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SD Guthrie Powers Ahead with B30 Biodiesel Pilot Project in Carey Island

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Petaling Jaya, 18 July 2025 – SD Guthrie Berhad (Guthrie) has launched the B30 Biodiesel pilot project with partners, Ministry of Plantation and Commodities (KPK), Petronas Dagangan Bhd (PDB) and Malaysian Palm Oil Board (MPOB), to ensure a reliable and scalable supply of higher bio-content diesel for its plantations in Carey Island, Selangor.

The launch was officiated by YB Datuk Seri Johari Abd Ghani, Minister of Plantation and Commodities at Guthrie's Golden Hope Academy located on the island.

Through this project, Guthrie will transition all operational machinery and diesel-powered vehicles in its plantations in Carey Island to run on B30 biodiesel, a blend of 30% palm-based biodiesel and 70% petroleum-based diesel. For Guthrie's operations, this cleaner-burning fuel offers up to 23% reduction in greenhouse gas (GHG) emissions per litre compared to conventional diesel. The B30 biodiesel will be sourced from PDB's Melaka terminal.

Reinforcing Guthrie's role as a first mover in decarbonisation within the plantation sector, Datuk Mohamad Helmy Othman Basha, Group Managing Director of Guthrie said, the company's latest initiative aligns with the country's aspiration to reduce dependence on fossil fuels and promote the use of biodiesel, a fuel derived from palm oil, as an alternative to conventional diesel. The project is also in line with Guthrie's own commitment to reducing carbon emissions and advancing sustainable energy.

"The launch of our B30 Biodiesel campaign is an important milestone in Guthrie's journey towards net-zero emissions. By transitioning our entire fleet of operational machinery in Carey Island to B30, we are not only reducing our greenhouse gas emissions but also setting a new benchmark for sustainable practices in the plantation sector," said Mohamad Helmy.

In 2023, Guthrie became the world's first palm oil company to have its Net-zero targets validated by the Science Based Target initiative (SBTi). By adopting a cleaner fuel source, the company will be able to reduce its Scope 1 emissions, which account for 31% of the Group's total emissions.

Carey Island was chosen as the location of the pilot project as it is the central hub of Guthrie's on-going initiative to mechanise, automate and digitalise oil palm plantation operations. On the island, apart from its own biodiesel plant, Guthrie has also established a Mechanisation Transformation Unit and Robotics Centre to develop technologically advanced solutions to transform manual work that has been performed in plantations over the past 100 years into mechanised solutions that are easier and more efficient for workers. The B30 pilot project will focus on machines which have been developed as part of Guthrie's mechanisation efforts and are currently being used in its operations.

Despite the higher cost of B30 compared to current biodiesel blends, Mohamad Helmy said he hopes that the B30 pilot project will pave the way for the eventual implementation of a national B30 mandate, ultimately driving greater domestic consumption of palm oil. It will also provide a valuable opportunity for engine manufacturers to assess the long-term impact of higher biodiesel blends on engine performance.

"We are proud to lead this initiative — but Carey Island is just the beginning. Our goal is to scale this across all Guthrie operations to further reduce our emissions. Together with KPK, Petronas and MPOB, we are demonstrating how palm oil can be part of the climate solution, supporting Malaysia's green economy transition while enhancing the efficiency and resilience of our plantations," he added.

Based on typical annual diesel consumption for plantation machines, Guthrie's full transition to B30 biodiesel throughout its entire operations in Malaysia is projected to reduce CO_2 emissions by approximately 9,000 tonnes annually. This is equivalent to removing over 1,956 passenger vehicles from the road each year.

The B30 pilot project builds on the momentum of the National Biodiesel Programme, which began commercial operations in 2011 with the B5 programme. It was subsequently expanded to B7 in 2014 and B10 in 2019, followed by the official launch of B20 in 2020, which is currently being implemented and rolled out in phases across Malaysia. Guthrie has also started a pilot project using B20 biodiesel at its Seri Pulai estate in Johor in June.

About SD Guthrie Berhad

SD Guthrie Berhad is a responsible global leader in Certified Sustainable Palm Oil production, employing over 83,000 people who serve the needs of food consumers and brands in 86 countries. All our palm oil is fully traceable and deforestation-free.

Our 200-year history has led us to where we are today – a leader in innovation, developing next-generation robotics and technology-driven solutions for the palm oil and agri-business sector. We are addressing demand for renewable energy through the creation of solar projects and high-performance industrial parks, drawing on our sustainability leadership to expand our horizons and create a future-ready company.

Sustainability is at the heart of everything we do. As the world's first palm oil company with net-zero greenhouse gas emissions reduction targets approved by the Science Based Targets initiative (SBTi), we push boundaries with our enhanced sustainability framework, "Beyond Zero", driving meaningful change in our sector.

Guthrie operates 234 plantation estates in Malaysia, Indonesia, Papua New Guinea and the Solomon Islands, supported by 11 refineries with a combined annual capacity of four million metric tonnes. We produce 12% of all certified sustainable palm oil in the world. We produce and sell a diverse range of palm oil derivatives including oleochemicals, biodiesel and nutraceuticals, and we are actively engaged in the development and commercialisation of super high-yielding oil palm seeds that are more resistant to the challenges of climate change.

Listed on Bursa Malaysia (KLSE: SDG) with a market capitalisation of RM32.98 billion (USD7.77 billion) as of 17 July 2025, Guthrie is a strategic company of Permodalan Nasional Berhad, Malaysia's largest unit trust company and our major shareholder. We are supported by a large institutional base of investors including Kumpulan Wang Simpanan Pekerja (Employees Provident Fund) and Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund (Incorporated)).

For more information, visit <u>www.sdguthrie.com</u>.

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