sup> FLAG: Emissions related to agriculture to the farm gate (excluding processing), land use change, and land management. Target includes carbon removals.

<sup>7</sup> Energy and Industrial Processes: Emissions from operational activities beyond the farm gate, primarily fossil fuel combustion.

The Group remains committed to achieving deeper emission reductions through our strategic Net-zero Roadmap, which prioritises renewable energy adoption across our estates, mills, refineries, and production sites to reduce Scope 1 and 2 emissions. In FY2025, our total energy consumption amounted to over 41 million gigajoules (GJ), with 87% from biomass, biogas, and solar.

Metric	Unit	FY2023	FY2024	FY2025	Target
Net Scope 1 and Scope 3: Forest, Land and Agriculture (FLAG) GHG emissions	tCO <sub>2</sub> e	8,523,230	7,962,651	6,576,286	30.3% absolute reduction by 2030
Gross Scope 1 and Scope 2: Energy and Industrial Processes GHG emissions	tCO <sub>2</sub> e	1,711,424	1,541,131	1,604,374	42% absolute reduction by 2030
Scope 1 and Scope 2 GHG emissions (net of removal) intensity of estates and mills <sup>8</sup>	tCO <sub>2</sub> e/MT CPO	2.05	1.61	1.39 <sup>ⓐ</sup>	1.37
GHG emissions (net of removal) intensity of refineries <sup>8</sup>	tCO <sub>2</sub> e/MT refined products	2.71	2.57	2.53 <sup>ⓐ</sup>	No target

### Energy Management

Operational energy consumed <sup>9</sup>	GJ	41,135,641	41,254,412	41,823,955	No target <sup>10</sup>
Percentage of grid electricity	%	2.1	2.5	2.3	No target <sup>10</sup>
Percentage of renewable energy <sup>11</sup>	%	87	86	87	No target <sup>10</sup>

<sup>ⓐ</sup> This data was subjected to external independent limited assurance by PricewaterhouseCoopers PLT, Malaysia ("PwC"). Refer to PwC's limited assurance report on pages 51 to 54. For more details on the reporting criteria applied, refer to Guthrie GHG Inventory Methodology Statement (issued on 20 April 2026) published on our website: [www.sdguthrie.com/beyond-zero/resource-centre](http://www.sdguthrie.com/beyond-zero/resource-centre).

<sup>8</sup> The intensity metric for estates and mills is internally developed in alignment with the RSPO Annual Communication of Progress (ACOP) submission guidelines, while the intensity metric for refineries is internally developed independently.

<sup>9</sup> Total operational energy consumed includes energy consumed by all machinery and fleet vehicles.

<sup>10</sup> Energy consumption is captured under Gross Scope 1 and Scope 2: Energy and Industrial Processes GHG emissions; therefore, standalone targets were not set.

<sup>11</sup> All renewable energy consumed is generated exclusively from our own operations, specifically from oil palm biomass waste (mesocarp fibre, empty fruit bunches, and palm kernel shell), biogas, and solar energy. The biomass is produced in RSPO-certified mills.

# Climate-related Risks and Opportunities

## Transition Risks and Opportunities

### TO Low-carbon Technologies

Our renewable energy segment continues to develop solar and biogas projects, targeting a total installed capacity of 1 GW. Further details are available in the Business Review: Industrial Development & Renewable Energy section of our Integrated Report.

Metric	Unit	FY2023	FY2024	FY2025	Target
Total biogas and solar energy installed capacity <sup>1</sup>	MW	24	31	48	Achieve 1 GW installed capacity

<sup>1</sup> This metric was developed internally based on data tracked by the Group.

### PROCESS, POLICIES, AND CONTROLS TO MANAGE RISKS AND OPPORTUNITIES

The Group integrates climate-related risks and opportunities into our business strategies, as reflected in our approach to land use, conservation, supply chain management, and renewable energy. Environmental, social, and governance (ESG) due diligence is a mandatory requirement for all acquisitions, reinforcing the integration of sustainability considerations into our business strategy. Since FY2023, any proposed investment or capital expenditure reviewed by the Group Investment Committee must include an evaluation of its impact on our GHG emissions. Internal carbon pricing has also been embedded into investment appraisals and cost benefit analyses for selected projects.

The Group has established a proactive, ongoing process to identify, evaluate, and manage significant climate-related risks and opportunities. These are fully integrated into Guthrie's Risk Management Framework and are managed with the same rigour as other business risks.

Risk Management Approach	Description
<b>1. Identification of Climate-related Risks</b>	<ul style="list-style-type: none"> <li>Climate-related risks are identified through risk identification, risk assessment, and risk mitigation, supported by continuous monitoring.</li> <li>Significant risks are escalated to the Risk Management Committee and the Board.</li> <li>The Board and relevant committees meet at least four times annually to review strategic business matters, including climate-related issues.</li> </ul>
<b>2. Managing Climate-related Risks</b>	<ul style="list-style-type: none"> <li>The Risk Management Committee and Sustainability Committee actively monitor and manage sustainability and climate risks, assessing their anticipated or actual impact on operations.</li> <li>These committees oversee the implementation of mitigation actions for identified sustainability and climate risks.</li> <li>The Group's Risk Management Framework guides climate risk identification, analysis, evaluation, treatment, reporting, communication, monitoring, and review.</li> </ul>
<b>3. Integration of Climate-related Risk Management</b>	<ul style="list-style-type: none"> <li>Climate-related risks are integrated into Guthrie's Risk Management Framework, ensuring structured oversight and comprehensive risk mitigation.</li> </ul>

The Group takes a structured approach to evaluating climate-related risks, addressing both transition risks and physical risks. Scenario analysis is used to anticipate potential challenges associated with climate change, as described in the next section.

Additionally, we update our climate risk register annually to document the nature, likelihood, potential impacts, and mitigation measures for each identified risk.

### CLIMATE RESILIENCE AND SCENARIO ANALYSIS

Climate-related risks may affect Guthrie's business across short-, medium-, and long-term horizons. The Group conducted climate-related scenario analysis to assess potential physical and transition risk impacts on our strategy and business model.

#### Climate Scenario Analysis: Physical Risk

In recent years, the frequency and intensity of climate-related physical events have increased. The Group conducted a scenario analysis to assess how extreme weather events and long-term climatic shifts could affect our operations and Tier 1 suppliers. Oil palm, the Group's principal crop, is the major contributor of Guthrie's revenue, making it a business priority in the context of climate-related physical risks.

In previous reporting cycles, climate-related physical risks were assessed using the Representative Concentration Pathways (RCP4.5 and RCP8.5). For the current year, this approach has been enhanced by adopting the Intergovernmental Panel on Climate Change's (IPCC) combined Shared Socio-economic Pathway (SSP) and Representative Concentration Pathway (RCP) framework, in line with IFRS S2 expectations for robust scenario analysis.

The updated scenario analysis reflects three pathways:

- Scenario 1** – Strong Mitigation Policy (SSP1-2.6): Low-emissions, sustainability-focused development.
- Scenario 2** – Moderate Mitigation Policy (SSP2-4.5): Middle-of-the-road trajectory with gradual policy progress, adopted as the most probable baseline.
- Scenario 3** – Business-as-Usual Policy (SSP5-8.5): High emissions pathway with limited mitigation.

For medium- and long-term impact assessments, the Group assessed potential exposure to flooding, sea-level rise, and drought across our operating locations and direct Tier 1 suppliers using Swiss Re's climate risk modelling projections. The analysis identifies facilities that may be exposed under SSP5-8.5 for 2030 and 2085, defined by Swiss Re's Future Hazard Risk which incorporates its Climate Risk Scores. The SSP5-8.5 was selected as it represents the highest physical-risk pathway. This allows the Group to test the resilience of our operations under the most severe projected climate hazards.

### Group and Tier 1 Suppliers' Facilities Exposed to Climate-related Physical Risks under Scenario 3: SSP5-8.5 Scenario (2030 and 2085)

Countries	2030 (Count of Facilities)		2085 (Count of Facilities)			
	Flooding (Coastal and Riverine)	Flooding (Coastal and Riverine)	Flooding (Coastal and Riverine)	Sea-level Rise	Drought	
Malaysia	G 34 S 2	G 58 S 5	G 31 S 10			
Indonesia	G 14 S 1	G 28 S 1	G 1			
Papua New Guinea	G 4	G 8				
Thailand	G 1 S 2	G 1 S 7	G 1		S 4	
South Africa					G 1 S 2	
The Netherlands					G 1	
<b>Total</b>	<b>G 53 S 5</b>	<b>G 95 S 13</b>	<b>G 33 S 10</b>		<b>G 2 S 6</b>	
<b>% of Facilities Exposed</b>	<b>G 17% S 2%</b>	<b>G 31% S 6%</b>	<b>G 11% S 5%</b>		<b>G 1% S 3%</b>	

Note:

- Flood, sea-level rise, and drought projections categorised as "Very High" or "Extreme" Future Hazard Risks from the Swiss Re Risk Data & Services (RDS) platform.
- G = Group facilities (estates, mills, and refineries). S = Tier 1 palm-based suppliers' facilities (estates and mills). Only suppliers with known coordinates are included.
- Based on 2030 projections, Group facilities and Tier 1 palm-based suppliers' facilities are not exposed to "Very High" or "Extreme" sea-level rise and drought risks.
- We currently operate only one facility in the United Kingdom (UK) and do not have any palm-based supplier facilities in the country. No Group or supplier facilities in Solomon Islands are projected to be affected by climate-related physical risks in 2030 and 2085.

# Climate-related Risks and Opportunities

The results of the scenario analysis are summarised below, together with the impact of each scenario on the Group's strategy and business model. Current strategic plans have been developed to remain resilient under a moderate climate risk environment (Scenario 2). More severe pathways (Scenario 3) may require strengthened adaptation measures. The results are inherently uncertain, and therefore should not be interpreted as predictions and will be continuously refined over time.

Impact to the Group's Capacity to Adjust Strategy and Business Model		
	Medium-term: 2030	Long-term: 2085
	<b>Swiss Re projections indicate no exposure to sea-level rise and drought; however, there is exposure to flooding across all scenarios.</b>	<b>Exposure to flooding and sea-level rise is projected to increase further, while drought risk is expected to increase marginally across all scenarios.</b>
<b>Scenario 1</b> Strong Mitigation Policy	Climate-related physical risks are expected to be manageable through ongoing and planned climate adaptation measures, particularly in higher-risk areas. Operational resilience is expected to be strengthened without material changes to the Group's strategy or business model.	The Group does not currently anticipate material changes to our strategy or business model under this scenario.
<b>Scenario 2</b> Moderate Mitigation Policy – Most Probable	Flooding risk may result in operational disruptions but are expected to be managed through continued investment in climate adaptation infrastructure, without fundamentally changing the Group's strategic direction.	While no fundamental strategic changes are anticipated, additional adaptation measures may be required to maintain operational resilience.
<b>Scenario 3</b> Business-as-Usual Policy	More frequent flooding may result in a reassessment of existing strategies and plans as operational disruptions and yield impacts require enhanced adaptation and maintenance expenditure.	More severe and persistent climate-related physical risks may necessitate stronger adaptation responses, including infrastructure upgrades or asset rationalisation in higher-risk areas.

The financial impacts associated with climate-related physical risks cannot be quantified with sufficient reliability due to inherent uncertainties in climate projections, including the severity and frequency of future flooding and drought events. Given the extended time horizon, the Group has limited visibility on the magnitude of future adaptation costs and long-term revenue impacts. Further uncertainty arises from long-term pricing and costing assumptions. Modelling potential impacts as far out as 2085 using medium-term expectations introduces additional uncertainty, particularly in light of potential shifts in market dynamics, regulatory developments, technological change, and broader economic conditions over time.

