



Sustainable Finance Progress Report 2025

For the financial year 1 January 2025 to 31 December 2025

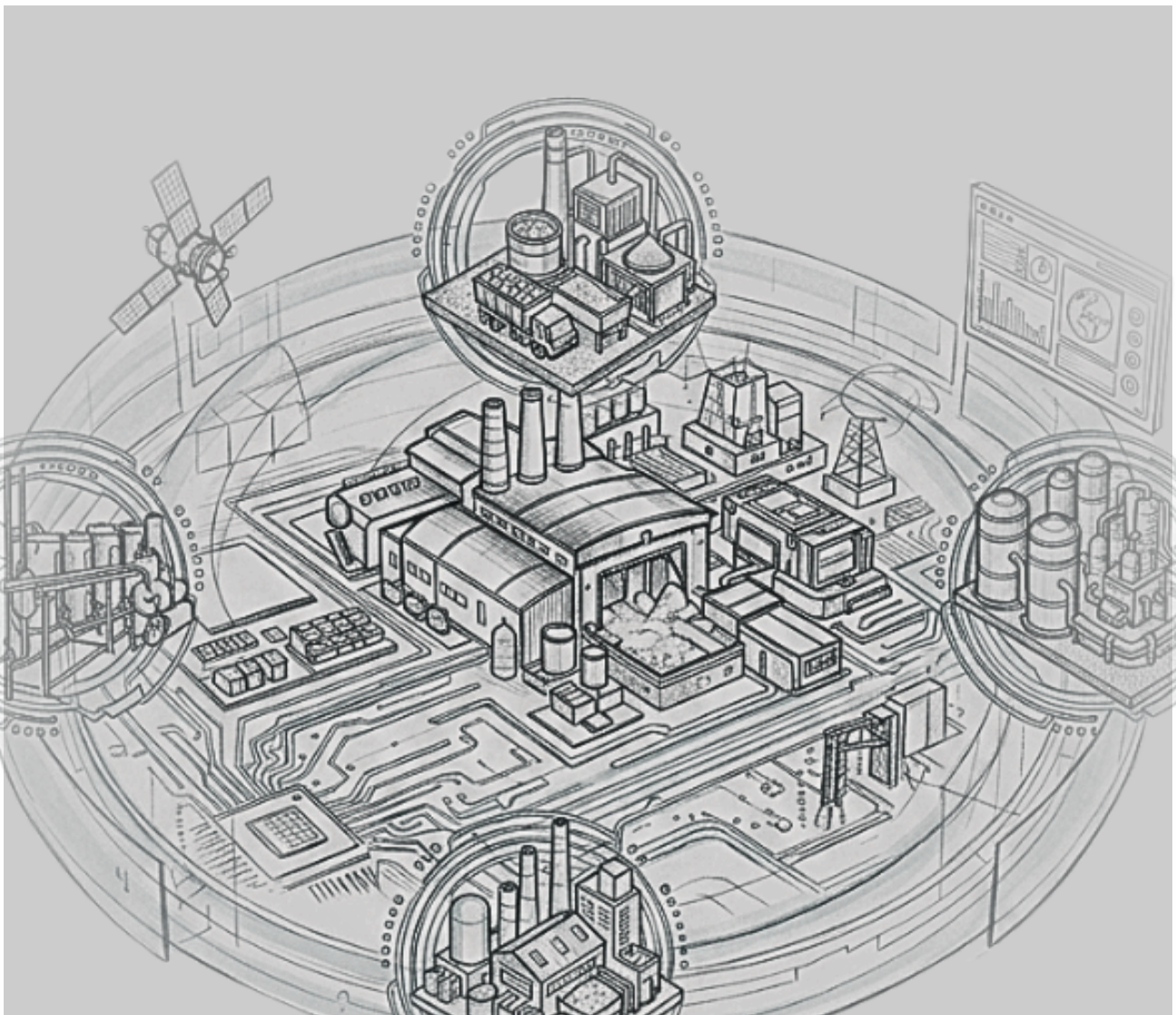


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About this report

This is the first standalone Sustainable Finance Progress Report (Report) published by Johor Plantations Group Berhad (JPG or the Group), covering the financial year from 1 January 2025 to 31 December 2025.

