

# Illustrative Sustainability Report

For the Plantation Sector Based on the IFRS®  
Sustainability Disclosure Standards



A publication by:  
Advisory Committee on Sustainability Reporting

An Initiative of:





# Acknowledgment

The development of this Illustrative Sustainability Report was prepared with the support of the Advisory Committee on Sustainability Reporting (ACSR), chaired by Securities Commission Malaysia (SC), with members comprising the Audit Oversight Board, Bank Negara Malaysia (BNM), Bursa Malaysia (Bursa), the Companies Commission of Malaysia (SSM) and the Financial Reporting Foundation (FRF).

In preparing this Illustrative Sustainability Report, extensive research was undertaken including engagements with the relevant stakeholders to ensure that the publication is fit for purpose. The ACSR records its appreciation to the various industry representatives, who contributed invaluable views and suggestions in the preparation of this document.

The ACSR would like to acknowledge PwC Malaysia for their insights drawn from market practices across various jurisdictions, as well as their experience in corporate sustainability reporting, which were instrumental in the development of this publication.

# Disclaimer

This publication contains an illustrative example of a basis of preparation and selected sustainability notes only for an entity reporting under the IFRS® Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements (Main Market Listing Requirements). Additional information required to be disclosed under the Main Market Listing Requirements has been included in Note 10 of this illustrative sustainability report (ISR). This ISR is not intended to illustrate all disclosures under these standards but to offer guidance for those preparing such reports for the first time.

As at the date of issuance of this ISR, only two standards have been issued by the ISSB, namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2). This ISR is prepared based on the requirements of these two standards and do not include any subsequent new standards or amendments issued on or after 30 June 2025 (such as the exposure draft issued in April 2025 on Amendments to Greenhouse Gas Disclosures). References to the specific requirements under the IFRS Sustainability Disclosure Standards and Main Market Listing Requirements are included where applicable. These references are not intended to be exhaustive or to provide a complete disclosure and compliance checklist for users of this ISR.

A fictional company, Yielding Value Berhad, has been created to demonstrate example disclosures within this document. These examples are based on hypothetical scenarios and hypothetical risks that may be relevant to both the entity and the industry in which the entity operates. The illustrated disclosures do not represent the only way to apply the requirements under IFRS S1 and IFRS S2.

For the purpose of this ISR, only three sustainability-related risks have been illustrated. Other sustainability risks and opportunities may exist for this company that would require disclosure, but are not illustrated. Entities should tailor their sustainability reports to include relevant information on their sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the company to meet the objective of IFRS S1 and IFRS S2.

This ISR is for illustrative purposes only and should be used in conjunction with the relevant sustainability reporting standards and any other pronouncements and legislation applicable in Malaysia. Information contained in this publication does not substitute for professional advice or formal reporting requirements.

This publication also includes Appendix II which is designed to aid preparers who have previously reported sustainability information using the GRI Standards, and who are preparing sustainability information under the IFRS Sustainability Disclosure Standards for the first time. It highlights areas of the ISR which contain information that is similar to information required by specific GRI Standards. The appendix does not identify all information within GRI Standards that might be material for this ISR. Nor does this appendix consider the interoperability of specific disclosures between the GRI Standards and the IFRS Sustainability Disclosure Standards. The GRI Standards referenced in this appendix are limited to the sustainability-related risks illustrated in this ISR and are not intended to be exhaustive or provide a complete disclosure and compliance checklist of all GRI Standards.

This publication also includes Appendix III which provides guidance to preparers on sustainability-related opportunities in the plantation industry. The guidance and illustrative examples are not intended to be exhaustive.

# About this publication

## Introduction

The development of this Illustrative Sustainability Report (ISR), one of the key deliverables under the PACE (Policy, Assumptions, Calculators, Education) initiative, is led by the Advisory Committee on Sustainability Reporting (ACSR) which oversees the implementation of the National Sustainability Reporting Framework (NSRF). The ACSR is chaired by Securities Commission Malaysia, with members comprising of the Audit Oversight Board, Bank Negara Malaysia, Bursa Malaysia, the Companies Commission of Malaysia and the Financial Reporting Foundation.

This ISR illustrates a sustainability report for a fictional listed company within the plantations sector, Yielding Value Berhad, who is preparing its first report under the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), and in line with Bursa Malaysia's Main Market Listing Requirements (Main Market Listing Requirements). Additional information required to be disclosed under the Main Market Listing Requirements has been included in Note 10 of this ISR.

Yielding Value Berhad is a fictional company listed on Bursa Malaysia's Main Market and is the parent company in a consolidated group (the 'Group'). The Group is an integrated palm oil company headquartered in Malaysia, with operations across both Malaysia and Indonesia. It operates across the entire palm oil value chain, from upstream to downstream operations. During the year, the Group invested in a new business segment, renewable energy, as part of its portfolio diversification strategy. Information about entities within the Group's reporting boundary are included in Note 3 of the ISR.

As at the date of issuance of this ISR, only two standards have been issued by the ISSB, namely IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' (IFRS S1) and IFRS S2 'Climate-related Disclosures' (IFRS S2). This ISR illustrates only certain selected examples of the sustainability reporting requirements of these two standards and do not include any subsequent new standards or amendments issued on or after 30 June 2025 (such as the exposure draft issued in April 2025 on Amendments to Greenhouse Gas Disclosures). With respect to disclosures specifically required by the IFRS Sustainability Disclosure Standards, the applicable paragraphs in IFRS S1 and IFRS S2 which the disclosure is illustrating have been included for reference.

The Group structure, nature of operations, and financial performance in the sustainability report are expected to be consistent between its sustainability report and its financial statements. This ISR includes examples of cross-references to disclosure notes indicated as [Note XX] in the hypothetical financial statements of the Group where relevant.

The objective of this publication is to illustrate how an entity might structure its sustainability report, specifically as it relates to its overall sustainability reporting policies.

The illustrative sustainability report includes the following sustainability reporting policy notes:

1. Basis of preparation
2. Overview of the Group and value chain
3. Reporting boundary
4. Judgements and measurement uncertainties
5. Materiality assessment
6. Sustainability governance

For the purpose of this ISR, only three sustainability-related risks have been illustrated. Other sustainability-related risks and opportunities may exist for Yielding Value Berhad that would require disclosure, but they are not illustrated for the purpose of this ISR. This ISR also does not illustrate disclosures related to sustainability-related opportunities. Depending on the number of sustainability-related risks and opportunities that an entity identifies, a different structure of the report might be more appropriate.

The Group's sustainability report covers material information about sustainability-related risks that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, and long term. This includes information from the Group's own operations and information that arises or might arise in the context of the Group's value chain.

# About this publication (continued)

Supporting commentary is provided in grey boxes throughout the ISR to provide additional guidance for preparers. The ISR also includes additional disclosures that provide material information to the users. References highlighted in **green** are not specific disclosure requirements in the IFRS Sustainability Disclosure Standards, but refer to guidance in the relevant standards related to the illustrated disclosure. In a limited number of instances, the ISR includes information in brackets [for example], this information should be understood to be a placeholder for details which should be customised by entities depending on specific facts and circumstances.

This publication includes the following appendices to provide additional guidance for preparers:

- **Appendix I: Transition reliefs** – This section includes information on the transition reliefs provided in the IFRS Sustainability Disclosure Standards and the additional transition reliefs available under the Main Market Listing Requirements that could be applied by the Malaysian companies in preparing sustainability reports based on the requirements of the Main Market Listing Requirements as well as Bursa Malaysia's ACE Market Listing Requirements for the first time.
- **Appendix II: References to GRI** – This section includes information designed to aid preparers who have previously reported sustainability information using the GRI Standards, and who are preparing sustainability information under the IFRS Sustainability Disclosure Standards for the first time. It highlights areas of the ISR which contain information that is similar to information required by specific GRI Standards.
- **Appendix III: Sustainability-related opportunities** – This ISR does not illustrate disclosures relating to sustainability-related opportunities. Appendix III provides some guidance to preparers on sustainability-related opportunities for the plantation industry.
- **Appendix IV: Glossary of acronyms used in the ISR** – This section is included for the ease of reference by preparers in understanding the acronyms referred to in this ISR.

The appendices do not form part of the ISR.

# Yielding Value Berhad Illustrative Sustainability Disclosures – 31 December 2025

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# Yielding Value Berhad example sustainability disclosures – 31 December 2025

## (b) Summary of sustainability-related risks and opportunities

The table below provides an overview of the Group's sustainability-related risks and opportunities and provides a reference to where the detailed disclosures are included in this sustainability report. The table also includes references to the Group's overall sustainability-related policies.

Group structure and reporting boundaries		
Basis of preparation (Note 1)	Overview of the Group and value chain (Note 2)	Reporting boundary (Note 3)
Overview of process and governance		
Materiality assessment (Note 5)	Sustainability governance (Note 6)	
Sustainability-related risks and opportunities		
Risk	<b>Extreme weather events (Note 7.1)</b> The increased volatility, intensity, and duration of weather-related events in agriculture could lead to crop damage and harvest loss. This could result in a negative impact on crop yields and geographic suitability, which in turn can result in negative financial effects to the Group such as lost revenue.	<b>Effluents (Note 7.2)</b> The oil palm plantation industry discharges high volume of effluents from its operations. The quality of these effluents is subject to stringent regulations. Non-compliance to regulatory requirements can result in loss of the Group's sustainable palm oil certification status and directly impacting the Group's revenue.
		<b>Human Rights (Note 8)</b> The occurrence of modern slavery amongst workers within the Group as well as its' value chain (such as non-payment or late payment of wages, restrictions on freedom of movement, violence, threats) negatively impacts the Group's ability to recruit labour which will significantly impact its level of palm oil production.
Opportunities	[Opportunities are not illustrated for the purpose of this ISR]	

Judgement and measurement uncertainties (Note 4)



The IFRS Sustainability Disclosure Standards requires entities to disclose information about both its sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. Sustainability-related opportunities might exist for Yielding Value Berhad, but they are not included for the purposes of the illustration in this report. Refer to Appendix III for guidance on sustainability-related opportunities that may be relevant for the plantation industry.

# 1. Basis of preparation

Standard  
reference  
IFRS S1.72

## 1.1 Compliance with IFRS Sustainability Disclosure Standards

The sustainability report of Yielding Value Berhad and its subsidiaries (the ‘Group’) has been prepared in accordance with the IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB) in line with Bursa Malaysia’s Main Market Listing Requirements (Main Market Listing Requirements). Additional information required to be disclosed under the Main Market Listing Requirements has been included in Note 10 of this report.

IFRS S1.55(a)

Disclosure topics in the Sustainability Accounting Standards Board (SASB) standards have been referred to and considered when preparing this report. Refer to Note 5 for further information on how the SASB Standards disclosure topics have been considered in the materiality assessment process.



An entity can only state that it has complied with the IFRS Sustainability Disclosure Standards issued by the ISSB if it meets all of the requirements in the IFRS Sustainability Disclosure Standards.

The Main Market Listing Requirements allows companies to adopt transition reliefs for sustainability reports prepared during the transition period. Some of these transition reliefs are in addition to the transition reliefs included in the IFRS Sustainability Disclosure Standards issued by the ISSB, for example, extended periods for certain transition reliefs. If an entity adopts an additional transition relief in the Main Market Listing Requirements which is not included in the IFRS Sustainability Disclosure Standards, the entity cannot assert compliance with the IFRS Sustainability Disclosure Standards. Such entities should regularly update and communicate an assessment of their progress towards compliance in the basis of preparation section of their respective sustainability reports.

Refer to Appendix I for details of the transition reliefs provided under the IFRS Sustainability Disclosure Standards and the additional transition reliefs included in the Main Market Listing Requirements.



# 1. Basis of preparation (continued)

## 1.2 Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

IFRS S1.22

The sustainability report has been prepared for the Group and should be read in conjunction with the Group's consolidated financial statements which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. This report covers the financial year ended 31 December 2025 and is aligned with the reporting period of the related consolidated financial statements.

IFRS S1.64

IFRS S1.30(c)  
IFRS S2.10(d)

The Group defines time horizons based on when the sustainability-related risks and opportunities could reasonably be expected to occur. As of the end of the reporting period the following time-horizons were identified which align with the timelines used for strategic decision-making:

IFRS S1.31

- short term (0 to 12 months)
- medium term (1 to 5 years)
- long term (beyond 5 years)

IFRS S1.20

IFRS S1.B38

The sustainability-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity comprises the parent company, Yielding Value Berhad and its subsidiaries. In preparing these sustainability-related financial disclosures, the Group has assessed its own operations and its value chain which includes, amongst others, the joint ventures and associates of the Group. Refer to Note 2.2 for information on the value chain.



A sustainability report is referred to as 'sustainability-related financial disclosures' in IFRS S1. The definition of 'sustainability-related financial disclosures' is:

IFRS S1 App A

*"A particular form of **general purpose financial reports** that provide information about the **reporting entity's sustainability-related risks and opportunities** that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, or long term, including information about the entity's governance, strategy and risk management in relation to those risks and opportunities, and related metrics and targets."*

These disclosures focus on information needs of primary users of general purpose financial reports - existing and potential investors and other creditors - for decision making purposes.

This focus distinguishes sustainability-related financial disclosures prepared under the IFRS Sustainability Disclosure Standards from other sustainability related standards that focus on providing information to broader set of stakeholders such as employees or customers. The GRI Standards for example, provide information to a broader group of stakeholders on material topics in relation to impacts on the economy, environment and people, including on their human rights, and accordingly has a different focus than information needs of primary users of general purpose financial reports.

IFRS S1.24

The presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia (RM), which aligns to the presentation currency used in the consolidated financial statements. Unless specified otherwise, all amounts are rounded to the nearest million.

# 1. Basis of preparation (continued)

IFRS S1.E1  
IFRS S2.C1

## 1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025. It has applied the following standards for its annual reporting period commencing 1 January 2025:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2 'Climate-related Disclosures'

As of 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB.

IFRS S1.E3  
IFRS S2.C3

IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The Main Market Listing Requirements provide additional transition reliefs for issuers listed on the Main Market of Bursa Malaysia. The Group has applied the transition relief where it is not required to disclose comparative information in the first annual reporting period. Additional information required to be disclosed under the Main Market Listing Requirements is included in Note 10.



### Standards, pronouncements and amendments illustrated

It is assumed for the purpose of this ISR, there are no additional standards issued by the ISSB as of 31 December 2025. If a new standard or amendment to the standards is issued (for example the Exposure Draft on Amendments to Greenhouse Gas Emissions Disclosures), and becomes effective in Malaysia for the period covered in the sustainability report, the basis of preparation and references to relevant standards in Note 1.3 above would need to be updated.

IFRS S1.E5



In the first year of applying IFRS Sustainability Disclosure Standards, entities are permitted to apply several transition reliefs including the transition relief to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2). If an entity uses this transition relief, it shall disclose that fact. Yielding Value Berhad has decided not to use this transition relief and consequently this ISR includes information on other risks, such as social-related topics.

Refer to [Appendix I](#) for further information on the transition reliefs provided in the IFRS Sustainability Disclosure Standards and the additional transition reliefs available under the Main Market Listing Requirements as well as ACE Market Listing Requirements. Entities should clearly disclose which transition relief(s) have been applied in preparing its sustainability report.



### Comparative information

IFRS Sustainability Disclosure Standards requires disclosure of comparative information for all amounts disclosed in the sustainability report. Paragraph 71 of IFRS S1 states that "Amounts reported in sustainability-related financial disclosures might relate, for example, to metrics and targets or to current and anticipated financial effects of sustainability-related risks and opportunities."

In addition to disclosing comparative information for all amounts, entities are required to disclose comparative information for narrative and descriptive sustainability-related financial information included in the sustainability report, if such information will be useful for the understanding of the sustainability-related financial information for the reporting period.

As Yielding Value Berhad has applied the transition relief where it is not required to disclose comparative information in its first annual reporting period (other than those disclosed in Note 7.3 and Note 10), comparative information required as described above has not been illustrated in this ISR.

Yielding Value Berhad will need to disclose the comparative information when preparing its sustainability report in subsequent years.

## 2. Overview of the Group and value chain

### 2.1 Overview of the Group

#### Our key business activities

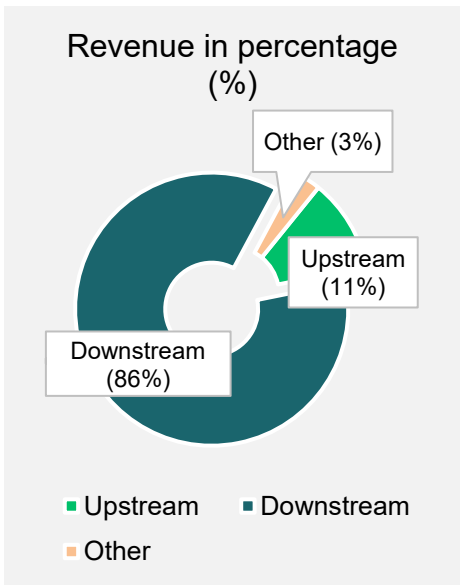
IFRS S1.32

The Group operates across the entire palm oil value chain, from upstream to downstream activities, in addition to oil palm-related research and development (R&D) activities. The Group operates 178 estates and 42 mills across Malaysia and Indonesia, with a total landbank of 453,882 hectares. It also operates two refineries each in Malaysia and Indonesia, focusing on both intermediate consumer products and final consumer products.

In addition to direct sales to customers, the Group also sells a portion of its intermediate consumer products to traders in Malaysia and Singapore, who then export it globally, including to the European Union. The Group sells its final consumer products under the brand name PalmPure through its marketing arm, which distributes these products to various retail players in the Southeast Asian markets.

During the year, the Group invested in a new business segment, renewable energy, to further diversify its portfolio. Refer to Note [XX] in the Group's 31 December 2025 financial statements for further details. The contribution of this segment is financially immaterial to the Group, but it complements the Group's decarbonisation strategy as well as its contribution to greening the Malaysian national grid.

The Group's key business activities, geographical locations of those activities and contribution to revenue per geographical location are summarised in the [illustration](#) below:



#### Upstream operation – oil palm estates and mills

The Group has oil palm estates and mills in Malaysia and Indonesia, with most of the outputs are being used as part of the Group's downstream operations.



#### Downstream operation – processing of intermediate and end consumer products

This includes the sale of Sale of Refined, Bleached, and Deodorised (RBD) Palm Oil, RBD Palm Olein, RBD Palm Stearin, and Palm Fatty Acid Distillate (PFAD), Cooking Oil, margarine etc. The Group has refinery plants in Malaysia and Indonesia.

The revenue disclosed is the percentage of revenue from external customers per business activity. Refer to Note [XX] of the Group's 31 December 2025 financial statements for further details.

Due to the nature of the industry, the Group's operations, particularly within its estates, currently rely on manual labour provided by migrant workers, primarily from Indonesia, Bangladesh, and Laos.

## 2. Overview of the Group and value chain (continued)

### Other activities

IFRS S1.32

In addition to the new investment in renewable energy, the Group is also involved in rubber and sugar cane plantations, which operate in Malaysia. The operations of these plantations are not significant to the overall business and do not form part of the Group's principal activities. These operations are not core to the Group's business strategy and are not separately managed or included in the reports provided by management to those charged with governance.

Note 3.1 sets out how the Group's entities, assets and operations have been included in the reporting boundary for sustainability-reporting.

### Our strategy and sustainability related goals

IFRS S1.32

The Group plans to continue investing in and expanding its oil palm-related activities across the entire value chain, from upstream cultivation to downstream processing and distribution. By focusing on increasing operational efficiencies, the Group seeks to optimise resource use, reduce waste, and improve productivity across its plantations and processing facilities.

Emphasising sustainable agricultural practices, the Group aims to enhance environmental stewardship while engaging closely with local communities, which include their third-party suppliers consisting of smallholders that operate near the Group's operations.

These strategic initiatives are designed to strengthen the Group's market position and support long term growth in the palm oil sector. The Group has set the following sustainability-related goals that align with the Group's long term business strategy and ambitions:

- **Upstream oil palm plantation and downstream oil palm refinery:** The Group is committed to be the world's biggest sustainable palm oil producer. The Group has obtained Roundtable on Sustainable Palm Oil (RSPO) certification for 100% of its plantations (estates and mills). As part of its greenhouse gas (GHG) emissions reduction and products traceability effort, the Group is also supporting smallholders across its value chain in their certification efforts.
- **Renewable energy:** The Group has invested in renewable energy projects as part of its commitment to enhancing the sustainability of the national grid and diversifying its business activities. This includes potential investment in biogas plants within its plantation, leveraging on the opportunity to minimise and capitalise its methane emissions. Additionally, the Group aims to leverage efficiencies from these projects to implement energy-saving initiatives across its operations.
- **Reduction in GHG emissions:** As part of its commitment to combat climate change, the Group is implementing strategies to reduce GHG emissions across its operations. By optimising energy use, enhancing waste management practices, and exploring renewable energy options, the Group aims to minimise its carbon footprint. The Group has set a target to achieve net zero GHG emissions by 2050, along with its interim target, as discussed in Note 7.3(c) of this report.
- **No Deforestation, No Peat, and No Exploitation (NDPE) policy:** The Group is committed to NDPE policy which is integral for the Group to achieve net-zero GHG emissions as well as ensuring sustainable palm oil production including in its supply chain.

### 2.2 Our value chain

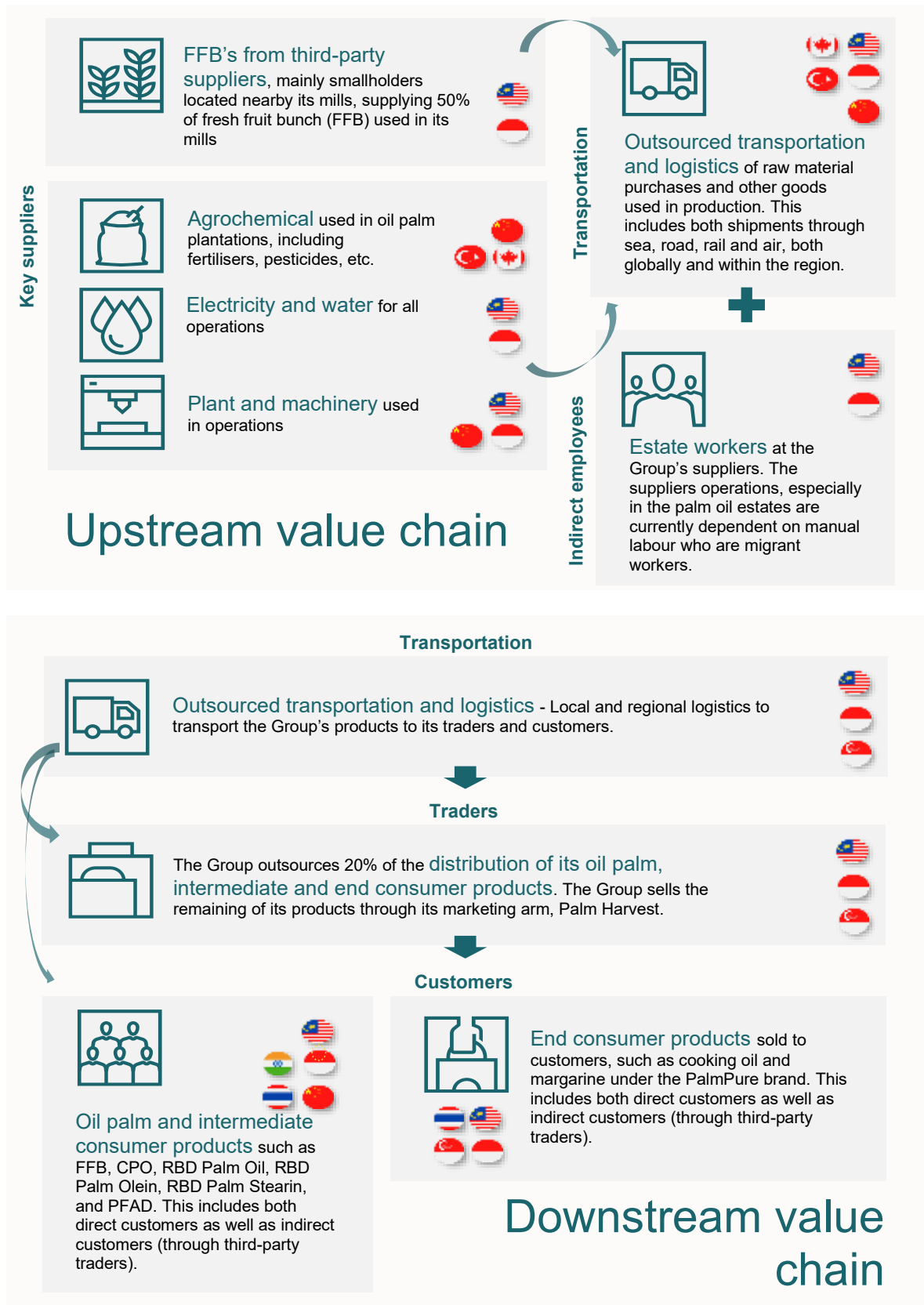
IFRS S1.2

The Group relies on a wide range of stakeholders across its supply chain in both Malaysia and Indonesia to manufacture its products. This includes key suppliers of raw materials, mainly consisting of independent third-party smallholders in Malaysia and Indonesia; labour and employees in its upstream and downstream operations; logistics providers for transportation of materials and product distributions; and end customers who purchase the Group's products, which could be situated across the globe.



