

## Oil Palms Sustainability Policy

### Commitments

Sarawak Oil Palms Berhad Group of Companies (SOP) believes all agricultural value chains should be environmentally sustainable and economically beneficial to local communities.

We believe sustainable palm oil must be produced in a manner that excludes the conversion of areas of high conservation value (HCV), applies responsible agronomic and manufactural practices, and protects the rights of workers and local communities across our supply chain.

SOP is an integrated palm oil participant in the palm oil value chain. We recognize the important role we can play in working towards a transition to more sustainable practices.

SOP is committed to adopt the Malaysian Sustainable Palm Oil (MSPO) as the primary sustainability standard together with the following principles:

### The General Sustainability Principles:

- To comply with applicable national and/or local laws and regulations
- To respect compliance of relevant international laws and regulations for further enhancement of improvement.
- To have zero tolerance on any act of bribery or corruption.
- To continue to support the National and/or State agriculture policy on land use in the country that we are operating in.
- To integrate sustainability consideration into all business decisions.
- To be accountable and transparent to key stakeholders.
- To encourage employees, suppliers, customers, contractors, trading partners and other relevant stakeholders to adopt responsible social and environmental practices.

### Environmental Management

- Ensure **No Deforestation of High Conservation Value (HCV) and High Carbon Stock (HCS) areas.**
- **Identify and protect HCV and HCS areas.**
- New development areas will undergo integrated HCV and High Carbon Stock Approach (HCSA) assessments to determine the planting areas, after taking into considerations of the National and State Agriculture and Land Use Policy with priority given to low carbon stock areas (e.g. grasslands and scrub areas) which have no demonstrable HCV, and where Free, Prior and Informed Consent (FPIC) has been obtained from rights-holders.
- **No New Development on Peat Areas**, regardless of depth.

- For existing plantations on peat, we are guided by appropriate management using Industry's Best Management Practices. This includes RSPO manual on Best Management Practices for Existing Oil Palm Cultivation on Peat and 'MPOB Guidelines for the Development of a Standard Operating Procedure for Oil Palm Cultivation on Peat'. Where areas identified as unsuitable for oil palm replanting, based on drainability assessments or other reasons, plans will be developed for the appropriate management of such areas, including rehabilitation.
- Implementation of programs to progressively **reduce net GHG emission** to align with state and national policy and regulations.
- Practice **No Burning** on all aspects of activity including replanting of oil palm.
- Commit to periodically conduct environmental impact assessment and soil health analysis across all operations.
- Commit to optimise the use of agricultural chemicals and zero use of Paraquat entirely across all our operations.
- Commit to reduce and phase-out chemicals that fall under the WHO Class 1A & 1B and Stockholm or Rotterdam Conventions.

### **Marketplace and Supply Chain**

- Establish a traceable, transparent and sustainable palm oil supply chain for all palm products produced by SOP.
- Source and produce palm products of high quality in a safe and sustainable manner throughout the chain of operations.
- Collaborate with suppliers and customers to identify and manage sustainability risks.
- Educate and assist smallholders to pursue sustainable practices and include them in the Group's supply chain.
- SOP expects all external suppliers and contractors to fully comply with this commitment to sustainability and responsible sourcing.

### **Workplace and Human Rights**

- Respect and support the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work and treat all employees fairly.
- Respect and recognise the rights of all workers including contract, temporary and migrant workers, the freedom of association and the right to bargain collectively.
- Eliminate all forms of illegal, forced, bonded, compulsory or child labor and, in particular, follow responsible recruitment practices.
- Addresses health and safety at work for all workers. This includes committing to conduct social impact assessments across all operations.
- Fosters transparent communication, ensuring employees can freely express concerns, provide feedback, and report grievances without fear of retaliation.

## Local Community Development and Social Impact

- Respect and contribute to the quality of life and wellbeing of the communities in which the Group operates.
- Respect and recognizes the rights of indigenous and local communities, in accordance with the UN Declaration on the Rights of Indigenous Peoples. This includes giving them their Free, Prior and Informed Consent (FPIC) in the utilisation of the lands which they hold legal, communal or customary rights, in particular, indigenous land owners should have the right to pursue better life and to determine the use of their land.
- Engage effectively with the communities in an open and transparent manner through effective communication channels and grievance mechanism to ensure conflict prevention and/or resolve verifiable complaints and conflicts.
- Support the inclusion of smallholders and out-growers into the supply chain in a fair, transparent and accountable manner.
- Undertake Corporate Social Responsibility (CSR) programmes that have positive social impacts on the people and local communities.

## Reporting and Continuous Improvement

SOP will provide yearly updates on the time-bound plans and the progress of the implementation of this Policy commitment aligns its practices with current global standards and expectations for environmental sustainability, social responsibility, and governance (ESG).

This policy extends to all SOP operations, subsidiaries, joint ventures, and managed estates, as well as all third-party suppliers of FFB, CPO, and PK — including independent smallholders and out-growers — and all business units involved in the sourcing, trading, processing, and distribution of palm oil. We remain committed to engaging with our supply chain partners to uphold these requirements and welcome constructive feedback to continuously strengthen our implementation efforts.

SOP acknowledges that the implementation of this Policy and its effectiveness would require the support and co-operation of its supply chain partners.

A handwritten signature in black ink, appearing to read 'Jeff Ling Lu Kuang', is written over a light blue horizontal line.

**JEFF LING LU KUANG**  
**GROUP EXECUTIVE CHAIRMAN**

Dated: 23 December 2025