## Climate Scenario Analysis: Transition Risks and Opportunities

The Group has adopted the Network for Greening the Financial System (NGFS) scenarios to identify and quantify transition exposures. These scenarios have been assessed against IPCC assumptions to ensure comparability for transition risk analysis. The Group has aligned the following NGFS scenarios with the IPCC's three pathways:

- **Scenario 1** – Net-zero 2050: Assumes national net-zero targets as well as additional global emission neutrality targets by 2050.
- **Scenario 2** – Fragmented World: Follows implemented policies until 2030 and subsequently assumes that strong policies are implemented to limit warming to below 2°C.
- **Scenario 3** – Current policies: Reflects only already implemented policies and current trends that are insufficient to mitigate climate impact.

In the short-term, the Group does not anticipate any material impacts from the identified transition risks on financial performance, financial position, and access to capital. Furthermore, the introduction of carbon taxes is not expected to directly affect the plantation industry in the medium-term, given current global trends. As a result, potential impacts from carbon tax regimes on the Group's operations are expected to remain limited.

For the scenario analysis, the quantification is limited to the impact from the potential introduction of carbon taxes in the long-term, as the Group is unable to quantify the variation of OPEX and CAPEX required to mitigate the different climate-related transition events arising from these scenarios.

Guthrie analyses the financial impact of our climate scenario analysis based on our Risk Likelihood and Risk Impact Criteria as depicted below.

Score	Rating	Financial Impact Criteria
5	Catastrophic	More than 25% of budgeted recurring Profit After Tax and Minority Interests (PATAMI)
4	Major	15% to 25% of budgeted recurring PATAMI
3	Moderate	5% to 15% of budgeted recurring PATAMI
2	Minor	1% to 5% of budgeted recurring PATAMI
1	Insignificant	Up to 1% of budgeted recurring PATAMI

# Climate-related Risks and Opportunities

## Impact to the Group's Strategy and Business Model

	Medium-term: 2030	Long-term: 2050
<p><b>Scenario 1</b> Net-zero 2050</p>	<p>Stringent climate-related mitigation measures are expected, including more refined emission reduction policies and strategies.</p> <p>Increased regulatory and market scrutiny from sustainability-focused stakeholders will place greater emphasis on low-carbon and NDPE practices.</p> <p>The Group may need to reassess our strategies should such conditions arise. This will potentially require segregation and redesign of supply chains.</p> <p>However, carbon taxes on the plantation industry are not anticipated in the medium-term.</p>	<p>Climate mitigation measures are expected to be implemented more actively. The Group anticipates moderate increases in operational costs and may require additional funding to implement more extensive mitigation measures.</p> <p>Accelerated deployment of low-carbon technologies, including biogas plants and solar energy, is expected to enhance revenue diversification. These initiatives may improve operating margins and support cash flow stability.</p> <p><b>Estimated carbon tax impact: 3 Moderate<sup>1</sup></b></p> <p>Under this scenario, the Group is expected to incur moderate additional operating costs<sup>1</sup> based on a carbon price of USD590.43 per tCO<sub>2</sub>e in the long-term, which may impact the financial performance. This is projected based on the NGFS Net-zero 2050 scenario for year 2050, and the Group's residual emissions<sup>2</sup>.</p>
<p><b>Scenario 2</b> Fragmented World – Most Probable Baseline Scenario</p>	<p>Raising awareness is expected to prompt nations to gradually introduce climate policies. Customers are anticipated to increasingly demand sustainably produced goods and greater transparency across the supply chain.</p> <p>The Group does not expect carbon taxes to be implemented on the plantation industry in the medium-term.</p>	<p>Heightened market, reputational, and regulatory risks are expected, driven by stricter national mitigation measures towards a low-carbon economy, and rising stakeholder expectations of Guthrie's climate action.</p> <p>The Group is also anticipated to continue benefitting from incremental cost savings from diesel and electricity displaced due to deployment of renewable energy plants in Guthrie's operations.</p> <p><b>Estimated carbon tax impact: 2 Minor<sup>1</sup></b></p> <p>The Group may be exposed to the implementation of carbon taxes, resulting in minor additional operational costs<sup>1</sup> based on a price of USD131.70 per tCO<sub>2</sub>e in the long-term, which may impact financial performance. This is projected based on the NGFS Fragmented World scenario for year 2050 and the Group's residual emissions<sup>2</sup>.</p>
<p><b>Scenario 3</b> Current Policies</p>	<p>Carbon taxes are not expected to be prioritised for the plantation industry, reflecting global trends. Adoption of low-carbon technologies remains limited, alongside modest corporate commitments to emissions reduction and low demand for sustainably produced products.</p>	<p>Climate change action is delayed with uncoordinated mitigation actions globally.</p> <p><b>Estimated carbon tax impact: 1 Insignificant<sup>1</sup></b></p> <p>The Group anticipates insignificant financial impact from carbon taxes<sup>1</sup> under this scenario, which is based on USD8.05 per tCO<sub>2</sub>e in the long-term. This is projected based on the NGFS Current Policies scenario for year 2050 and the Group's residual emissions<sup>2</sup>.</p>

<sup>1</sup> The financial impact of the scenario analysis is limited to the carbon tax estimation based on NGFS Scenarios. Financial impacts from market risk and reputational risk remain highly variable and cannot be reliably quantified.  
<sup>2</sup> The selected carbon price is applied to the Group's 2050 residual Scope 1 Energy and Industrial Processes emissions, based on Guthrie's current SBTi targets.

## Significant Areas of Uncertainty

Despite the uncertainties outlined below, the Group maintains a robust strategy and views low-carbon technology deployment as a core long-term opportunity to drive decarbonisation and operational transformation.

<p><b>TR1</b> Carbon Pricing</p>	<ul style="list-style-type: none"> <li>Carbon prices are expected to rise and will apply primarily to Scope 1 Energy and Industrial Processes emissions. In the net-zero scenario, prices are projected to be significantly higher.</li> <li>The net-zero pathway relies more heavily on emerging technologies compared to the base case. As these green technologies mature, investment costs are expected to decline with wider adoption.</li> <li>Considerable uncertainty surrounds future national carbon pricing implementation, which will be shaped by regulatory developments and market demand.</li> </ul>
<p><b>TR2</b> NDPE Expectations</p>	<ul style="list-style-type: none"> <li>Ongoing compliance requirements introduce uncertainty around certification costs, supplier readiness, and regulatory enforcement timelines.</li> </ul>
<p><b>TR3</b> Failure to Meet Climate-related Targets</p>	<ul style="list-style-type: none"> <li>The impact of reputational and market risk remains highly uncertain, as stakeholder reactions to sustainability performance may vary and are difficult to predict.</li> </ul>
<p><b>TO</b> Low-carbon Technologies</p>	<ul style="list-style-type: none"> <li>Solar and biogas projects remain in the development and construction phases, with schedules dependent on tender announcements, regulatory approvals, interconnection readiness, and engineering progress.</li> <li>Long-term operating performance is expected to be influenced by weather variability, solar irradiance, POME availability, and equipment reliability, creating uncertainty in output and capacity planning.</li> <li>Renewable energy policies and mechanisms continue to evolve and may affect the scope or timing of future deployments.</li> </ul>

## CAPACITY TO ADJUST OR ADAPT STRATEGY AND BUSINESS MODEL

Guthrie's current strategy is anchored on the most probable climate baseline scenario (Scenario 2), incorporating mitigating actions outlined on pages 17 and 18. These actions are financed through a combination of internal cash balances and external funding, depending on the nature and scale of the investment. The Group periodically reviews our strategy and financial adaptability against evolving market and regulatory environments, and continues to assess our capacity to adjust the Group's strategy and business model.

The focus remains on upgrading and retrofitting mills and estates to integrate low-carbon technologies. The Group's Net-zero Roadmap already embeds a low-carbon technology rollout plan, which is expected to adequately mitigate risk. In addition, the establishment of internal carbon pricing within the Group's investment decisions helps manage expectations around future carbon-related cost considerations.

# Nature-related Risks and Opportunities

## WATER AND EFFLUENT MANAGEMENT

SD Guthrie (Guthrie) depends on reliable water access for all operations, including mill and refinery processing, as well as worker facilities. Key water-related risks such as inadequate water supply, especially in facilities located at high water stress areas and inefficient water use may potentially disrupt operations, and increase competition for water with surrounding communities. Poor water table management in peat areas may also increase greenhouse gas (GHG) emissions and fire risks. Risk intensity varies by location, and is influenced by climate patterns, hydrology, water sources, and infrastructure availability.

Our mills and refineries generate effluent, which are subject to environmental discharge quality regulations. Compliance and operational risks arise from insufficient effluent treatment capacity or maintenance, and failure to meet discharge standards under local regulations.

The overall risk is heightened by higher production throughput, insufficient monitoring and controls, and the impacts of climate change.

### EFFECTS ON THE BUSINESS MODEL AND VALUE CHAIN

According to Aqueduct 4.0, the World Resources Institute's (WRI) water risk framework, Guthrie has one estate and three refineries operating under extremely high water-stress baselines. Water availability constraints may disrupt processing and cause operational downtime.

Guthrie's operations are governed by local environmental quality regulations and effluent management requirements, which are essential for maintaining our sustainable palm oil certification. Any non-compliance may disrupt our supply chain and potentially pose financial and operational risks.

We regularly monitor effluent discharge to ensure compliance with required thresholds. Discharge breaches or poor effluent management may result in legal action, fines, operational disruptions, ecosystem pollution, community grievances, and mandatory remediation. Scrutiny from certification bodies such as Roundtable on Sustainable Palm Oil (RSPO) and downstream customers is increasing, particularly regarding responsible water use and compliance with effluent standards. Incidents relating to discharge quality or unsustainable freshwater consumption may trigger intensified regulatory audits, higher disclosure expectations, and elevated community-relations demands in water-stressed or sensitive catchment areas.

### STRATEGIC APPROACH AND MITIGATION PLAN

The Group has implemented short-, medium-, and long-term water management plans to mitigate water and effluent management risks across our upstream and downstream operations. These plans target water-intensive processes and reflect location-specific water dependence, withdrawal sources, and regulatory requirements, while maintaining consistent Group-wide water stewardship principles. We focus on ensuring regulatory compliance, improving operational water efficiency, and minimising adverse impacts on surrounding water bodies.

### Optimising Water Consumption

#### Upstream

To optimise water consumption, operational controls are implemented at mills to reduce water usage, while rainwater harvesting tanks have been installed at our worker housing and offices. Plantation irrigation in Malaysia and Indonesia relies mainly on rainwater. To enhance efficiency in irrigation and drainage systems, our Group Digital and Upstream Malaysia Water Management teams developed the Palm Digital Water Level Monitoring Dashboard. The tool provides real-time water-level data, enabling precise water-gate control and ensuring optimal water supply to our crops. Piezometers installed across coastal estates support continuous water-table monitoring, strengthen water management, and reduce fire risks in peatland areas.

Our Papua New Guinea (PNG) and Solomon Islands (SI) operations rely primarily on groundwater sourced through bore water systems, with frequent rainfall ensuring overall water availability and preventing depletion. Groundwater and surface water extraction in PNG is regulated under the Water Resources Act 1982. We monitor the extraction volumes, bore integrity, and water quality to ensure compliance with the local regulations.

For peat areas in Indonesia, the Ministry of Environment (KLH) designates water table (*Tinggi Muka Air Tanah* (TMAT)) monitoring points. Companies are required to install water-table monitoring equipment, including real-time loggers, and transmit data directly to KLH servers for compliance, as well as pollution control, evaluation, and rating (PROPER) assessment. Water-table levels in peat areas in Malaysia, PNG, and SI are also regularly monitored.

#### Downstream

Our refineries are actively implementing water efficiency measures in both water-stressed and low-risk water stress areas.