## 2. Overview of the Group and value chain (continued)

The [illustrations](#) below summarises the Group's key upstream and downstream value chain relationships:



IFRS S1.B5

The Group has other business relationships, primarily through its investments in associates and joint ventures, that are part of the Group's value chain.

<sup>1</sup> This includes both direct customers as well as indirect customers (through third-party traders)

# 3. Reporting boundary

IFRS S1.20  
IFRS S1.B38

## 3.1 Reporting boundary (excluding GHG emissions)

### Reporting entity

The entities, assets and operations (referred to as the 'reporting entity') included in the Group's sustainability report are the same as those included in the Group's 31 December 2025 financial statements. During the reporting period, there was the following change to the Group structure:

- Acquisition:** on 1 October 2025, the Group acquired 70% of the issued share capital of Solar Group, a large-scale solar farm (refer to Note [XX] in the Group's 31 December 2025 financial statements for more details). Where material, information about sustainability-related risks and opportunities is identified and disclosed from the acquisition date. Comparative amounts are not adjusted to include amounts relating to acquisitions in the current year.



### Effect of changes in the entity structure

Neither IFRS S1 nor IFRS S2 specifically address the effect of an acquisition or disposal on sustainability disclosures. However, IFRS S1 paragraph 20 states that the reporting entity for the purposes of sustainability reporting is the same as the reporting entity for the related financial statements. Thus, the treatment of an acquisition or disposal would align with the treatment in financial reporting.

As a result, if Yielding Value Berhad had presented comparative information, this comparative information would not have been adjusted to include amounts relating to acquisition in the current year.

The Group's reporting entity and the extent of sustainability-related information considered and included in the Group's consolidated sustainability report are summarised below:

Entities and assets in the reporting entity	Additional information	Note in financial statements	Information considered and included (for GHG reporting boundary see Note 3.2)
Parent and subsidiaries	-	Note [XX]	100% of the sustainability information, including consolidated subsidiaries which are not fully owned.
Leased assets (the Group is lessee)	The Group leases various offices, warehouses, land, equipment and vehicles. The Group has the right to control the use of the asset as well as the right to substantially all of the related economic benefits during the term of the lease.	Note [XX]	100% of the sustainability information related to the use of the leased assets during the lease term.
Leased assets (the Group is lessor)	The Group has investment properties that it leases to tenants under operating leases. The investment property continues to be recognised on the Group's statement of financial position.	Note [XX]	100% of the sustainability-information related to the leased assets.

### 3. Reporting boundary (continued)

Entities and assets in the reporting entity	Additional information	Note in financial statements	Information considered and included (for GHG reporting boundary see Note 3.2)
Joint operations	The Group has a 50% interest in a joint arrangement called Palmvalue Corporation (Palmvalue) which is accounted for as a joint operation. The Group's financial statements reflect the Group's direct right to the jointly held assets, liabilities, revenues and expenses and its share of any jointly held or incurred (referred to as indirect) assets, liabilities, revenues and expenses.	Note [XX]	100% of the sustainability information for direct assets, liabilities etc and proportionate share of indirect assets, liabilities etc. recognised by the Group.

IFRS S1.20 & B38



#### Leased assets

IFRS S1 does not explicitly refer to leased assets when describing the reporting entity for sustainability disclosures. Paragraph 20 of IFRS S1 defines the reporting entity for sustainability disclosure as the same as the reporting entity for financial statements. Yielding Value Berhad applies MFRS in its financial statements, and as such leased assets where the entity is a lessee are recognised as a right-of-use asset in its financial statements. These leased assets are therefore part of the reporting entity for its sustainability disclosures during the lease period.

From the lessor's perspective, the accounting treatment in MFRS/IFRS financial statements depends on whether the lease is classified as an operating lease or a finance lease. In an operating lease, the lessor maintains the physical asset on its balance sheet, while in a finance lease, it records a lease receivable. Both types of leases are part of the reporting entity for the purposes of sustainability reporting. However, the nature of lease — either operating lease or finance lease — may influence how the lessor assesses sustainability-related risks and opportunities.

The treatment of leases for the purposes of GHG emissions disclosures under IFRS S2 may differ, depending on the approach taken for establishing the organisational boundary. See Note 3.2 for more detail.



There is no specific guidance regarding how to disclose sustainability-related risks and opportunities for joint operations. Paragraph 20 of IFRS S1 defines the reporting entity for sustainability disclosure as the same as the reporting entity for financial statements; therefore, the share of assets and share of operations which are associated with the joint operation should be included as part of the entity's own operations.

For the share of the assets and share of operations not owned by the Group, an acceptable approach is to disclose them as part of value chain information. Other approaches related to assets and operations not owned by the entity may also be acceptable. The approach selected should be applied consistently and transparently disclosed.

#### Value chain

The Group also has entities (including investments in associates and joint ventures), activities, resources, and relationships that form part of its value chain. These have been considered in assessing the sustainability-related risks and opportunities of the Group. In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

### 3. Reporting boundary (continued)

IFRS S2.29  
(a)(iii)(1), B26(a),  
B27

#### 3.2 Reporting boundary for GHG emissions

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

The Group's reporting boundary for GHG emissions includes its organisational boundary and operational boundary.



IFRS S2 references two GHG Protocol Standards:

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the GHG Protocol); and
- Greenhouse Gas Protocol Corporate Value Chain Standard (2011) (Scope 3 Standard).

These two GHG Protocol Standards are referenced to for different purposes.

##### GHG Protocol

The GHG Protocol is referenced in IFRS S2 for the measurement of GHG emissions, including the characterisation of the sources of GHG emissions as Scope 1, Scope 2 or Scope 3. IFRS S2 requires an entity to apply the requirements in the GHG Protocol only to the extent that they do not conflict with the requirements in IFRS S2.

##### Scope 3 Standard

The Scope 3 Standard is referenced as part of the requirement for an entity to consider all 15 emissions categories under Scope 3, and to disclose the Scope 3 categories that are included in its measure of Scope 3 GHG emissions. IFRS S2 does not reference the Scope 3 Standard in relation to measurement in the way it references the GHG Protocol. Hence, the GHG Protocol should be used for the purposes of measurement of Scope 3 emissions.

Refer to the educational material on [Greenhouse Gas Emissions Disclosure requirements applying IFRS S2 Climate-related Disclosures](#) issued by the IFRS Foundation for more information.



### 3. Reporting boundary (continued)

#### a. Organisational boundary

IFRS S2.29  
(a)(iii)(1), B26(a),  
B27



#### Establishing organisational boundaries in accordance with the GHG Protocol

Under IFRS S2, an entity measures its GHG emissions in accordance with the GHG Protocol unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its GHG emissions. For illustrative purposes, it has been assumed that Yielding Value Berhad is not required by a jurisdictional authority or an exchange on which it is listed to use a different method for measuring its GHG emissions. As such, Yielding Value Berhad follows the GHG Protocol to measure its GHG emissions as required by IFRS S2.

The GHG Protocol outlines two approaches for establishing organisational boundaries: the equity share approach, and the control approach (with control determined based on either financial or operational control). These two approaches are referenced in IFRS S2 as examples of approaches an entity uses under the GHG Protocol. Under the GHG Protocol, a single approach should be selected across the organisation where, using different approaches per category of assets is not permitted. The selected approach should be disclosed and applied consistently.

#### Equity share approach

Under the equity share approach, a company includes its share of GHG emissions from operations based on its share of equity. The equity share reflects economic interest, which is the extent of rights that a company has to the risks and rewards flowing from an operation.

#### Financial control approach

Under the financial control approach, a company includes 100% of the GHG emissions from operations over which it has financial control. Financial control normally represents the right to the majority of the economic benefits of an operation; it does not necessarily align with ownership percentage.

#### Operational control approach

Under the operational control approach, a company includes 100% of the GHG emissions from operations over which it has operational control. An entity has operational control over an operation if it has full authority to introduce and implement operational policies. This approach focuses on the ability to operate the assets, notwithstanding legal ownership of the asset. Examples of operational decisions and rights to consider when assessing whether an entity has operational control are:

- whether the entity holds the operating license;
- whether the entity is responsible or liable for the legal and contractual obligations regarding emissions; and
- whether the entity has the authority to introduce and implement operating policies.

#### Acquisitions and disposals

The IFRS Sustainability Disclosure Standards do not contain guidance on how to incorporate changes in the entity structure on sustainability information. Note, however, that the Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) discussed the effect of an acquisition or disposal on reporting of GHG emissions in its meeting on 13 June 2024. As highlighted in the meeting summary, the TIG concluded that the reporting entity for the purposes of sustainability reporting should align with financial reporting and that entities should follow the applicable Generally Accepted Accounting Principles (GAAP) to determine the consolidation requirements. An entity should not follow the guidance of the GHG Protocol but should instead follow the same approach for acquisitions and disposals in the general reporting boundary guidance (Refer to Note 3.1).

### 3. Reporting boundary (continued)

IFRS S2.29  
(a)(iii)(2)

IFRS S2.B27

The Group applies the operational control approach to establish its organisational boundary for the reporting of GHG emissions.

The Group believes that the use of the operational control approach is the most appropriate method to measure the Group's GHG emissions, considering that there are entities and assets outside the Group's financial reporting group over which it has operational control.

The Group has operational control over the following entities, assets and operations:

Additional information		Note in financial statements
<b>Parent and consolidated subsidiaries</b>	The Group has operational control across its subsidiaries, because it has full authority to introduce and implement operational policies across them.	Note [XX]
<b>Associates, joint ventures, joint operations and unconsolidated subsidiaries</b>	<p>The Group has operational control over one associate, Harvest Sdn Bhd, an equity-accounted investment in which the Group has a 35% shareholding. Harvest Sdn Bhd is a strategic investment that utilises the Group's knowledge and expertise in the research and development of fertiliser. Because of the Group's industry knowledge and expertise, the other investors have given the Group full authority to introduce and implement operational policies.</p> <p>The Group is not able to participate in decisions over relevant policies and so the Group does not control Harvest Sdn Bhd for financial reporting purposes. The Group also does not have operational control over any of its other investments in associates and joint ventures.</p> <p>Refer to Note 3.1 for the treatment of Palmvalue Corporation partnership in the general reporting boundary.</p>	Note [XX]
<b>Leased assets</b>	<p>For leased assets for which the Group is acting as a lessee, the Group has operational control over the assets during the lease term. These assets include buildings, equipment and vehicles.</p> <p>The Group has investment properties that it leases out as lessor. The Group does not have operational control over these assets during the lease term.</p>	Note [XX]

For acquisitions and disposals, the Group follows the general approach for current year GHG emissions and the comparative amounts as described under Note 3.1 of this report.

#### b. Operational boundary

Direct GHG emissions from sources that are owned or controlled by businesses and operations within the Group's organisational boundary are reported as Scope 1 GHG emissions of the Group. GHG emissions from the generation of purchased electricity consumed by these businesses and operations are reported as Scope 2 GHG emissions of the Group. The Group's relevant portion of other indirect emissions arising from its activities are reported as the Group's Scope 3 GHG emissions.



The classification of emissions from leased assets may be challenging in practice, because the classification depends on both the organisational boundary approach applied, and the interaction with the applicable accounting standards.

## 4. Judgements and measurement uncertainties

IFRS S1.79

In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying sustainability-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

This section outlines the most critical judgements made by management in preparing this sustainability report as well as the amounts that are subject to a high degree of measurement uncertainty. The detail of the judgement made, or the source of estimation uncertainty, is included in the disclosure note referenced.

### 4.1 Significant judgements

IFRS S1.74

IFRS S1.75

	Description	Note reference
Materiality process	<p>Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. The process followed by the Group in making the assessment of what information could reasonably impact the Group's financial prospects and influence decisions of primary users is set out in Note 5 of this report.</p> <p>Judgement was also applied in considering which metrics included within the disclosure topics in the industry-based SASB Standards were applicable to the Group.</p>	Note 5
Organisational boundary for GHG emissions	<p>The Group has applied the operational control approach to determine its organisational boundary for reporting GHG emissions. The operational control approach requires the Group to identify the operations over which the Group has full authority to introduce and implement operational policies.</p> <p>Both the determination of organisational boundary consolidation approach and the identification of operations over which the Group has operational control are areas of significant judgement.</p>	Note 3.2
Calculation methods for GHG emissions	The Group has applied a combination of different calculation methods to calculate its Scope 3 GHG emissions. Management has applied judgement 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.	Note 7.3

## 4. Judgements and measurement uncertainties (continued)

In preparing the Group's financial statements, management made several significant judgements. Some of these judgements are also relevant to this sustainability report.

Specifically, management concluded that the Group controls Palm Overseas Ltd, despite holding less than 50% of the voting rights (refer to Note [XX] in the Group's 31 December 2025 financial statements). This judgement significantly impacts the sustainability report, because it means that Palm Overseas Ltd is part of the Group for financial reporting and therefore part of the reporting entity for sustainability reporting as a controlled subsidiary.

### 4.2 Measurement uncertainty

The following amounts have a high degree of measurement uncertainty:

	Description	Note reference
GHG-related metrics	<p>The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by IFRS S2.</p> <p>The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.</p>	Note 7.3
Climate physical risk – extreme weather events	<p>There is significant uncertainty regarding how climate change, including the effect of the increase/decrease in GHG emissions, will affect the frequency and intensity of the future extreme weather events in the region where the Group operates.</p> <p>These uncertainties arise from the variability in climate projections and the potential unexpected changes in weather behaviour due to shifting weather patterns and evolving climate conditions as well as the corresponding impacts to the Group's operations. Hence, the measurement of anticipated financial effects due to extreme weather events, in the short, medium and long term, is subject to significant measurement uncertainty.</p>	Note 7.1

IFRS S1.78

IFRS S1.79

IFRS S1.81



## 4. Judgements and measurement uncertainties (continued)

IFRS S1.85  
IFRS S1.B50



Given that it is the first year that Yielding Value Berhad reports sustainability information in accordance with IFRS Sustainability Disclosure Standards, the following areas have not been illustrated:

### Changes in estimates

A change in estimate takes place where an entity needs to revise an estimated metric in the preceding year because additional information becomes known, and the new information provides evidence of circumstances that existed in that period. The IFRS Sustainability Disclosure Standards require entities to disclose a revised comparative amount, the difference between the amount disclosed in the preceding period and the revised comparative amount, to explain the reason for revising the comparative amount, and to disclose the effect of the revision.

The requirement to revise comparative information for estimates differs from the approach in the Malaysian Financial Reporting Standards and IFRS Accounting Standards, where changes in estimates are recognised prospectively.

### Material errors

Prior-period errors are omissions from and misstatements in the entity's sustainability-related financial disclosures for one or more prior periods. Such errors arise from a failure to use, or the misuse of, reliable information that was available when the sustainability-related financial disclosures for that period(s) were authorised for issue; that could reasonably be expected to have been obtained and considered in the preparation of those disclosures.

If an entity identifies a material error in its prior period(s) sustainability-related financial disclosures, it should disclose: (a) the nature of the prior-period error; (b) the correction, to the extent practicable, for each prior period disclosed; and (c) if correction of the error is impracticable, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Additionally, other disclosures have not been disclosed, such as revisions to targets (IFRS S1 paragraph 51(g) and IFRS S2 paragraph 34(d)) and reassessment of the scope of any climate-related risk or opportunity throughout its value chain (IFRS S1 App B paragraph B11, IFRS S2 App B paragraphs B34-B35).

IFRS S1.84, B58

## 5. Materiality Assessment

IFRS S1.44(a) (b)



### Materiality process

IFRS S1 paragraphs 44(a) and (b) require entities to disclose the process and related policies that the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities. Note 5 illustrates some of these disclosures by describing the process followed by Yielding Value Berhad in making the assessment of what information could reasonably affect its financial prospects and influence decisions of primary users. IFRS S1 does not prescribe specific thresholds for material information, nor does it predetermine what information would be material in a particular situation as materiality judgements are specific to an entity.

IFRS S1.B19

### Use of judgement

IFRS S1.74, 75

The identification of sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects, and identification of material information to include in the sustainability-related financial disclosures could be areas of critical judgements that should be disclosed in accordance with IFRS S1 paragraphs 74 and 75. Note 5 also includes the detail of the judgement made by Yielding Value Berhad in its materiality process as highlighted in Note 4.1.

IFRS S1.44(a)(vi),  
44(b)  
IFRS S1.B13-B28

This year marks the first year Yielding Value Berhad prepared a sustainability report in accordance with IFRS Sustainability Disclosure Standards. Consequently, a robust and detailed materiality assessment was performed to identify sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects. Even though this is the first sustainability report prepared in accordance with IFRS Sustainability Disclosure Standards, the Group has previously considered the sustainability-related risks and opportunities that might impact its operations within the Group's regular risk management processes.

IFRS S1.44(a)(b)

The materiality process was performed by the executive-level Sustainability Steering Committee (SSC) (refer to Note 6.2), with input from other management personnel in the Group as well as external advisors. The outcome of the process was validated and approved by the Board Sustainability Committee (BSC) (refer to Note 6.1).

A two-step materiality process was conducted:

- **Step 1:** identify sustainability-related risks and opportunities that could be reasonably expected to affect the Group's prospects over the short, medium, and long term.
- **Step 2:** identify material information – determination of the disclosures which are needed in relation to the sustainability-related risks and opportunities identified.

The purpose of this process was to identify information on sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as influence decisions made by primary users of general-purpose financial reports. Management specifically focused on existing and potential investors (shareholders or holders of preferred shares), lenders (refer to Note [XX] in the Group's 31 December 2025 financial statements) and other creditors in general.

The Group finalised its materiality assessment, which includes the identification of sustainability-related risks and opportunities at the end of the 2025 reporting period. Any events or changes that occurred during the period (for example, acquisitions of subsidiaries during the period, refer to Note 3.1) were considered as part of the materiality determination process.

## 5. Materiality assessment (continued)

IFRS S1.B11



The process of identifying and assessing sustainability-related risks and opportunities is not an activity that only takes place once. An entity is required to reassess its sustainability-related risks and opportunities throughout its value chain on the occurrence of a significant event or significant change.

IFRS S1.B6

An entity should use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort. Refer to Note 5 (Step 1) for more information on the proportionality mechanisms included in the IFRS Sustainability Disclosure Standards.

### Step 1: Identification of sustainability-related risks and opportunities

The Group followed a systematic approach and referred to several different sources to identify the sustainability-related risks and opportunities of the Group. The Group considered its own activities, and its upstream and downstream value chain (refer to Note 2.2) in the assessment. The process is summarised below:

IFRS S1.B2-B5

#### 1.1 Understand the Group's operations, resources and relationships

Understanding the context in which the Group operates was the first step of the process. The Group considered its business activities, including products and services provided as well as the geographical, legal and regulatory landscape of the operations.

The Group also considered the resources that it depends on and the relationships that it has along its value chain. A high-level overview of the context considered as part of this assessment is summarised below:

- a. **Key locations:** The Group operates in Malaysia and Indonesia. The Group sources its raw materials, namely FFBs and CPO from the smallholders and mills that are located nearby its facilities. In addition, the Group sources its agrochemicals from suppliers in China, Turkey and Canada.
- b. **Regulations:** Due to the nature of the industry and the high level of scrutiny from stakeholders, the Group must adhere to stringent regulatory requirements established by both local and global authorities. Furthermore, as part of its commitment to sustainable palm oil production, the Group must comply with the standards necessary to obtain palm oil certification.
- c. **Key resources:** The Group depends on several resources, which includes the following:
  - land which provides space and soil necessary in the cultivation of oil palms.
  - raw materials in the milling and refinery process, including FFB, CPO, including specific ingredients which can include chemical agents
  - energy, with electricity purchased through the national grid
  - credit facilities from its lenders, as disclosed in Note [XX] of the Group's 31 December 2025 financial statements
  - key talent and employees, including estate workers that are mainly migrant workers
  - the Group's intellectual properties arising from its R&D activities e.g. genomic research on seedling variant
- d. **Transportation and logistics:** The Group sells its own products (intermediate and end-consumer) through its marketing arm, Palm Harvest. In addition, a portion of the Group's products are also sold through third-party traders, who will then sell the products to other global customers. The Group engages with third-party logistics providers and makes use of a variety of transportation methods – including shipping by sea, road, rail and air - for the transportation of raw materials and products.

## 5. Materiality assessment (continued)

<p>IFRS S1.44(a)(i) IFRS S2.25(a)(i)</p> <p>IFRS S1.59 IFRS S1.58</p>	<p><b>1.2 Identify risks and opportunities</b></p>	<p>The primary source to identify the Group's risks and opportunities was the understanding of the Group's operations and its value chain (described in Note 2.2 above). The Group considered whether its critical resource inputs, relationships and interdependencies with the value chain are subject to sustainability-related risks or whether they create opportunities that would affect the Group's ability to generate cash flows.</p> <p>The Group also considered other internal and external sources of information to identify whether there were any additional risks and opportunities. The sources consulted included the following, but not limited to:</p> <ul style="list-style-type: none"> <li>• existing risk management and due diligence processes performed by the Group, including the Group's Enterprise Risk Management (ERM) framework</li> <li>• educational materials issued by the IFRS Foundation related to IFRS S1 and IFRS S2</li> <li>• disclosure topics in the SASB Standards for the 'Agricultural Products' and 'Processed Foods' industry</li> <li>• sustainability-related risks and opportunities identified by entities that operate within the same industries as the Group</li> <li>• engagement with the following stakeholders: employees (direct and indirect employees, including migrant estate workers), lenders and analysts</li> </ul> <p>Where needed, the Group also consulted with an independent sustainability advisor and third-party experts as part of this process.</p>
<p>IFRS S1.B22, B23</p> <p>IFRS S1.44(a)(iii) IFRS S2.25(a)(iii)</p> <p>IFRS S1.B28</p>	<p><b>1.3 Assess whether the risks and opportunities could reasonably be expected to affect the Group's prospects</b></p>	<p>Only those sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital (that is expected to affect the Group's prospects) are disclosed in the Group's sustainability report. In making this assessment, the Group considered a combination of:</p> <ul style="list-style-type: none"> <li>• the likelihood of the event occurring, and</li> <li>• the magnitude of the impact on the Group's financial prospects if the event did occur.</li> </ul> <p>For risks and opportunities that relate to uncertain future events, the Group considered a range of possible outcomes and assigned a likelihood to that range. Where there had been past incidents of an event, a higher likelihood was assigned to a similar event occurring in the future.</p> <p>The results of the assessment were plotted on a matrix to identify those risks and opportunities that could reasonably be expected to affect the Group's prospects. No definitive thresholds were applied but, typically, those with a higher likelihood and/or magnitude are disclosed.</p> <p>As part of this process, the Group considered the perspective of certain external stakeholders (including lenders and analysts), to obtain an external perspective on whether there were any additional risks and opportunities – beyond those identified by the Group - that could reasonably be expected to affect the Group's prospects. There were no additional risks or opportunities identified from the perspective of these stakeholders that has not been included in this report.</p>




## 5. Materiality assessment (continued)

IFRS S1.30(a)

<b>1.4 Mitigation actions and plans to remediate</b>	The Group has disclosed sustainability-related risks and opportunities assessed before the Group's prevention and mitigation actions.
<b>1.5 Final consolidation and approval of risks and opportunities for the Group</b>	The determination of sustainability-related risks and opportunities requires judgement. The sustainability-related risks and opportunities identified for the Group were presented to the BSC for approval. The risks and opportunities identified within the scope of sustainability reporting are summarised in the table under 'Step 2' below.

IFRS S1.55(a)

 **Applicability of disclosure topics in the SASB Standards**


In identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, an entity shall refer to and consider the applicability of the disclosure topics in the SASB Standards in addition to applying the IFRS Sustainability Disclosure Standards.