The Report has been prepared in line with the Group's commitment to reporting the progress of its Sustainability-Linked Sukuk Wakalah (Sustainability-Linked Sukuk) and Sustainability Sukuk Wakalah (Sustainability Sukuk) issuances under JPG's Sukuk Wakalah Programmes, as set out within its Sustainable Finance Framework (SFF).

This Report provides disclosures on the following:

1. Progress against the related Sustainability Performance Targets (SPTs) for the Sustainability-Linked Sukuk; and
2. Allocation and expected impact of the Use of Proceeds from the Sustainability Sukuk.

To ensure continued transparency for its stakeholders, JPG will publish annual updates on these disclosures.

For more information, please refer to the Group's Sustainability Report 2025 (SR2025) at <https://johorplantations.com/reports-presentations/>

Overview of JPG's Sukuk Wakalah Programmes

On 7 August 2024, JPG established Sukuk Wakalah Programmes with a combined aggregate limit of RM3.0 billion, comprising Islamic Medium-Term Notes (IMTN) Programme and Islamic Commercial Papers (ICP) Programme. RAM Rating Services Berhad assigned the programmes a rating of AA1/Stable/P1, reflecting the Group's financial strength and its capacity to meet obligations under the programme terms.

On 12 August 2024, JPG established its SFF to demonstrate how JPG and its subsidiaries intend to enter into Sustainability Finance Transactions (SFTs). The Group's integrated Framework combines both Use of Proceeds and Sustainability-linked formats. MARC Ratings was appointed as Second Party Opinion provider and assigned a "Gold" Impact Bond Assessment to JPG's SFF, which was a first of its kind in Malaysia featuring an integrated approach encompassing both Use of Proceeds and sustainability-linked components which can be used independently on a case-by-case basis.

On 26 September 2024, the Group issued the world's first Sustainability-Linked Sukuk in the plantation sector, amounting to RM1.3 billion under the IMTN Programme. The Sustainability-Linked Sukuk has been structured to three Key Performance Indicators (KPIs) and their SPTs.

On 15 August 2025, JPG issued a Sustainability Sukuk amounting to RM200 million under the IMTN Programme. Proceeds from this issuance are allocated to Shariah-compliant capital expenditure for the development of JPG's Integrated Sustainable Palm Oil Complex (iSPOC), in line with the eligible project category identified in JPG's SFF.

Awards and Recognition

In addition to being rated AA1/Stable/P1 by RAM Rating Services Berhad, JPG's sustainable finance issuances have gained notable recognition via the following awards:

- Euromoney Islamic Finance Awards 2025: Asia's Best Islamic ESG Deal
- The Asset Triple A Islamic Finance Awards 2025: Best Sustainability-Linked Sukuk, Best Sustainability-Linked Sukuk: Plantations, Best Islamic IPO
- RAM Blueprint Award 2024
- MARC Lead Manager's League Table Awards 2024: Most Innovative Sustainable Finance Deal
- The Edge Best Deals of the Year 2024: Best Fund Raising (non-IPO)



[Full results](#)

Logo © 2025 Euromoney

Johor Plantations Group's inaugural RM1.3 billion (\$303 million) sustainability-linked sukuk wakalah achieved important milestones.

As the world's first sustainability-linked sukuk from the plantation sector – and the first to gain an SRI-linked rating under Malaysia's SRI sukuk framework – the transaction embedded the company's core environmental goals directly into its funding terms.

A tiered profit-payment step-up activates if any of three material KPIs are missed – greenhouse-gas emission cuts, full traceability to fresh-fruit-bunch suppliers, and improved water-management metrics – aligning bondholder returns with Johor Plantations' net-zero trajectory.



Sustainable Finance Framework

JPG developed its SFF in 2024 to govern SFTs, namely financing raised to fund projects which will deliver positive societal and environmental outcomes, in support of the Group's Massive Transformation Purpose to produce sustainable essentials for mankind.