» For more details, refer to the Climate-related Physical Risk section of this report.

Our water-efficiency initiatives include reusing effluent water, reducing wash water, upgrading effluent plants, improving steam condensate recovery. Five of our refineries are certified under the ISO 14001 Environmental Management System, and we continue to strengthen our overall environment management performance.

### Enhanced Water Discharge Quality Monitoring

We regularly monitor discharge at refineries and mills through frequent sampling, tracking, and reporting to ensure full compliance with regulatory limits set by national or local authorities. The Group equips employees with the necessary training to effectively carry out effluent-monitoring activities.

We have invested in laboratory testing equipment to monitor key water quality indicators, such as biological oxygen demand (BOD) and chemical oxygen demand (COD). BOD and COD levels at our Malaysian operations are maintained within legal limits. Regular assessments of final discharge conditions of palm oil mill effluent (POME) and in the Industrial Effluent Treatment System (IETS) are conducted by competent personnel, while monthly evaluations of all treatment ponds ensure continuous compliance with regulatory requirements. In addition, systematic desludging and daily sampling of key effluent parameters further strengthen our monitoring practices.

The Group adheres to the new internal sampling requirements, which mandate multiple effluent samples and independent testing by three accredited laboratories. We actively monitor the operating units to uphold regulatory limits for effluent discharge, ensuring timely corrective action and transparency.

### Effluent Treatment System

POME treatment systems and IETS were implemented across our operating units to ensure compliance with national and local environmental standards. In Indonesia, quarterly assessments of treatment ponds are conducted by an independent internal quality team to maintain continuous compliance and operational efficiency. Methane generated from POME is also captured to generate electricity in the Group's 20 biogas plants, supporting waste-to-value initiatives within our operations.

In PNG and SI, five new sewage plants at worker housing complexes were completed in 2025, with six additional plants scheduled for commissioning in 2026.

## Nature-related Risks and Opportunities

### Water and Effluent Management

#### FINANCIAL EFFECTS

##### Current Financial Effects

During the reporting period, three incidents of non-compliance with regulatory water-quality or effluent-discharge standards were identified. Each case was immediately addressed, with no material impact on operations. All mitigation and prevention initiatives have since been progressively implemented.

The current financial effects are mainly driven by ongoing operational measures to ensure compliance with the relevant requirements. In our upstream operations, the Group invested approximately RM7.5 million in the construction and upgrade of holding ponds, effluent treatment plants, and sewage infrastructure, which are capitalised as fixed assets.

Additionally, the Group incurred roughly RM25 million for the operation and maintenance of water and effluent treatment facilities at our mills, which are recognised as expenses in the Profit and Loss (P&L) Statement. These recurring costs are expected to vary in the short-, medium-, and long-term, depending on the state-level requirements.

##### Anticipated Financial Effects

The Group expects existing mitigation and compliance activities to remain consistent at current levels, with no significant impact on our financial performance and cash flow in the short-, and medium-term. However, in the coming years, we anticipate higher water treatment costs as our Industrial Development segment expands.

In view of stricter water and effluent discharge regulations, the Group anticipates training costs to be consistent in the short-term. The Group also expects to invest approximately RM16.6 million to improve water and effluent treatment systems through initiatives such as pond construction, effluent pond upgrades, water treatment plants, and sewage treatment plants. An additional RM400,000 will be invested in the installation of real-time sensors to monitor water table levels across peatland areas in Indonesia.

#### RESILIENCE OF THE GROUP'S STRATEGY AND BUSINESS MODEL

The Group's water management plan is designed to mitigate water and effluent management risks across the short-, medium-, and long-term through establishing controls, technology investments, and continuous monitoring. The Group is expected to sustain our current water consumption levels and maintain effluent quality.

#### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

The Group manages water and effluent risks through a structured framework anchored in the Water Quality Monitoring 2016 standard operating procedures, ensuring consistent compliance with regulatory discharge and water quality requirements across operations. Risks and gaps are identified through routine sampling, verification, internal audits, and environmental impact assessments conducted in line with Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO), and Indonesian Sustainable Palm Oil (ISPO) requirements, as well as ISO 14001 Environmental Management System practices. These processes enable early detection of non-compliance and ensure timely corrective actions.

No material changes were made to the Group's water and effluent management processes during the reporting period. Progress and compliance outcomes are monitored and reported through established governance channels to Management and the Sustainability Committee (SC).

» For more details, please refer to the Sustainability Governance section of this report.

#### METRICS AND TARGETS

The Group aims to reduce the amount of water used in our operations while continuing to comply with all regulatory requirements. We are also improving our water data collection approach and refining our targets to improve measurement accuracy.

Metric <sup>1</sup>	Unit	FY2023	FY2024	FY2025	Target
Total water withdrawn	'000 m <sup>3</sup>	52,708	52,616	54,031	No target
Total water consumed <sup>2</sup>	'000 m <sup>3</sup>	46,239	43,647	45,638	No target
Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress <sup>3</sup>	% by volume	Not available <sup>4</sup>	Not available <sup>4</sup>	0.74	No target
Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress <sup>3</sup>	% by volume	Not available <sup>4</sup>	Not available <sup>4</sup>	0.59	No target
Percentage of palm-based agricultural products sourced from Tier 1 suppliers in regions with High or Extremely High Baseline Water Stress <sup>5,6</sup>	% by volume	Not available <sup>4</sup>	Not available <sup>4</sup>	2.38	No target
Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	3	5	3	0

<sup>1</sup> The Group's metrics combine internal indicators with relevant guidance of the Sustainability Accounting Standards Board (SASB) standard. These metrics are derived from data already monitored at operations.

<sup>2</sup> The definition of water consumption metric under the SASB standard has been considered. However, the internal definition for water consumption was applied, in line with the current monitoring system of operations.

<sup>3</sup> Source: Baseline Water stress Risk Likelihood obtained from WRI Water Risk Atlas, Aqueduct 4.0.

<sup>4</sup> FY2025 is the first reporting period in which the Group is presenting this metric, FY2023 and FY2024 data are not available.

<sup>5</sup> The SASB standard prescribes disclosure of metrics as a percentage by cost. Given the commercial sensitivity of the cost information, these metrics are disclosed by volume instead.

<sup>6</sup> In line with the SASB standard for Tier 1, suppliers are defined as suppliers that transact directly with the entity.

# Nature-related Risks and Opportunities

## BIODIVERSITY AND CONSERVATION

Our plantations are exposed to nature-related risks arising from our dependence on ecosystem services, such as natural pest control services that help suppress pest populations. Failure to take appropriate measures to conserve nature may lead to potential risks, such as the loss of pollinator populations, reduced natural pest control, diminished habitat connectivity, and weakened landscape resilience and ecosystem services that the Group relies on.

### EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

Biodiversity degradation within our operating units and surrounding areas may increase pest outbreaks and crop diseases, reliance on agrochemicals, risks of human-wildlife conflicts, and affect fresh fruit bunch (FFB) yields. Without effective adaptation measures, the Group could face yield losses, higher operating costs for pest and wildlife management, and intensified monitoring requirements. These impacts are relevant over the short-, medium-, and long-term, with exposure varying by land-use type and geography, particularly in environmentally sensitive areas (ESAs) such as river reserves, peat areas, and steep terrains. Non-compliance with biodiversity and conservation requirements could lead to suspension or loss of sustainability certification, including Roundtable on Sustainable Palm Oil (RSPO) and non-conformance with No Deforestation, No Peat, and No Exploitation (NDPE) requirements. Such outcomes may limit the Group's access to markets that enforce stringent sustainability criteria.

In the long term, persistent and unmitigated biodiversity impacts could exacerbate pest pressures, requiring broader restoration and landscape-level conservation, which may result in rising expenses and capital commitments.

### STRATEGIC APPROACH AND MITIGATION PLAN

As part of the Group's broader "Beyond Zero" Framework, biodiversity considerations are embedded into our strategic decision-making across land-use planning, conservation management, supplier engagement, and long-term estate development.

#### Biodiversity Conservation Plan (BCP)

Our BCP provides a strategic blueprint guiding biodiversity-related decisions over the short-, and medium-term. The plan reflects our commitment to protect, restore, and connect ecosystems across our operational and sourcing landscapes, with a target of conserving or restoring more than 100,000 hectares by 2030 under our "Beyond Zero" pillars of Restore. As of 31 December 2025, there are 51,212 hectares (ha) being protected or restored within and outside of Guthrie's areas across our upstream operations.

We identify and protect High Conservation Value (HCV) areas and Conservation Set-Aside (CSA) areas, balancing plantation development and ecological preservation through science-based decisions, sustainability compliance, and landscape-level collaboration.

As part of our ecosystem rehabilitation and reforestation initiatives, non-productive oil palm areas are reclassified as unplanted areas and rehabilitated, where feasible. Large-scale tree planting initiatives focus on endemic and Rare, Threatened,

and Endangered (RTE) species, enhancing biodiversity, strengthening ecosystem services, and increasing carbon stock. Collectively, these efforts reflect the Group's commitment to conservation and rehabilitation.

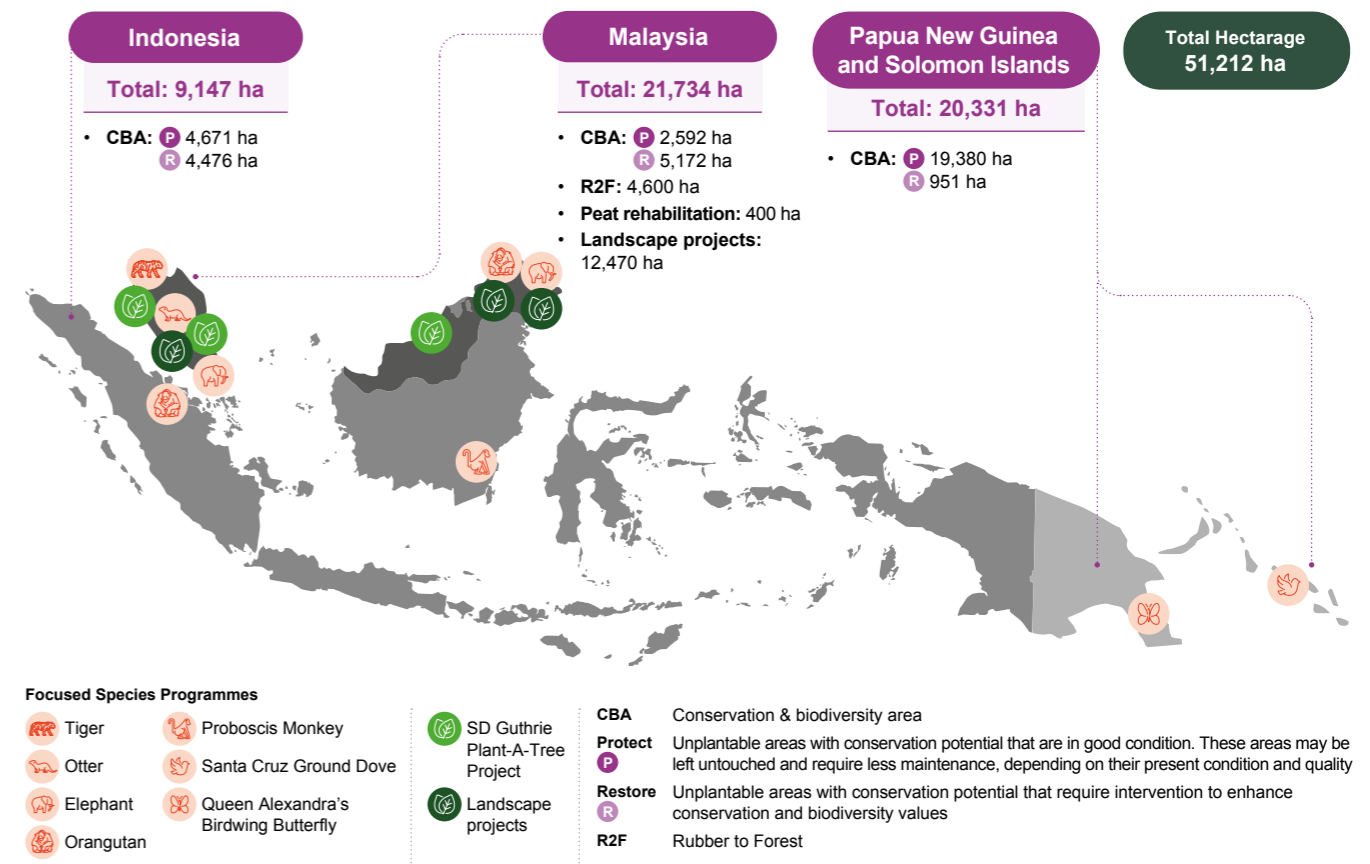
In 2025, a total of 11 estates in Malaysia were affected by elephant depredation. These estates actively manage Human-Elephant Conflict (HEC) through coordinated mitigation efforts. Mitigation measures are implemented collaboratively under the Achieving Co-existence with Elephants (ACE) Project, which promotes landscape-level solutions to support coexistence between plantations and elephants. During the year, elephant depredation resulted in damage to approximately 6,950 oil palm stands across the affected estates.