Similarly, when identifying applicable disclosure requirements about a sustainability-related risk or opportunity, in addition to applying the IFRS Sustainability Disclosure Standards that specifically applies to that risk or opportunity that could reasonably be expected to affect an entity's prospects, an entity shall refer to and consider the applicability of the metrics associated with the disclosure topics included in the SASB Standards.

The term 'shall refer to and consider' means that an entity is required to consider the applicability of the SASB Standards. An entity might conclude that the disclosure topics or the metrics specified in the SASB Standards are not applicable in the entity's circumstances.

Refer to educational material published by the IFRS Foundation on [Using the SASB Standards to meet the requirements in IFRS S1](#) for more guidance.

IFRS S1.58(a)

 IFRS S1 does not provide guidance on whether risks should be assessed before or after an entity's prevention and mitigation actions. In the absence of specific guidance, entities should select an approach for considering prevention and mitigation actions which results in providing material information about risks which could reasonably be expected to affect an entity's prospects.

## 5. Materiality assessment (continued)



### Proportionality Mechanisms

The IFRS Sustainability Disclosure Standards includes mechanisms to support the application of IFRS S1 and IFRS S2 to they help companies with different level of capability and preparedness to apply the IFRS Sustainability Disclosure Standards. The two proportionality mechanisms in IFRS S1 and IFRS S2 as well as the areas in which these could be applied are summarised as follows:

Proportionality mechanism	Areas in which these could be applied
An entity shall use all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort	<ul style="list-style-type: none"> <li>• Identification of sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects [IFRS S1 para B6], including climate-related risks and opportunities [IFRS S2 para 11]</li> <li>• Determining the scope of the value chain in relation to each sustainability-related risk and opportunity [IFRS S1 para B6], including for Scope 3 GHG emissions [IFRS S2 para B36]</li> <li>• Anticipated financial effects of a sustainability-related risk or opportunity [IFRS S1 para 37(a)], including climate-related risks and opportunities [IFRS S2 para 18(a)]</li> <li>• Cross-industry metrics on the amount and percentage of assets or business activities vulnerable to climate physical and transition risks, as well as those that aligned with climate-related opportunities [IFRS S2 para 30]</li> <li>• Approach to climate-related scenario analysis to assess climate resilience [IFRS S2 para B1]</li> <li>• Selection in the measurement approach, inputs and assumptions it uses in measuring Scope 3 GHG emissions [IFRS S2 para B39]</li> </ul>
An entity shall use an approach that is commensurate with the skills, capabilities and resources that are available to the entity for preparing those disclosures	<ul style="list-style-type: none"> <li>• Approach in preparing disclosures on anticipated financial effects of a sustainability-related risk or opportunity [IFRS S1 para 37(b)], including climate-related risk or opportunity [IFRS S2 para 18(b)]. Also, an entity does not need to provide quantitative information about the anticipated financial effects of a sustainability-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information [IFRS S1 para 39 and IFRS S2 para 20]</li> <li>• Approach to climate-related scenario analysis to assess climate resilience that is commensurate with its circumstances [IFRS S2 para B2(b)]</li> </ul>

Refer to the educational material published by the IFRS Foundation on the [Proportionality mechanisms in IFRS Sustainability Disclosure Standards](#) for further information.



The effect of an entity's activities on resources and relationships, including on people and the environment might give rise to sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects and these are relevant when applying the IFRS Sustainability Disclosure Standards.

## 5. Materiality assessment (continued)

### Step 2: Identification of material information

IFRS S1.B28

After identifying sustainability-related risks and opportunities, the second step is to determine the material information that should be disclosed in relation to each risk or opportunity. The Group considered whether information is material within the context of the Group's overall sustainability reporting and took both qualitative and quantitative aspects into consideration. The judgements used to identify of material information for the sustainability-related risks and opportunities will be reviewed at each reporting date.

### Outcome of the process



Note: Only three sustainability-related risks have been included in this ISR. Sustainability-related opportunities are not included for the purpose of the illustration in this report. The table below includes only those illustrated in this document, although other sustainability-related risks or opportunities might exist for Yielding Value Berhad.

IFRS S1.30(a)

IFRS S2.10(a)

The table below includes the sustainability-related risks and opportunities identified as part of the materiality process described. Further information can be found in the notes referenced in the table below.

Risk / opportunity identified		Summary of management approach	Affected component of the reporting boundary	Note reference
<b>Environmental</b>				
Climate-related: extreme weather events	<b>Risk:</b> Extreme weather patterns will result in prolonged heatwave and heavy rainfall, affecting crop health and production.	<u>Extreme weather events</u> <ul style="list-style-type: none"> <li>• R&amp;D on more weather-resistant seedlings</li> <li>• Sustainability certification for its suppliers</li> <li>• Mechanisation of operations</li> <li>• Installation of heatwave mitigation measures</li> </ul> <u>Heavy rainfall</u> <ul style="list-style-type: none"> <li>• Installation of flood protection measures</li> </ul>	Risk identified for own operations (upstream and downstream) as well as the entities third-party suppliers, specifically smallholders and mills operators	Note 7.1
Nature: Effluents	<b>Risk:</b> The quality of effluent discharged is subject to stringent regulations and may result in a loss of the Group's sustainable palm oil certification status and revenue.	<ul style="list-style-type: none"> <li>• Establishment of Waste and Effluent Management policy</li> <li>• Establishment of industrial effluent treatment system</li> <li>• Reduction of water consumption</li> </ul> Sustainability certification for its suppliers	Risk identified for own operations (upstream and downstream) as well as the Group's third-party suppliers	Note 7.2
[Others] (Other risks and opportunities are not illustrated for the purpose of this ISR)				

## 5. Materiality assessment (continued)

Risk / opportunity identified		Summary of management approach	Affected component of the reporting boundary	Note reference
<b>Social</b>				
Human rights: Modern slavery	<b>Risk:</b> The occurrence of modern slavery amongst workers within the Group as well as its value chain could negatively affect the Group's ability to recruit labour and may impact its level of palm oil production.	<ul style="list-style-type: none"> <li>Establishment of Group Human Rights, Recruitment, Grievance Mechanism and Whistleblowing policies</li> <li>Increased mechanisation</li> <li>Increasing local workforce participation</li> <li>Enhance supply chain traceability</li> <li>Investment in workers' facilities</li> </ul>	Risk identified for own operation (upstream and downstream) as well as the entities third-party suppliers, who are smallholders	Note 8.1
[Others] (Other risks and opportunities are not illustrated for the purpose of this ISR)				



### Connection to IFRS financial reporting

IFRS S1.21

The IFRS Sustainability Disclosure Standards require entities to provide connected information, including information about connectivity between sustainability-related financial information within the sustainability report, and connectivity with other general purpose financial reports published by the entity such as its financial statements.

Connectivity between sustainability-related financial information and the financial statements is a key area for preparers, as it impacts stakeholder's understanding of the entity's prospects in the short, medium and long term. Concerns have been raised by stakeholders on the lack of information about uncertainties, particularly climate-related uncertainties, being disclosed in the financial statements, and inconsistencies in information provided by companies.

Sustainability reporting includes within its scope the effects of risks and opportunities which might not yet be captured in the financial statements until a future period. For example, in this ISR, the Group has made a commitment to be net zero by 2050 (refer to Note 7.1), which does not meet the definition of a provision for financial reporting and is therefore not recognised in the Group's financial statements.

IFRS S1.B40(c)

To explain the connections between the sustainability-related financial disclosures and the financial statements, an entity might explain that although it might have committed to a net zero target, the commitment has not yet been reflected in its financial statements as the criteria for recognition have not been met. Information required to be disclosed about the anticipated effects of sustainability-related risks and opportunities on an entity's financial position, financial performance, and cash flows over time would provide useful information to users about the effects of commitments that are anticipated to be reflected in the financial statements in a future period.

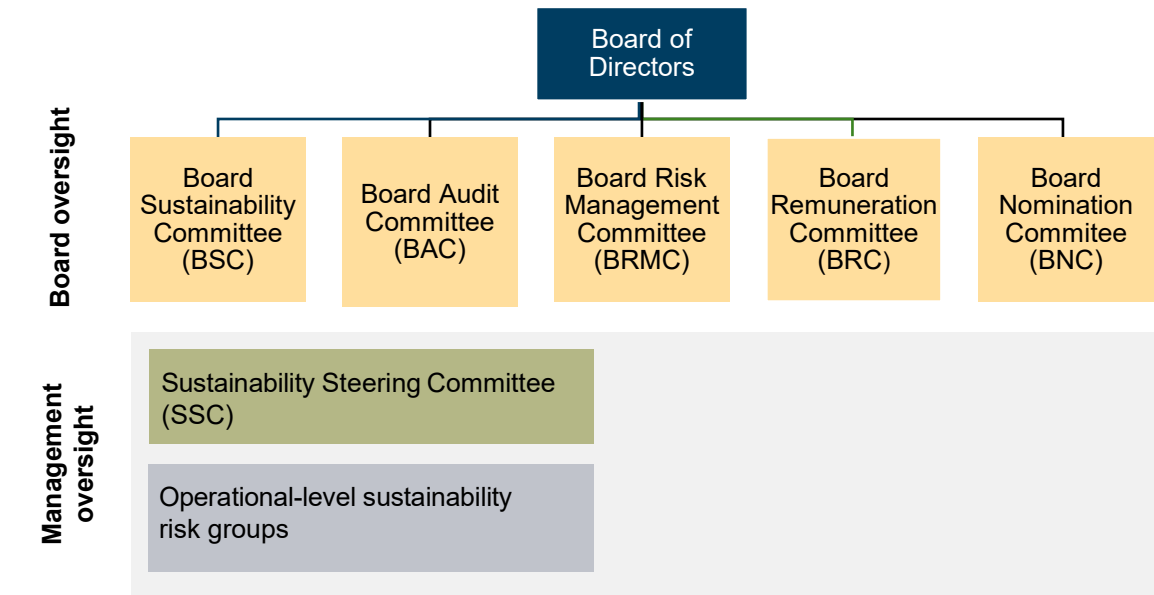
IFRS S1.34(b)

The IFRS Foundation has issued material which provides illustrations of the connections between financial statements and sustainability reporting. The education material on [Effects of climate-related matters on financial statements](#) issued by the IFRS Foundation provides a non-exhaustive list of examples illustrating how climate-related risks could affect measurement and disclosure requirements of various IFRS Accounting Standards. The IFRS Foundation is also expected to issue illustrative examples showing how an entity discloses information about uncertainties – including climate-related uncertainties – in its financial statements. At the date of this ISR, the final publication of the illustrative examples is expected to be in October 2025.

In addition, the IFRS Foundation has produced [webcasts](#) on disclosure requirements related to current and anticipated financial effects of sustainability-related risks and opportunities on a company's financial performance, financial position and cash flows. These webcasts also provide insights into how such disclosures connect with the financial statements.

# 6. Sustainability governance

The Board of Directors of Yielding Value Berhad has oversight of the approach to sustainability issues, and it is supported by the Board Sustainability Committee and Sustainability Steering Committee. An overview of the Group’s sustainability governance structure is set out below:



The responsibilities and activities of the Board of Directors and each of the committees are set out below.

## 6.1 Board oversight

### Board of Directors

The Board of Directors (Board) is ultimately responsible for the Group’s strategic direction on sustainability, including the oversight of the Group’s sustainability-related risks and opportunities covering environmental, social and governance matters. The Board approves the resources needed for effective management of sustainability-related initiatives.

IFRS S1.27(a)(iv)  
IFRS S2.6(a)(iv)

The Board ensures that sustainability is integrated into the overall Group’s corporate strategy. In particular, the Board considers climate-related risks and opportunities when reviewing strategy, performance objectives and risk management processes and policies – how these are designed to respond to sustainability-related risks and opportunities and how they align with the Group’s business model, long term business strategy and stakeholder expectations, including the Group’s net zero transition.

As part of its strategic decisions, including decisions on major transactions, the Board considers the effects of those transactions on the Group’s sustainability-related risks and opportunities. In the current year, the Group entered into the renewable energy business through its acquisition of Solar Group (refer to Note [XX] of the Group’s 31 December 2025 financial statements). The Board ensured that a thorough due diligence was conducted to understand the sustainability practices of the target and how aligned those were to the Group’s strategy. In this acquisition, the Board also assessed the new sustainability-related risks and opportunities that would affect the Group when carrying on the business of operating a large scale solar farm.

A dedicated Board-level sustainability committee, the Board Sustainability Committee (BSC) was established in 2022 to support the Board in executing its sustainability oversight responsibility.



## 6. Sustainability governance (continued)

### Board Sustainability Committee

IFRS S1.27(a)(i)  
IFRS S2.6(a)(i)

The BSC is responsible for overseeing and approving the sustainability strategy and targets, policies and the sustainability report. It also provides the Board with guidance on emerging sustainability matters. The terms of reference for the BSC sets out its' mandate and responsibilities.

IFRS S1.27(a)(iii)  
IFRS S2.6(a)(iii)

The BSC is composed of six members including two executive directors and four independent non-executive directors. The BSC meets quarterly to review the latest sustainability developments and challenges and informs the Board on sustainability-related risks and opportunities.

IFRS S1.27(a)(ii)  
IFRS S2.6(a)(ii)

Each member of the BSC has business experience and expertise related to at least one sustainability topic. To ensure that the BSC has appropriate skills and competencies to oversee the identification and mitigation of sustainability-related risks and opportunities, it regularly meets with its independent sustainability advisor which is appointed by the Board. The independent sustainability advisor brings knowledge and expertise in sustainability-related issues and provides strategic advice on sustainability initiatives, policies and practices. Further, the BSC often engages third-party experts to provide the Board members with briefings and specific training on sustainability matters to ensure appropriate sustainability skills and knowledge at Board level.

The BSC works closely with management to establish sustainability-related targets in line with the Group's overall strategy and risk management processes. It has visibility on implementation of the Group's climate transition plan, and it is updated on a quarterly basis on progress against climate metrics and targets.

The targets and associated progress are reviewed annually by the BSC and Board of Directors in line with the Group's internal budgeting and reporting timelines.



The IFRS Sustainability Disclosure Standards is designed to provide disclosures on sustainability-related financial information to primary users – existing and potential investors and other creditors – for decision making purposes. It does not require entities to set targets, but it does require entities to disclose material information about those targets that it has set or is required to set by law or regulation.

Entities should assess material information to provide in its sustainability report, for example, the fact that the entity has not established its own targets or metrics in managing a sustainability-related risk or opportunity, or the fact that the entity does not have a governance process, control or procedures in place to monitor or manage specific sustainability-related risks or opportunities could be material information to be provided to the primary users.

### Board Audit Committee

The Board Audit Committee (BAC) is responsible for the oversight of financial reporting and performance, internal audit and assurance (including on sustainability-related metrics), integrity and governance functions, and overall controls and governance for the Group.

### Board Risk Management Committee

The Board Risk Committee (BRMC) is responsible for the identification and management of overall risks (including sustainability-related risks) for the Group, as discussed in Note 6.4 of this report.

### Board Remuneration Committee

The Board Remuneration Committee (BRC) is responsible for the development and implementation of the remuneration policy – including consideration of sustainability-related performance – for the Board members as well as management, as discussed in Note 6.3 of this report.

### Board Nomination Committee

The Board Nomination Committee (BNC) is responsible for identifying and recommending individuals for Board positions. This includes ensuring that the Board and the BSC has the necessary expertise and diversity to effectively oversee and guide the Group's sustainability strategy.

## 6. Sustainability governance (continued)

### 6.2 Management's role in governance

#### Sustainability Steering Committee

IFRS S1.27(b)(i)  
IFRS S2.6(b)(i)

Management's role in assessing and monitoring sustainability-related risks and opportunities is embedded into the executive-level Sustainability Steering Committee (SSC), which comprises senior management and is chaired by the Chief Executive Officer (CEO). The CEO is responsible for the oversight of the executive-level SSC and reports directly to the BSC.

IFRS S1.27(b)(ii)  
IFRS S2.6(b)(ii)

The role of the SSC is to assist the BSC with strategic management of the Group's sustainability-related risks and opportunities which includes the following but not limited to:

- the materiality assessment process;
- developing sustainability strategies and policies;
- monitoring the day-to day implementation of the Group's sustainability-related actions and plans in line with the Group's strategy;
- recommending and developing sustainability metrics and targets and reviewing progress;
- the sustainability report.

IFRS S1.27(a)(v)  
IFRS S2.6(a)(v)

The SSC convenes up to twice a month and regularly receives updates on sustainability-related targets. The SSC provides monthly reports to the BSC. Additionally, the SSC delivers quarterly updates to the Board on any potential financial effects of sustainability-related risks and opportunities on the Group's consolidated financial statements that would provide material information, including targets and progress against non-financial metrics.

To effectively oversee and address sustainability-related risks and opportunities, the SSC works closely with the various operational-level sustainability risks groups with whom it meets twice a month.

### 6.3 Impact of sustainability on remuneration policies

IFRS S1.27(a)(v)  
IFRS S2.6(a)(v)

The Group has a dedicated Board Remuneration Committee which is responsible for the development and implementation of the remuneration policy for the Board, its committees and management.

Collective effort of all entities, operations and individuals will be needed to achieve the sustainability-related targets of the Group. In 2025, sustainability-related targets were allocated to individual entities and operations in the Group based on their activities. Senior management is responsible for meeting sustainability-related targets at an entity or operation level. Specific targets are defined for each individual depending on their role to ensure that they are accountable for progress towards the targets. The employee is measured against these targets in their annual performance appraisals, which impacts their remuneration (including salary and bonus) and promotion.

IFRS S2.29(g)

Depending on the role and seniority of the employee, sustainability-related targets can account for between 20% and 80% of the bonus. In addition, meeting sustainability-related targets is a requirement for promotion to take place.

As sustainability targets were only assigned to senior management in the current year, salaries paid to employees during 2025 were not affected by the sustainability-related targets. On average, 20% of the bonuses accrued in 2025 for executive management were based on climate-related targets.

### 6.4 Risk management

IFRS S1.44(b)  
IFRS S2.25(b)

The processes and policies to identify and assess sustainability-related risks, including climate-related risks are set out in Note 5 of this report. The risk assessment process incorporates both qualitative and quantitative factors, and considers the nature, likelihood and magnitude of potential risks.

IFRS S1.44(a)(iv)  
IFRS S2.25(a)(iv)

Sustainability-related risks, including climate-related risks are identified through a materiality assessment alongside other risks for the Group. Once the sustainability-related risks and opportunities are identified, the Group follows a process to prioritise and monitor them. The BRMC is responsible for identifying and managing the overall risks for the Group, which is integrated into the overall risk management framework of the BRMC who also reports to the Board.

# 6. Sustainability governance (continued)

IFRS S1.44(a)(v)  
IFRS S2.25(a)(v)

The prioritisation of overall risks for the Group is performed by the BRMC. Risks are prioritised based on severity and likelihood, considering potential financial impacts, operational disruptions, and regulatory changes. These prioritised risks are approved by the Board. With regards to opportunities, the SSC is responsible for reporting and working together with the Board to ensure prioritisation of the identified sustainability-related opportunities alongside other opportunities identified by the Group.

Monitoring of sustainability-related risks and opportunities are tracked individually based on the metrics and targets for which each manager is responsible (refer to Note 6.3). These metrics and targets are reported to the SSC on a regular basis.

## 7. Environment-related risks and opportunities

### 7.1 Climate-related physical risk: extreme weather events

#### a. Description

IFRS  
S2.10(a)(b)

The Group's estates and mills are located in a region where there is an increasing frequency of extreme weather events. Additionally, the Group purchases Fresh Fruit Bunches (FFBs) from third-party suppliers situated near its facilities. Management has concluded that extreme weather events are an acute physical risk that could significantly affect the Group's supplies of FFBs in the short, medium, and long term.

IFRS S2.10(c)

These events include prolonged heatwaves, which can lead to water shortages and stress on oil palms, reducing yields and production. Heavy rainfall and subsequent flooding, common during the monsoon season, can cause soil erosion and damage to young plants, disrupting harvests and increasing replanting costs. Additionally, high temperatures and heatwaves may exacerbate pest and disease outbreaks, further threatening plantation health.

IFRS S2.13(b)

This risk affects the Group's upstream oil palm plantations (both estates and mills) and downstream oil palm refinery segments, as supplies of its FFBs and Crude Palm Oil (CPOs) are sourced from Malaysia and Indonesia. In addition, the Group sources a significant portion of its FFBs from third-party suppliers - who are mainly smallholders - located near its operations, which are subjected to similar physical risk as the Group.

#### b. Effects on business model and value chain

IFRS S2.13(a)  
(b)

The increasing frequency of extreme weather conditions that are impacting yield and productivity for the Group during the year are as summarised below:

- **Prolonged heatwave – stunted growth on younger crops:** Younger crops are vulnerable to water stress and high temperature. Stunted growth in these younger crops can result in delays in replanting cycle, increasing the average age profile of the Group's estates. Lower yield will reduce the overall margin for the Group.
- **Prolonged heatwave - reduction in weevil population across its estates:** The Group relies on weevil population within its estates to assist in the pollination of oil palms. The increase in prolonged heatwaves during the year resulted in reduction of the weevil population across 28 estates. Consequently, the Group has opted for manual pollination at the affected estates which is potentially less effective, resulting in lower yield during the year.
- **Prolonged heatwaves – prolonged harvesting rounds:** During the year, there have been prolonged periods of excessively high temperatures. In several locations, the extreme heat has necessitated a longer period to complete a harvesting round per block (harvesting interval), as it becomes too hot to safely conduct harvesting during the day. This resulted in rotten and overripe fruits that were not harvested within the harvesting interval, as evidenced by the lower Oil Extraction Rate (OER) on several of the Group's plantations during the year.
- **Prolonged heatwave – drought:** Increasingly dry seasons and lack of rain will lead to water stress for oil palms. This stress could reduce fruit set, meaning fewer flowers successfully develop into fruits, which results in a lower number of fruits available for harvesting and subsequently decreases oil production. Water stress can also impact the quality of oil extracted from the oil palm fruits, potentially increasing the free fatty acid content and affecting the oil's quality and marketability. The Group's mills and refinery plants consume a significant amount of water, and supply to these operations might be disrupted due to prolonged drought conditions. Additionally, the Group's mills and refinery plants consume a significant amount of water, and supply to these operations might be disrupted due to prolonged drought conditions.
- **Heavy rainfall – increased flooding:** Heavy rainfall and instances of high precipitation have posed significant challenges to the Group. The Group has experienced an increase in high precipitation days during the year, leading to flooding at eight (8) of the Group's estates impacting its yields and OER during the year. In addition, increased flooding in recent years has led to soil erosion in specific areas within two (2) of the Group's estates. The erosion rendered the harvesting process in these areas significantly inefficient, leading to management discontinuing cultivation activities in the affected blocks.

## 7. Environment-related risks and opportunities (continued)

IFRS S1.33  
IFRS S2.14(a)  
(i)(ii)(iii)(v)

The current and anticipated effects on the Group's business model, without considering mitigation and adaptation actions, includes increased operational costs and changes in business processes, in addition to increased reliance on manual labour. While management was able to accommodate these impacts during the year, the financial and operational strain is a growing concern for the Group.

### c. Effect on strategy and decision making

To address and mitigate the impact of risks from extreme weather events, management has set up a strategic climate plan which includes several mitigation and adaptation actions, as follows:

- **Extreme weather events - Advancement in genomic research:** Recognising the impacts of climate change, the Group is prioritising genomic research to develop weather-resilient and high-yield seedlings. The Group seeks to cultivate oil palm varieties that are more resistant to extreme weather conditions but also produce higher yields on less land. This approach enables the Group to optimise plantation areas, allowing for the allocation of more land as high conservation areas.
- **Extreme weather events – Collaboration with suppliers:** A significant portion of the Group's raw materials, including FFBs, is sourced from nearby third-party estates and mills that face similar physical climate risks. To address these risks, the Group collaborates with its suppliers, who are mainly smallholders, to ensure they implement adequate mitigation strategies. This collaboration is part of the Group's ongoing efforts to engage with and assist its suppliers in obtaining sustainable oil palm certification.
- **Prolonged heatwave - Increased mechanisation:** The Group is continuously investing in advanced mechanisation initiatives across its estates. It aims to enhance its operational efficiency, reduce the requirements of manual labour and improve productivity. This transition aims to support economic sustainability, enhance workplace safety and reduce the physical strain on workers. During the year, the Group has started to include this improved infrastructure across its estates to better support accessibility of machines within its plantation.
- **Prolonged heatwave – Implementation of water management system:** To mitigate the impacts of prolonged heatwaves on its operation, the Group has invested in efficient irrigation systems, along with rainwater harvesting and the use of mulch or cover crops to enhance water management and retention. The Group has also invested in large-capacity tanks or cisterns to store water collected from various sources across its upstream and downstream operations.
- **Heavy rainfall - Construction of flood adaptation measures:** For its high-risks locations, the Group is focused on implementing flood prevention strategies, such as construction of bunds for coastal plantations and improving drainage systems for estates within the Group. Current and upcoming replanting plans have taken into account each site's susceptibility to flooding risk and the measures and investments required to manage these risks.

