

SUSTAINABILITY STATEMENT

This Sustainability Statement provides a summary of PPB's approach to sustainability and performance for the reporting period of 1 January 2023 to 31 December 2023. The Statement is to be read alongside the standalone 2023 Sustainability Report ("Report"). The Report details the Environmental, Social and Governance ("ESG") performance of four of our main business segments in Malaysia: Grains & Agribusiness, Consumer Products, Film Exhibition & Distribution and Property, and includes PPB's Head Office in Kuala Lumpur.

REPORTING FRAMEWORK AND GUIDELINES

The Report is guided by the Bursa Malaysia Main Market Listing Requirements, Sustainability Reporting Guide (3rd Edition) and Illustrative Sustainability Reporting Guide. PPB is reporting against the Global Reporting Initiative ("GRI") Standards and has included climate change-related disclosures aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

DATA AND ASSURANCE

Our data collection and external assurance processes are being developed and we currently rely on manual sourcing and categorisation of data. We continue to work towards improving the processes of standardising data collected across our operations to ensure the accuracy, objectivity, and transparency of the information. The Company's Internal Audit Department conducted a review of the data collection process for the energy consumption and Scope 1 & Scope 2 greenhouse gas ("GHG") emissions within the key business segments operating in Malaysia, including verifying the data using a sampling approach.

FEEDBACK

We welcome feedback from our stakeholders to improve our sustainability reporting. All comments and enquiries on this Report can be directed to:

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KEY SUSTAINABILITY HIGHLIGHTS



PROTECTING THE ENVIRONMENT

Environment

- ▶ New investment of **RM9.2 million in renewable energy**
- ▶ Completion of **three PV solar energy systems** with **3.7MWp capacity**
- ▶ **Energy efficiency**
 - **Performed steam energy audit** at two sites to increase energy efficiency
 - Installed **new laser projectors** in selected cinema halls, expected to **reduce energy consumption by 70%**
 - Performed **energy audit** at Cheras LeisureMall to **optimise Air Handling Unit (“AHU”)**
- ▶ **88%** of non-hazardous **waste diverted from landfill**



TAKING CARE OF PEOPLE

Workplace

- ▶ Out of over **6,000 employees**, Female representation
 - **29%** of total workforce
 - **41%** of management positions
- ▶ **100%** of employees returned to work after completion of parental leave
- ▶ **453 employees** received long service awards (more than 20 years)
- ▶ GSC recognised at the **Graduates’ Choice Award 2023** (Entertainment and Leisure)
- ▶ Maintained **zero work-related fatalities** across the Group
- ▶ FFM Sabah awarded the **Best SOHELP-DIY Workplace award** for employee health and safety



TAKING CARE OF PEOPLE

Community

- ▶ **Invested RM2.4 million** in the community impacting over **16,000 beneficiaries**
- ▶ **Collaborated** with over **80 reputable organisations**
- ▶ **500 CSR hours** contributed for Cooking for A Cause, project management on restoration of a school in Penang, and Stream Restoration initiatives