In addition, we continue to support biodiversity monitoring through the deployment of 19 camera traps to monitor wildlife presence within and surrounding our estates. The monitoring has recorded several species, including Malayan tapirs, sun bears, wild boars, black panther, and other wildlife.



>> A black panther (left) and a sun bear (right) captured on camera traps at the restoration site in Pahang, Malaysia.

### Guthrie's Conservation and Biodiversity Landscape



### Case Study: SD Guthrie Plant-a-Tree (SD-PAT) Kamuning Project



Kamuning Estate, Perak, Malaysia lies adjacent to the Kledang Saiong Permanent Forest Reserve within a 30 km-radius from Malaysia's Central Forest Spine.

SD-PAT in Kamuning is part of our overarching tree planting programme, which commenced in 2008. The project in Kamuning Estate focuses on the "Creation of Stepping Stones", an initiative to restore degraded areas within the Lion Hill – a HCV area in Kamuning Estate, and enhance wildlife movement and landscape connectivity.

Supported by RM2 million from Yayasan Sime Darby, the project rehabilitated 95 hectares of environmentally sensitive and underutilised land. Over three years, 75,000 saplings from 65 native species, including RTE species were planted, creating ecological stepping stones that strengthen habitat connectivity between plantation areas and the adjacent forest reserve.



>> Lion Hill conservation area at Kamuning Estate in Perak, Malaysia.

Biodiversity surveys conducted in the area together with the Forest Research Institute of Malaysia (FRIM) recorded 21 species of mammals, three species of reptiles, and 61 species of birds. Two of the three species of hornbills found in the area, the Rhinoceros and Wreathed hornbills, are listed as Vulnerable (VU) in the International Union for Conservation of Nature (IUCN) Red List and Appendix II in Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). A Rapid Acoustic Survey further showed that the conservation areas exhibit soundscape patterns that increasingly resemble those of pristine forests. These results confirm that the restored stepping stones are functioning as transitional ecosystems, enhancing biodiversity, and strengthening landscape-level connectivity across Kamuning Estate and nearby key biodiversity areas.

# Nature-related Risks and Opportunities

## Biodiversity and Conservation

### Regenerative Agriculture



Guthrie will pilot regenerative agriculture practices at an industrial plantation scale to achieve healthier soils and better yields, positive environmental impacts, and improved socio-economic well-being across our operations and the wider landscapes. The Group is partnering with the World Wide Fund for Nature Malaysia (WWF-Malaysia) on a five-year regenerative agriculture programme in five RSPO-certified Guthrie estates in Sabah, Malaysia. Commencing in 2026, a site biodiversity assessment will be carried out for the proposed wildlife corridors identified by WWF-Malaysia in Binuang Estate, Sabah.

### FINANCIAL EFFECTS

#### Current Financial Effects

The current financial effects on the Group's cash flow from this risk largely arise from the execution of key initiatives under the BCP (2025–2030). Through this plan, the Group, together with collaborative partners have co-funded close to RM19 million in FY2025 for peat rehabilitation, reforestation, and landscape conservation projects. These costs predominantly cover planting and monitoring activities, development expenses, and soil investigations. These are recurring costs that are anticipated to continue annually in the short- and medium-term throughout the plan's implementation.

#### Anticipated Financial Effects

The Group expects to incur further expenses to ensure seamless execution of the BCP between 2025 to 2030. With mitigation actions in place, the impact from these risks is anticipated to be adequately mitigated in the short- and medium-term. The Group, alongside collaborative partners are expected to incur approximately RM8 million annually to maintain the restored areas identified, excluding inflationary effects.

Through the BCP (2025–2030), annual operating expenses and investments of RM18 million can be expected, in relation to the peat rehabilitation and reforestation projects in the short- and medium-term. Furthermore, the Group has allocated RM2.5 million annually from 2026 to 2030 to implement projects under the Regenerative Agriculture Framework.

Given the significant uncertainty in estimating the anticipated revenue effect, quantitative information has not been included.

#### Resilience of Strategy and Business Model

The Group's strategy and business model are designed to remain resilient to biodiversity and conservation risks through short-, medium-, and long-term land-use planning and management. This resilience is further supported by targeted species conservation, rehabilitation, restoration, and continuous monitoring.

We do not anticipate material increases in biodiversity- or yield-related risks over these time horizons. We regularly evaluate the effectiveness of our BCP and refine our mitigation efforts as needed.



>> Sago trees, one of the 46 species of trees planted at Lavang's peat rehabilitation area to support peatland conservation as they naturally adapt to waterlogged and acidic soils.

We remain committed to strengthening our conservation practices, deepening landscape partnerships, and investing in restoration to protect biodiversity, in line with the Group's ongoing efforts to build resilience across our value chain.

### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

The Group's process to identify, assess, prioritise, and monitor nature-related risks forms part of our broader sustainability risk management framework for biodiversity and conservation. We regularly monitor, assess, and disclose our risks, dependencies, and impacts on biodiversity. This includes evaluating the effects of our operations, products, and services on biodiversity and reporting our progress.

>> For more details, refer to the Sustainability Governance section of this report.

We manage the biodiversity and conservation risk through policies and controls anchored in our Biodiversity Policy and BCP (2025–2030). Our BCP guides long-term implementation by setting restoration and connectivity targets, while ensuring systematic monitoring and reporting to Management and the Sustainability Committee.

Cross-functional collaboration between Sustainability, Innovation & Research, and Upstream operations informs decisions on land classifications, replanting, and restoration priorities. At the same time, internal audits and supplier assessments strengthen oversight across the operating and sourcing landscapes, while external experts support specialised programmes such as species recovery centres and peat restoration.

Specifically, we applied the Locate, Evaluate, Assess, and Prepare (LEAP) approach to identify and manage nature-related risks. Under this framework, we map and monitor HCV, CSA, and High Carbon Stock (HCS) areas. We evaluate biodiversity impacts using species surveys, bioacoustics assessments, geotagging of restored areas, and satellite-based land-use screening supported by a high-level assessment of biodiversity-related dependencies via the Exploring Natural Capital Opportunities, Risk, and Exposure (ENCORE) tool. We then assess biodiversity-related risks and opportunities, including legal compliance and market risks associated with compliance with RSPO, Malaysian Sustainable Palm Oil (MSPO), and NDPE requirements. Finally, we implement mitigation initiatives through practices such as riparian buffer protection, peatland rehabilitation, and human-wildlife conflict management. These controls are reinforced by standard operating procedures (SOPs) and regular biodiversity monitoring, which act as core internal checks to detect degradation and verify compliance.

>> More details can be found in Annex 1 on our Taskforce on Nature-related Financial Disclosure (TNFD) section of this report.

### METRICS AND TARGETS

The Group has established the following metric and target to monitor biodiversity and conservation.

Metric	Unit	FY2023	FY2024	FY2025	Target
Total areas restored, rehabilitated, or conserved <sup>1</sup>	Hectare	Not available	35,599	51,212	Restore, rehabilitate, or conserve 100,000 hectares by 2030.

<sup>1</sup> This metric was developed internally to measure progress in conservation efforts since FY2024 (baseline). The target is a headline target in the Group's "Beyond Zero" Framework.

# Smallholder Inclusion

As part of our sourcing strategy, SD Guthrie (Guthrie) prioritises securing high-quality fresh fruit bunches (FFB) for mill operations, with 15% of FFB supplied by smallholders. We recognise that expanding smallholder inclusion helps mitigate risks, particularly in relation to FFB quality and cost, supply consistency, and compliance with sustainability requirements. By cultivating strong relationships with smallholders, we aim to ensure a reliable and high-quality FFB supply. When these risks are effectively managed, smallholder inclusion represents a long-term opportunity to secure a stable, sustainably sourced FFB supply.

## EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

During the reporting year, the Group engaged with smallholders to support the adoption of sustainable practices. In FY2025, Guthrie sourced from 38,879 smallholders cultivating approximately 102,988 hectares.

The table below provides an overview of the smallholders contributing to Guthrie's supply chain across key sourcing regions for FY2025.

Smallholders in Key Sourcing Regions for FY2025					
Region	Type of Smallholders	Guthrie's Total Smallholders		RSPO-certified Smallholders	
		Number	Cultivated Area (hectares)	Number	Cultivated Area (hectares)
Malaysia	Independent	3,449	16,000	0	0
Indonesia	Scheme	13,627	22,631	337	3,233
	Independent	3,731	15,606	0	0
Papua New Guinea (PNG) and Solomon Islands (SI)	Independent	17,229	43,625	17,229	43,625
Thailand <sup>1</sup>	Independent	843	5,126	843	5,126
<b>Total</b>	<b>Scheme and Independent</b>	<b>38,879</b>	<b>102,988</b>	<b>18,409</b>	<b>51,984</b>

<sup>1</sup> The smallholder numbers in Thailand represent only Roundtable on Sustainable Palm Oil (RSPO)-certified smallholders, not the total number of smallholders in the supply chain.

Potential reduction in smallholder FFB intake poses material risks to our business and value chain, including potential declining output at mills, refineries, and biodiesel facilities; delivery delays; and compromised customer commitments. To secure supply, the Group may need to source from alternative suppliers at higher feedstock costs, purchase crude palm oil (CPO) from the open market, or divert FFB from distant mills. These measures may increase transportation expenses, operating costs, and compress margins.

Disruptions in certified smallholder supply may undermine traceability and compliance targets, which are critical for meeting No Deforestation, No Peat, and No Exploitation (NDPE) commitments and the EU Deforestation Regulation (EUDR).

» For more details, refer to the Climate-related Transition Risk section of this report.

Inclusively engaging smallholders offers strategic opportunities to the Group. Smallholder inclusion programmes such as productivity improvement initiatives and sustainability compliance support will strengthen market access, improve livelihoods, and build resilience against market shocks. A stable supply supports operational continuity, optimises mill utilisation, and ensures input quality, while reinforcing Guthrie's position as a preferred supplier of deforestation-free and traceable palm oil. These efforts create shared value across the supply chain.

## STRATEGIC APPROACH AND MITIGATION PLAN

The Group's strategy for smallholder inclusion is central to sustaining a resilient and ethical palm oil value chain. This approach strengthens sustainable practices, enhances traceability of third-party FFB supply, and ensures higher mill utilisation due to supply sufficiency. It also supports our ongoing work to integrate smallholders as key partners in achieving NDPE compliance, EUDR readiness, and RSPO certification. By 2035, we aim to engage 50,000 smallholders, equipping them with the farming tools, sustainable farming knowledge, and resources to thrive in a resilient and ethical palm oil industry.