The Group's mitigation and adaptation strategy above is designed to address moderate levels of climate-related risks, including the risks of extreme weather events (see Scenario 2 in the scenario analysis included below).

IFRS S2.14(b)

The Group plans to use self-funding and existing human resources to implement these strategies.

IFRS S2.14(c)

This is the first time the Group has formalised its plans and actions to mitigate the impact of risks from extreme weather events. Consequently, quantitative and qualitative information about the progress of these plans has not been disclosed.



If management has previously disclosed plans in accordance with paragraph 14(a) of IFRS S2, it needs to disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).



## 7. Environment-related risks and opportunities (continued)

### d. Financial effects

#### *Current financial effects*

The current financial effects on extreme weather events to the Group's financial position, financial performance, and cash flows are primarily driven by ongoing mitigation and adaption effort to ensure continuous supply of FFB and CPO throughout the year.

IFRS S2.16(a)

The extreme weather patterns have affected the oil palm yield on the affected plantations for the year, where the average OER of these estates have decreased to 19.76% as compared to 20.2% in the previous year. The estimated impact from the reduction in yield and OER resulted in a decrease in revenue by RM2.4 million during the year.

Additionally, flooding that affected 28 estates during the financial year has led to inventory losses, including fertilisers and FFBs, as well as loss of bearer plants at two (2) estates. Inventory losses amounted to RM2.5 million, whilst RM1.1 million worth of bearer plants were written off from the statement of financial position during the financial year. These details have been disclosed in Note [XX] and Note [XX] of the Group's financial statements.

To mitigate these risks in the future, the Group has invested and capitalised RM28.2 million on installation of flood and heatwave mitigation measures across its estates and mills. Additionally, the Group spent RM4.8 million on R&D activities to develop more weather-resistant seedling during the financial year. Of this RM4.8 million cash outflow, RM1.7 million was capitalised as intangibles in the statement of financial position while the remaining RM3.1 million was expensed off in the statement of comprehensive income, impacting the Group's 31 December 2025 financial performance and cash flows.

The Group's repair and maintenance costs for drainage amounted to RM6.9 million during the year, an increase of RM0.5 million compared to the previous reporting period.

The Group's initiative to collaborate with its suppliers has been integrated as part of the organisation's business processes and controls, which are addressed by its current workforce.

#### *Anticipated financial effects*

IFRS  
S2.16(c)(d)

The anticipated financial effects for the Group could arise from the reduction in yield across its own estates and its value chain which might result in lower revenues and reduced margins over the short, medium, and long term. In terms of cash flows, increased operational costs combined with decreased revenue levels could create cash flow issues, necessitating additional funding through new lines of credit or loans.

In the short, medium, and long term, if adaptation and mitigation actions are not effectively executed, extreme weather events could materially affect the Group's financial position, financial performance and cash flows due to:

- increased operational costs and reduced revenue resulting from operational inefficiencies;
- assets damage arising from extreme weather patterns; and
- higher expenses associated with climate mitigation and adaptation, including ongoing repairs and operational disruptions.

IFRS S2.16  
(c)(d)

However, taking into account its adaptation action, namely R&D on more weather-resistant seedlings, installation of flood and heatwave mitigation measures as well as increased mechanisation of its operations, management anticipates the impact arising from extreme weather events to be partially mitigated over the medium and long term (based on Scenario 2 in the scenario analysis below).

In addition, the Group does not expect any further increases in drainage repair and maintenance costs, as the Group's mitigation and adaptation activities are designed to address the anticipated impact of extreme weather events.

## 7. Environment-related risks and opportunities (continued)

IFRS S2.29(e)

The Group intends to invest additional RM45.0 million in research and development and an additional RM70.0 million to further install flood and heatwave mitigation across its estates and mills, including those at moderate risk areas. In addition, RM150.0 million is expected to be invested on mechanisation of its plantation activities (both harvesting and non-harvesting activities). The Group does not expect that these investments would result in impairment or change in useful lives of its current machineries as these will be transitioned to new machineries in alignment with the remaining useful life of current machineries. These activities are expected to be completed over the next seven years. The Group plans to use self-funding to implement these strategies.

IFRS S2.16(c)  
(ii)

The Group does not expect any additional costs arising from its initiative to engage with and assist its suppliers in their mitigation initiatives as this is expected to be handled by its existing workforce.

IFRS  
S2.16(a)(b)(c)  
(d)

The table below summarises the expected effect on the financial position, financial performance and cash flows of the Group over the short, medium, and long term, considering the adaptation and mitigation action planned to manage extreme weather events.

The uncertainty regarding the impact of extreme weather events on the Group's assets have been incorporated in the impairment assessment performed by the Group, including sensitivity analysis disclosed in Note XX of the Group's 31 December 2025 financial statements. Based on these projections, management does not expect material adjustment to the carrying amounts of reported assets and liabilities within the next 12 months.

In RM million	Current financial effects	Short-term financial effects (per annum)	Medium financial effects (per annum)	Long term financial effects (per annum)
<b>Financial position</b>				
Inventory (decrease)				
- Write offs arising from extreme weather events (decrease)	(2.5)	Note 1	Note 1	Note 1
Property, plant and equipment (net increase)				
- Flood and heatwave mitigation (increase)	28.2	Between 5.0 to 10.0	Between 10.0 to 15.0	Between 7.0 to 10.0
- Mechanisation activities (increase)	-	Between 15.0 to 20.0	Between 20.0 to 30.0	Between 18.0 to 20.0
- Impairment arising from extreme weather events (decrease)	(1.1)	Note 1	Note 1	Note 1
Intangibles	1.7	Between 5.0 to 8.0	Between 8.0 to 10.5	Nil
<b>Financial performance</b>				
Revenue (decrease)	(2.4)	(2.0) to (3.0)	(2.5) to (4.0)	Note 1
Research and development expense (increase)	(3.1)	Nil	Nil	Nil
Repair and maintenance (increase)	(0.5)	-	-	-
Depreciation and amortisation (increase)	-	(1.5) to (2.3)	(3.9) to (5.7)	(5.5) to (7.7)
Impairment and write offs (increase)	(3.6)	Note 1	Note 1	Note 1
<b>Cash flows</b>				
Cash generated from operations (outflow)	(6.0)	(2.0) to (3.0)	(2.5) to (4.0)	Note 1
Cash generated from investing activities (outflow)	(29.9)	Between (25.0) to (38.0)	Between (38.0) to (55.5)	Between (25.0) to (30.0)

IFRS S2.19(b)  
IFRS S2.21(b)

*Note 1 – The Group has not provided quantitative information as the level of measurement uncertainty is so high that the resulting data is not useful to the users of this report. This includes data about the impact of climate outcomes and the effects of those outcomes on the Group, such as impacts to the Group's assets, yields and OER.*

## 7. Environment-related risks and opportunities (continued)

### e. Resilience of the Group's strategy and business model in relation to climate-related risks

#### Climate-related scenario analysis

IFRS S2.22



IFRS S2 paragraph 22 specifically requires an entity to assess its climate resilience using a climate-related scenario analysis. Disclosures required include assessment of climate resilience based on the scenario analysis performed, and disclosures on the approach used to carry out the scenario analysis.

IFRS S1.41-42

IFRS S1 paragraph 41 requires disclosures about an entity's resilience to sustainability-related risks, specifically its capacity to adjust to uncertainties arising from the identified risks, but does not mandate an entity to use a scenario analysis for risks other than climate. This ISR illustrates disclosures on Yielding Value Berhad's resilience to other sustainability-related risks in Note 8.1 and Note 8.2.

A climate-related scenario analysis was performed to understand and evaluate the potential impacts of extreme weather events for the Group's operation, using a range of possible scenarios. The scenarios are based on publicly available data from authoritative sources, including regional and international climate projections.

Scenario analysis has been carried out by the Group for the financial year ended 31 December 2025. The Group reviews this analysis annually, with a full reassessment and detailed analysis performed at least once every three years or whenever significant new climate data that is expected to impact the Group's climate-related scenario analysis becomes available.

IFRS S2.22(b)(iii)

The Group's current strategies are designed to address the moderate levels of climate-related risks (see Scenario 2 below). The Group's mitigation and adaptation initiatives will need to be adjusted to be able to address more severe climate scenarios (see Scenario 1 below). Management's capabilities and capacity to address and response to this have been elaborated under the section titled 'Capacity to adjust or adapt strategy and business model' below.

Climate scenarios are usually considered as either 'high transition/low physical risk' or a 'low transition/high physical risk'. This reflects the inverse relationship between the intensity of emissions reduction efforts and the extent of global warming—greater mitigation leads to less warming, and vice versa.

The Intergovernmental Panel on Climate Change (IPCC) has formally adopted the use of combined Shared Socio-economic Pathways (SSPs) and Representative Concentration Pathways (RCPs), referred to as combined SSP-RCP scenarios, in climate modelling and projections. The SSP levels reflect worlds where mitigation and adaptation challenges vary from low to very high.

IFRS S2.22(b)  
(i)(ii)

As part of the climate scenario analysis, the Group has used assumptions set out in the following SSPs:

- **Scenario 1: Low carbon regulations, resulting in high GHG emissions and temperatures (SSP 5-8.5) (high physical risk):** This scenario envisions a world where governmental action on climate change is delayed, and efforts to curb emissions are largely halted. The lack of coordinated policies across regions leads to significant global warming. As the impact of climate change would be extreme, this scenario emphasises evaluating resilience to both sudden and long term physical climate threats. While transition risks are minimal, the scenario is marked by severe consequences of physical risks, such as heightened change in climate and breaching of global tipping points. These impacts could have significant implications for economies at both local and international levels.

## 7. Environment-related risks and opportunities (continued)

- **Scenario 2: Moderate carbon regulations, resulting in moderate GHG emissions and temperatures (SSP 2-4.5) (intermediate scenario):** This scenario outlines a moderate pathway of GHG, with high challenges to both mitigation and adaptation. It assumes that global trends in technology, economic, and social remain relatively stable, following historical patterns. Economic and developmental progress is uneven, with some nations advancing steadily while others lag behind.
- **Scenario 3: High carbon regulations, resulting in lower carbon emissions and lower temperatures (SSP 1-1.9) (high transition risk):** In this pathway, global governments implement robust climate policies aimed at achieving net-zero emissions by 2050, successfully limiting global temperature rise to 1.5°C. This scenario is driven by early and decisive investments in renewable energy infrastructure and strong policy alignment. It focuses on the risks and opportunities associated with rapid decarbonisation. The swift pace of regulatory and behavioural changes introduces substantial transition risks, particularly in the short term, as fossil fuel use is aggressively reduced. Although physical climate risks persist, they are less dominant than in Scenario 1.

IFRS S2.22(a)(i)

The results are summarised below, together with the impact of each scenario on the Group's strategy and business model:

	Short-term (0 to 12 months)	Medium-term (1 to 5 years)	Long term (beyond 5 years)
	Impact on the Group's strategy and business model		
<b>Scenario 1 SSP 5-8.5 (High physical risk)</b> High GHG emissions in the absence of Government policies to combat climate change; global warming of between 3.2°C and 5.4°C is projected by 2100.	<p><i>Physical risk exposure: Low to Medium</i></p> <p><i>Transition risk exposure: Low</i></p> <p>The Group expects a lack of coordination on emission reduction initiatives. Minimal transition in government policy is anticipated as governments remain divided on climate action. Additionally, rollbacks on certain policies are expected, resulting in weakened environmental standards.</p> <p>While transition risks remain low, physical impacts of climate events begin to compound. Without sufficient investment in climate mitigation and adaptation measures, the Group will face rising operational disruptions.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM2.0 to RM4.0 million per annum in the short term.</p>	<p><i>Physical risk exposure: Medium to High</i></p> <p><i>Transition risk exposure: Low</i></p> <p>A lack of robust climate-related policies from governments will keep transition risks low, but the direct impact from extreme weather events continue to put pressure on the Group's profitability.</p> <p>Physical climate change impacts intensify with more frequent severe weather events. These events result in disruption to the Group's operations and value chain, increasing operational costs.</p> <p>There is increased pressure from stakeholders to reduce emissions from operations, even though formal regulatory frameworks remain weak.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM7.0 to RM13.0 million per annum in the medium term.</p>	<p><i>Physical risk exposure: High to Very High</i></p> <p><i>Transition risk exposure: Low to Medium</i></p> <p>Governments focus on short term adaptation measures as opposed to decarbonisation, keeping transition risks relatively low.</p> <p>The Group becomes increasingly vulnerable to physical climate risks, particularly in relation to extreme weather events.</p> <p>Adaptation measures adopted, such as investment in flood mitigation measures and advancement in genomic research will be essential to sustaining profitable operations.</p> <p>The Group has not provided quantitative information as the level of measurement uncertainty is significant that the resulting data is not useful to the users of this report. This includes data about climate outcome in the long term and the effect of those outcomes on the Group.</p>

## 7. Environment-related risks and opportunities (continued)

	Short term (0 to 12 months)	Medium term (1 to 5 years)	Long term (beyond 5 years)
	Impact on the Group's strategy and business model		
<b>Scenario 2 SSP 2-4.5 (intermediate)</b>  The most probable baseline scenario where social, economic, and technological trends do not shift markedly from historical patterns; a global temperature rise of between 1.7°C and 3.2°C by 2100.	<p><i>Physical risk exposure: Low to Medium</i></p> <p><i>Transition risk exposure: Low to Medium</i></p> <p>The Group anticipates regulatory changes globally, particularly within the region where it operates. It plans to assess its current operational practices and begin identifying areas that require changes to align with emerging standards and stakeholders' expectations.</p> <p>There is a continuous shift in consumer and market preferences toward sustainable palm oil products, especially among consumers in certain regions. The Group will continue collaborating with its third-party suppliers to obtain sustainable certification across the value chain.</p> <p>The Group expects operational disturbances due to climate impacts to occur sporadically across its operations in Malaysia and Indonesia throughout the year, with an anticipated increase in frequency over the medium term.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM3.5 to RM5.3 million per annum in the short term.</p> <p>Refer to Note 7.1 (d) for further details on financial impacts under this scenario.</p>	<p><i>Physical risk exposure: Medium</i></p> <p><i>Transition risk exposure: Medium</i></p> <p>The Group expect increased regulatory requirement globally, as well as the region where it operates. The Group is expected to comply and implement these measures to ensure that it remains competitive and relevant in the industry.</p> <p>This involves adoption of sustainable agricultural practices not only within the Group's operations but significant part of the Group's value chain. There will be noticeable growth in sectors like renewable energy, energy efficiency, and sustainable products.</p> <p>Majority of the Group's consumers are expected to increase its demand for sustainable palm oil products, requiring continuous investments in assets and R&amp;D. The Group's climate-related strategies and risk management are expected to be more sophisticated, able to address the sustainability risks and opportunities identified by the Group.</p> <p>Any failure to address the increasing physical risk exposure will result in disruption to the Group's operations and its value chain, increasing operational costs.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM6.4 to RM9.7 million per annum in the medium term.</p> <p>Refer to Note 7.1 (d) for further details on financial impacts under this scenario.</p>	<p><i>Physical risk exposure: High</i></p> <p><i>Transition risk exposure: Medium</i></p> <p>The Group will face elevated risks of supply chain disruptions, increased operation costs as well as loss of assets in as a result of more pronounced climate impacts.</p> <p>There will be a broader transition towards a low-carbon economy across the Group's value chain. A failure by the Group as well as its value chain to ensure sustainable palm oil production will have a direct impact to market share, revenue and profit as customers to shift its purchases to more sustainable products.</p> <p>The Group has not fully provided quantitative information as the level of measurement uncertainty is significant that the resulting data is not useful to the users of this report. This includes data about climate outcome in the long term and the effect of those outcomes on the Group.</p>



## 7. Environment-related risks and opportunities (continued)

	Short term (0 to 12 months)	Medium term (1 to 5 years)	Long term (beyond 5 years)
	Impact on the Group's strategy and business model		
<b>Scenario 3 SSP 1-1.9 (high transition risk)</b>  A pathway that is contingent on global warming levels being below 1.5°C, consistent with the goals established under the Paris Agreement; climate policies are introduced early and become gradually more stringent; shifts in customer behaviour are noted due to the preference for sustainable products.	<p><i>Physical risk exposure: Low</i></p> <p><i>Transition risk exposure: Medium</i></p> <p>Governments and regulatory bodies will introduce more rigorous emissions standards. Governments globally will adopt rapid climate responses supported through stringent policy commitments. Global demands for sustainable palm oil products continue to grow.</p> <p>The Group's current strategies will be sufficient to manage impacts of physical and transition risks on the Group's business model and operations.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM4.5 to RM7.0 million per annum in the short term.</p>	<p><i>Physical risk exposure: Medium</i></p> <p><i>Transition risk exposure: Medium to High</i></p> <p>As climate change intensifies, more frequent and severe weather events will increasingly impact the Group's operations in the medium term.</p> <p>Global demand for sustainable palm oil products is expected to be the status quo in most regions across the world. This will require an acceleration of the Group's strategies in addressing its climate-related risks and opportunities.</p> <p>Stakeholders are expecting increasing transparency in regard to the Group's sustainability practices and contribution towards a low-carbon economy. This will result in increased costs associated with additional reporting requirements and certification of sustainable palm oil products.</p> <p>Under this scenario, the Group's profits before tax are expected to decrease by RM5.6 to RM8.4 million per annum in the medium term.</p>	<p><i>Physical risk exposure: Low</i></p> <p><i>Transition risk exposure: Medium</i></p> <p>There is strong demand for low-carbon products, including sustainable palm oil, in the transition towards a low-carbon economy and in global climate mitigation efforts. This demand is expected to slow the rate of global warming and somewhat stabilise physical risks.</p> <p>Extreme weather events, such as heavy rainfall and prolonged heatwaves, are likely to continue occurring, though with less frequency and intensity for the Group.</p> <p>If the Group fails to fully transition to sustainable palm oil production across its operations and value chain, this will directly impact the Group's profits, as consumers may choose alternative products that are widely available in the market.</p> <p>The Group will need to accelerate and potentially make further improvements into its transition plan in response to the demand shift.</p> <p>Whilst the impact on the Group's supply chain is not expected to be significant, the Group will remain exposed to ongoing supply risks.</p> <p>The Group has not provided quantitative information as the level of measurement uncertainty is significant that the resulting data is not useful to the users of this report. This includes data about climate outcome in the long term and the effect of those outcomes on the Group.</p>

## 7. Environment-related risks and opportunities (continued)



### Exposure to climate-related transition risk

Although climate-related transition risks are not illustrated for the purposes of this ISR, the scenario analysis illustrated above considers both physical and transition risks.

Entities in the plantation industry are likely exposed to both climate-related physical and transition risk, and if an entity was exposed then material information of such climate-related risks would be included in the entity's sustainability report.

Examples of climate-related transition risks that could impact the plantation industry include the increased focus by stakeholders such as consumers, regulators, and non-governmental organisations (NGOs) on efforts to transition to a lower-carbon economy. Entities could be subject to increased regulations or policy changes; as well as increased customer preferences for greener palm oil.

*For an illustration of a climate-related transition risk, preparers can refer to the Illustrative Sustainability Report for the Construction Sector based on the IFRS Sustainability Disclosure Standards, accessible via the [NSRF Resources page](#).*



### Selecting inputs and making analytical choices in climate-related scenario analysis

Paragraph B11 of IFRS S2 states that “When an entity selects the inputs to use in its climate-related scenario analysis, the entity shall consider all reasonable and supportable information—including scenarios, variables and other inputs—available to the entity at the reporting date without undue cost or effort.

The inputs used in scenario analysis might include information that is qualitative or quantitative, and is obtained from an external source or developed internally. For example, publicly available climate-related scenarios—from authoritative sources—that describe future trends and a range of pathways to plausible outcomes are considered to be available to the entity without undue cost or effort.”

In addition, paragraph B14 of IFRS S2 states “An entity's resilience assessment will be informed not only by the individual inputs to its climate-related scenario analysis, but also by the information it develops in combining those inputs to carry out the analysis. The entity shall prioritise the analytical choices (for example, whether to use qualitative analysis or quantitative modelling) that will enable it to consider all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort. For example, if an entity is able—without undue cost or effort—to incorporate multiple carbon price pathways associated with a given outcome (for example, a 1.5 degree Celsius outcome), this analysis is likely to strengthen the entity's resilience assessment, assuming such an approach is warranted by the entity's risk exposure.”

Paragraph B15 of IFRS S2 further states that “Quantitative information will often enable an entity to carry out a more robust assessment of its climate resilience. However, qualitative information (including scenario narratives), either alone or combined with quantitative data, can also provide a reasonable and supportable basis for the entity's resilience assessment.”



The climate-related scenario analysis can be resource intensive and might—through an iterative learning process—be developed and refined over multiple planning cycles. As an entity repeats the climate-related scenario analysis, it is likely to develop skills and capabilities that will enable the entity to strengthen its approach to climate-related scenario analysis over time.

IFRS S2.B11

IFRS S2.B14, B15

IFRS S2.B16

## 7. Environment-related risks and opportunities (continued)

IFRS S2.22(a) (ii)	<p><i>Significant areas of uncertainty</i></p> <p>There are a range of uncertainties, and judgements that need to be made, when modelling different scenarios and their climate-related impacts. The significant areas of uncertainty considered in the Group's assessment of its climate resilience is as follows:</p>
	<ul style="list-style-type: none"> <li>• <b>Expected frequency and intensity of future's extreme weather events:</b> There is significant uncertainty regarding how climate change, including the effect of the increase/decrease in GHG emissions, will affect the frequency and intensity of the future extreme weather events in the region where the Group operates. These uncertainties arise from the variability in climate projections and the potential unexpected changes in weather behaviour due to shifting weather patterns and evolving climate conditions.</li> </ul>
IFRS S2.22(a) (iii)	<p><i>Capacity to adjust or adapt strategy and business model</i></p> <p>The Group's strategy and business model, including its mitigation plans and actions, are currently based on the most probable baseline scenario expected by the Group (Scenario 2 above). These mitigation action plans and actions include advancement in genomic research, increased mechanisation across the Group's plantations, as well as construction of flood mitigation measures within its areas of operations. As indicated in Note 6.2, the Board Sustainability Committee evaluates periodically the Group's strategy and the progress against targets. It allows the Group to assess its capacity to adjust and adapt its strategy and business model to climate changes as follows:</p>
IFRS S1.21(b)(ii)	<ul style="list-style-type: none"> <li>• <b>Financial resources and flexibility:</b> The Group has allocated RM220.0 million in its short and medium term budget to address the risks of extreme weather events. These include research and development activities to advance its genomic research, as well as capital expenditure for mechanisations and installation of flood as well as heatwave mitigation across its estate and mills. The Group has invested approximately RM33.0 million during the financial year (including research that has been expensed off) for various initiatives and approximately 15% of this are related to advancement of the Group's genomic research.</li> </ul> <p>The Group reviews the progress of its research and development projects, performs relevant market benchmarking, and monitor its actual costs incurred on a quarterly basis. This is done to allow the Group to retain its ability to quickly address and adjust its approach where revisions are needed. The Group maintains open credit facilities with its financial lenders, with RM300 million in available credit as of 31 December 2025, as disclosed in Note [XX] of the financial statements. In addition to its own cash flow reserves, management will be able to draw down these facilities to finance its mitigation and adaptation activities on an urgent basis.</p> <ul style="list-style-type: none"> <li>• <b>Investment in climate-related mitigation, adaptation and opportunities:</b> The Group focuses on immediate investments to enhance resilience against climate-related risks. This including R&amp;D efforts to develop weather-resilient and high-yield seedlings. This initiative will help the Group to adapt its operations to understand the impact of extreme weather patterns and generate additional income from such assets.</li> <li>• <b>Redeploy, repurpose and upgrading assets:</b> Over the next short, medium and long term, the Group does not anticipate a need to redeploy, repurpose or upgrade its assets extensively. The Group's strategy includes plan to upgrade its flood and heatwave mitigation assets as part of its capital expenditure planning over the short, medium, and long term. Replanting plans have taken into account the installation of flood and heatwave mitigation measures, as well as optimisation of plantation areas, to improve infrastructure across its estates and better support the accessibility of machinery within its plantations. These efforts are planned in conjunction with its own asset replacement cycles to maximise the use of its assets. To-date, no assets have been identified as obsolete. At the moment, the Group does not expect that there will be any assets that no longer support the Group strategy that will require decommissioning or repurposing.</li> </ul>

## 7. Environment-related risks and opportunities (continued)

IFRS S2.25(a)  
(ii),(b)

### f. Processes, controls and policies to manage climate-related risks and opportunities

The process of identifying, assessing, prioritising, and monitoring climate-related risks and opportunities forms part of the general process described in Note 6.4.