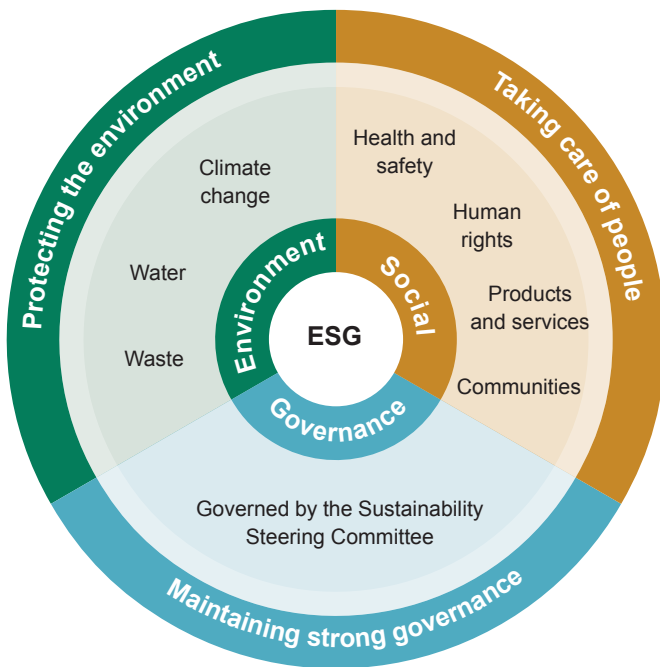
MAINTAINING STRONG GOVERNANCE

Governance

- ▶ **100%** of PPB Group Berhad and subsidiary companies assessed for **Anti-Bribery and Corruption risks**
- ▶ **100% completion** of Anti-Bribery and Corruption training for all directors and employees across the Group
- ▶ Listed on the **FTSE4Good Index Series since 2018**

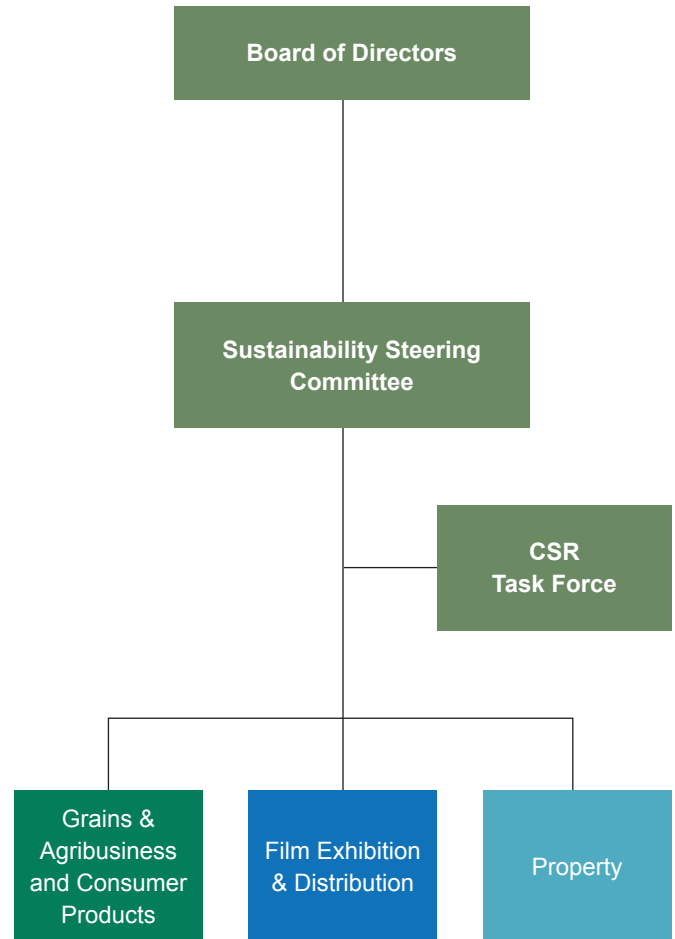
SUSTAINABILITY AT PPB

PPB adopted its Group Sustainability Policy in 2018, followed by the implementation of a 5-year sustainability roadmap (2022 to 2026). Our sustainability approach encompasses three goals on maintaining strong governance, taking care of people, and protecting the environment. These goals address eight priority issues that will continue to drive PPB’s sustainability performance throughout our businesses.



SUSTAINABILITY GOVERNANCE STRUCTURE

Since 2017, we have put in place a sustainability governance structure to ensure cohesive implementation of our sustainability strategies and initiatives across the Group. The Sustainability Steering Committee (“SSC”) was formed to assist the Board in fulfilling its responsibilities outlined in the charter pertaining to sustainability considerations and related matters. The Board’s responsibilities are described in the Board Charter available on PPB’s corporate website.



The SSC is led by the Managing Director of PPB and its members comprise PPB’s Heads of Department, Chief Executive Officers of the business segments and their sustainability representatives. The SSC is responsible for supporting the management of sustainability matters and ensures collaboration to streamline the Group’s sustainability approach. The SSC meets and reports their progress to the Board bi-annually.