## Responsible Sourcing Assessment during FFB Supplier Registration

All smallholder suppliers are required to comply with our Responsible Sourcing Guideline (RSG), which sets clear standards based on the Group's Responsible Agriculture Charter, Human Rights Charter, and Code of Business Conduct. These frameworks embed NDPE principles and human rights protection across the supply chain.

Prior to sourcing, the Group conducts assessments to ensure that smallholder suppliers meet RSG requirements. This process includes on-ground verification and documentation

reviews covering key criteria such as traceability data and legal compliance. Traceability remains a strategic priority for the Group, enabling smallholder compliance with NDPE and EUDR requirements.


» For further details on traceability, please refer to the Climate-related Transition Risk section of this report.

## Smallholder Training and Development Programmes

The Group invests in smallholder training and development programmes to strengthen compliance, improve productivity, and enhance the quality of FFB supplied to our mills.

### Key Initiatives

Malaysia



- Training smallholders on good agricultural, quality management, and sustainability practices.
- Soil testing and foliar analysis to support accurate fertiliser application.
- Plantation management advisory services and access to quality seedlings.

Indonesia, PNG, SI, and Thailand



- Supporting smallholders in pursuing sustainability certifications such as RSPO, which serve as gateways to improved practices and access to higher-value markets.
- Providing technical guidance, certification readiness training, and, where applicable, financial assistance to meet certification requirements.

## Smallholder Livelihood Improvement Programmes

To enhance income resilience and improve standards of living, the Group has implemented several initiatives, including:

- Oil palm seedlings programme to help smallholders have access to better replanting materials.
- Crop diversification projects such as oil palm-banana integration and mushroom farming.
- Agronomic and financial support to smallholders, including replanting support and access to agricultural services such as seeds, fertiliser, and equipment.

FY2025 Programmes	
Malaysia	<ul style="list-style-type: none"> <li>• Guthrie-Solidaridad-Colgate Palmolive Fast Track Oil Palm Seedling Programme</li> <li>• Guthrie-Solidaridad-Colgate Palmolive Farm Diversification Programme, including Oil Palm-Banana Integration and Mushroom Projects</li> <li>• Guthrie-Dealer Oil Palm Nursery Project</li> </ul>
Indonesia	<ul style="list-style-type: none"> <li>• Kredit Koperasi Primer Anggota (KKPA) Smallholders Programme</li> <li>• Perkebunan Inti Rakyat (PIR-Trans) Programme</li> </ul>
PNG and SI	<ul style="list-style-type: none"> <li>• Mama Loose Fruit Programme</li> <li>• RSPO Smallholder Premium Programme</li> </ul>

Such initiatives help smallholders improve yields and stabilise income, thereby supporting a secure and reliable supply of FFB for the business.

## Smallholder Inclusion

### FINANCIAL EFFECTS

#### Current Financial Effects

The risk of inadequate smallholder inclusion could potentially affect the continuity and quality of FFB supply. During the reporting period, there were no instances of smallholder-related disruptions or unrest that resulted in FFB quality deterioration or adverse impacts on the Group's financial position, financial performance, or cash flows. In FY2025, we incurred RM7.9 million as part of our ongoing plans to strengthen smallholder relationships. These costs are being expensed to the Profit and Loss (P&L) Statement.

#### Anticipated Financial Effects

Annual engagement and training costs for smallholders are expected to reach RM7.7 million in the short term, broadly consistent with the expense incurred in FY2025. The financial effects are expected to remain stable over the medium- and long-term. The Group does not anticipate significant changes to our financial position over the short-, medium-, or long-term, given our current strategy for managing sustainability-related risks and opportunities. No major investment was considered in the anticipated financial impact.

### RESILIENCE OF STRATEGY AND BUSINESS MODEL

The Group's strategy and business model are designed to be resilient to smallholder FFB supply risks through long-term smallholder engagement, capacity-building, and monitoring. We expect to sustain a stable smallholder supply base and do not anticipate an increased risk of non-compliance with sustainability requirements in the short-, medium-, or long-term.

We continuously assess the effectiveness of existing smallholder support programmes, strengthen engagement, and provide additional support where necessary. Smallholder inclusion represents a long-term opportunity, allowing us to enhance supply security and broaden access to sustainably produced FFB, while strengthening value chain resilience.

### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

The Group's internal smallholder engagement strategy manages sustainability and traceability risks associated with third-party FFB supply. This includes ensuring compliance with RSG and sustainability standards covering traceability, environmental protection, and social practices.

Smallholder sustainability risks and gaps are identified through supplier registration, traceability, compliance readiness assessments, and ongoing engagement with smallholder suppliers. We monitor smallholder participation and progress through engagement records, traceability data, and programme implementation outcomes.

No material changes to the smallholder engagement process occurred during the current reporting period. The progress and outcomes of our smallholder initiatives are tracked regularly and reported to Management and the Sustainability Committee (SC).

### METRICS AND TARGETS

Guthrie tracks the number of smallholders who participate in our programmes to assess the effectiveness of our smallholder programmes.

Metric	Unit	FY2024	FY2025	Target
Cumulative number of smallholders who benefitted from the programmes <sup>1</sup>	Number	35,799	37,793	Develop and roll out support programmes for 50,000 smallholders across key sourcing countries by 2035

<sup>1</sup> The metric was developed internally to measure the programmes' outcomes. Smallholders are supported by training, technical support, guidance on responsible agriculture, best management practices, yield improvement, and traceability programmes. Key sourcing countries are Malaysia, Indonesia, PNG, SI, and Thailand.

## Human Rights

SD Guthrie (Guthrie) operates in a labour-intensive industry. Common industry issues such as unethical recruitment, withholding of passports, debt bondage, and unsafe working conditions remain under close scrutiny by global regulatory bodies and human rights organisations. The Group's reliance on migrant workers primarily for the operations in Malaysia, if unmitigated, constitutes a material human rights-related risk, particularly in recruitment practices.

### EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

Failure to manage human rights issues increases the likelihood of non-compliance with human rights standards, which may potentially trigger suspension of sustainability certifications, including the Roundtable on Sustainable Palm Oil (RSPO) and the International Sustainability and Carbon Certification (ISCC), as well as trade restrictions, buyer deselection, price discounts, and contract terminations in key export markets such as Europe and the United States. Human rights violations could potentially damage corporate reputation, and reduce investor and customer confidence.

Unsafe working conditions may lead to health and safety non-compliances. Declining health and safety performance also impacts productivity, affecting operations through unplanned downtime and additional resource requirements, which may also increase costs through higher insurance premiums, and medical treatment expenses.

### STRATEGIC APPROACH AND MITIGATION PLAN

The Group is committed to respecting and promoting human rights across all operations and throughout our value chain. This commitment aligns with the Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles on Business and Human Rights, and relevant International Labour Organization (ILO) conventions, as outlined in our Human Rights Charter. This charter applies to all Guthrie operations, including plantations, mills, and downstream activities. It covers all categories of workers, permanent, contract, and migrant, as well as suppliers, contractors, and business partners engaged by the Group.

All our operations are certified under the RSPO Principles & Criteria (P&C), which include independent audits covering key human and labour rights elements such as living wage, fair working conditions, non-discrimination policies and practices, freedom of association, responsible recruitment, and protection of vulnerable workers. The updated RSPO P&C 2024, to be enforced in 2026, strengthens requirements on labour rights due diligence and ethical employment practices, further reinforcing our human rights risk management.

#### Responsible Recruitment

The Group's direct hiring ensures workers are employed through informed consent, with no recruitment fees charged and all wages and benefits clearly communicated. At the point of recruitment, we inform workers how their wages are paid and clearly explain all their entitlements. Employment contracts are issued in workers' countries of origin and prepared in their national languages. The terms and conditions of the contracts drafted in their native languages are further explained verbally before signing.

We conduct due diligence on recruitment agents before selecting qualified ones through an open tender process. Once appointed,

agents receive training on ILO standards, responsible recruitment practices, Guthrie's grievance management, and our responsible recruitment policy (RRP). Workers are informed of our zero-recruitment fee policy with clear explanations provided at each stage of the recruitment process. They also have access to the *Suara Kami* pre-departure helpline for queries. We closely monitor the recruitment process to ensure no fees are charged and personal documents are not withheld.

#### Workforce Grievance

Several grievance channels are available to employees globally to voice concerns and issues. While workers can raise matters to their managers and supervisors, formal channels that are independently managed have been established to promote trust. In Malaysia and Indonesia, Grievance Units have been set up and centralised at the respective Head Offices to systematically capture all complaints and concerns. The Grievance Committee (GC) monitors the status of new, ongoing, and resolved complaints on a weekly basis to ensure they are appropriately addressed within established timelines. Cases are handled based on the nature of the investigation required, the severity of the cases in relation to ILO indicators, and the potential threat to workers.

Social dialogues are rolled out across our upstream operations in Malaysia and Indonesia, providing a formal two-way communication platform between Worker Representatives (WR) and the Group on issues related to worker welfare and concerns. Each operating unit holds social dialogue sessions at least once a month. The matters raised during these sessions are closely monitored to ensure timely resolution. The information and data gathered are used to identify potential systemic issues, which are then rectified organisation-wide, if necessary. To ensure accountability at the highest level, progress and remediation actions are reported to the Sustainability Committee (SC) and the Board.

#### Health and Safety

To enhance workplace safety and health across all our operating units, Guthrie has implemented a Group-wide approach anchored in the Group Life Saving Rules.

#### General Principles of the Group Life Saving Rules

- 1 Creating a safe workplace for everyone
- 2 Complying with the rules to prevent harm and act responsibly
- 3 Where local laws and regulations are more stringent, they take precedence

# Human Rights

Some examples of Group-wide and regional initiatives implemented include:

Group-wide Initiatives	
Initiative	Description
<b>Periodic Health and Safety Inspections and Assessments</b>	Periodic inspections at operating units to proactively identify and address potential hazards before incidents occur. Health, Safety, and Environment (HSE) assessments are conducted to identify system gaps and verify conformity with HSE requirements and applicable regulations.
<b>Agrochemical Safety and Use of Personal Protective Equipment (PPE)</b>	The Group's Chemical Management Plan incorporates standard operating procedures (SOPs) to prevent worker exposure to harmful chemicals. Agricultural technologies are employed to minimise workers' exposure to the harmful effects of herbicides, pesticides, and fertilisers. Appropriate PPE is specified, particularly for tasks involving chemicals, excessive noise, or manual labour.
<b>Health and Safety Communication</b>	Quarterly newsletters with health and safety alerts, and learnings from incidents are distributed to operational sites to reinforce safety awareness, communicate protocol updates, and share success stories.