The Group applies a structured approach to identify and assess climate-related risks, utilising various inputs and parameters such as historical climate data and predictive models. Specifically, management uses climate-related scenario analysis, the details of which are described in Note 7.1(e) above.

In addition to managing risks, the Group identifies and assesses climate-related opportunities using similar processes. This analysis informs an understanding of potential benefits, such as market opportunities for enhanced breed of seedlings and operational efficiencies across the Group. These processes are integrated into the overall risk management framework, ensuring that climate considerations align with broader strategic decision-making.

### g. Metrics and targets (non-GHG emissions)

IFRS S2.33(a)  
(d)(f)(g)

The Group has set targets in the current year over the short, medium, and long term related to its extreme weather events risk – these targets are developed by the Group. The Group uses metrics to measure performance against the targets set, as set out below:

					Targets		
Climate-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Short term	Medium term	Long term
Entity developed metrics							
Heavy rainfall	100% of plantations with upgraded flood mitigation installed	Plantations with upgraded flood mitigation installed as at the end of the reporting period	In percentage (%)	48%	60%	85%	100%
	Average drainage maintenance costs at RM500 per hectare per year	Actual average drainage maintenance costs incurred during the reporting period	RM	RM495	RM500		
	Absolute target: Flood incident rate < 10 times	Flooding event during the reporting period	Number of incidents	8	5	3	Nil
Prolonged heatwave	100% of plantations with upgraded heatwave mitigation installed	Plantations with upgraded heatwave mitigation installed as at the end of the reporting period	In percentage (%)	51%	60%	85%	100%

## 7. Environment-related risks and opportunities (continued)

Climate-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Targets		
					Short term	Medium term	Long term
Both prolonged heatwave and heavy rainfall	Days to complete one harvesting interval	Number of days needed to complete one harvesting round per block during the reporting period	Number of days	7	6.0	5.0	5.0
	OER	CPO produced (tonnes) over FFB processed (tonnes) during the reporting period	In percentage (%)	20.3%	21%	21%	23%
	Yield per hectare	Total yield per hectare over total average hectarage during the reporting period	In tonnes	18.3	19.0	19.5	20.0
	FFB suppliers with sustainable certification	Suppliers with sustainable palm oil certification e.g. RSPO, MSPO, ISPO during the reporting period	In percentage (%)	33%	35%	50%	75%



## 7. Environment-related risks and opportunities (continued)

The Group has also used the following metrics from the SASB standards for (Agricultural Products: *FB-AG-140a.1* and *FB-AG-140a.3* as well as Processed Foods: *FB-PF-140a.1* and *FB-PF-140a.2*) to monitor progress towards its target.

					Targets		
Climate-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Short term	Medium term	Long term
Metrics from SASB Industry Standard - Agricultural Products and Processed Foods							
Drought - water management	Water withdrawn (FB-AG-140a.1 / FB-PF-140a.1)	Percentage in regions with High or Extremely High Baseline	In percentage (%)	23%	No target set.		
Drought - water management	Water consumed (FB-AG-140a.3 / FB-PF-140a.2)	Percentage in regions with High or Extremely High Baseline	In percentage (%)	19%	No target set.		

IFRS  
S2.33(b)(c)

IFRS S2.34(a)

IFRS S2.33(e)

IFRS S2.35

The targets and metrics above have been developed by the Group to measure the progress of the Group's mitigation and resilience to extreme weather events over the short, medium, and long term. The assumptions used in the targets are also consistent with the Group's cash flow projections for going concern and impairment assessments. The targets, metrics and methodologies have not been validated by a third-party.

Based on the Group's current progress against its targets for the mitigation of the extreme weather events risk, it is expected that the short, medium and long term targets would be met. Because this is the first year of establishing targets, 2025 will be used by the Group as a baseline to measure progress against targets in future years.



The 'Accompanying Guidance on IFRS S2 Climate-related Disclosures' contains illustrations for a number of metrics including disaggregation of GHG emissions disclosures and examples of metrics entities could provide in respect of the cross-industry metrics required in IFRS S2 paragraphs 29(a) – (e), as well as illustrations of how to use industry-based guidance to fulfil these cross-industry metrics.

IFRS S2 paragraphs 29 (b) – (e) require disclosure of cross-industry metrics related to the amount and percentage of assets or business activities vulnerable to climate-related risks, amount and percentage of assets or business activities aligned with climate-related opportunities and the capital deployed towards climate-related risks and opportunities. These metrics have not been illustrated in this ISR.

## 7. Environment-related risks and opportunities (continued)

### 7.2 Nature-related risks: Effluents

#### a. Description

IFRS S1.30

The Group's activities across the palm oil value chain, particularly from its mill operations, discharge high levels of organic matter and nutrients, which can lead to the degradation of water quality in nearby rivers and streams. Similar effluents are present in its refinery plants. This pollution can result in decreased oxygen levels, harming aquatic life and disrupting ecosystems. In addition, these contaminants can also accumulate in the soil, affecting soil health in addition to contributing to high levels of GHG emissions.

IFRS S1.32(b)

This risk affects the Group's entire oil palm plantation segment, spanning from upstream to downstream operations in Malaysia and Indonesia. The subsequent quality of effluent discharge is subject to stringent regulations, including those under Malaysia's Environmental Quality Act 1974, and the Regulations of the Minister of Environment and Forestry of the Republic of Indonesia. In addition to its own operations, the Group sources a significant portion of its FFBs from third-party suppliers – who are mainly smallholders - located near its operations, that are subject to the same regulations.

IFRS S1.32(a)

#### b. Effects on business model and value chain

The Group's operations in Malaysia and Indonesia, as well as its suppliers are subjected to various environmental quality laws. In addition, as part of the requirement in maintaining its sustainable palm oil certification, the Group as well as its suppliers are required to comply with the requirement for proper discharge of effluents.

Non-compliance with the requirement will affect the Group's business model and negatively impact its financial performance, as summarised below:

- **Financial penalty:** The Group is required to monitor the quality of effluent discharge. These records must be maintained and are subject to inspection by local regulatory bodies. Non-compliance could result in direct financial losses due to fines and may also lead to imprisonment of the Group's officers.
- **Loss of sustainable palm oil certification status:** The Group's status as a sustainable palm oil producer enables it to export its products to the European market, which constitutes a significant portion of its revenue, as disclosed in Note [XX] of the Group's 31 December 2025 financial statements. Non-compliance with sustainable palm oil certification standards could result in the loss of its certification status, thereby preventing exports to the European market and necessitating the identification of potential new customers, which might not be able to contribute to a similar price premium.
- **Reputational damage:** Stakeholders increasingly value an organisation's environmental management practices and policies. These factors were considered and assessed as part of their procurement processes. Additionally, consumers are demanding products sourced from sustainable palm oil plantations, heightening the need for certification not only for the Group but also for its suppliers.

## 7. Environment-related risks and opportunities (continued)

### c. Effects on strategy and decision-making

IFRS S1.33

Effluents management is vital for the Group, particularly at its mills and refinery plants, as it strives to adhere to local regulations regarding industrial standards. In line with industry best practices and regulatory requirements, the Group has implemented robust internal processes and policies to address the risk of non-compliance with quality of effluent discharge. The mitigation and adaptation actions that the Group has identified to address the transition risk are as follows:

- **Waste and Effluent Management Policy:** The Group has established a Waste and Effluent Management Policy which aims to reduce waste and effluents resulting from its operations. The policy includes relevant regulatory requirements to which the Group is subjected to, documentation on established internal monitoring, reporting, and escalation processes, as well as guidelines for both employee and vendor training.
- **Industrial effluent treatment system:** As part of implementing the Waste and Effluent Management Policy, the Group has invested in a state-of-the-art laboratory to test and monitor its water and effluent quality indicators, in addition to effluent plants and ponds. In line with regulatory requirements and industry best practices, the laboratory conducts daily, weekly and monthly testing on Palm Oil Mill Effluent (POME) discharged across the Group to ensure that effluent discharges are properly managed.
- **Reduce water consumption:** In line with its commitment to environmental conservation, the Group has implemented a policy to reduce water consumption across all operations. The Group has found that decreasing water usage also indirectly reduces effluent discharge, thereby enhancing operational efficiencies and minimising its environmental impact.
- **Sustainability certification for suppliers:** A significant portion of the Group's raw materials, including CPO, is sourced from nearby third-party mills that adhere to the same regulatory and certification standards as the Group. As part of its supplier engagement and onboarding process, the Group actively collaborates with its suppliers to ensure they are certified and if they are not, the Group works with them to assist in obtaining sustainable palm oil certification. This effort is aimed at ensuring traceability throughout the Group's value chain and is part of its sustainability initiatives.

The costs to establish these processes has been embedded as part of the organisation's business processes and controls, and management does not expect that there will be any significant change to its business model nor its financial position over the short, medium, and long term.

## 7. Environment-related risks and opportunities (continued)

<p>IFRS S1.35(a)</p>	<p><b>d. Financial effects</b></p> <p><i>Current financial effects</i></p> <p>There was no instance of non-compliance to regulatory effluents discharge standards impacting the Group during the financial year.</p> <p>The current financial effects on mitigating actions for effluents risks impacting the Group's financial performance and cash flows during the current reporting period can be summarised as follow:</p> <ul style="list-style-type: none"> <li>• RM2.5 million of staff cost in implementing and monitoring its Waste and Effluent Management Policy, the industrial effluent treatment system, and water consumption policy;</li> <li>• RM3.4 million of chemicals and other materials used as part of the effluent treatment process; and</li> <li>• RM5.7 million depreciation on the Group's property, plant and equipment in relation to effluent treatment and efficiency in water consumption. This is in relation to existing property, plant and equipment with no additional cash outflows.</li> </ul> <p>These are recurring costs that are expected to be incurred by the Group in the short, medium and long term.</p> <p>The Group's collaboration with its suppliers has been integrated as part of the organisation's business processes and controls, which are addressed by its current workforce.</p>
<p>IFRS S1.35 (b)</p>	<p><i>Anticipated financial effects</i></p> <p>The Group expects that any non-compliance with regulatory requirements will have material financial effects in the short, medium, and long term, due to direct financial impacts from penalties and fines, as well as the potential loss of sustainable palm oil certification status. This would directly affect the Group's ability to export to certain markets and significantly affect its business model. However, the Group is of the view that its current strategy and internal processes are capable of addressing this risk, and the adverse impact is expected to be immaterial to the Group.</p> <p>In respect of the impact of the Group's mitigating action, the financial performance and cash flows are expected to be consistent with the effects in the current reporting period.</p> <p>In addition, the Group is actively working with its suppliers to assist them in obtaining sustainable palm oil certification, which the Group is able to address with its current workforce.</p>
<p>IFRS S1.41</p>	<p><b>e. Resilience of the Group's strategy and business model in relation to nature-related risk</b></p> <p>The Group's strategy and activities regarding the management of effluent discharge have been well established and continuously improved over time. These processes undergo periodic review by the Internal Auditor as part of the Group's yearly Internal Audit program as well as review by an independent verifier as part of its sustainable palm oil certification audit.</p> <p>Management has implemented a comprehensive process to address any potential non-compliance with local regulations. This process includes an escalation framework to ensure that any incidents are promptly reported and addressed as soon as they occur. Additionally, the framework requires the identification and resolution of the root causes of such incidents.</p>
<p>IFRS S1.44(a) (i)</p>	<p><b>f. Processes, controls and policies to manage nature-related risks and opportunities</b></p> <p>The overall process followed to identify, assess, prioritise and monitor nature-related risks and opportunities forms part of the general process described in Note 6.4.</p> <p>As part of the Group's industrial effluent treatment system, each operational unit is required to conduct daily, weekly and monthly sampling of its effluent discharge. This procedure allows the Group to systematically monitor the quality of its effluent discharge and proactively identify any adverse trends that may require corrective action. The data collected serve both as a compliance measure for regulatory requirements and as a resource for management analysis.</p>

## 7. Environment-related risks and opportunities (continued)

**IFRS S1.44(ii)** The industrial effluent treatment system undergoes regular evaluations by independent third-party reviewers. These assessments are designed to identify potential gaps in the system, highlight areas for improvement, and ensure that the Group's policies and procedures are able to meet the set regulations and are consistent with industry best practices.

The Group does not use scenario analysis to inform its identification of effluents discharge risk because the expected quality of discharged effluent levels are governed by set national regulations, and the quantification of quality is based on established industry processes. There is minimal variability in managing this risk.

### g. Metrics and targets

**IFRS S1.46**  
**IFRS**  
**S1.50(a)(d)**


The Group has set targets over the short, medium, and long term related to its risk on effluent discharge – some of these targets come from the SASB standards (Agricultural Products: *FB-AG-140a.1* and *FB-AG-140a.3* as well as Processed Foods: *FB-PF-140a.1* and *FB-PF-140a.2*) and have been adapted to use by the Group, with the remaining targets developed by the Group.

The metrics to measure performance against the targets set are as set out below:

Nature-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Targets		
					Short term	Medium term	Long term
Entity-developed metrics							
Effluent discharged	Effluent Intensity – Generated	m³ of effluent generated /MT FFB processed for the reporting period	m³/MT	0.65	0.63	0.60	0.57
Metrics from SASB Industry Standard - Agricultural Products and Processed Foods							
Water management	Water withdrawn (FB-AG-140a.1 / FB-PF-140a.1)	(1) Total water withdrawn during the reporting period	m³	32,642,145	30,000,000	27,000,000	24,000,000
	Water consumed (FB-AG-140a.1 / FB-PF-140a.1)	(2) Total water consumed during the year	m³	24,865,322	22,000,000	19,000,000	16,000,000
Water management	Incidents of non-compliance associated with water quality permits, standards and regulations (FB-AG-140a.3 / FB-PF-140a.2)	Number of incidents of non-compliance associated with water quality permits, standards and regulations for the reporting period	Number of incidents	0	0	0	0

# 7. Environment-related risks and opportunities

## (continued)

IFRS S1.50(c)	The targets and metrics above have been developed by the Group to measure the progress of the Group’s mitigation and resilience to the effluent discharge risk over the short, medium, and long term. The metrics have not been validated by a third-party.
IFRS S1.51(f)	As this is the first year that the Group has established targets, no disclosure and analysis over the milestone and progress were made during the year. Because this is the first year of establishing targets, 2025 will be used by the Group as a baseline to measure progress against targets in the next reporting period.
IFRS S1.33(b)	<div> If management has previously disclosed plans in accordance with paragraph 33(b) of IFRS S1, it needs to disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 33(b).</div>



## 7. Environment-related risks and opportunities (continued)

### 7.3 GHG emissions



#### Disclosure of GHG emissions

Climate-related transition risks are risks that arise from efforts to transition to a lower-carbon economy. These risks include policy, legal, technological, market and reputational risks. Information about an entity's risks and opportunities arising from GHG emissions—including those related to Scope 3 GHG emissions—can help primary users assess an entity's exposure to specific climate-related risks and opportunities associated with a transition to a lower-carbon economy.

Although climate-related transition risk is not included for the purposes of illustration in this ISR, disclosures on GHG emissions have been illustrated in this section to guide preparers.

## 7. Environment-related risks and opportunities (continued)

### Summary of gross GHG emissions

The table below summarises, for the Group and other investees, total GHG emissions for the year:

### Absolute gross GHG emissions for the year

IFRS  
S2.29(a)(i)(1),  
(a)(iv)

IFRS  
S2.29(a)(i)(2),  
(a)(iv), (a)(v)

IFRS  
S2.29(a)(i)(3),  
(a)(vi)(1)  
IFRS S2.B23,  
B32-B33  
IFRS S1.B29-  
B30

Metric tonnes of CO <sub>2</sub> equivalent (tCO <sub>2e</sub> )		2025	
	FLAG <sup>1</sup>	Non-FLAG	Total
<b>Scope 1 GHG emissions</b>			
• The consolidated accounting group	5,792,360	974,486	6,766,846
• Other investees within the organisational boundary - Harvest Sdn Bhd (associate)	-	23,987	23,987
<b>Total Scope 1 GHG emissions</b>	<b>5,792,360 @</b>	<b>998,473 @</b>	<b>6,790,833 @</b>
<b>Scope 2 (location-based) GHG emissions</b>			
• The consolidated accounting group	-	135,128	135,128
• Other investees within the organisational boundary - Harvest Sdn Bhd (associate)	-	873	873
<b>Total Scope 2 GHG emissions</b>	<b>- @</b>	<b>136,001 @</b>	<b>136,001 @</b>
<b>Scope 3 GHG emissions</b>			
Category 1: Purchased goods and services	5,004,347	694,409	5,698,756
Category 2: Capital goods	-	119,914	119,914
Category 4: Upstream transportation and distribution	-	131,586	131,586
Category 10: Processing of sold products	-	267,734	267,734
Other categories <sup>2</sup>	-	284,905	284,905
<b>Total Scope 3 GHG emissions</b>	<b>5,004,347</b>	<b>1,498,548</b>	<b>6,502,895</b>
<b>Total Scope 1, Scope 2 and Scope 3 GHG emissions (gross without removals)</b>	<b>10,796,707</b>	<b>2,633,022</b>	<b>13,429,729</b>
Scope 1 Carbon removals	(4,171,950)	-	(4,171,950)
Scope 3 Carbon removals	(904,226)	-	(904,226)
<b>Total Carbon Removals</b>	<b>(5,076,176)</b>	<b>-</b>	<b>(5,076,176)</b>
<b>Net Scope 1, Scope 2 and Scope 3 emissions (net of removals)</b>	<b>5,720,531</b>	<b>2,633,022</b>	<b>8,353,553</b>

<sup>1</sup> Forest, Land and Agriculture

<sup>2</sup> Other categories include *Category 3: Fuel and Energy – related activities*, *Category 5: Waste generated in operations*, *Category 6: Business travel*, *Category 7: Employee commuting*, *Category 9: Downstream transportation and distribution*, *Category 11: Use of sold products*, *Category 12: End-of-life treatment of sold products*, *Category 13: Downstream leased assets* and *Category 15: Investments*.

@ These metrics have been subjects to a reasonable assurance by a [third-party organisation]. Refer to the [reasonable independent assurance report] included on pages [XX] to [XX] of the Group's Annual Report.

The Group does not have Scope 3 GHG emissions under *Category 8: Upstream lease assets* and *Category 14: Franchises*. Emissions from assets that the Group leases as a lessee are included in Scope 1 and Scope 2 GHG emissions. The Group does not have any franchise arrangements.

## 7. Environment-related risks and opportunities (continued)

IFRS S2.29(a)  
(iv)(1)-(2)



### Disaggregation of Scope 1 and Scope 2 GHG emissions between consolidated accounting group and other investees

In accordance with IFRS S2 Paragraph 29, entities are required to disclose Scope 1 and Scope 2 GHG emissions and disaggregate these emissions between the consolidated accounting group and other investees. This category includes associates, joint ventures, and unconsolidated subsidiaries that are not part of the consolidated accounting group but in which the entity holds an interest. (Refer to Note 3.2)

IFRS S1.B29-  
B30



### Disaggregating GHG emissions by constituent greenhouse gases

IFRS S2 does not explicitly require disaggregation of GHG emissions by constituent greenhouse gases; however, the entity should consider the requirement in paragraphs B29-B30 of IFRS S1 about aggregation and disaggregation. According to these paragraphs, aggregation is prohibited if doing so would obscure information that is material. Example 3 in the IFRS S2 Accompanying Guidance on Climate-related Disclosures illustrates how an entity considers that certain constituent GHG emissions might need to be separately disclosed. This is not illustrated in this ISR.



### Scope 3 GHG emissions categories

IFRS S2 requires an entity to disclose which of the 15 categories defined in the Scope 3 Standard are included in its Scope 3 GHG emissions (IFRS S2 paragraph 29(a)(vi)(1)). As such, if an entity excludes any Scope 3 GHG emissions it could provide useful information to users to explain which categories the entity has excluded and why. IFRS S2 does not provide specific guidance on how the assessment of which categories to include should be performed. Reporting entities could potentially utilise both quantitative and qualitative aspects to evaluate an appropriate level of disclosure.

IFRS S2 does not explicitly require disaggregation of Scope 3 GHG emissions by category; however, the entity should consider the requirement in paragraphs B29-B30 of IFRS S1 about aggregation and disaggregation.

According to these paragraphs, aggregation is prohibited if doing so would obscure information that is material. Example 2 in the IFRS S2 Accompanying Guidance on Climate-related Disclosures illustrates how an entity considers whether certain categories of Scope 3 emissions might need to be separately disclosed.

In this example, the Group determines that disaggregating emissions under *Category 1: Purchased goods and services*, *Category 2: Capital goods*, *Category 4: Upstream transportation and distribution*, and *Category 10: Processing of sold products*, is necessary to provide material information to users of general purpose financial reports.

In addition, due to the nature of GHG emissions in the plantation industry and how the decarbonisation targets are set, the GHG emissions are disaggregated based on its Forest, Land and Agriculture (FLAG) and non-FLAG emissions.

## 7. Environment-related risks and opportunities (continued)

IFRS  
S2.29(a)(v),  
IFRS S2.B30  
IFRS S2.B31

### Contractual instruments

The Group did not purchase any renewable energy certificates (RECs) during the year, nor plans to utilise RECs as part of its strategy to reduce market-based Scope 2 emissions.



#### Contractual instruments

Contractual instruments are any type of contract between an entity and another party for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled energy attribute claims.

Energy attribute certificates (EACs), such as RECs, represent attributes about the energy generated, generally renewable energy. All contractual instruments should meet the Scope 2 quality criteria under the GHG Protocol Scope 2 Guidance.

While EACs can reduce market-based Scope 2 GHG emissions if they are purchased and used within the same market, they cannot reduce location-based scope 2 GHG emissions. IFRS S2 only requires reporting location-based Scope 2 GHG emissions, while permitting market-based Scope 2 GHG emissions to be disclosed voluntarily. Separately, however, the IFRS Sustainability Disclosure Standards requires disclosure of information about any contractual instruments that the entity has entered into that could inform users' understanding of the entity's Scope 2 GHG emissions. For this purpose, it might be useful to users for the entity to disclose an estimate of the avoided GHG emissions from the grid associated with its purchase of RECs.

### b. Methodology, inputs and assumptions

The Group calculates its Scope 1, Scope 2 and Scope 3 GHG emissions using the indirect measurement method because direct measurement is not available.

The Group calculates its Scope 2 GHG emissions under both the location-based and market-based methods. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity using emission factors from contractual instruments.

The Group calculates its Scope 3 GHG emissions using a combination of different calculation methods (see table below for details). Where allocations are necessary, value chain emissions are allocated using the physical allocation method except for specific categories where the economic allocation method is used. The physical allocation method allocates the emissions of an activity based on an underlying physical relationship between the multiple inputs/outputs and the quantity of emissions generated. The economic allocation method allocates the emissions of an activity based on the market value of each output/product. The economic allocation method is used when physical data is not available or does not reflect the causal relationship between the activity measured and the resulting emissions.