Alignment with best practice standards and guidance

The SFF is guided by the principles and standards issued by the International Capital Market Association (ICMA), the ASEAN Capital Markets Forum (ACMF), the Securities Commission Malaysia (SC)'s Guidelines on Unlisted Capital Market Products within the Lodge and Launch Framework, and the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA).

Sustainability-Linked Sukuk

- Sustainability-Linked Bond Principles (SLBP) 2024 issued by ICMA
- ASEAN Sustainability-Linked Bond Standards (SLBS) 2022 issued by ACMF
- SRI-linked Sukuk Framework 2022 issued by SC
- Sustainability-Linked Loan Principles (SLLP) 2023 issued by LMA, APLMA, LSTA

Sustainability Sukuk

- Green Bond Principles 2021, Social Bond Principles 2023 and Sustainability Bond Guidelines 2021 issued by ICMA
- ASEAN Green, Social and Sustainability Bond Standards 2018 issued by ACMF
- SRI Sukuk Framework 2014 issued by SC
- Green Loan Principles and Social Loan Principles 2023 issued by LMA, APLMA, LSTA



The SFF provides for two instrument formats, which may be applied independently according to the financing need. Use of Proceeds instruments are any type of financial instruments where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing Eligible Projects as defined in the SFF.

Sustainability-linked Instruments are forward-looking performance-based instruments. The proceeds are intended to be used for general purposes; hence, the use of proceeds is not a determinant in their categorisation. Both formats align the Group's financing with its environmental and social sustainability commitments.

Key Aims of the Sustainable Finance Framework include:

1

Operational Resilience

Reducing GHG emissions, optimising resource usage, and fortifying the supply chain against climate and labour-related disruptions.

Market Access

Strengthening JPG's position in sustainability-focused markets through certified sustainable palm oil and robust traceability measures

2

3

Risk Management

Proactively addressing climate change, biodiversity loss, labour issues, and other ESG concerns.

Leadership and Credibility

Reinforcing JPG's stature as an industry leader in ethical, responsible growth, supported by transparent reporting and external validation.

4

5

Supporting Sustainable Projects

Financing projects that deliver positive environmental and social impacts, such as renewable energy, energy efficiency, pollution prevention, sustainable agriculture, and biodiversity conservation.

Enhancing Transparency and Accountability

Establishing clear criteria and guidelines for the use of proceeds, enhancing transparency, accountability, and stakeholder trust through credible external validations and regular reporting.

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Sustainability-Linked Sukuk Wakalah

Sustainability-Linked Sukuk Wakalah: Progress Against SPTs

JPG identified three KPIs under the SFF that are core, relevant and material to the business: greenhouse gas ("GHG") emissions reduction, traceability to fresh fruit bunch ("FFB") suppliers, and water management. Each carries an SPT against which performance is measured and independently assured.

KPI 1: GHG Emissions Reduction

Emissions reduction is key to entrenching the sustainability of plantation operations in Malaysia's new low-carbon environment. Climate change and GHG emissions are ranked as matters of critical importance by JPG's stakeholders.

Sustainability Performance Target	Key initiatives	FY2025 outcome
50% reduction in carbon intensity (Scope 1 and 2) by 2025, against the 2012 baseline of 1.76 MTCO₂e/MT CPO PK based on the RSPO PalmGHG calculation - Net zero carbon emissions by 2050	- Enhancing energy efficiency across operations - Increasing the use of renewable energy - Implementing methane capture systems at palm oil mills - Optimising fertiliser application to reduce nitrous oxide emissions - Strengthening the monitoring of Scope 1 and 2 emissions Source: SR2025, page 62	Carbon intensity of 0.82 MTCO₂e/MT CPO PK compared to baseline year, a 53% reduction against the 2012 baseline. Status: Met

KPI 2: Traceability to FFB Suppliers

The ability to trace externally purchased FFB to the smallholders that supply JPG is fundamental to transparency and accountability in the Group's supply chain, as well as to ensuring compliance with ethical standards and environmental sustainability.