Upstream Initiatives		
Initiative	Description	Country
<b>Rain Shelters and Lightning Arrestors</b>	Protective structures are used to shield personnel from rain, ensuring workers' safety. More than 3,000 rain shelters have been installed across our operations. Lightning arrestors are progressively fitted on rain shelters in high-risk areas for added protection.	Indonesia, Malaysia
<b>Frontline Supervisor Training and eLearning Expansion (FSTeLE)</b>	The HSE eLearning platform builds leadership capability, sets benchmarks, and provides curated videos to equip frontline leaders with safe practices.	Malaysia
<b>PPE One, Alert Replacement Apps</b>	The Group's proactive PPE monitoring system anticipates supply shortages to ensure the uninterrupted availability of safety equipment. The PPE Replacement App is a digital platform used to request, track, and manage PPE replacements, ensuring workers have proper equipment, while supporting safe and compliant operations.	Indonesia

Downstream Initiatives	
Initiative	Description
<b>Systematic Occupational Health Enhancement Level Programme (SOHELP)</b>	Designed to strengthen workplace health and safety through proactive risk management. Introduced in Malaysia in 2023, SOHELP focuses on chemical management, noise control, and ergonomic practices to help organisations identify hazards and implement effective preventive measures. The programme has been extended globally in 2025.
<b>Process Safety Management (PSM) Health Check</b>	The PSM implementation is based on a self-assessment checklist and ensures consistent application of key procedures such as Management of Change (MOC), Pre-Startup Safety Review (PSSR), and the Psychological Safety Index (PSI).
<b>Safety Leadership: Boots on the Ground</b>	Strengthens workplace HSE culture through leaders' engagement in site visits and walkabouts. These visits raise HSE awareness at all levels, enhance leaders' understanding of workplace conditions, and promote a consistent safety culture across business units.

## MANAGING COMMUNITY RELATIONS

Guthrie applies the principle of Free, Prior, and Informed Consent (FPIC) in all land acquisitions, new planting, and land development activities, in line with the RSPO, Malaysian Sustainable Palm Oil (MSPO), and Indonesian Sustainable Palm Oil (ISPO) requirements. The Group continues to invest in community welfare, infrastructure, education, and child development programmes as part of our commitment to enhance long-term socio-economic resilience and support communities across plantation operations.

Initiatives		
Malaysia	Indonesia	Papua New Guinea and Solomon Islands
<ul style="list-style-type: none"> <li>Support under the MADANI Adopted School Programme for students and teachers at schools in nearby estates, including child rights awareness sessions for primary school students.</li> <li>Provision of transportation and facilitate access to government-run and third-party schools, including institutions operated by the Humana Child Aid Society and the Indonesian Embassy in Malaysia, supporting stateless and non-Malaysian children.</li> <li>Provision of kindergartens and crèches (daycare centres) for pre-school children while their parents are at work.</li> <li>Coaching for Gender Committees, with continuous training and guidance to empower and strengthen the role of women across plantation operations.</li> </ul>	<ul style="list-style-type: none"> <li>35 childminders trained in collaboration with the University of Indonesia.</li> <li>School buses operated free of charge for employees' children.</li> <li>Outdoor childrens' playgrounds established near workers' housing complexes.</li> <li>Projek 1000 Pintu: 498 housing units developed across 40 operating sites.</li> <li>Provision of reverse osmosis (RO) water stations in all workers' housing areas, eliminating reliance on bottled water.</li> <li>Gender Committees handled expanded responsibilities for women's empowerment, welfare, and child protection.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in road access and housing to improve mobility across remote plantation areas.</li> <li>On-site clinics and provision of essential medicines to ensure timely medical support for workers and their families.</li> <li>Installation of rainwater-harvesting systems at workers' housing complexes to secure reliable access to clean water, a critical measure in rural locations with variable clean water availability.</li> </ul>

## FINANCIAL EFFECTS

### Current Financial Effects

Around RM450,000 was invested in engaging external parties to independently manage the grievance platform, covering worker grievance mechanisms, grievance resolution processes, and remediation measures during the reporting year.

RM131 million was also invested in worker welfare infrastructure, including new and upgraded housing, healthcare facilities, clean water systems, and other welfare projects, which are capitalised. Approximately RM37 million was spent on maintenance and operating activities of these facilities, as well as educational expenditure which are recognised in the Profit and Loss (P&L) Statement.

### Anticipated Financial Effects

Over the short-, medium-, and long-term, human rights-related expenditure is expected to remain broadly consistent with the reporting year. This reflects ongoing costs for due diligence assessments, grievance resolutions, ethical recruitment monitoring, health and safety programmes, continuous training, and investment in medical facilities and consumables.

The Group anticipates continued investment in worker welfare infrastructure and grievance mechanisms. Capital commitments for workers' housing are also expected to continue. Overall, these activities are not expected to have a material impact on the Group's financial position, financial performance, or cash flows, as the associated costs have already been embedded into operational processes.

## Human Rights

### RESILIENCE OF THE GROUP'S STRATEGY AND BUSINESS MODEL

Given the labour-intensive nature of our business, we ensure our business model is resilient through continuous assessment of recruitment practices, workplace conditions, and labour-related issues across our operations. This resilience is reinforced by ongoing internal audits, third-party verification, grievance investigations, and worker engagement, enabling early detection of potential breaches and timely corrective action. Through continuous collaboration with workers, suppliers, recruiters, and civil society organisations, the Group is equipped to respond to rising regulatory expectations and maintain operational continuity. No heightened non-compliance risks are anticipated in the short-, medium-, or long-term.

### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

The Group manages human rights risks through structured processes grounded in our Human Rights Charter. This Charter outlines our commitments to labour rights, non-discrimination policies and practices, FPIC, protection of indigenous and local communities, eradication of child and forced labour, and safeguarding human rights defenders and whistleblowers. Risk identification, assessment, and prioritisation are guided by international principles, including the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. The progress and outcomes of the human rights initiatives, such as grievance cases, are tracked and reported regularly to Management and the SC. Any cases of wrongdoing are additionally tracked and monitored by the Whistleblowing (WB) Unit, WB Committee, and the Governance & Audit Committee (GAC), to ensure appropriate management actions are taken when wrongdoing is identified.

For health and safety, all fatality incidents are subject to a Group-level review chaired by the Group Managing Director (GMD). This process evaluates the quality of investigation reports and the adequacy of corrective and preventive measures. Where necessary, further improvements and disciplinary actions are recommended in line with the Group's Human Resources (HR) policies. Following the review, the head of the relevant operating unit, together with the Regional Chief Executive Officer, submits a comprehensive Investigation Report with final findings presented to the SC. In addition, every occupational fatality case is reported directly to the Board of Directors.

### METRICS AND TARGETS

In FY2025, a total of 312 grievance cases were recorded across our Malaysia and Indonesia operations. All cases were tracked to ensure timely resolution, achieving a 91% resolution rate. In Malaysia, 224 cases were received, primarily related to wage clarifications. Meanwhile, Indonesia recorded 88 grievance cases, mainly concerning general inquiries and employment-related issues.

In FY2025, a total of 4,919 issues were raised through our social dialogue platforms in Malaysia and Indonesia. Of these, 91% have been resolved. The remaining issues, primarily related to workplace repairs, infrastructure upgrades, and requests for additional worker benefits, are being completed in stages.

### Occupational Safety & Health

In FY2025, three work-related fatalities occurred. In Papua New Guinea (PNG), a harvester was struck by a falling Ganoderma-infected oil palm tree while transferring fresh fruit bunches (FFB), and another contracted aerial sprayer pilot died following an aerial spraying accident. In Indonesia, an employee died following a lightning strike at a rain shelter. Thorough investigations were conducted to identify the root causes of the fatalities, and corrective actions were implemented, such as installing lightning arresters in high-risk areas, enhancing lightning-safety awareness, and reinforcing evacuation procedures.

Metric	Unit	FY2023	FY2024	FY2025	Target
Number of grievance cases <sup>1</sup>	Number	566	364	312	Not applicable
Percentage of grievance cases resolved <sup>1</sup>	%	98 <sup>3</sup>	94 <sup>3</sup>	91 <sup>3</sup>	100
Work-related fatalities	Number	5	2	3	0
Near miss frequency rate (NMFR)	Rate	Not available <sup>4</sup>	Not available <sup>4</sup>	1.45	No target
Lost time injury frequency rate (LTIFR) <sup>2</sup>	Rate	8.7	5.9	7.5	10% reduction from previous year

<sup>1</sup> These metrics were developed internally based on data tracked by the Group to measure the effectiveness of our grievance mechanism.

<sup>2</sup> The Group measures and reports LTIFR as the primary occupational health and safety metric. LTIFR is aligned with Department of Occupational Safety and Health (DOSH), Malaysia, requirements and reflects severe incidents resulting in lost workdays. It is supported by verifiable documentation, and subject to established internal controls and audit.

<sup>3</sup> The Group's grievance cycle follows the reporting year, and some cases are received in December and therefore remain open at year-end. Hence, the percentage of cases resolved will be below 100% and will be closed in the next reporting year.

<sup>4</sup> This is the first reporting period in which the Group is presenting this metric, FY2023 and FY2024 data are not available.

## Sustainability Certification

Sustainability certifications are one of the key enablers of SD Guthrie's (Guthrie) access to premiums and sustainability-sensitive markets and customers. We comply with the following sustainability certification programmes: Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO), Indonesian Sustainable Palm Oil (ISPO), and International Sustainability & Carbon Certification (ISCC). These certification schemes enable the Group to credibly demonstrate at least a baseline level of compliance with criteria around environmental-, social-, and governance-related areas to meet the expectations of the Group's wide range of stakeholders.

When recurring major non-conformities happen or breach the threshold, or whenever issues remain unresolved within the stipulated timeframe, sustainability certificates could be suspended or withdrawn, potentially leading to financial and reputational risks. A potential loss of certification may lead to loss of access to customers, markets, potential premiums, as well as reputational damage.

### EFFECTS ON BUSINESS MODEL AND VALUE CHAIN

The immediate and extended value chain effects of failing to mitigate these risks can disrupt operations and the supply of certified products. Such impacts may include additional segregation or containment requirements for affected products and longer lead times with added logistics complexity. The Group's revenue and market access could be affected by the loss of certification premiums, reduced revenue from the downgrading of certified volumes to conventional price discounts, and the inability to supply markets requiring RSPO-certified products.

Effective mitigation not only strengthens supply chain resilience, safeguards certification premiums, and broadens access to premium and regulated markets, it also enhances brand leadership in sustainability, and reinforces long-term revenue stability and stakeholder confidence.

### STRATEGIC APPROACH AND MITIGATION PLAN

Guthrie maintains a structured sustainability compliance programme to uphold certification requirements across our operations. This includes regular internal audits, capacity-building initiatives, corrective action implementation, and periodic updates to policies and procedures. The programme also extends into our certified supply chain, including the smallholders of New Britain Palm Oil Limited (NBPOL), ensuring consistent adherence to certification standards. Our operations are maintained under separate certificates, enabling flexibility to reroute supply chains

and continue serving customers should any temporary suspension occur while remediation is undertaken.

To prepare for evolving certification requirements over the medium- to long-term, Guthrie actively participates in industry working groups, standards-update task forces, and national interpretation processes in all countries where we operate, supporting continuous alignment with emerging sustainability expectations, both locally and internationally.

### FINANCIAL EFFECTS

#### Current Financial Effects

The current financial effects arising from sustainability certification activities relate primarily to maintaining compliance with RSPO Principles & Criteria (P&C), and addressing certification-related gaps identified during internal and external audits. These recurring costs form part of the Group's ongoing certification processes. The Group incurred RM39.6 million in costs associated with RSPO, MSPO, and ISPO certifications. This covered internal compliance monitoring, internal and external audit as well as verifier engagement, and operational readiness activities required to maintain certification across all regions.

#### Anticipated Financial Effects

With well-established internal controls and compliance measures in place, the anticipated financial effects associated with sustainability certification requirements are expected to remain stable over the short-, medium-, and long-term. These costs primarily relate to sustaining ongoing certification audit cycles, implementing corrective actions, and fulfilling certification-related obligations across all operating regions. The annual sustainability certification expenditure is expected to remain consistent, excluding inflationary effects. These expenses have been embedded into the Group's operational processes and are not expected to result in material changes to the Group's financial performance or cash flows over the foreseeable period.

## Sustainability Certification

### RESILIENCE OF THE GROUP'S STRATEGY AND BUSINESS MODEL

The Group's strategy and business model are designed to remain resilient to sustainability certification risks through ongoing internal audits, stakeholder engagement, awareness building across our operations, supply risk assessments, and active participation in industry working groups and certification body (i.e. RSPO, MSPO) task forces. We expect to maintain consistent compliance with sustainability requirements over the short-, medium-, and long-term.