IFRS S2.29  
(a)(iii)(1)  
(2), B55-B56

## 7. Environment-related risks and opportunities (continued)

IFRS S2.B26  
(c), B29

### Activity data and emission factors

The methodologies, input and assumptions used in measuring the Group's material GHG emissions are as summarised below:

Emissions	Activity data	Emission factors
<b>Scope 1 Emissions</b>		
<b>Land Use Change (LUC)</b> Emissions from LUC are computed based on the land area replanted / planted (in hectare) experiencing LUC multiplied by the change in carbon stock before and after LUC activity.	Planted hectareage from internal replanting plan (hectare) from the Group's internal systems Type of land before agricultural activity from satellite images and geo-spatial data	IPCC 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 4 2006 IPCC Guidelines for National Greenhouse Gas Inventories
<b>Land Management – peat related emissions</b> Emissions from draining of peatlands to plant oil palm and continuous emissions from planting on peat soil. This is calculated based on the hectareage of oil palms that are planted on peat and the expected drainage depth and emission factor.	Hectareage of oil palms planted on peat land (hectare) from the Group's internal systems Expected drainage depth (cm) from site surveys	IPCC 2006 Vol 4 Chapter 11 2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands PalmGHG v4.
<b>Managed soil – Direct and indirect nitrogen input</b> N <sub>2</sub> O due to the nitrogen inputs (i.e. crop residues) to soils, directly or indirectly.	Hectareage of oil palms planted on organic soil (hectare) from the Group's internal systems Expected crop residues such as fronds and trunks left on the ground during maintenance or replanting from the Group's internal systems Application of treated POME, fertiliser, etc to soil from the Group's internal systems	IPCC 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 4 GHG Protocol Land Sector and Removals Guidance IPCC 2006 Vol 4 Chapter 11

## 7. Environment-related risks and opportunities (continued)

Emissions	Activity data	Emission factors
<b>Scope 1 Emissions</b>		
<b>Effluent treatment</b> Emissions from effluent or wastewater treatment in facilities which can be a source of emissions when treated or disposed anaerobically.	Volume of effluents discharged, captured through the Group's internal tank meters (ML) from the Group's internal systems	<ul style="list-style-type: none"> <li>Clean Development Mechanism (CDM) AMS-III. H.: Methane Recovery Wastewater Treatment Version 19.0</li> <li>IPCC 2019 Refinement Vol 5 Chapter 6</li> <li>United Nations Framework Convention on Climate Change (UNFCCC FCCC/SBSTA/2003/10/Add.2)</li> <li>United Nations Framework Convention on Climate Change Methodological Tool – Project Emissions from Flaring</li> </ul>
<b>Fuel and biogas consumption</b>	Actual fuel and biogas consumed, based on <i>supplier's invoices, fuel tank meters</i> , whichever more appropriate (litres) captured in the Group's internal systems	<ul style="list-style-type: none"> <li>UK GHG Conversion Factors 2024, DEFRA</li> </ul>
<b>Scope 2 Emissions</b>		
<b>Purchased electricity</b> (location-based)	Actual energy purchased (kWh) from third-party bills	<ul style="list-style-type: none"> <li>Location-based: Grid emission factors published by national grid electricity providers</li> <li>Market-based: Supplier-specific emission factors where available, otherwise the emission factors disclosed above are used.</li> </ul>
<b>Scope 1 Carbon removals</b>		
Scope 1 carbon removal consists of the sequestration from planted oil palm and High Conservation Value (HCV) area. The stock-difference method is used to estimate stock changes between two points in time.  HCVs are biological, ecological, social, or cultural values that are considered to be of outstanding significance or critical importance at a national, regional, or global level.	<ul style="list-style-type: none"> <li>Direct measurement of carbon stock, based on on-site sampling</li> <li>Site hectareage from the Group's internal systems</li> </ul>	<ul style="list-style-type: none"> <li>The carbon factor and annual C stock change for oil palm age 1-25 years sourced from third party studies</li> <li>IPCC 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 4</li> <li>2006 IPCC Guidelines for National Greenhouse Gas Inventories</li> </ul>



## 7. Environment-related risks and opportunities (continued)

Emissions	Method	Activity data	Emission factors
<b>Scope 3 emissions – FLAG</b>			
Category 1: Purchased Goods & Services	Spend-based method Hybrid method	<ul style="list-style-type: none"> <li>Value of purchased goods or services (RM) from the Group's internal systems</li> <li>Mass of FFB and CPO by suppliers (metric tonne)</li> <li>Expected emission intensity for its suppliers</li> </ul>	<ul style="list-style-type: none"> <li>IPCC 2019 Refinement Vol 5 Chapter 5</li> <li>IPCC 2019 Refinement Vol 4 Chapter 2</li> <li>GHG Protocol Land Sector and Removals Guidance</li> <li>RSPO Annual Communication Of Progress (ACOP) 2024</li> </ul>
<b>Scope 3 emissions – Non-FLAG</b>			
Category 1: Purchased Goods & Services	Spend-based method	Value of purchased goods or services (RM) from the Group's internal system	US EPA Supply Chain GHG Emission Factors v1.3 NAICS
Category 2: Capital Goods	Spend-based method	Value of capital goods (RM) from the Group's internal system, aligned with addition of Property, Plant and Equipment	US EPA Supply Chain GHG Emission Factors v1.3 NAICS
Category 4: Upstream Transportation and Distribution	Hybrid method: Distance-based method Average-data method	<ul style="list-style-type: none"> <li>Distance travelled (KM) provided by transportation suppliers (where available) or estimated using online maps</li> <li>Mass or volume of products transported from the Group's internal system (metric tonne)</li> </ul>	UK GHG Conversion Factors 2024, DEFRA
Category 10: Processing of Sold Product	Average-data method	<p>Volume of sold intermediate products (metric tonne) from the Group's internal systems</p> <p>Expected uses of intermediate product e.g. food, household products, cosmetics from external studies</p>	Industry average emission factors by customer base (i.e. Fast Moving Consumer Goods (FMCG) and Oleochemical) from selected customers' latest available annual report

## 7. Environment-related risks and opportunities (continued)

Emissions	Method	Activity data	Emission factors
<b>Scope 3 Carbon removals</b>			
<p>Consists of the sequestration relating to purchase of oil palm crops from third-party suppliers.</p> <p>Calculated based on assumptions of total area for the FFB purchased multiplied by the carbon removal rate per hectare.</p>	<p>Spend-based method</p> <p>Hybrid method</p>	<p>Mass of FFB and CPO by suppliers (metric tonne)</p> <p>Suppliers site hectarage from the Group's internal systems</p> <p>Average yield per hectare for palm oil industry (country based) to derive estimated yield for the Group's suppliers</p>	<p>The carbon factor and annual carbon stock change for oil palm age 1-25 years sourced from third party studies</p> <p>IPCC 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories Vol 4</p> <p>2006 IPCC Guidelines for National Greenhouse Gas Inventories</p>

## 7. Environment-related risks and opportunities (continued)

The Group prioritises the use of supplier-specific data where available with sufficient quality. Only 2% of the Group's Scope 3 GHG emissions are measured based on supplier-specific activity data. 32% of the Group's Scope 3 GHG emissions are measured based on activity data internally verified through on-site monitoring of measurement meters and/or reviewing of calculations. The remaining 66% of the Group's Scope 3 emissions are derived from spend-based data.

For activity data that is not available on a timely basis, the Group uses estimates based on historical data. For activity data that is missing, the Group uses proxy data or the most recent industry-average data.



### Disaggregating methodologies, inputs and assumptions by Scope 3 GHG emissions categories

IFRS S2 does not explicitly require disaggregation of methodologies, inputs and assumptions by Scope 3 GHG emissions categories; however, the entity should consider the requirement in paragraphs B29-B30 of IFRS S1 about aggregation and disaggregation.

According to these paragraphs, aggregation is prohibited if doing so would obscure information that is material. In this example, the Group determines that disaggregating the disclosure for emissions under *Category 1: Purchased goods and services*, *Category 2: Capital goods*, *Category 4: Upstream transportation and distribution*, and *Category 10: Processing of sold products*, is necessary to provide material information to users of general purpose financial reports, and so methodologies, inputs and assumptions for these categories have been separately disclosed for illustrative purposes.

### Global warming potential (GWP) values

IFRS S2.B20-  
B22

The Group applies the GWP values based on a 100-year time horizon from the most recent (6th) Assessment Report (AR6) of the IPCC to convert the constituent gases into CO<sub>2</sub> equivalent values, which represents the latest published GWP values by IPCC.



### Use of GWP values

IFRS S2.B21,  
B22

IFRS S2 paragraph B21 requires the use of the GWP values based on a 100-year time horizon from the latest IPCC assessment available at the reporting date. In some cases, however, published emission factors may include embedded GP values that are not updated to the most recent assessment report. IFRS S2 paragraph B22 addresses this issue and provides a specific exception when a published emission factor includes embedded GWP values.

## 7. Environment-related risks and opportunities (continued)

IFRS S2.14  
(a)(iv)

### c. Overall decarbonisation target and Climate Transition Plan

The Board of Directors approved the Group's Climate Transition Plan in 2022, outlining the overarching strategy and projected pathway for achieving net zero emissions by 2050. This plan is grounded in the Group's science-based targets, detailed under the 'Metrics and Targets' section below. It incorporates key decarbonisation levers and strategic actions across the business model. The Group will continue to refine its Climate Transition Plan based on actual decarbonisation progress.

The Group's decarbonisation plan is structured across the following key levers:

- **No Deforestation, No Peat, No Exploitation (NDPE):** A significant portion of the Group's GHG emissions is attributed to LUC and soil management practices, primarily resulting from land clearing and estate management activities. The Group plans to accelerate reductions in its Scope 1 GHG emissions through its NDPE commitments, extending beyond its business operations to encompass its entire value chain.
- **Sustainability Certification for Suppliers:** A considerable portion of the Group's Scope 3 GHG emissions related to FLAG activities arises from the purchase of FFBs and CPOs from third-party estates and mills, which are predominantly managed by smallholders. The Group is collaborating closely with its suppliers to further reduce its Scope 3 GHG emissions. Efforts include enhancing estate management practices and refining data collection from these suppliers. For non-FLAG emissions, the Group has initiated sourcing of raw materials certified as sustainable and is developing processes to minimise its production waste.
- **Operational efficiencies:** The Group is introducing efficiencies across its activities by reducing effluent levels and enhancing operational performance. This includes optimal fertiliser use, employing electricity from renewable sources, and reduction of its wastewater level.
- **Strengthening traceability through its value chain:** In alignment with its Scope 3 GHG emissions reduction objectives, the Group aims to ensure sustainable sourcing and compliance with its deforestation-free commitments throughout the value chain.


The Group's Climate Transition Plan is derived from several key assumptions, including:

- **Regulations:** Current and anticipated future regulations in the countries where the Group operates, as well as in regions to which the Group exports its products. This includes expected carbon pricing, emission caps, government incentives, and deforestation regulation, amongst others.
- **Technology:** The availability of new technology, including advancements in machinery used in the Group's upstream mills and estates, as well as in its refinery plants. The Group also considers advancements in energy management, such as the availability of renewable energy, energy storage, and carbon capture technologies.
- **Genomic Research:** Progress in genomic research on seedling variants that can lead to more robust crops capable of withstanding extreme weather events and other climate impacts.
- **Consumer Behaviour:** An anticipated shift in consumer behaviour towards sustainable palm oil products, increasing demand in regions where the Group operates and exports to.

The Climate Transition Plan includes dependencies and requires the Group to collaborate with suppliers, regulators, and to stay aligned with ongoing developments in global climate policy.

Since adopting the Climate Transition plan, the Group has embedded climate-related considerations across the Group's operations, integrating climate goals into daily business and aligning business unit key performance indicators (KPIs) with climate-related targets. The Climate Transition Plan is regularly reviewed by the Board and BSC to monitor progress.

## 7. Environment-related risks and opportunities (continued)

<p>IFRS S2.29(f)</p>	<p><b>Internal carbon price</b></p> <p>The Group uses an internal carbon price as a strategic tool to manage climate-related transition risks, guide strategic planning, support investment decision-making and contribute to the Group's emission reduction targets. A shadow price is used in management budgets, scenario analysis and investment evaluations. It represents the anticipated future emission reduction cost per tonne of carbon dioxide equivalent (CO<sub>2</sub>e) emission of the Group. This price is currently estimated at RM250 per tonne of CO<sub>2</sub>e for the short term, but is estimated to increase gradually to RM1,250 per tonne by 2050.</p> <p>c. Metrics and target</p>
<p>IFRS S2.33(a), 34(c) IFRS S2.B67 IFRS S1.50</p>	<div data-bbox="288 638 1500 1008">  <p><b>Metrics with targets and metrics used to monitor progress towards reaching the targets</b></p> <p>Disclosure requirements for climate-related targets include two types of metrics: metrics used to set the targets (IFRS S2 paragraph 33(a)) and metrics used to monitor progress towards reaching the targets (IFRS S2 paragraph 34(c)).</p> <p>Paragraph B67 of IFRS S2 states that, in identifying and disclosing the metric used to set a climate-related target and measure progress, an entity should consider the cross-industry metrics and industry-based metrics. If a metric has been developed by the entity to measure progress towards a target, the entity should disclose information about that metric in accordance with paragraph 50 of IFRS S1.</p> </div>
<p>IFRS S2.14(a) (iv), 33, 36(a)-(c) IFRS S2.37, IFRS S2.B66, B68-B69</p>	<p>In 2024, the Group has assessed its net zero target pathways against science-based targets. The targets are aligned with the ambition of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. The emissions targets are set in absolute terms and apply comprehensively to all seven greenhouse gases under the Kyoto Protocol across Scope 1, Scope 2 and Scope 3.</p>

## 7. Environment-related risks and opportunities (continued)

In addition to its net zero 2050 target, the Group has also set the following targets:

- Interim target: to have 80% of total electricity used from renewable sources by 2027.
- Gross GHG emissions targets:

IFRS S2.B68

Scope 1, Scope 2 and Scope 3 gross GHG emission target	Near term (2030) target	Long term (2050) target
Forest, Land, and Agriculture (FLAG) GHG Emissions	37% absolute reduction against 2022 baseline (Scope 1 and Scope 3)	78% absolute reduction against 2022 baseline (Scope 1 and Scope 3)
Non-FLAG Emissions	43% absolute reduction against 2022 baseline (Scope 1 and Scope 2)	90% absolute reduction against 2022 baseline (Scope 1, Scope 2 and Scope 3)

IFRS S2.34(a), 36(d)

Other than its FLAG emissions, the targets were set using the cross-sector absolute reduction method (also known as 'absolute contraction') and market-based accounting approaches. Under this method, absolute net emissions are reduced by an amount that is, at a minimum, consistent with the cross-sector pathway across all scopes. They were not derived using the sector-specific absolute reduction method (also known as 'physical intensity convergence' or 'sectoral decarbonisation approach'). The targets, including the application of the cross-sector absolute reduction method, have been validated by an independent third-party.

IFRS S2.34(b)

The targets are reviewed every 5 years, to ensure continued alignment with the latest criteria and guidance issued by the industry-relevant frameworks, or earlier if there are significant changes to the Group's organisational boundaries or target-setting methodology. Targets will be recalculated and revalidated where changes occur that could materially affect the basis or ambition of the approved targets. The Group will update its baseline if there is a change exceeding  $\pm 10\%$  in Scope 1, Scope 2, or Scope 3 baseline year emissions due to methodological refinements, improved data quality, or material structural changes such as acquisitions or divestments. During the year, there has not been any revision of the targets previously set.

IFRS S2.34(d)



## 7. Environment-related risks and opportunities (continued)

IFRS  
S2.36(e),  
IFRS S2.B70-  
B71

The Group aims to offset its hard-to-abate emissions through its carbon removal and sequestration programme. The Group will continue to maintain its high conservation value (HCV) areas which form part of its carbon removal during the financial year. The Group aims to further expand these areas, with 7% of its landbank being areas that have been set aside for conservation. At this stage, the Group has no plan to use carbon credits to eliminate its hard-to-abate emissions.



### Carbon credits already purchased for net GHG emissions targets and current projected deficit of carbon credits

In accordance with paragraph 36(e) of IFRS S2, an entity is only required to disclose its planned use of carbon credits. However, paragraph B71 of IFRS S2 allows an entity to include information about carbon credits that it has already purchased for its net GHG emissions target as part of this disclosure, if the information enables users of general-purpose financial reports to understand the entity's GHG emissions target.

The disclosure of the current projected deficit of carbon credits is voluntary if the deficit does not expose the Group to a material price risk or other risks. Otherwise, it might be considered material information related to the Group's 'planned use of carbon credits' that is required to be disclosed.

Purchase of projected and the use of carbon credits is not illustrated in this ISR.



Depending on the specific facts and circumstances, the use of carbon credits by an entity may significantly impact its balance sheet, performance or cash flows. For the purposes of these examples' disclosures, these effects are not being illustrated.

## 7. Environment-related risks and opportunities (continued)

IFRS S2.35

### Performance against the GHG emissions targets

The Group has defined 2022 as its base year. The metrics used to set targets, as well as the metrics used to monitor performance against the targets, are set out below:

Metric tonnes of CO <sub>2</sub> equivalent (tCO <sub>2e</sub> )	Current year 2025			Prior year 2024			Baseline 2022		
	FLAG	Non-FLAG	Total	FLAG	Non-FLAG	Total	FLAG	Non-FLAG	Total
<b>Metrics used to set targets (GHG-related)</b>									
Gross Scope 1 GHG emissions	5,792,360 <sup>Ⓐ</sup>	998,473 <sup>Ⓐ</sup>	6,790,833 <sup>Ⓐ</sup>	5,951,865	1,055,916	7,007,781	6,265,121	1,111,491	7,376,612
Gross Scope 2 GHG emissions	- <sup>Ⓐ</sup>	136,001 <sup>Ⓐ</sup>	136,001 <sup>Ⓐ</sup>	-	140,523	140,523	-	155,980	155,980
Gross Scope 3 GHG emissions	5,004,347	1,498,548	6,502,895	4,890,960	1,688,399	6,579,359	4,795,059	1,777,262	6,572,321
<b>Gross Scope 1, Scope 2 and Scope 3 GHG emissions</b>	<b>10,796,707</b>	<b>2,633,022</b>	<b>13,429,729</b>	<b>10,842,825</b>	<b>2,884,838</b>	<b>13,727,663</b>	<b>11,060,180</b>	<b>3,044,733</b>	<b>14,104,913</b>
<b>Metrics used to set targets (Non-GHG-related)</b>									
Percentage of renewable electricity used from renewable sources	-	45%	45%	-	39%	39%	-	34%	34%

## 7. Environment-related risks and opportunities (continued)

IFRS S2.34(c)

In addition to the targets above, the Group also uses the metrics below to monitor progress towards reaching the targets:

Metric tonnes of CO <sub>2</sub> equivalent (tCO <sub>2e</sub> )	Current year 2025			Prior year 2024			Baseline year 2022		
	FLAG	Non-FLAG	Total	FLAG	Non-FLAG	Total	FLAG	Non-FLAG	Total
<b>Metrics used to monitor progress towards the targets</b>									
Gross Scope 3 GHG emissions									
Category 1: Purchased Goods and Services	5,004,347	694,409	5,698,756	4,890,960	681,534	5,572,494	4,795,059	675,467	5,470,526
Category 2: Capital Goods	-	119,914	119,914	-	134,768	134,768	-	198,249	198,249
Category 4: Upstream Transportation and Distribution	-	131,586	131,586	-	130,982	130,982	-	130,013	130,013
Category 10: Processing of Sold Product	-	267,734	267,734	-	398,627	398,627	-	471,408	471,408
Other GHG-related metrics									
Total carbon removals	(5,076,176)	-	(5,076,176)	(5,026,013)	-	(5,026,013)	(4,927,463)	-	(4,927,463)
Net Scope 1, Scope 2 and Scope 3 emissions (net of removals)	5,720,531	2,633,022	8,353,553	5,816,812	2,884,838	8,701,650	6,132,717	3,044,733	9,177,450
Other non GHG-related metrics									
High conservation value (HCV) areas	48,414	-	48,414	45,982	-	45,982	38,549	-	38,549
Conservation set aside (CSA) areas	38,040	-	38,040	42,908	-	42,908	42,908	-	42,908

Ⓐ These metrics have been subjects to a reasonable assurance by a [third-party organisation]. Refer to the [reasonable independent assurance report] included on pages [XX] to [XX] of the Group's Annual Report.

Other than those indicate with Ⓐ above, the targets, metrics and methodologies have not been validated by a third-party during current reporting period.

In 2025, the Group's gross Scope 1 GHG emissions decreased by 3.1% compared to the previous reporting period, and by 7.9% compared to the 2022 baseline year. This is supported by the Group's ongoing efforts to uphold NDPE commitments as well as energy efficiency measures at our operations.

The Group's gross Scope 2 GHG emissions decreased by 3.2% compared to the previous reporting year and by 12.8% compared to the 2022 baseline. This reflects the increased adoption of renewable energy through the installation of rooftop solar panels at the Group's operations as well as its energy efficiency initiatives throughout the reporting period.

For Scope 3 emissions, FLAG sector emissions increased slightly due to increased purchases that is aligned with the increase in costs during the year. Conversely, non-FLAG emissions decreased by 11.2%. This can be attributed to the Group's engagements with smallholders and suppliers to encourage decarbonisation in its supply chain.

The Group believes that it will be able to meet its FLAG and non-FLAG near term GHG emissions targets through its various decarbonisation initiatives, such as its efficiencies initiative across its operations. In addition, the Group will progressively undergo replanting of its estates in Indonesia over the next five years, which will result in additional reduction in its Scope 1 GHG emissions.

## 8. Social-related risks and opportunities

### 8.1 Labour risk – indication of modern slavery

#### a. Description of labour risk

IFRS S1.30(a)

The Group's operations in its estates involve planting, nurturing, and harvesting oil palm fruits, which are labour intensive tasks requiring a significant amount of manual labour. Most of its estate workers are migrant workers from various countries, who are recruited by the Group on two (2) to three (3) year employment contracts. Recruitment of these migrant workers are conducted through recruitment agents appointed by the Group.

IFRS S1.30(b)

Recent global indices indicating modern slavery risk in Malaysia and Indonesia, along with the perceived occurrence of modern slavery practices among workers in the palm oil value chain—such as non-payment or late payment of wages, restrictions on freedom of movement, violence, and threats—are negatively impacting the Group's ability to recruit labour. This will significantly affect its level of palm oil production. The shortage of migrant workers will continue to impact the Group in the short and medium term until it can complete the mechanisation implementation across its operations.

In addition, as part of the requirements for maintaining its sustainable palm oil certification, the Group is required to maintain a robust labour management system that includes, amongst others, prohibition of modern slavery across its operations and value chain. The Group sources a significant portion of its FFBs from third-party suppliers located near its operations, who are subject to the same requirements as the Group.

IFRS S1.32(a)(b)

#### b. Effects on business model and value chain

The indication of modern slavery risk across the palm oil value chain has a direct impact on the Group's business model, including:

- **Regulatory sanctions:** These indicators have led to actions such as the U.S. Customs and Border Protection (CBP) issuing Withhold Release Orders (WROs) on palm oil products from companies found to be engaging in these practices, effectively banning their products from entering the U.S. market. Addressing these issues requires coordinated efforts from governments, industry stakeholders, and civil society to enforce labour rights and improve transparency within the Group's value chain.
- **Ability to recruit migrant workers:** The presence of modern slavery indicators within a company's value chain can severely damage its reputation, making the industry and its operations unattractive to potential workers. Increased scrutiny from regulatory bodies, NGOs, and consumers may further complicate recruitment processes.

During the year, the Group identified an incident in which two potential migrant workers paid recruitment fees to one of the Group's new recruitment agents. The Group promptly investigated the matter and terminated the service contract with the agent. Additionally, the Group reviewed all recruitments conducted by the agent to ensure no further instances occurred.

- **Ability to maintain its sustainable palm oil certification:** The Group currently maintains a sustainable palm oil certification across its upstream operation. Certifications such as RSPO demand adherence to strict labour standards to promote ethical labour practices. Any non-compliance will lead to the loss of certification, resulting in exclusion from certain markets, which will have a direct impact on the Group's revenue. Whilst the Group might be able to find new markets and customers, the Group might face challenges in obtaining similar price premiums that it is able to obtain if it maintains its certification status.

This risk has specifically been identified within the Group's estate operations as well as the recruitment agents that were selected by the Group in recruiting its migrant workers, and workers in its value chain.