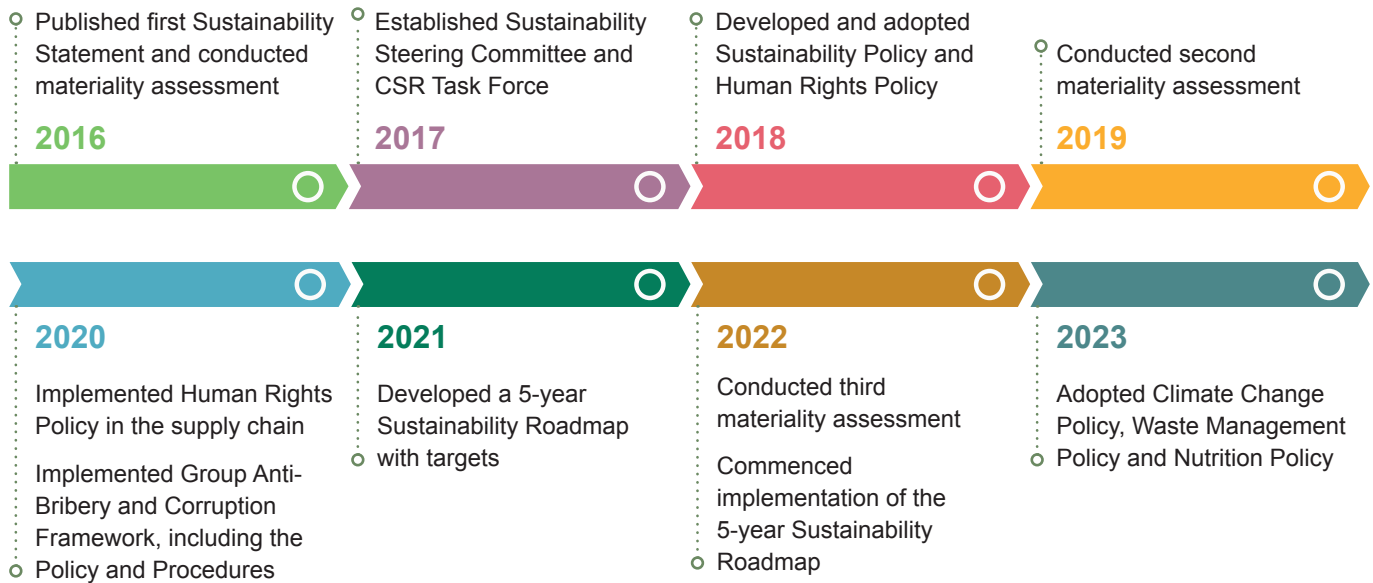
The CSR Task Force reports to the SSC and is responsible for establishing a common and coherent Group-wide approach on strategic community investment.

SUSTAINABILITY AT PPB

KEY DEVELOPMENTS IN OUR SUSTAINABILITY JOURNEY

As part of our efforts to support transparency and good governance, several policies are available on PPB's corporate website. The policies guide the integration of sustainability

practices into our daily operations and align them with our vision and core values.



MATERIALITY AND STAKEHOLDER ENGAGEMENT

PPB’s success relies on its capability to understand and respond to the dynamic sustainability landscape and related issues that may influence future strategic decisions. The Group continually assesses its material matters to reflect the priorities of the Group and its stakeholders. There were no significant changes to the identified material matters in the matrix from the previous year.

The Group reviews its material matters in line with the current sustainability regulatory requirements, reporting expectations and industry developments. PPB is committed to providing accurate and objective information, as well as timely disclosure of material information pertaining to our sustainability performance to all stakeholders.

MATERIALITY MATRIX



Legend: ● Environment ● Social ● Governance ● Others

The following sections provide more details on how we address each material topic:

Response To The TCFD Our Carbon Footprint Energy Consumption

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Minimising Waste

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Water Management And Effluents

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Sustainable Packaging

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Customer Satisfaction Through Quality Industry Recognition And Awards

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Community

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Workplace

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Corporate Governance And Ethical Business Practices

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Risk Management And Business Continuity

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Enhancing Data Privacy And Cyber Security

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ENVIRONMENT

PPB strives to operate responsibly with consideration for the environment and surrounding communities. The Group recognises the importance of environmental protection, climate action and biodiversity conservation, as stated in PPB's Sustainability Policy. The Group complies with regulatory requirements and progressively innovates to improve processes to strengthen our environmental performance.