The Group continuously reviews the effectiveness of our programmes, strengthens stakeholder engagement, and implements corrective actions, such as policy and procedure updates, where necessary.

### PROCESSES, POLICIES, AND CONTROLS TO MANAGE RISKS

The Group manages sustainability certification risks through a structured governance framework grounded in RSPO, MSPO, ISPO, and ISCC requirements. Core policies, including the Responsible Agricultural Charter, Human Rights Charter, Responsible Sourcing Guidelines (RSG) and No Deforestation, No Peat, and No Exploitation (NDPE) commitments, set minimum standards around supply chain management, environmental protection, and labour practices.

Controls include regular gap assessments, audits, and corrective action plans to address non-conformance. Procedures are periodically updated to reflect evolving certification and regulatory requirements. Our certification processes are supported through documentation, traceability systems, and training, with compliance progress monitored and regularly reported to Management and the Sustainability Committee (SC).

### METRICS AND TARGETS

Metric	Unit	FY2023	FY2024	FY2025	Target
Percentage of RSPO certification for operational palm oil mills <sup>1</sup>	% certified	100	100	100	Maintain 100%
Percentage of agricultural products sourced from Tier 1 suppliers that are RSPO certified <sup>2</sup>	% by volume	Not available <sup>3</sup>	Not available <sup>3</sup>	26	No target

<sup>1</sup> This metric was developed in line with industry practice and is a Sustainability Performance Target within Guthrie's Sustainable Finance Framework.

<sup>2</sup> The Sustainability Accounting Standards Board (SASB) standard prescribes disclosure of metrics as a percentage by cost. Given the commercial sensitivity of the cost information, these metrics are disclosed by volume instead.

<sup>3</sup> As this is the first reporting period in which the Group is presenting this metric, FY2023 and FY2024 data are not available.

## Appendix

### INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT



#### Independent Practitioner's Limited Assurance Report to the Board of Directors of SD Guthrie Berhad on Selected Sustainability Information Disclosed in the Sustainability Report 2025

#### Limited assurance report on Selected Sustainability Information

We have conducted a limited assurance engagement on the selected sustainability information as defined below, of SD Guthrie Berhad ("the Company"), identified by the symbol "Ⓐ", in the Company's Sustainability Report 2025 ("Sustainability Report") and as defined in the section below, for the year ended 31 December 2025 ("Selected Sustainability Information").

#### Selected Sustainability Information and Reporting Criteria

The Selected Sustainability Information subject to assurance are set out below.

The reporting criteria are IFRS Sustainability Disclosure Standards relevant to the preparation of the Selected Sustainability Information, which are further described in SD Guthrie GHG Inventory Methodology Statement<sup>1</sup> dated 20 April 2026, accessible from the Company's website at [www.sdguthrie.com](http://www.sdguthrie.com) ("Reporting Criteria").

Selected Sustainability Information	Unit of measurement	2025
Gross Scope 1 emissions	tCO <sub>2</sub> e	9,090,257
Gross Scope 2 emissions (Location-based)	tCO <sub>2</sub> e	174,883
Gross Scope 3 emissions	tCO <sub>2</sub> e	8,074,824
Scope 1 and Scope 3: Carbon removals	tCO <sub>2</sub> e	(7,068,783)
Scope 1 and Scope 2 GHG emissions (net of removal) intensity of estates and mills	tCO <sub>2</sub> e/MT CPO	1.39
GHG emissions (net of removal) intensity of refineries	tCO <sub>2</sub> e/MT refined products	2.53

#### Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Sustainability Information have not been prepared, in all material respects, in accordance with the IFRS Sustainability Disclosure Standards relevant to the preparation of the Selected Sustainability Information, which are further described in "Selected Sustainability Information and Reporting Criteria" section above.

<sup>1</sup> The SD Guthrie Berhad GHG Inventory Methodology Statement (issued on 20 April 2026) is accessible from the Company's website. The maintenance and integrity of the Company's website is the responsibility of the Company. The work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the Reporting Criteria as presented on the website.

## Appendix



### Independent Practitioner's Limited Assurance Report to the Board of Directors of SD Guthrie Berhad on Selected Sustainability Information Disclosed in the Sustainability Report 2025 (cont'd)

#### Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)") and in respect of the Greenhouse Gas ("GHG") emissions, ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under these standards are further described in the "Practitioner's responsibilities" section of our report.

#### *Our independence and quality management*

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Responsibilities for the Selected Sustainability Information

Management of the Company is responsible for:

- The preparation of the Selected Sustainability Information in accordance with the Reporting Criteria.
- The design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of the Selected Sustainability Information, in accordance with the Reporting Criteria, that is free from material misstatement, whether due to fraud or error.
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

#### *Inherent limitations in preparing the Selected Sustainability Information*

Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In addition, as described in "Judgements and Measurement Uncertainties" section of the Sustainability Report, the Company has used third-party data, published emission factors, proxy indicators and estimation techniques, to derive selected key inputs (for example, activity data or emission factors) required for GHG quantification where primary data is unavailable. The measurement of these elements of the Selected Sustainability Information is subject to a higher degree of uncertainty than those derived from primary data.



### Independent Practitioner's Limited Assurance Report to the Board of Directors of SD Guthrie Berhad on Selected Sustainability Information Disclosed in the Sustainability Report 2025 (cont'd)

#### Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected Sustainability Information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected Sustainability Information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) and ISAE 3410, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company's use of Reporting Criteria as the basis for the preparation of the Selected Sustainability Information.
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- design and perform procedures responsive to where material misstatements are likely to arise in the Selected Sustainability Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### Summary of work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected Sustainability Information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected Sustainability Information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Selected Sustainability Information by performing inquiries of management, reviewing process flowcharts, and reviewing the underlying records;
- Performed inquiries of relevant personnel and analytical procedures on Selected Sustainability Information based on our scoping;
- Evaluated the appropriateness of quantification methods and reporting policies;
- Evaluated the methods, assumptions and data for developing estimates;
- Performed substantive testing on a sampling basis on information included in the Selected Sustainability Information;

## Appendix



### Independent Practitioner's Limited Assurance Report to the Board of Directors of SD Guthrie Berhad on Selected Sustainability Information Disclosed in the Sustainability Report 2025 (cont'd)

#### Summary of work performed (cont'd)

- Undertook site visits at selected operating units (i.e. estate, palm oil mill, palm oil refinery) to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods;
- Checked mathematical formulas, proxies and default values used in the Selected Sustainability Information against the Company's Reporting Criteria; and
- Evaluated the appropriateness of the disclosures and presentation of the Selected Sustainability Information based on the Reporting Criteria.


Our assurance procedures specifically did not extend to the remaining parts of the Sustainability Report and the information included therein, other than the Selected Sustainability Information.

#### Other matters

Our conclusion on the current period addresses the Selected Sustainability Information described in the "Limited assurance conclusion" section of our report. The comparative Selected Sustainability Information presented for the year ended 31 December 2024 was subject to a different engagement scope. Our conclusion is not modified in respect of this matter.

#### Restriction on distribution and use, and disclaimer of liability to third parties and for any other purpose

Our report, including our conclusion, has been prepared solely for the Board of Directors of the Company in accordance with the agreement between us dated 13 November 2025 (the "agreement"). We consent to the inclusion of this report in the Company's Sustainability Report which will be accessible from the website at [www.sdguthrie.com](http://www.sdguthrie.com) in connection with the Company's responsibilities under paragraph 6.2(e) of Practice Note 9 of the Main Market Listing Requirements in respect of the disclosure of a statement on whether the listed issuer has sought independent assurance on the Selected Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Company for our work or this report except where terms are expressly agreed between us in writing. Any reliance on this report by any third party is entirely at its own risk.

  
 PRICEWATERHOUSECOOPERS PLT  
 LLP0014401-LCA & AF 1146  
 Chartered Accountants

Kuala Lumpur  
20 April 2026

### ANNEX 1:

#### NATURE-RELATED RISKS AND OPPORTUNITIES: TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURE (TNFD)

As part of our "Beyond Zero" target to publish a TNFD-aligned report, SD Guthrie (Guthrie) is committed to strengthening our assessment of nature-related risks and opportunities.

The four core TNFD recommendations are closely aligned with the disclosure requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. Accordingly, we mapped the relevant sections of our report where these disclosures address nature-related considerations.

TNFD Recommended Disclosures	
<b>Governance</b>	The Board oversees nature-related dependencies, impacts, risks, and opportunities, including human rights risks and opportunities relating to Indigenous peoples, local communities, and other stakeholders, as described in the Sustainability Governance section. Our human rights policies and engagement activities are detailed in the Human Rights and Smallholder' Inclusion sections. Our <a href="#">Biodiversity Policy</a> outlines our commitments to conservation, reforestation, and rehabilitation.
<b>Strategy</b>	Nature-related dependencies and impacts were identified through the Locate, Evaluate, Assess, and Prepare (LEAP) Assessment, which covers our key upstream value chain and direct operations. The time horizons for the risks, opportunities, and impacts are described in the Biodiversity and Conservation, as well as Water and Effluent Management sections.
<b>Risk and Impact Management</b>	The management strategies for the two key risks, Biodiversity and Conservation, as well as Water and Effluent Management, are described in the relevant sections. These risks are embedded into the Enterprise Risk Management framework, as outlined in the Sustainability Governance section.
<b>Metrics and Targets</b>	The metrics and targets are included in the Biodiversity and Conservation, as well as Water and Effluent Management sections.

### LEAP ASSESSMENT

Guthrie adopted the LEAP approach to identify and assess nature-related risks and opportunities in accordance with TNFD recommendations. The following section outlines how each stage of the LEAP framework was applied to guide the development of our nature-related risk and opportunity assessment.

#### **L** Locate the Group's Interface with Nature across Geographies and the Value Chain

Certain areas within our operational footprint, especially selected upstream locations, lie within or adjacent to forest and peat landscapes that contain significant biodiversity and ecosystem functions. We recognise the inherent value of natural resources and their increasing scarcity, such as water stress and land-use constraints. These factors reinforce the need for responsible stewardship across our operating footprint.

Although this is our first LEAP assessment, it is not the first time we have identified the Group's interface with nature. Guthrie's key facilities and supply chain, including oil palm plantations, mills, refineries, and supplier locations, have been mapped to understand where our value chain interacts directly with nature and biodiversity-sensitive areas. At present, our supply chain mapping covers fresh fruit bunches (FFB) and palm oil suppliers, which represent the bulk of our upstream value chain.

This spatial interface is publicly accessible through our online traceability dashboard, [Crosscheck](#), which provides transparency on the locations of FFB production and crude palm oil processing. Furthermore, all ventures under our Industrial Development & Renewable Energy vertical are situated within our existing landholdings and fall within the boundaries of our current plantations.

We also conduct High Conservation Value (HCV) assessments prior to any planting activities. Biological HCV areas are clearly demarcated within our operations and are designated as no-palm-planting zones, although they may be used for ecological restoration where suitable.

# Appendix

## E Evaluate the Dependencies and Impacts on Nature

Using the Exploring Natural Capital Opportunities, Risks, and Exposure (ENCORE) online tool, we conducted an impact and dependency analysis across our business segments, classified under the International Standard Industrial Classification (ISIC). ENCORE provides an initial indication of the key nature-related dependencies and potential impacts relevant to our business activities.

The ENCORE ratings of dependencies and impacts are constrained by the ISIC Group/Class categorisation, which may not fully reflect the scope and specificity of our operations. Nonetheless, the results provide valuable insights into potential considerations that may not have been previously identified across our business segments. The results were subsequently reviewed and assessed internally with relevant stakeholders and appropriate ratings were assigned for each identified dependency and impact.