## 8. Social-related risks and opportunities (continued)

IFRS S1.33(a)

### c. Effects on strategy and decision-making

The Group is undergoing internal transformation to minimise the need for manual labour within its operation thereby eliminating the need to recruit a significant number of migrant workers. This is also in line with Malaysia's national target of reducing its reliance on migrant workers. This is expected to be achieved through both internal operational efficiencies and collaboration with its suppliers, through the following measures:

- **Establishment of the Group's Human Rights policy:** To address its labour risk, the Group has launched its Human Rights policy, which includes its statement of purpose that aligns with the Group's mission and vision. The policy also introduces general principles of human rights relevant to the Group's business operations, in accordance with International Labour Organisation's labour standards. The policy aims to reaffirm the Group's commitments to respecting and promoting human rights throughout its operations. It provides guidance to stakeholders, both external and internal, on integrating human rights considerations into daily activities and decision-making processes. This policy also aligns with the Group's Code of Conduct.
- **Establishment of the Group's grievance mechanism and whistleblowing policies:** The Group has complemented its Human Rights and Recruitment policies by establishing its Grievance Mechanism and Whistleblowing policies. These policies aim to provide stakeholders across the value chain, including its employees, with avenues to escalate concerns about non-compliance with Human Rights policies, amongst other matters. To ensure the independence of the process, these mechanisms are managed by a reputable third party, in close collaboration with the Group's Internal Audit department, and include direct reporting to the Audit Committee.
- **Establishment of the Group's recruitment policy:** The Group has established guidelines for recruitment practices that include human rights considerations, which includes periodic due diligence and review over the recruitment process, not only within the organisation, but also in respect to its recruitment agents as well. The Group monitors the end-to-end recruitment process with close coordination with its recruitment agents. This includes a mandatory review process by the Group prior to recruitment, minimum training requirements as well as communication over the Group's Human Rights policy and its grievance mechanism.
- **Living wage policy:** The Group has implemented a living wage policy across the organisation which includes the salary of migrant workers across its estates. This focuses on paying a fair wage that allows decent and dignified life as well as improving physical and mental wellbeing across workers.
- **Increased mechanisation:** The Group is continuously investing in advanced mechanisation initiatives across its estates. It aims to enhance its operational efficiency, reduce the requirements for manual labour and improve productivity. This transition aims to support economic sustainability, enhance workplace safety, and reduce the physical strain on workers. During the year, the Group has started to include this improved infrastructure across its estates to better support accessibility of machines within its plantations.
- **Increasing local workforce participation:** The Group is dedicated to fostering local employment opportunities to reduce its reliance on foreign labour. By investing in training and development programs for the local workforce, the Group aims to build a skilled and sustainable talent pool. This initiative not only supports local economies but also enhances the Group's social license to operate by strengthening community ties.
- **Enhancing supply chain traceability:** The Group is expanding its traceability program to ensure transparency and accountability throughout its value chain. By leveraging digital technologies and robust tracking systems, the Group aims to ensure that all raw materials are sourced sustainably and ethically. This initiative is crucial for building trust with consumers and stakeholders as well as maintaining compliance with international sustainability certifications.
- **Investments in worker facilities:** The Group is continuously upgrading and improving the living conditions of migrant workers, including investing in new housing areas and enhancing access to facilities such as clinics, recreational and community centres.

## 8. Social-related risks and opportunities (continued)

This is a risk that will need to be managed across its operations in Malaysia and Indonesia. The Group has adopted and implemented these plans and policies across its business. Where necessary, the policies have also been expanded to include local regulatory requirements specific to the country in which the Group operates.



There might be different considerations to take into account for recruitment practices in different territories based on different applicable laws and regulations; therefore, the appropriateness of the factors taken into consideration and the extent to which they are disclosed should be assessed based on each reporting entity's facts and circumstances.

The aforementioned policies are made available to employees not only in English, Bahasa Malaysia and Bahasa Indonesia, but also in the native languages of the migrant workers. Where necessary, the Group will hire an independent translator to facilitate discussions with its migrant workers.

Overall, management expects that mitigating efforts in place will limit the effect of labour risk on the Group's business model and value chain. All of these policies have been published in the Group's website and made available to the public.

### d. Financial effects

#### *Current financial effects*

There have been no other instances of non-compliance with the Group's Human Rights policy or its sustainable palm oil certification requirements concerning modern slavery.

As part of the Group's plan to improve the living conditions of migrant workers, it has invested significantly in upgrading housing areas and facilities within its estates. During the year, the Group capitalised RM27.6 million in its Property, Plant, and Equipment for these upgrades, with a corresponding impact on the Group's cash flows.

Additionally, the Group spent RM1.7 million to engage an external third party to provide internal review and verification of its migrant worker hiring process during the year, affecting its financial performance and cash flows.

The implementation costs of current policies amounted to RM11.5 million for the Group. This mainly relates to internal staff that focuses on implementing and monitoring these policies, as well as the difference between the living wage and minimum wage for the Group's migrant workers. Since its introduction, these expenses have been expensed off in the financial statements of the Group.

The initiative to enhance local workforce participation, encompassing internal training and development programmes are integrated into the Group's human resource policies and processes, with no additional current and anticipated costs.

#### *Anticipated financial effects*

The Group expects that any non-compliance with its Human Rights policies will result in material financial effects across the Group over the short, medium and long term. This could arise from the loss of its sustainable palm oil certification which directly affects its ability to export its products to certain markets, which in turn will significantly affect its business model.

In the short, medium, and long term, if the mitigation actions are not effectively executed by the Group, the labour risks could materially affect the Group's financial position, and cash flows due to:

- loss of revenue from a short term inability to export to its customers in certain markets;
- additional costs in identifying potential new customers over the short term;
- additional costs in paying for penalties from regulators; and
- decrease in revenue over the short, medium and long term as the Group may be required to sell its product in a less competitive market without its previous price advantage.

IFRS S1.35



## 8. Social-related risks and opportunities (continued)

In accordance with Note 7.1, RM70.0 million is expected to be invested on mechanisation of its plantation activities (both harvesting and non-harvesting activities). Refer to Note 7.1 for further discussion over the impact of the investment plan on the Group's financial position and cash flows. An additional RM 50.0 million has been set aside by the Group to invest in the living facilities over the short and medium term.

In addition, from a qualitative perspective, management considers that the Group's 'brand' will be affected as its products are marketed as a sustainable palm oil product, which includes consideration of human rights considerations across its value chain. The Group's brand is not recognised as an asset in its statement of financial position under the IFRS Accounting Standards, because it is internally generated and therefore not subject to potential impairment itself. However, damage to the Group's brand will adversely impact the Group's revenue and potentially result in impairment of the Group's cash-generating units.

However, the Group is of the view that its current strategy and internal processes are capable of addressing its labour risk, and the adverse impact of such labour risks expected to be immaterial to the Group. Hence, such impact is not disclosed by the Group.

Additionally, the Group is actively working with its suppliers to assist them in obtaining sustainable palm oil certification, which the Group is able to address with its current workforce.

The table below summarises the expected effect on the financial position, financial performance and cash flows of the Group over the short, medium, and long term, considering the adaptation and mitigation action planned to manage the labour risk. Based on these projections, management does not expect material adjustments to the carrying amounts of reported assets and liabilities within the next 12 months.

In RM million	Current financial effects	Short term financial effects (per annum)	Medium term financial effects (per annum)	Long term financial effects (per annum)
<b>Financial position</b>				
Property, plant and equipment (net increase)	27.6	Between 20.0 to 30.0	Between 20.0 to 30.0	Nil
<b>Financial performance</b>				
Verification and supply chain management expenses (increase)	(1.7)	(1.5)	(1.3)	(1.0)
Depreciation expenses (increase)	(0.5)	Between (1.0) to (1.2)	Between (1.4) to (1.5)	Nil
<b>Cash flows</b>				
Cash generated from operations (decrease)	(1.7)	(1.5)	(1.3)	(1.0)
Cash generated from investing activities (decrease)	(2.6)	Between (20.0) to (30.0)	Between (20.0) to (30.0)	Nil

## 8. Social-related risks and opportunities (continued)

### e. Resilience of the Group's strategy and business model in relation to labour risk

IFRS S1.41

The Group's strategy and activities for managing labour risk have been well established and continuously improved over time. These processes undergo periodic review by the Internal Audit Department as part of the Group's annual Internal Audit programme and by independent verifiers as part of its sustainable palm oil certification audit.

Additionally, the Group collaborates closely with its recruitment agents throughout the recruitment process to promptly identify and address any potential indications of human rights violations. The Group also maintains a panel of recruitment agents who can be quickly onboarded if there are any signs of non-compliance by the current agent during its recruitment round. Furthermore, the Group works closely with local authorities and NGOs to ensure that fair recruitment practices are implemented during each round of recruitment. The Group will remain agile to take additional action where necessary.

### f. Processes, controls and policies to manage labour risks and opportunities

IFRS S1.44(a)(i)

The overall process followed to identify, assess, prioritise and monitor labour-related risks and opportunities forms part of the general process described in Note 6.4.

The Group has implemented robust policies and procedures to detect potential non-compliance with its Human Rights and Recruitment policies across the Group's value chain. This includes processes within its own business operations, as well as those implemented by its recruitment agents in hiring migrant workers. The Group has established a dedicated unit within its upstream operations to closely monitor these activities. Additionally, review and audit requirements are embedded in the contractual agreements with recruitment agents.

In response to the non-compliance incident involving one of its new recruitment agents, the Group has introduced a new review process whereby recruitment activities conducted by new agents will be subject to review by the Group's Internal Audit.

Recruitment data is periodically analysed by this monitoring unit and the sustainability department to identify trends that may not have been initially detected. Ongoing engagement takes place between the Group and its employees, and for interactions involving migrant workers, an independent translator is hired to ensure effective and fair communication.

The Group conducts a review of its wage policy every three years. This process includes a benchmark study, costs analysis, employee feedback and subsequent revision (if any) of its wage structure across all levels and departments, ensuring equitable compensation for all employees, including its migrant workers.

The Group sets overall service level metrics that must be met and complied with across the entire Group. These metrics are disclosed in 'Metrics and targets' section below. There have been no changes to the Group's processes during the current reporting period compared to the previous year.

IFRS S1.44(a)(ii)

The Group does not use scenario analysis for identifying labour risks, as established regulatory requirements and industry best practices are already in place with minimal uncertainty. Management believes that the Group will be able to implement its mitigation plan, including its planned capital expenditures, as these investments are based on technologies that are available in the market.

## 8. Social-related risks and opportunities (continued)

### g. Metrics and targets

IFRS S1.46  
IFRS S1.50(a)(d)

The Group has set voluntary targets over the short, medium, and long term related to its labour risk – some of these targets come from the SASB standards (FB-AG-430a.1 and FB-AG-430a.2) and have been adapted to use by the Group, with the remaining targets developed by the Group.

The metrics to measure performance against the targets set are as set out below:

IFRS S1.50(b)  
IFRS S1.51(a)(b)  
(c)(e)

					Targets		
Labour-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Short term	Medium term	Long term
Entity-developed metrics							
Human Rights Grievance Status	Average resolution rate during the reporting period	[Case resolved during the reporting period] / [Total case during the reporting period]	Percentage (%)	89%	90%	90%	90%
Whistleblowing status – Labour violation	Average resolution rate during the reporting period	[Case resolved during the reporting period] / [Total case during the reporting period]	Percentage (%)	100%	90%	90%	90%
Human Rights violation	Number of substantiated complaints concerning human rights violation	Substantiated cases (both from grievance and whistle-blowing mechanism) reported to BRMC during the reporting period	Number of cases	Nil	Nil	Nil	Nil
Labour risk	Certification for Group’s estates	Certification under RSPO as at the end of the reporting period	Percentage (%) based on the number of estates	100%	100%	100%	100%
	Certification for Group’s mills	Certification under RSPO as at the end of the reporting period	Percentage (%) based on the number of mills	100%	100%	100%	100%

## 8. Social-related risks and opportunities (continued)

					Targets		
Labour-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Short term	Medium term	Long term
Labour risk	Certification for suppliers' estates as at the end of the reporting period	RSPO	Percentage (%) based on the number of estates and suppliers	5%	35%	50%	75%
		MSPO		15%			
		ISPO		8%			
		Not certified		72%	None	None	None
	Certification for suppliers' mills as at the end of the reporting period	RSPO	Percentage (%) based on the number of mills and suppliers	8%	70%	80%	90%
		MSPO		57%			
		ISPO		-			
		Not certified		35%	None	None	None
Metrics from IFRS S2 Industry-based guidance (Volume 20—Agricultural Products)							
Labour risk	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard (FB-AG-140a.1)	Computed based on volume purchased from third party:  • Third-party estates (metric tonnes) • Third-party mills (ML)  during the reporting period	Percentage based on volume of purchase (%)	Third-party estates: 43%	No targets set.		
				Third-party mills: 78%			
	(2) Percentages by standard – third-party estates:						
	RSPO	Purchases from suppliers with RSPO, MSPO and ISPO certification during the reporting period	Percentage based on volume of purchase (%)	9%			
	MSPO			18%			
	ISPO			16%			
Not certified	57%						

## 8. Social-related risks and opportunities (continued)

					Targets		
Labour-related risks and opportunities	Description of target	Methodology to calculate metric	Measuring unit	Actual metric – 2025	Short term	Medium term	Long term
Labour risk	(2) percentages by standard – third-party mills (FB-AG-140a.1):				No targets set.		
	RSPO	Purchases from suppliers with RSPO, MSPO, ISPO certification during the period	Percentage based on volume of purchases (%)	63%			
	MSPO			15%			
	ISPO			-			
	Not certified			22%			

IFRS S1.50(c)

Most of the targets and metrics above have been developed by the Group to measure the progress of the Group's mitigation and resilience of the labour risks over the short, medium, and long term. The metrics have not been validated by a third party.

IFRS S1.51(d)(f)

Due to the nature of the targets set based on absolute target for each period, there are no base period from which target is measured. As this is the first year that the Group has established targets, no disclosure and analysis over the milestone and progress were made during the year. The metrics disclosed in 2025 will be used as a baseline to measure progress against targets in the next reporting period.

IFRS S1.33(b)



If management has previously disclosed plans in accordance with paragraph 33(b) of IFRS S1, it needs to disclose quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 33(b).

# 9. Events after the reporting period

IFRS S1.68

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this report have taken place that need to be disclosed in this sustainability report



## 10. Additional disclosures based on the Main Market Listing Requirements



### Extracts of the Amendments in Relation to Sustainability Reporting Requirements

The following paragraphs are extracted from Practice Note 9 (PN9) of the Main Market Listing Requirements:

- 6.1A A listed issuer must ensure that the Sustainability Statement is prepared in accordance with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.
- 6.2 In addition to paragraph 6.1A above, a listed issuer must also include the following in the Sustainability Statement:
- (c) The metrics and targets that demonstrate the listed issuer's performance and progress in relation to its sustainability-related risks and opportunities for the last 3 financial years, together with data as follows:

No.	Reporting of new metric	Minimum data disclosures
(a)	In the first year of reporting a new metric ("said metric")	Data for the financial year
(b)	In the second year of reporting the said metric	Data for the financial year and the immediate preceding financial year
(c)	From the third year onwards of reporting the said metric	Data for the financial year and the 2 immediate preceding financial years

- (e) A statement on whether the listed issuer has subjected the Sustainability Statement to:
- internal review by its internal auditor; or
  - independent assurance performed in accordance with recognised assurance standards
- (f) A summary of the data for the metrics and targets disclosed in the Sustainability Statement, in a prescribed format.

The additional disclosures stated in paragraph 6.2 (c), (e), and (f) above of the PN are illustrated in this section.

# 10. Additional disclosures based on the Main Market Listing Requirements (continued)



The table below is an illustration of the prescribed format that listed issuers are required to generate for their material sustainability data in PDF format via the ESG Reporting Platform. The generated PDF format must be inserted into the sustainability statement in its original form without any edits or modification, for announcement to Bursa Malaysia together with the listed issuer's Annual Report.

Listed issuers should refer to the latest prescribed format in the ESG Reporting Platform when preparing their sustainability statements.

## 10.1 Performance table

The Group's metrics and targets that demonstrate the Group's performance and progress in relation to its sustainability-related risks are disclosed in Note 7 and Note 8 of this report. These metrics and targets have been summarised in the performance table below.

<b>Market</b>	Main Market
<b>Stock Code</b>	XXXX
<b>Name of PLC</b>	Yielding Value Berhad
<b>Financial Year</b>	31 Dec 2025

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information					
No	Sustainability Matter	Metrics	Measurement Units	Values	Targets
				2025	
1	Nature-related risk: Effluents (Note 7.2)	Effluent intensity over FFB processed	m <sup>3</sup> /MT	0.65	Short term: 0.63 Medium term: 0.60 Long term: 0.57
		Total water withdrawn during the year	m <sup>3</sup>	32,642,145	Short term: 30,000,000 Medium term: 27,000,000 Long term: 24,000,000
		Total water consumed during the year	m <sup>3</sup>	24,865,322	Short term: 22,000,000 Medium term: 19,000,000 Long term: 16,000,000
		Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number of incidents	0	0
2	Labour risk – indication of modern slavery (Note 8.1)	Average resolution rate for human rights grievance cases during the reporting period	Percentage (%)	89%	90%
		Average resolution rate for whistleblowing cases during the reporting period	Percentage (%)	100%	90%
		Number of substantiated complaints concerning human rights violation	Number of cases	Nil	0
		Certification for Group's estates	Percentage (%) based on the number of estates	100%	100%
		Certification for Group's mills	Percentage (%) based on the number of mills	100%	100%
		Percentage of suppliers' estates with certification status	Percentage (%) based on the number of estates and suppliers	28%	Short term: 35% Medium term: 50% Long term: 75%
		Percentage of supplier mills with certification status	Percentage (%) based on the number of mills and suppliers	65%	Short term: 70% Medium term: 80% Long term: 90%
		(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard – third-party estates	Percentage based on volume of purchase (%)	43%	No targets set
		(2) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard – third-party mills	Percentage based on volume of purchase (%)	78%	No targets set
3	Others	Other risks and opportunities are not illustrated for the purpose of this ISR			

## 10. Additional disclosures based on the Main Market Listing Requirements (continued)

IFRS S2 Climate-related Disclosures					
No	Sustainability Matter	Metric	Measurement Unit	Values	Target
				2025	
1	Climate-related physical risk: extreme weather events (Note 7.1)	Percentage of plantations with upgraded flood mitigation installed	Percentage (%)	48%	Short term: 60% Medium term: 85% Long term: 100%
		Actual average drainage maintenance costs incurred during the reporting period	RM	RM495	RM500
		Flooding event during the reporting period	Number of incidents	8	Short term: 5 Medium term: 3 Long term: 0
		Plantations with upgraded heatwave mitigation installed as at the end of the reporting period	Percentage (%)	51%	Short term: 60% Medium term: 85% Long term: 100%
		Number of days needed to complete one harvesting round per block during the reporting period (harvesting interval)	Number of days	7	Short term: 6.0 Medium term: 5.0 Long term: 5.0
		CPO produced (tonnes) over FFB processed (tonnes) during the reporting period	Percentage (%)	20.3%	Short term: 21% Medium term: 21% Long term: 23%
		Total yield per hectare over total average hectarage during the reporting period	tonnes	18.3	Short term: 19.0 Medium term: 19.5 Long term: 20.0
		Suppliers with sustainable palm oil certification e.g. RSPO, MSPO, ISPO	Percentage (%)	33%	Short term: 35% Medium term: 50% Long term: 75%
2	GHG Emissions (Note 7.3)	Scope 1 GHG emissions			
		The consolidated accounting group	tCO <sub>2</sub> e	6,766,846	No targets set
		Other investees within the organisational boundary - Harvest Sdn Bhd (associate)	tCO <sub>2</sub> e	23,987	No targets set
		Total Scope 1 GHG emissions (gross)	tCO <sub>2</sub> e	6,790,833	
		Scope 2 GHG emissions			
		The consolidated accounting group	tCO <sub>2</sub> e	135,128	No targets set
		Other investees within the organisational boundary - Harvest Sdn Bhd (associate)	tCO <sub>2</sub> e	873	No targets set
		Total Scope 2 GHG emissions (gross)	tCO <sub>2</sub> e	136,001	
		Scope 3 GHG emissions			
		Category 1: Purchased goods and services	tCO <sub>2</sub> e	5,698,756	No targets set
		Category 2: Capital goods	tCO <sub>2</sub> e	119,914	No targets set
		Category 4: Upstream transportation and distribution	tCO <sub>2</sub> e	131,586	No targets set
		Category 10: Processing of sold products	tCO <sub>2</sub> e	267,734	No targets set
		Other categories*	tCO <sub>2</sub> e	284,905	No targets set
		Total Scope 3 GHG emissions (gross)	tCO <sub>2</sub> e	6,502,895	
		Scope 1 carbon removals	tCO <sub>2</sub> e	(4,171,950)	No targets set
		Scope 3 carbon removals	tCO <sub>2</sub> e	(904,226)	No targets set
* Other categories include Category 3: Fuel and Energy – related activities, Category 5: Waste generated in operations, Category 6: Business travel, Category 7: Employee commuting, Category 9: Downstream transportation and distribution, Category 11: Use of sold products, Category 12: End-of-life treatment of sold products, Category 13: Downstream leased assets and Category 15: Investments.					

## 10. Additional disclosures based on the Main Market Listing Requirements (continued)

IFRS S2 Climate-related Disclosures (continued)					
No	Sustainability Matter	Metric	Measurement Unit	Values	Target
				2025	
2	GHG Emissions (Note 7.3) (continued)	Total Scope 1, 2 and 3 GHG emissions (gross without removals)	tCO <sub>2</sub> e	13,429,729	Short Term: No targets set  Medium term: FLAG: 37% absolute reduction against 2022 baseline (Scope 1 and 3)  Non-FLAG: 43% absolute reduction against baseline (Scope 1 and 2)  Long term: FLAG: 78% absolute reduction against 2022 baseline (Scope 1 and 3)  Non-FLAG: 90% absolute reduction against baseline (Scope 1 and 2)
		Net Scope 1, Scope 2 and Scope 3 emissions (net of removals)	tCO <sub>2</sub> e	8,353,553	No targets set
		Percentage of renewable electricity over total electricity use	Percentage (%)	45%	Short term: No targets set Medium term: 80% of total electricity sourced from renewable sources
3	Others	Other risks and opportunities are not illustrated for the purpose of this ISR			

Legend:

No Assurance	Internal Assurance	External Assurance (limited)	External Assurance (Reasonable)
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# 10. Additional disclosures based on the Main Market Listing Requirements (continued)

Practice  
Note  
9.6.2(e)

## 10.2 Statement of Assurance

In upholding transparency and accountability, the Group recognises the importance of independent verification to ensure the accuracy of the Group’s sustainability disclosures. For 2025, the Group engaged [a third-party organisation] to conduct an independent reasonable assurance on the metrics indicated in the performance table in Note 10.1.

The [third-party audit firm]’s independent reasonable assurance report can be found on pages [XX] to [XX] of the Group’s Annual Report.

 This disclosure shall be tailored accordingly based on the entities’ facts and circumstance.

# Appendix I: Transition Reliefs

IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards.

The [National Sustainability Reporting Framework](#) for Malaysia (NSRF) also included transition reliefs (ATR) to support a smoother transition for entities reporting under IFRS Sustainability Disclosure Standards for the first time. For the listed issuers in Malaysia, these ATRs have been included in Practice Note 9A Saving and Transitional Provisions for Sustainability Statement of the Main Market Listing Requirements and Guidance Note 11A Saving and Transitional Provisions for Sustainability Statement of the ACE Market Listing Requirements respectively.