Sustainability Performance Target	Key initiatives	FY2025 outcome
100% traceability to FFB suppliers by 2025, from the 2023 baseline of 98.85%	- Enhanced traceability through geographic polygon mapping using geospatial platforms - Traceability Toolkit Survey conducted across the supplier base, with a 100% response rate Source: SR2025, page 55-56	100% traceability to supplier plantation achieved Status: Met

KPI 3: Water Management

Water is critical to upstream, midstream and future downstream operations, which makes efficient water management integral to the Group's sustainability approach. Beyond ensuring effluent discharges comply with Department of Environment standards, JPG is committed to optimising water use across its mills to minimise wastage.

Sustainability Performance Target	Key initiatives	FY2025 outcome
Maintain mill water consumption of 1.2 m³/MT FFB and below	- Rainwater harvesting at palm oil mills - Installation of flow meters across estates to strengthen water consumption monitoring. Source: SR2025, page 83-84	Mill water consumption of 1.09 m³/MT FFB Status: Met

Sustainability Sukuk Wakalah: Use of Proceeds

Sustainability Sukuk Wakalah: Use of Proceeds

Under the SFF, proceeds from Sustainability Finance Transactions can only be allocated to projects that meet the applicable eligibility criteria. The eligible categories are:

Environmental Categories

- Renewable energy
- Environmentally sustainable natural resources use
- Terrestrial and aquatic biodiversity conservation
- Sustainable water and wastewater management
- Pollution prevention and control
- Energy efficiency
- Clean transportation

Social Categories

- Socioeconomic advancement and empowerment
- Food security and sustainable food systems

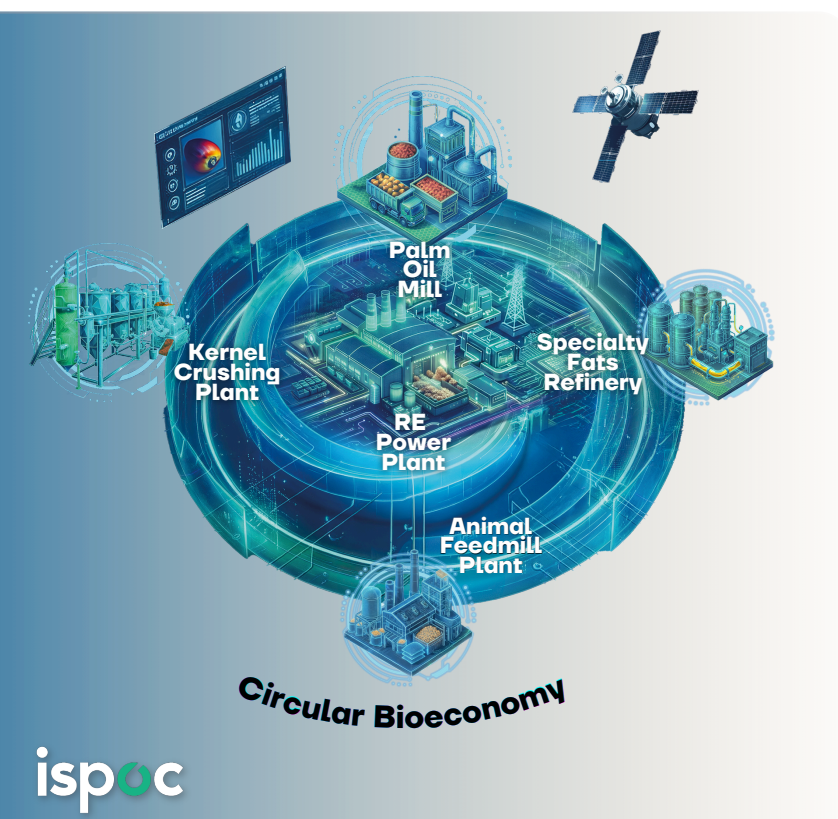
The Eligible Project: Allocation and Expected Impact on the Use of Proceeds

iSPOC, located in Sedili, has been identified as an eligible project under the Group's SFF. It comprises an integrated palm oil mill, renewable energy power plant, specialty oils and fats refinery, kernel crushing plant and animal feed mill. As at 31 December 2025, 100% of the Sustainability Sukuk proceeds have been allocated to the eligible project. Pending full drawdown of proceeds, the proceeds are held in accordance with the Group's Financial Policy.