Some highlights:

-  Completed **three solar** projects
-  **88%** of non-hazardous waste diverted from landfill
-  Maintained **zero** non-compliance incidents related to environmental laws or regulations

RESPONSE TO THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

As part of PPB's efforts in driving climate actions, we aspire to align our strategy with Malaysia's pledge to meet Net Zero emissions by 2050. To understand and manage these climate-related impacts on our businesses, the Group embarked on a journey to align climate-related disclosures with the TCFD recommendations. The framework is outlined in four pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

In the context of climate governance, the Board Charter has responsibility in ensuring responsibility in ensuring the Group has appropriate internal controls, risk management and regulatory compliance policies in place. We are addressing climate-related issues and incorporating climate considerations into our business processes to achieve the updated 5-year Group Strategic Plan ("GSP") (2024-2028).

PPB's Group Enterprise Risk Management ("ERM") Framework provides a structured and comprehensive approach for identifying, assessing, managing and monitoring risks across the Group. Moving forward, we will conduct qualitative scenario analysis and facilitate management workshops to establish strategic responses to climate risks. Our goal is to develop a climate-resilient strategy that can effectively tackle the risks and opportunities associated with climate change and embed climate risk considerations into the existing ERM framework.

Data on GHG Emissions including Scope 1 and Scope 2, as well as energy consumption and efficiency is reported in the 2023 Sustainability Report.

OUR CARBON FOOTPRINT

The Group adopted a Climate Change Policy (available on the corporate website) in the reporting year. The Policy highlights the Group's commitment to addressing climate issues through the principles of adaptation and mitigation.

In 2023, the Group recorded a combined emission of 129,459 tCO₂e. Scope 2 accounts for 86% of the total emissions. This reporting year, we integrated business travel (Scope 3) into our emissions inventory. We are committed to further broadening our Scope 3 coverage to gain a deeper understanding of our environmental impact.

Emissions are expressed in tCO₂e or metric tonnes of carbon dioxide equivalent. This is the metric used to express the global warming potential of various greenhouse gases, such as carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (NO₂) in terms of their equivalent amount of CO₂.

The Grains & Agribusiness segment accounted for 49% of the Group's total emissions due to their large proportion of Scope 2 emissions arising from the purchase of electricity and steam. The increase in Scope 3 emissions is largely due to the increase in business travel among the Grains & Agribusiness and Film Exhibition & Distribution segments, with a 56% and 38% increase respectively. This is also the first year that the Property segment is reporting its Scope 3 emissions (business travel).

Business segment	Total emission (tCO ₂ e)
Grains & Agribusiness	63,543
Consumer Products	20,622
Film Exhibition & Distribution	35,705
Property	9,589
Total	129,459

ENVIRONMENT

ENERGY CONSUMPTION

The Group is focusing on enhancing energy efficiency across its operations by integrating new technologies within its processes. In 2023, the Group consumed 164,590,078 kWh of energy from purchased electricity, chilled water, steam and solar generated electricity. The business segments are also performing energy audits at selected sites to evaluate energy management and usage patterns to optimise consumption.

Business segment	Energy consumption (kWh)
Grains & Agribusiness	84,071,922
Consumer Products	17,869,789
Film Exhibition & Distribution	50,067,763
Property	12,580,604
Total	164,590,078

FFM

- Generated 3.7 MWh of electricity from solar projects
- Conducted a Steam System Energy Audit and is implementing recommendations to reduce the cost of energy consumption

GSC

- Implemented a building management system to manage energy efficiency and reduce idle time
- Installed new laser projectors in selected halls, which is expected to reduce energy consumption by 70%

PPB Properties

- Conducted an energy audit in April 2023 and implemented energy-saving measures that achieved 3% savings on electricity consumption

MINIMISING WASTE

In February 2023, the Group adopted a Waste Management Policy (available on the corporate website), which is in line with our vision of a circular economy. In 2023, the total waste generated by the Group was 36,061 MT. We saw an increase of 40% in waste from the previous year mainly contributed by manure from our livestock farms. This waste was recovered through composting efforts. Out of the 36,048 MT of non-hazardous waste, 88% was diverted from landfills.