Further information on the applicability of the ATRs are set out in the FAQ on the NSRF, which may be updated periodically. Kindly refer to the latest FAQ as published on the [NSRF microsite](#). The following table provides a summary of the transition reliefs included in the IFRS Sustainability Disclosure Standards and the NSRF:

Description		Transition relief under the IFRS Sustainability Disclosure Standards	ATRs under the NSRF	Transition relief illustrated in the ISR?
A	Relief from disclosing comparative information	<p>Entities are not required to provide the disclosures specified in IFRS S1 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies IFRS S1. [IFRS S1 Appendix E3]</p> <p>A similar relief is available in IFRS S2 where applicable entities are not required to provide the disclosures specified in IFRS S2 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies IFRS S2. [IFRS S2 Appendix C3]</p>	<p>A similar transition relief as the IFRS Sustainability Disclosure Standards is available, subject to the respective regulators' requirements.</p> <p>Refer to item 2.6 in the <a href="#">FAQ on the NSRF</a> issued by the Advisory Committee on Sustainability Reporting (ACSR) for further information.</p>	Yes



# Appendix I: Transition Reliefs (continued)

Description		Transition relief under the IFRS Sustainability Disclosure Standards	ATRs under the NSRF	Transition relief illustrated in the ISR?
B	Relief from reporting sustainability-related financial disclosures at the same time as the related financial statements	<p>In the first annual reporting period in which an entity applies IFRS S1, the entity is permitted to report its sustainability-related financial disclosures after it publishes its related financial statements. In applying this transition relief, an entity shall report its sustainability-related financial disclosures:</p> <ul style="list-style-type: none"> <li>(a) at the same time as its next second-quarter or half-year interim general purpose financial report, if the entity is required to provide such an interim report;</li> <li>(b) at the same time as its next second-quarter or half-year interim general purpose financial report, but within nine months of the end of the annual reporting period in which the entity first applies IFRS S1, if the entity voluntarily provides such an interim report; or</li> <li>(c) within nine months of the end of the annual reporting period in which the entity first applies IFRS S1, if the entity is not required to and does not voluntarily provide an interim general purpose financial report</li> </ul> <p><i>[IFRS S1 Appendix E4]</i></p>	<p>This relief has not been adopted by the NSRF. The ACSR is of the view that applicable entities should issue its sustainability-related financial disclosures at the same time as their financial statements to ensure that the market attains the full set of information from an applicable entity. Applicable entities should also adhere to their respective regulators' requirements on timing of reporting in Practice Note 9.1.2A.</p> <p>Accordingly, this relief in the IFRS Sustainability Disclosure Standards is not available for reporters within the scope of the NSRF.</p> <p>Refer to items 2.6 and 2.8 in the <a href="#">FAQ on the NSRF</a> issued by the ACSR for further information.</p>	No

# Appendix I: Transition Reliefs (continued)

	Description	Transition relief under the IFRS Sustainability Disclosure Standards	ATRs under the NSRF	Transition relief illustrated in the ISR?
C	Relief from reporting information about sustainability-related risks and opportunities beyond climate-related risks and opportunities	<p>In the first annual reporting period in which an entity applies IFRS S1, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2) and consequently apply the requirements in IFRS S1 only insofar as they relate to the disclosure of information on climate-related risks and opportunities. If an entity uses this transition relief, it shall disclose that fact. <i>[IFRS S1 Appendix E5]</i></p> <p>If an entity uses the transition relief in paragraph E5:</p> <p>(a) in the first annual reporting period in which the entity applies IFRS S1, it is not required to disclose comparative information about its climate-related risks and opportunities; and</p> <p>(b) in the second annual reporting period in which the entity applies IFRS S1, it is not required to disclose comparative information about its sustainability-related risks and opportunities, other than its climate-related risks and opportunities.</p> <p><i>[IFRS S1 Appendix E6]</i></p> <p>The IFRS Foundation has issued additional educational material to help preparers understand which requirements in IFRS S1 are applicable when a company discloses information on only climate-related risks and opportunities in accordance with IFRS S2. Preparers may refer to IFRS Educational material - <a href="#">Applying IFRS S1 when reporting only climate-related disclosures in accordance with IFRS S2</a>.</p>	<p>A similar transition relief is available for an extended period as follows:</p> <ul style="list-style-type: none"> <li>Group 1* and Group 2* entities – this relief is available for two (2) years (i.e. an additional year compared to IFRS S1)</li> <li>Group 3* entities – this relief is available for three (3) years (i.e. two (2) additional years compared to IFRS S1)</li> </ul> <p><i>[NSRF ATR 1]</i></p>	<p>No</p> <p>If this relief is adopted by a first-time preparer, information on non-climate related risks and opportunities (for e.g. other environment, social and governance risks and opportunities) is not required to be disclosed.</p>

# Appendix I: Transition Reliefs (continued)

Description		Transition relief under the IFRS Sustainability Disclosure Standards	ATRs under the NSRF	Transition relief illustrated in the ISR?
D	Measurement method other than the GHG Protocol can be used to measure Scope 1, Scope 2 and Scope 3 GHG emissions	<p>In the first annual reporting period in which an entity applies IFRS S2, if, in the annual reporting period immediately preceding the date of initial application of IFRS S2, the entity used a method for measuring its GHG emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that other method. <i>[IFRS S2 Appendix C4(a)]</i></p> <p>If an entity uses the relief in paragraph above, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. <i>[IFRS S2 Appendix C5]</i></p>	<p>A similar transition relief as the IFRS Sustainability Disclosure Standards is available.</p>	<p>No</p> <p>If this relief is adopted by a first-time preparer, information on the applicable method and measurement approach used by the entity to determine its GHG emissions and the reason for the entity's choice of method and measurement approach should be disclosed. <i>[IFRS S2 para B28]</i></p> <p>The entity should also disclose how the approach relates to the disclosure objective on metrics and targets as described in IFRS 2 paragraph 27 and B28.</p>
E	Relief from disclosing Scope 3 GHG emissions	<p>In the first annual reporting period in which an entity applies IFRS S2, the entity is not required to disclose its Scope 3 GHG emissions which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions. <i>[IFRS S2 Appendix C4(b)]</i></p> <p>If an entity uses the relief in the above paragraph, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. <i>[IFRS S2 Appendix C5]</i></p>	<p>A similar transition relief is available, except for Scope 3 categories already required to be disclosed by applicable entities' respective regulators.</p> <p>The relief is available for an extended period as follows:</p> <ul style="list-style-type: none"> <li>Group 1* and Group 2* entities – this relief is available for two (2) years (i.e. an additional year compared to IFRS S1)</li> <li>Group 3* entities – this relief is available for three (3) years (i.e. two (2) additional years compared to IFRS S1) <i>[NSRF ATR 3]</i></li> </ul>	<p>No</p> <p>If this relief is adopted by a first-time preparer, entities will only need to report Scope 1 and Scope 2 GHG emissions.</p>

# Appendix I: Transition Reliefs (continued)

Description		Transition relief under the IFRS Sustainability Disclosure Standards	ATRs under the NSRF	Transition relief illustrated in the ISR?
F	Relief on disclosing on principal business segment only	No such transition relief is available. Refer to the next column for the relief under NSRF and Bursa Malaysia's listing requirements.	<p>Applicable entities are permitted to focus on providing climate-related disclosures for principal business segments.</p> <p>The relief is available for the following periods:</p> <ul style="list-style-type: none"> <li>Group 1* and Group 2* entities – this relief is available for two (2) years (i.e. an additional year compared to IFRS S1)</li> <li>Group 3* entities – this relief is available for three (3) years (i.e. two (2) additional years compared to IFRS S1)</li> </ul> <p>[NSRF ATR 2]</p> <p>A first-time preparer adopting this relief should refer to the guidance issued by the NSRF and Bursa Malaysia Securities Berhad on the application of this relief. Refer to Note 1 below.</p>	No

*\*Group 1, Group 2 and Group 3 entities are defined in the NSRF. Group 1 consists of Main Market listed issuers with a market capitalisation of RM2 billion or more. Group 2 comprises Main Market listed issuers not included in Group 1. Group 3 includes ACE Market listed issuers and non-listed companies (NLCos) with annual revenue of RM2 billion or more.*

**Note 1: How would listed issuers apply the transition relief that permits entities to focus on providing climate-related disclosures for principal business segment (item F in the table above)?**

Pursuant to paragraph 7(c) in Part A of Appendix 9C of the Main Market Listing Requirements, a listed issuer is required to provide a 'review of operating activities including discussion on the main factors that may affect the operating activities of each principal business segment of the group, impact on future operating activities and the approach or action taken in dealing with the effect or outcome of such matters on its business activities' as part of the Management Discussion & Analysis (MD&A) disclosures in its annual reports.

When complying with the IFRS Sustainability Disclosure Standards, the listed issuer is required to disclose material information about the sustainability-related risks and opportunities for the same reporting entity as for its financial statements. The IFRS Sustainability Disclosure Standards require the listed issuer to disclose material information about the sustainability-related risks and opportunities that could reasonably be expected to affect its prospects and in a manner that enables primary users to understand the connections between disclosures provided across its sustainability-related financial disclosures and its related financial statements and other information in general purpose financial reports. The listed issuer will need to consider these requirements when assessing the key operating activities and factors affecting the operating activities across its different business segments of the group to determine the disclosure of material information about sustainability-related risks and opportunities. The listed issuer will also need to consider how information about the sustainability-related risks and opportunities for key operating activities is presented to enable primary users to understand connections with information about business segments in the MD&A disclosures.

Refer to item 9.511 in the [Question and Answers in relation to Bursa Malaysia Securities Berhad Listing Requirements](#) and item 2.13 in the [FAQ on the NSRF](#) issued by the ACSR for further information.

# Appendix I: Transition Reliefs (continued)

## Note 2: Impact of applying extended reliefs or additional reliefs under the NSRF to the Statement of Compliance under IFRS Sustainability Disclosure Standards

The ISR has been prepared without the application of any extended reliefs or additional reliefs provided under the NSRF. As Yielding Value Berhad in the ISR applies only the transition reliefs on not disclosing comparative information that has been provided as part of IFRS S1 and IFRS S2, Yielding Value Berhad is able to provide a statement of compliance under IFRS Sustainability Disclosure Standards, as included under Note 1.1 Compliance with IFRS Sustainability Disclosure Standards. The reliefs applied are illustrated in Note 1.3 First-time adoption of IFRS Sustainability Disclosure Standards and transitional provisions.

Paragraph 72 of IFRS S1 requires companies preparing their sustainability-related financial disclosures in accordance with the IFRS Sustainability Disclosure Standards to make an explicit and unreserved statement of compliance. An entity can only state that it has complied with the IFRS Sustainability Disclosure Standards if it meets all of the requirements in the IFRS Sustainability Disclosure Standards. The adoption of any additional or extended reliefs under NSRF which are not part of the IFRS Sustainability Disclosure Standards will result in the reporting entity not being able to assert compliance with the IFRS Sustainability Disclosure Standards.

# Appendix II: References to GRI

This ISR presents the sustainability report of Yielding Value Berhad which is preparing its first report under the IFRS Sustainability Disclosure Standards in accordance with the Main Market Listing Requirements. The ISR is not prepared under the requirements of the GRI Standards. There are no requirements for listed entities to issue a sustainability report based on GRI Standards under both the Main Market and ACE Market Listing Requirements.

This appendix is designed as an aid to preparers who have previously reported sustainability information using the GRI Standards, and who are preparing sustainability information under the IFRS Sustainability Disclosure Standards for the first time. This appendix highlights areas of the ISR which contain information that is similar to information required by specific GRI Standards.

This appendix does not identify all information within GRI Standards that might be material for this ISR. Nor does this appendix consider the interoperability of specific disclosure requirements between the GRI Standards and the IFRS Sustainability Disclosure Standards.

As this ISR illustrates material information about selected sustainability-related risks that could reasonably be expected to affect the entity's access to cash flows, its access to finance or cost of capital over the short, medium and long term, information which may be required by GRI Standards, but which is not deemed to be material under the IFRS Sustainability Disclosure Standards, has not been included in this ISR.

The GRI Standards referenced in this Appendix are limited to the sustainability-related risks illustrated in this ISR and are not intended to be exhaustive or provide a complete disclosure and compliance checklist of all GRI Standards.

## Information required by the IFRS Sustainability Disclosure Standards should not be obscured

IFRS S1 paragraph B27 states that an entity shall identify its sustainability-related financial disclosures clearly and distinguish them from other information provided by the entity. An entity shall not obscure material information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information. Paragraph B27 of IFRS S1 states:

“Examples of circumstances that might result in material information being obscured include:

- material information is not clearly distinguished from additional information that is not material;
- material information is disclosed in the sustainability-related financial disclosures, but the language used is vague or unclear;
- material information about a sustainability-related risk or opportunity is scattered throughout the sustainability-related financial disclosures;
- items of information that are dissimilar are inappropriately aggregated;
- items of information that are similar are inappropriately disaggregated; and
- the understandability of the sustainability-related financial disclosures is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Hence, entities applying the IFRS Sustainability Disclosure Standards alongside other sustainability-related standards such as GRI Standards must not obscure information that is material for primary users of general purpose financial reports with other information intended for a broader range of stakeholders.

## Referring to the GRI Standards to identify applicable disclosure requirements

Paragraphs 57, 58 and Appendix C2 of IFRS S1 states that in the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a sustainability-related risk or opportunity, an entity shall apply judgement to identify information that is relevant for the decision-making of users of general purpose financial reports and faithfully represents that sustainability-related risk or opportunity. In making that judgement, an entity may refer to and consider among others the applicability of the GRI Standards insofar as it does not conflict with the IFRS Sustainability Disclosure Standards.

When applying other sources of guidance such as the GRI Standards for this purpose, an entity shall not obscure material information required by the IFRS Sustainability Disclosure Standards (further explained in the box above).

In addition, if an entity applies other sources of guidance such as the GRI Standards without applying the requirements in IFRS Sustainability Disclosure Standards, including the requirements described in the box above, the entity shall not make an explicit and unreserved statement of compliance with IFRS Sustainability Disclosure Standards.



## Appendix II: References to GRI (continued)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE YIELDING VALUE BERHAD SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	GRI SECTOR STANDARD REF. NO.
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	2.1 Overview of the group		
	2-2 Entities included in the organization's sustainability reporting	3.1 Reporting boundary		
	2-3 Reporting period, frequency and contact point	1.2 Connectivity with financial statements	2-3 (c), (d)	
	2-4 Restatements of information	There are no restatements of information in this report		
	2-5 External assurance	The information disclosed in this report was not subjected to external assurance.		
	2-6 Activities, value chain and other business relationships	2.1 Overview of the group 2.2 Our value chain		
	2-7 Employees	Not disclosed		
	2-8 Workers who are not employees	Not disclosed		
	2-9 Governance structure and composition	6.1 Board oversight 6.2 Management's role in governance		
	2-10 Nomination and selection of the highest governance body	6.1 Board oversight		
	2-11 Chair of the highest governance body	Not disclosed		
	2-12 Role of the highest governance body in overseeing the management of impacts	6.1 Board oversight 6.2 Management's role in governance	2-12 (d)	
	2-13 Delegation of responsibility for managing impacts	6.1 Board oversight 6.2 Management's role in governance		
	2-14 Role of the highest governance body in sustainability reporting	6.1 Board oversight		
	2-15 Conflicts of interest	Not disclosed		
	2-16 Communication of critical concerns	6.2 Management's role in governance	2-16 (b)	
	2-17 Collective knowledge of the highest governance body	6.1 Board oversight		
	2-18 Evaluation of the performance of the highest governance body	Not disclosed		
	2-19 Remuneration policies	Partially disclosed as part of 6.3 'Impact of sustainability on remuneration policies'		
	2-20 Process to determine remuneration	Partially disclosed as part of 6.1 'Board oversight'		
	2-21 Annual total compensation ratio	Not disclosed		
	2-22 Statement on sustainable development strategy	Not disclosed		
	2-23 Policy commitments	Partially disclosed as part of 8.1(c) 'Effects on strategy and decision-making'	2-23 (a) (ii) - (iv), (b)(ii), (c), (d)	

## Appendix II: References to GRI (continued)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE YIELDING VALUE BERHAD SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	GRI SECTOR STANDARD REF. NO.
<b>GRI 2: General Disclosures 2021</b>	2-24 Embedding policy commitments	Disclosed in 8.1(c) 'Effects on strategy and decision-making' and 8.1(f) 'Processes, controls and policies to manage labour risks and opportunities'		
	2-25 Processes to remediate negative impacts	Disclosed in 8.1(c) 'Effects on strategy and decision-making' and 8.1(f) 'Processes, controls and policies to manage labour risks and opportunities'		
	2-26 Mechanisms for seeking advice and raising concerns	8.1(c) Effects on strategy and decision-making		
	2-27 Compliance with laws and regulations	There were no instances of non-compliance during the reporting period		
	2-28 Membership associations	Not disclosed		
	2-29 Approach to stakeholder engagement	Not disclosed		
	2-30 Collective bargaining agreements	Not disclosed		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	In line with the IFRS Sustainability Disclosure Standards, a materiality assessment was performed to identify sustainability-related risks and opportunities that are relevant to the Group based on Financial Materiality as defined in IFRS S1.  This has been disclosed as part of 5. 'Materiality Assessment'		
	3-2 List of material topics	Summary of sustainability-related risks and opportunities	3-2 (b)	
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<i>Not illustrated.</i>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Refer to 7.1a description for details		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Refer to the 7.2(a) 'Description of the nature-related risk' for details		13.7.1
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	7.2(a) Description of the nature-related risk 7.2(g) Metrics and targets	b, c, d (partial)	13.7.2
	303-2 Management of water discharge-related impacts	7.2(a) Description of the nature-related risk		13.7.3
	303-3 Water withdrawal	7.2(g) Metrics and targets	Partial disclosure on 303-3(a), Non disclosure for 303-3(b)(c),(d)	13.7.4
	303-4 Water discharge	Not disclosed		13.7.5
	303-5 Water consumption	7.2(g) Metrics and targets	303-3 (b), (c)	13.7.6
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	8.1 Labour risk - indication of modern slavery		13.16.1
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	8.1 Labour risk - indication of modern slavery		13.16.2
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<i>Not illustrated</i>		13.23.1

## Appendix II: References to GRI (continued)

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION IN THE YIELDING VALUE BERHAD SUSTAINABILITY REPORT	REQUIREMENT(S) OMITTED	GRI SECTOR STANDARD REF. NO.
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<i>Not illustrated</i>		13.23.1
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened	<i>Not illustrated</i>		
	308-2 Negative environmental impacts in	<i>Not illustrated</i>		
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened chain and actions taken	<i>Not illustrated</i>		
	414-2 Negative social impacts in the supply chain and actions taken	<i>Not illustrated</i>		

# Appendix III: Sustainability-related opportunities

The IFRS Sustainability Disclosure Standards requires entities to disclose information about both its sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium, or long term. Sustainability-related opportunities might exist for Yielding Value Berhad, but they are not included for the purposes of the illustration in this report.

Sustainability-related opportunities are subject to the same requirements related to their identification, and the identification of material information to disclose as sustainability-related risks. See Section 5 of the ISR for more information on Yielding Value Berhad's process for identifying sustainability-related risks and opportunities.

The following are examples of sustainability-related opportunities that could be relevant to the plantation industry:

- **Biogas and biomass:** The Group generates a significant amount of organic waste, primarily palm oil mill effluent (POME) and biomass such as palm kernel shells and Empty Fruit Bunches. POME decomposes anaerobically and releases methane which can be captured and used to generate electricity through combustion and subsequently sold back to the national grid. Biomass is used in mill biomass boilers as an alternative to traditional fossil fuels for energy generation purposes and can also be sold for biofuel production and power generation.
- **Sustainable palm oil:** The Group's certification as a sustainable palm oil producer has enabled it to offer its products to a wider global market. As part of its business strategy, the Group intends to work with its third-party suppliers to assist them in obtaining sustainable palm oil certification, thereby broadening the Group's share in markets where sale of palm oil fetches a premium in pricing given the certification status, hence enhancing revenue growth.

When preparing a sustainability report, it is important to note that the scope of IFRS Sustainability Disclosure Standards is to provide material information on both sustainability-related risks as well as opportunities. While sustainability-related risks are inherent in the transition to more sustainable practices – such as regulatory changes, resource scarcity, and climate impacts – there could be sustainability-related opportunities and associated information which is relevant to the decision making of users of general purpose financial reports.

## Example of information that may be considered as part of an entity's analysis of material information to be disclosed on sustainability-related opportunities

The information to be disclosed for sustainability-related opportunities that could reasonably be expected to affect the entity's prospects includes material information on governance, strategy, risk management as well as metrics and targets.

For example, an entity's strategy disclosures about its sustainability-related opportunities includes material information that enables users understand the effects of those sustainability-related opportunities on the entity's financial position, financial performance and cash flows for the current reporting period, and the anticipated financial effects of those sustainability-related opportunities over the short, medium and long term.

The table below provides non-exhaustive examples of financial effects which may be considered for the opportunities listed above as part of an entity's analysis of material information to be disclosed. Entities would need to consider all the relevant disclosure requirements in the IFRS Sustainability Disclosure Standards, including information on governance, strategy, risk management, metrics and targets when analysing material information to be disclosed on sustainability-related opportunities.

*Note: The information below is not an illustration of the complete disclosure requirements related to financial effects of sustainability-related opportunities. For example, disclosures related to significant judgements, measurement uncertainties or the use of reliefs related to quantitative information have not been included in the table below*

## Appendix III: Sustainability-related opportunities (continued)

The following are examples of current and anticipated financial effects that could be disclosed (*non-exhaustive*):

Example of sustainability-related opportunity	Example of current financial effects that should be explained and disclosed	Example of anticipated financial effects that should be explained and disclosed
<b>Biogas and biomass</b> plants generating renewable energy that can be sold to the national grid	<ul style="list-style-type: none"> <li>Additional capital expenditure of RM[amount] for construction of the plants, resulting in an increase in property, plant and equipment, with a corresponding increase in borrowings</li> <li>Financing cash flows increased by RM[amount], and investing cash flows increased by RM [amount]</li> </ul>	<ul style="list-style-type: none"> <li>Increase in annual depreciation expense of RM[amount] from the new plants over the short, medium and long term</li> <li>Increase in annual interest expense of RM[amount] in respect of the additional borrowings over the short, medium and long term</li> <li>Additional annual revenue of RM[amount] arising from electricity generation and sales</li> <li>Additional annual operating costs of RM[amount] in respect of operation of the plants.</li> </ul>
An increase in market share for sale of palm oil at a premium as a result of <b>sustainable palm oil</b> practices including third-party suppliers with sustainable palm oil certifications	<ul style="list-style-type: none"> <li>Increase in employee costs of RM[amount] for manpower to engage with and assist third-party suppliers to obtain certifications, with a corresponding increase in operating cash flows</li> <li>Increase in operating costs of RM[amount] in respect of climate data and licensing costs, with a corresponding increase in operating cash flows</li> </ul>	<ul style="list-style-type: none"> <li>Increase in annual operating costs of RM [amount] in the short and medium term in respect of incentives given to suppliers to obtain certifications</li> <li>RM[amount] and RM[amount] operating costs continue to be incurred annually in respect of employee costs and climate data and licensing respectively over the short and medium term</li> <li>Additional annual revenue ranging from RM[amount] in the medium and long term arising for increase in market share and premium pricing</li> </ul>

# Appendix IV: Glossary of acronyms

There is no specific requirement in the IFRS Sustainability Disclosure Standards to disclose a glossary of acronyms in the sustainability reports. The glossary illustrated in the table below is solely for ease of reference by preparers in understanding the terms and acronyms referred to in this publication.

<b>ACOP</b>	RSPO Annual Communication Of Progress	<b>NSRF</b>	National Sustainability Reporting Framework
<b>ACSR</b>	Advisory Committee on Sustainability Reporting	<b>OER</b>	Oil Extraction Rate
<b>AR6</b>	6th Assessment Report	<b>PACE</b>	Policy, Assumptions, Calculators, Education
<b>ATR</b>	Additional transition reliefs	<b>PFAD</b>	Palm Fatty Acid Distillate
<b>BARC</b>	Board Audit and Risk Committee	<b>PN9</b>	Practice Note 9
<b>BNC</b>	Board Nomination Committee	<b>POME</b>	Palm Oil Mill Effluent
<b>BRC</b>	Board Remuneration Committee	<b>R&amp;D</b>	Research and development
<b>BSC</b>	Board Sustainability Committee	<b>RBD</b>	Refined, Bleached, and Deodorised
<b>CBP</b>	Customs and Border Protection	<b>RCPs</b>	Representative Concentration Pathways
<b>CDM</b>	Clean Development Mechanism	<b>RECs</b>	Renewable energy certificates
<b>CEO</b>	Chief Executive Officer	<b>RM</b>	Ringgit Malaysia
<b>cm</b>	Centimetre	<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>CPO</b>	Crude Palm Oil	<b>SASB</b>	Sustainability Accounting Standards Board
<b>CSA</b>	Conservation Set Aside	<b>SSC</b>	Sustainability Steering Committee
<b>DEFRA</b>	Department for Environment, Food and Rural Affairs	<b>SSPs</b>	Shared Socio-economic Pathways
<b>EACs</b>	Energy attribute certificates	<b>TIG</b>	Transition Implementation Group
<b>ERM</b>	Enterprise Risk Management	<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>ESG</b>	Environmental, Social and Governance	<b>WRO</b>	Withhold Release Orders
<b>FFB</b>	Fresh Fruit Bunch		
<b>FLAG</b>	Forest, Land, and Agriculture		
<b>FMCG</b>	Fast-Moving Consumer Goods		
<b>GAAP</b>	Generally Accepted Accounting Principles		
<b>GHG</b>	Greenhouse Gas		
<b>GWP</b>	Global Warming Potential		
<b>GRI</b>	Global Reporting Initiative		
<b>HCV</b>	High Conservation Value		
<b>IPCC</b>	Intergovernmental Panel on Climate Change		
<b>IFRS</b>	International Financial Reporting Standards		
<b>ISR</b>	Illustrative Sustainability Report		
<b>ISSB</b>	International Sustainability Standards Board		
<b>km</b>	Kilometres		
<b>KPIs</b>	Key performance indicators		
<b>kWh</b>	Kilowatt-hour		
<b>LUC</b>	Land Use Change		
<b>MD&amp;A</b>	Management Discussion & Analysis		
<b>MFRS</b>	Malaysian Financial Reporting Standards		
<b>ML</b>	Millilitres		
<b>NDPE</b>	No Deforestation, No Peat, No Exploitation		
<b>NGOs</b>	Non-governmental organisations		

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