As iSPOC remains under construction, this report does not disclose realised impacts. Instead, it sets out the impacts expected from the project once completed and fully commercialised, quantified where a reasonable basis for estimation exists and described qualitatively where it does not. Realised outcomes will be reported in future editions as the complex becomes operational and measured data are available.

iSPOC is designed as an integrated waste-to-value ecosystem powered by renewable energy generated from the mill's biomass residue. Palm oil mill effluent and other organic residues will be converted into biomethane, recovering value from waste streams that would otherwise be released to the environment. Because its facilities are co-located and integrated, iSPOC is expected to use resources more efficiently and rely less on conventional energy than the same facilities would if operated separately.



The complex is expected to create technically skilled employment for the surrounding community, supported by training programmes. Increased demand for fresh fruit bunches will strengthen the position of smallholders supplying the Group, while the scale of the operation is expected to stimulate supporting services across the local palm oil ecosystem, including logistics, maintenance, retail and accommodation.

The complex also incorporates sustainable water-management features. A reservoir is being developed to provide a reliable water supply for operations, while treated wastewater will be reused within the complex to optimise water consumption and minimise discharge. Advanced filtration and reverse-osmosis technologies will further support water quality, environmental performance and processing efficiency.

iSPOC's integrated refining and processing capacity will strengthen the supply of application-ready, sustainable specialty oils and fats to the food and nutrition industry

Expected Impact

The table below maps the expected Environmental & Social Impacts within the eligible categories under the Group's SFF:

Eligible Category	Expected Impacts ¹
Renewable Energy	- Annual GHG emissions reduced: approximately 81,000 tCO₂e - Annual renewable energy generation: approximately 15 MW
Environmentally Sustainable Natural Resources Use	Conversion of palm oil mill effluent and other organic mill residues into biomethane
Sustainable Water and Wastewater Management	Water self-sufficiency through an internal reservoir and water-efficiency measures
Energy Efficiency	Improved energy efficiency through the integration and optimisation of energy use across the complex, supported by an energy monitoring system
Socioeconomic Advancement and Empowerment	- Creation of approximately 200 technically skilled local jobs - Increased smallholder empowerment to supplement internal FFB supply - Stimulation of supporting services across the palm oil ecosystem, including logistics, maintenance, retail and accommodation
Food Security and Sustainable Food Systems	Strengthened supply of application-ready, sustainable specialty oils and fats to the food and nutrition industry through iSPOC's integrated downstream operations

¹ The reported impact represents the cumulative impact expected from the total iSPOC project once fully commercialised.



Governance Assurance & External Review

Oversight

Data presented in this report was prepared internally, reviewed by Sustainability Sub-Committee (SSC) and overseen by the Board Sustainability Committee (BSC). The BSC oversees the implementation of the Group's SFF, including reviewing and approving the KPIs and related SPTs to which the Sustainability-Linked Sukuk is linked and reviewing eligible projects and approving the allocation of proceeds from the Sustainability Sukuk.

Second Party Opinion

JPG obtained an independent Second Party Opinion from MARC Ratings Berhad on 12 August 2024, confirming that the SFF is aligned with the relevant standards and guidelines.

Independent assurance

Achievement against the KPIs and SPTs described, as at 31 December 2025, has been independently assured by Control Union (Malaysia) Sdn Bhd, based on internal data and supporting documentation.

Availability of documents

The Second Party Opinion and independent assurance statement are both available on the Group's corporate website at <https://johorplantations.com>

Disclaimer

This report contains forward-looking statements regarding the Group's sustainability objectives, targets and expected project outcomes. Such statements are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual outcomes to differ materially.