Waste and disposal method	Weight (MT)
Non-hazardous waste	36,048
Hazardous waste	13
Total waste generated	36,061

Disposal method (Non-hazardous)	Weight (MT)
Recovered	30,663
Recycled	976
Reused	18
Diverted from disposal	31,657
Landfilled	4,148
Incinerated	243
Directed to disposal	4,391
Total waste generated	36,048

WATER MANAGEMENT AND EFFLUENTS

We focus our efforts on managing water consumption as well as water discharge quantity and quality. The Group withdrew a total of 998,289 m³ of water from a variety of sources, 80% of which is from municipal water supply. This is an increase of 16% water withdrawn from the previous year and is largely due to the opening of five new GSC cinemas and inclusion of water from tenant and occupant activities in the Property segment. In terms of the effluent, we fully adhere to the limits set out by the Department of Environment and regularly perform compliance checks on effluent discharged.

Business segment	Water withdrawn (m ³)
Grains & Agribusiness	395,070
Consumer Products	119,234
Film Exhibition & Distribution	195,103
Property	288,882
Total	998,289

LAND USE AND BIODIVERSITY

We mainly operate in industrialised zones and urban areas which have relatively little direct impact on biodiversity. None of our sites are adjacent to critical biodiversity ecosystems and have had no conversion of land for agriculture use in more than five years. The Group manages three oil palm plantations with a total certified area of 875 hectares and a total production of 8,775 MT of fresh fruit bunches in 2023. These plantations are Malaysian Sustainable Palm Oil ("MSPO") certified, a national scheme to promote sustainable palm oil production.

SOCIAL

We understand the importance of working closely with all our stakeholders to ensure collaboration and alignment with our long-term goals. We believe not only in building trust among our various stakeholders but also in developing and nurturing the communities around us.

INDUSTRY RECOGNITION AND AWARDS

PPB Group Berhad

Received an award for the “Highest Growth in Profit after tax over three years” under the Consumer Products and Services Category at The Edge Billion Ringgit Club 2023

GSC Cinemas

Listed on the Putra Brand Award Hall of Fame 2023 and won the Platinum Award for the Entertainment Category

PPB Properties

Received the GreenRE Sustainable Development Awards for the Highest Scoring Residential Building – High Rise Category

CUSTOMER SATISFACTION

The Group seeks to continually enhance the reputation and trust in its brand products by committing to the highest food safety and quality standards. PPB’s Nutrition Policy, available on the corporate website, commits to providing consumers with knowledge and information required to make an informed decision. In the reporting year, there were no incidences of non-compliance with regulatory requirements on labelling or marketing concerning the health and safety impacts of our products across the Group.

SUPPLY CHAIN

Stakeholders such as regulators and consumers are demanding greater traceability into supply chains. PPB operates in multiple industries and relies on an intricate network of suppliers.

A local supplier is defined as a direct supplier in Malaysia that provides a product or service without any transnational payments. In 2023, the Group spent approximately 33% on local suppliers. The data is derived from the two key business segments i.e. Grains & Agribusiness and Consumer Products. The Group engages local suppliers including producers of raw materials where feasible. However, for some materials, such as corn and wheat, local sourcing is not possible.

COMMUNITY

PPB invests in the community through four pillars – community development; education; environment; and arts, culture and heritage. In 2023, the Group contributed RM 2.4 million towards the four pillars, including disaster preparedness and relief. PPB has a separate fund for disaster relief efforts to provide immediate assistance, support, and resources to individuals, communities, or regions affected by natural disasters. The Group ensures that aid reaches these communities by working with various non-governmental organisations (“NGOs”) and humanitarian groups.

The Group encourages employee volunteerism, where employees are provided with resources to volunteer their time and in some instances, share their expertise with the community. Employees are entitled to 5 days of CSR Leave every year to participate in a CSR activity of their choice during work hours.

The CSR Task Force comprising representatives from PPB Head Office and business segments was formed in 2017 to oversee the Group’s investment to drive positive social impacts. The Task Force meets twice a year and reports to the SSC, which is chaired by the Managing Director.