Existing assessments conducted as part of our legal and public commitments, such as Environmental Impact Assessments (EIA), HCV assessments, Aqueduct 4.0 World Resources Institute's (WRI): Water Risk Framework, and Roundtable on Sustainable Palm Oil (RSPO) certification audits, are used to validate the relevance and accuracy of our dependencies and impact ratings. Beyond compliance requirements, we also undertook initiatives such as biodiversity surveys using camera traps and bioacoustics monitoring at operations located near environmentally sensitive areas. These initiatives provide deeper insights and strengthen the evaluation of materiality ratings.

The chart below summarises the dependencies and impacts identified.

Assessment of Dependencies on Nature		
Business Segment	Material Dependencies	
<p>Upstream</p>	<ol style="list-style-type: none"> <li>Water</li> <li>Climate</li> <li>Pollination services</li> <li>Soil</li> <li>Pest management</li> <li>Biomass provisioning services</li> </ol>	<p>Guthrie's operations depend heavily on natural systems. Water is essential for oil palm cultivation, FFB processing, and mill operations. The climate supports soil fertility, seed dispersal, and genetic diversity needed for palm propagation. Healthy soils enable nutrient cycling, effective water retention, and reduced sedimentation, all of which help maintain soil structure and productivity. Natural pest control services also help suppress pest populations and reduce reliance on chemical treatments. Additionally, our mills rely on energy generated from biomass and water for processing and cleaning, while plantations depend on empty fruit bunches and other organic residues to support nutrient cycling, soil moisture, and overall soil health.</p>
<p>Downstream</p>	<ol style="list-style-type: none"> <li>Water</li> </ol>	<p>Guthrie's refinery operations are water-intensive, relying heavily on water for cooling systems, steam generation, and essential cleaning activities that support core refining steps such as impurity removal, bleaching, and deodorisation. Without sufficient clean water, product quality, equipment performance, and environmental compliance can be compromised. Effective water flow regulation services are also essential to reduce flood risk and protect assets.</p>
<p>Industrial Development &amp; Renewable Energy</p>	<ol style="list-style-type: none"> <li>Water</li> <li>Biomass provisioning services</li> <li>Climate</li> </ol>	<p>Guthrie's industrial parks will host a wide range of industries, including warehousing, manufacturing, and electronics. These industries rely on effective water flow regulation services to reduce flood risk and prevent asset damage. Manufacturing industries in particular depend on sufficient and reliable water supply to support operations.</p> <p>The two main sources of renewable energy are biogas and solar. Biogas depends heavily on the availability of effluent generated from palm processing, while solar energy relies on consistent levels of solar irradiation.</p>

Assessment of Business Impact on Nature		
Business Segment	Material Business Impacts <sup>1</sup>	
<p>Upstream</p>	<ol style="list-style-type: none"> <li>Area of land use</li> <li>Area of freshwater use</li> <li>Volume of water use</li> <li>Emission of nutrient pollutants</li> <li>Emission of toxic pollutants</li> <li>Generation and release of solid waste</li> <li>Emissions of greenhouse gas (GHG)</li> </ol>	<p>Guthrie's upstream operations span over 550,000 hectares of planted area, creating a substantial land footprint. Mill operations also withdraw and discharge high volumes of water, creating pressure on local water resources. Fertiliser use can contribute to nutrient loading through runoffs, while agrochemicals, fuels, and other inputs may introduce toxic pollutants into soil and waterways. Plantation and milling activities generate biomass waste streams. Additionally, GHG emissions are significant on existing peatland plantations, and methane from palm oil mill effluent (POME) treatment remains the most material emission source at mills.</p>
<p>Downstream</p>	<ol style="list-style-type: none"> <li>Emissions of nutrient pollutants to water and soil</li> </ol>	<p>Pollutants arise mainly from oily wastewater, cleaning processes, and organic residue in effluent streams. If wastewater treatment is insufficient, the pollutants may enter rivers or soil.</p>
<p>Industrial Development &amp; Renewable Energy</p>	<ol style="list-style-type: none"> <li>Area of land use</li> <li>Emissions of nutrient pollutants to water and soil</li> <li>Emissions of toxic pollutants to water and soil</li> <li>Disturbances (e.g. noise, light)</li> </ol>	<p>The development of industrial parks and large-scale solar assets involves land conversion, leading to changes in land-use and ecological conditions. Emissions associated with these activities may affect soil and water quality, including the risk of nutrient build-up or contamination.</p> <p>Biogas operations generate effluent that may impact nearby water bodies. In addition, activities within industrial parks may collectively influence environmental quality and public health through their effects on air, water, soil, and emissions.</p>

<sup>1</sup> Impacts relevant to Guthrie as obtained from ENCORE.

## A Assess the Nature-related Risks and Opportunities

As part of our evaluation of nature-related risks and opportunities across all our key operational areas, we used the World Wide Fund for Nature (WWF) Risk Filter Suite, including the Water Risk Filter and Biodiversity Risk Filter, to assess site-specific risks. While certain locations, particularly those near environmentally sensitive or biodiversity-rich landscapes, exhibit higher exposure to nature-related risks. Our assessment also revealed significant opportunities to enhance ecological resilience, strengthen responsible land stewardship and prioritise actions where risks are greatest.

The details of our risk and opportunity assessment, particularly for areas under Guthrie's direct operational control, are described in the sections on Climate-related Risks and Opportunities, Biodiversity and Conservation, and Water and Effluent Management. Where sufficient data was available, we quantified the financial implications of these risks and opportunities; for all other areas, the assessment was presented qualitatively.

## P Prepare the Response to Nature-related Risks and Opportunities

Guthrie operates in biodiverse, climate-sensitive regions where land-use change, ecological degradation, and climate variability create interlinked operational and value-chain exposures. In response, we apply a structured process to ensure nature-related considerations inform decisions at the Group, regional, and business unit levels.

Nature-related insights are incorporated into strategic and operational decision-making through cross-functional coordination between Group Sustainability, Innovation & Research, and business operations. Land-use planning, supplier assessments, long-term estate development, and compliance management are informed by a consistent, data-driven understanding of ecosystem dependencies and potential disruptions.

The Group's nature-based restoration efforts increase carbon sequestration through reforestation and ecosystem recovery. These actions help stabilise local microclimates, reduce erosion and flooding risks, while maintaining healthy natural systems that act as long-term carbon sinks. In doing so, we align our nature targets with our climate targets in a mutually reinforcing way.

# Appendix

## ANNEX 2:

### SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

SD Guthrie (Guthrie) has reported the information cited in this content index for the period 1 January 2025 to 31 December 2025 with reference to, and aligned to, the SASB Standard for Agricultural Products industry.

**Table 1** Sustainability Disclosure Topics and Metrics

Disclosure Topic	Metric	Code	Unit	Remarks
Greenhouse Gas (GHG) Emissions	Gross global Scope 1 emissions	FB-AG-110a.1	tCO <sub>2</sub> e	Detailed in Climate-related Transition Risks section.
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	FB-AG-110a.2	N/A	Detailed in Climate-related Transition Risks section.
	1. Total fleet fuel consumed 2. Percentage of that energy derived from renewable fuels	FB-AG-110a.3	Gigajoules (GJ), Percentage (%)	Not disclosed. The energy consumed by fleet vehicles is not separately identifiable. The Group is reviewing internal data management processes to prepare for future reporting.
Energy Management	1. Operational energy consumed 2. Percentage of grid electricity 3. Percentage of renewable	FB-AG-130a.1	Gigajoules (GJ), Percentage (%)	Detailed in Climate-related Transition Risks section. All metrics include energy consumed by fleet vehicles.
	1. Total water withdrawn 2. Total water consumed 3. Percentage of each in regions with High or Extremely High Baseline Water Stress	FB-AG-140a.1	Thousand cubic metres (m <sup>3</sup> ), Percentage (%)	Detailed in Water and Effluent Management section. The definition of water consumption metric under the SASB standard has been considered. However, the internal definition for water consumption was applied, in line with the current monitoring system of operation.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-AG-140a.2	N/A	Detailed in Water and Effluent Management section.
Water Management	Number of incidents of non-compliance associated with water quality permits, standards and regulations	FB-AG-140a.3	Number	Detailed in Water and Effluent Management section.
	1. Total recordable incident rate (TRIR)	FB-AG-320a.1	Rate	Detailed in Human Rights section. Guthrie reports Lost Time Injury Frequency Rate (LTIFR) as the primary occupational health and safety metric, instead of TRIR. LTIFR is aligned with Malaysia's Department of Occupational Safety and Health (DOSH) requirements and reflects severe incidents resulting in lost workdays. LTIFR data is supported by verifiable documentation, and subject to established internal controls.  The data required to calculate TRIR is not consistently available or verifiable across operations.

Disclosure Topic	Metric	Code	Unit	Remarks
Workforce Health & Safety	2. Fatality	FB-AG-320a.1	Number	Detailed in Human Rights section. Guthrie reports fatalities as an absolute number, in accordance with standard industry practice.
	3. Near miss frequency rate (NMFR) for a. direct employees and b. contract employees	FB-AG-320a.1	Rate	Detailed in Human Rights section. Total NMFR is disclosed. Near-miss incidents are not separately identifiable by employment category (i.e. contract, direct). The Group will continue evaluating the feasibility of disclosing the metric.
Environmental & Social Impacts of Ingredient Supply Chain	1. Percentage of agricultural products sourced that are certified to a third-party environmental or social standard 2. Percentages by standard	FB-AG-430a.1	Percentage (%) by volume	Detailed in Sustainability Certification section. Disclosed as percentage by volume as cost data is commercially sensitive.
	Suppliers' social and environmental responsibility audit 1. Non-conformance rate 2. Associated corrective action rate for major and minor non-conformances	FB-AG-430a.2	Rate	Not disclosed. Data required would involve extensive extraction and analysis. All new and existing suppliers are screened in line with our <a href="#">Responsible Sourcing Guideline</a> and monitored using our <a href="#">Supplier Grievance Register</a> .
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	FB-AG-430a.3	N/A	Detailed in Smallholder Inclusion section.
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	FB-AG-440a.1	N/A	Detailed in Climate-related Physical Risk section. Principal crops identified are oil palms.
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	FB-AG-440a.2	Percentage (%) by volume	Detailed in Water and Effluent Management section. Disclosed as percentage by volume for palm-based products, as cost data is commercially sensitive.

**Table 2** Activity Metrics

Activity Metric	Code	Unit	Remarks
Production by principal crop <sup>1</sup>	FB-AG-000.A	MT	<b>8,881,165 MT FFB</b> produced in FY2025.
Number of processing facilities <sup>2</sup>	FB-AG-000.B	Number	The Group's total active facilities stands at <b>305</b> , including <b>232</b> estates, <b>63</b> mills, and <b>10</b> refineries.
Total land area under active production	FB-AG-000.C	Hectare	<b>557,258 ha</b> planted with oil palm as at December 2025.
Cost of agricultural products sourced externally <sup>3</sup>	FB-AG-000.D	MT	<b>2,588,825 MT</b> Disclosed by volume as cost data is commercially sensitive.

<sup>1</sup> Note to **FB-AG-000.A** – Principal crops are crops that accounted for 10% or more of consolidated revenue in any of the last three fiscal years.

<sup>2</sup> Note to **FB-AG-000.B** – Processing facilities include facilities that are involved in the manufacturing, processing, packing or holding of agricultural products, and exclude administrative offices.

<sup>3</sup> Note to **FB-AG-000.D** – Agricultural products are defined as food, feed, and biofuel ingredients sourced for use in the entity's operations. The scope of agricultural products sourced externally excludes agricultural products grown on land owned or operated by the entity.

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