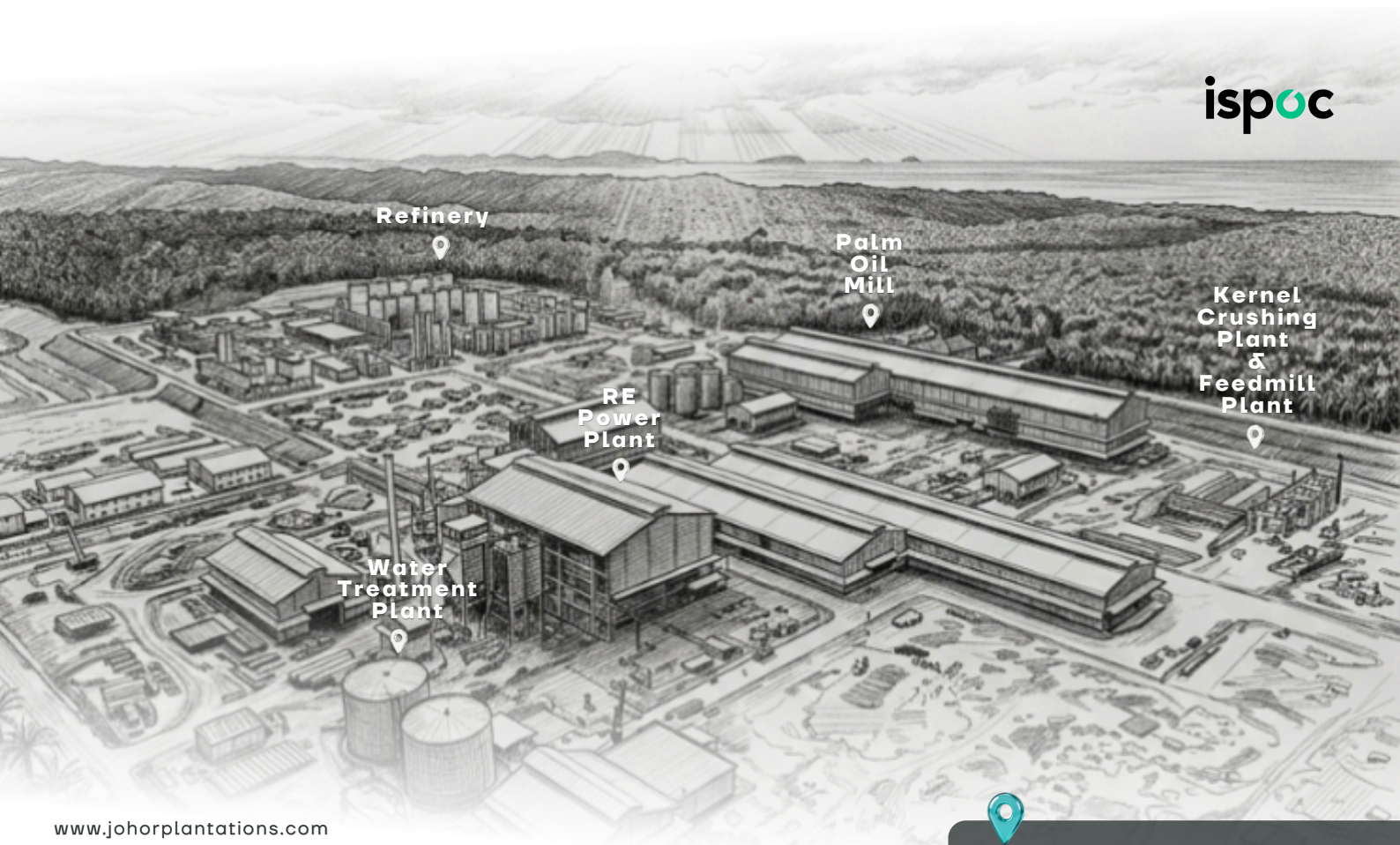
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