RM 2.4 million

invested in the community in 2023

Community Development

Supports underserved communities such as low-income groups, single-parent families, indigenous peoples and children with special needs

Education

Established two endowment funds amounting to RM30 million to alleviate poverty through education

Environment

Partners with environmental organisations to advocate for and take action in conserving critical ecosystems

Arts, Culture and Heritage

Preserves local culture, arts and heritage in and among members of the community

Impacted **16,397** beneficiaries

SOCIAL

WORKPLACE

PPB's workforce is made up of over 6,000 employees, including permanent and contract staff. People are essential to the successful delivery of PPB's business strategy and to sustaining business performance over the long term. PPB's Group-wide competency framework – B.U.I.L.D.E.R. – was introduced and reinforced through various interventions,

including integration of the competency framework into the performance management metrics in 2022. The framework guides the set of behaviour standards across the Group, builds a cohesive and collaborative culture and lays the foundation for growth and development.



PPB employees are covered by statutory employment laws, with equitable-based remuneration based on qualifications, skills and experience relevant to the work performance expectations. The performance-based appraisal system integrates position-specific indicators that present our people with merit-based recognition and rewards, including welfare compensation and benefits.

PPB Group's Human Rights Policy is guided by the principles expressed in the Universal Declaration of Human Rights and the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work. The Policy extends our commitment towards maintaining a decent working environment ensuring non-discrimination, fair employment conditions, health and safety, workplace security, privacy/ data protection, community rights and no child labour, forced labour or human trafficking. In the reporting year, there were no instances of child labour or forced labour. All our employees have legal contracts and we do not employ any individual below the age of 16.

- **38%** female representation at PPB's Board level
- **41%** of female representation in management positions
- Female representation accounts for **29%** of the total workforce
- **89%** Malaysians make up the Group's total workforce
- Employees within the Group achieved a total of **97,548 training hours**
- **GSC won First Runner-Up** in the Graduates' Choice Award 2023 (Entertainment and Leisure Category)

HEALTH, SAFETY AND WELLBEING

The health, safety and wellbeing of PPB Group's employees remains a top priority. PPB continues to strengthen its focus on working across business segments to create a safe and healthy work environment which supports employees' wellbeing. In 2023, the Group reported zero work-related fatalities.

- **2,176** employees were trained on health and safety standards and 205 employees have health and safety certifications
- **FFM** Launched the Environment, Health and Safety Champion Programme to drive improvements in health and safety compliance
- **GSC** Established Emergency Response Teams and hosts health training and awareness talks for employees
- **Property** Implemented a Safety Policy across all sites which included Emergency Response and First Aid Training

FFM (Sabah) Sdn Bhd received third place for Best SOHELP-DIY Workplace at the National Systematic Occupational Health Enhancement Level Programme - Do it Yourself (SOHELP-DIY) Convention 2023 and was presented the award by the Department of Occupational Health and Safety.

In 2023, we continued to evolve and expand our employee engagement initiatives and health and wellbeing programmes. PPB put in place the Employee Assistance Programme in 2022, an intervention programme in partnership with Malaysian Mental Health Association ("MMHA"), designed to help support employees' mental wellbeing.

GOVERNANCE

CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRACTICES

The Group has a zero-tolerance approach to all forms of bribery and corruption, which is outlined in the Anti-Bribery and Corruption Policy & Procedures (“ABAC P&Ps”) Framework (available on the corporate website). ABAC P&Ps apply to all Group Personnel and stakeholders included within our supply chain. We achieved 100% completion of ABAC training for all directors and employee categories across the Group. All of the Group’s operations have undergone a bribery and corruption risk assessment. During this reporting year, we recorded zero cases of bribery and zero requests for facilitation payment.

ENHANCING DATA PRIVACY AND CYBER SECURITY

We treat personal data seriously and extend our efforts to protect the privacy of our stakeholders such as customers, suppliers and employees. PPB Group is compliant with relevant regulation, including the Personal Data Protection Act (“PDPA”) 2010. There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in 2023.

We recognise the importance of adopting digital technologies and solutions to drive efficiencies, collaborations, consistency and business agility across the Group. Efforts on enhancing the Group’s Information Technology (“IT”) infrastructure and security, namely on cloud migration and data analytics solutions, continues in the reporting year. In 2023, we rolled out a series of cybersecurity awareness and training sessions for our employees.