

TO BE THE PREFERRED COCOA & CHOCOLATE INGREDIENTS SUPPLIER



Cocoa with Purpose, Growth that Gives Back

INTEGRATED ANNUAL REPORT 2025

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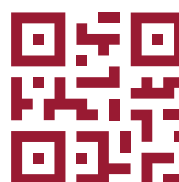
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this Integrated Annual
Report 2025



ABBREVIATION LIST

<IR> Framework – The International <IR> Framework January 2021	ha – Hectare
ACCA – Association of Chartered Certified Accountants	HACCP – Hazard Analysis Critical Control Points
ACI – PT Asia Cocoa Indonesia	HRA – Human Resource and Administration
AGM – Annual General Meeting	IAR – Integrated Annual Report
BOD / the Board – Board of Directors	ICI – International Cocoa Initiative
Bursa Securities – Bursa Malaysia Securities Berhad	IFRS – International Financial Reporting Standards
Bursa Securities MMLR – Bursa Malaysia Main Market Listing Requirements	IFS – International Food Standard
Bursa Securities CG Guide – Bursa Malaysia Corporate Governance Guide (4th Edition)	IPCC – Intergovernmental Panel on Climate Change
CAA – Cocoa Association of Asia	ISO – International Organisation for Standardization
Carlyle – Carlyle Cocoa Co., LLC	ISSB – International Sustainability Standards Board
CBAM – Carbon Border Adjustment Mechanism	IT – Information Technology
CBC – Caring Beyond Cocoa	m ³ – Cubic Meter
CCC – Coffee and Cocoa Council	MCB – Malaysia Cocoa Board
CEO – Chief Executive Officer	MCCG – Malaysian Code on Corporate Governance 2021
CFI – Cocoa & Forests Initiative	MFRS – Malaysian Financial Reporting Standards
CFO – Chief Financial Officer	MIA – Malaysian Institute of Accountants
CLMRS – Child Labour Monitoring and Remediation System	MT – Metric Tonne
COO – Chief Operating Officer	MWh – Megawatt Hour
CSR – Corporate Social Responsibility	MWp – Megawatt Peak
CWG – Committee and Working Group	NGOs – Non-Governmental Organisations
EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortisation	PBT – Profit Before Tax
ECA – European Cocoa Association	QA – Quality Assurance
EPS – Earnings per share	R&D – Research & Development
ERM – Enterprise Risk Management	RCP – Representative Concentration Pathway
ESG – Environmental, Social and Governance	REC – Renewable Energy Certificates
EU – European Union	ROA – Returns on Average Assets
EUDR – European Union Deforestation Regulation	ROE – Return on Average Equity
FCCA – Fellow Chartered and Certified Accountant	RTNP – Roger Tan & Partners
FSSC – Food Safety Scheme Certification	SASB – Sustainability Accounting Standards Board
FY – Fiscal Year	SBTi – Science Based Targets initiative
GAP – Good Agricultural Practices	Sedex – Supplier Ethical Data Exchange
GC&B – Good Cocoa & Beyond	SD – Sustainability Department
GCB / the Group – Guan Chong Berhad	SCHOKINAG – Schokinag Holding GmbH
GCB Cacao – GCB Cacao GmbH	SMC – SMC Food21 (Malaysia) Sdn. Bhd.
GCBCCI – GCB Cocoa Côte d'Ivoire	SOP – Standard Operating Procedures
GCBCE – GCB Cocoa Europe B.V.	SS / the Statement – Sustainability Statement
GCB CI – PT GCB Cocoa Indonesia	SSC – Sustainability Steering Committee
GCB CM – GCB Cocoa Malaysia Sdn. Bhd.	SSIG – Schokinag Schokolade-Industrie GmbH
GCB CS – GCB Cocoa Singapore Pte. Ltd.	SVG – Schokinag Verwaltungs GmbH
GCB CSUI – GCB Cocoa Suisse AG	tCO ₂ e – Tonnes of Carbon Dioxide Equivalent
GCB CTI – GCB Cocoa Trading Côte d'Ivoire	Transcao CI – Transcao Côte d'Ivoire
GCB CUUK – GCB Cocoa UK Limited	UN SDGs – United Nations Sustainable Development Goals
GCB F – GCB Foods Sdn. Bhd.	UK – United Kingdom
GCB OH – GCB Oversea Holdings Corporations	US – United States of America
GCB UKP – GCB UK Property Limited	VSLA – Village Savings and Loan Association
GCCM – Guan Chong Cocoa Manufacturer Sdn. Bhd.	WCF – World Cocoa Foundation
GCT – Guan Chong Trading Sdn. Bhd.	
GHG – Greenhouse Gas	
GJ – Gigajoules	

01 OVERVIEW

7 About this Report



OVERVIEW

ABOUT THIS REPORT

Our IAR 2025 represents the comprehensive account of how we generate and preserve value within GCB for stakeholders across short, medium, and long-term periods through our core business activities and the sustainable outcomes we deliver.

This IAR includes:

INTEGRATED ANNUAL REPORT 2025

Provides a concise yet comprehensive overview of our value creation process, corporate governance, growth strategies, operational, financial and non-financial performance, as well as our sustainability progress, illustrating how these factors collectively contribute to our vision: "To Be The Preferred Cocoa & Chocolate Ingredients Supplier".

REPORTING FRAMEWORK

Disclosures are guided by the:

- <IR> Framework
- Bursa Securities CG Guide
- Bursa Securities MMLR
- Malaysian Companies Act 2016
- MCCG
- MFRS

SUSTAINABILITY STATEMENT 2025

Presents a thorough analysis of our performance on ESG matters that are material to the Group and reflect our commitment to creating long-term sustainable value for all stakeholders.

REPORTING FRAMEWORK

Disclosures are guided by the:

- Bursa Securities MMLR
- ISSB: IFRS S1 & S2
- SASB

Further details on our robust corporate governance framework, business ethics policy, codes of conduct, and other organisational policies and procedures can be found at <https://www.gcbcocoa.com/content/corporate-governance>.

FEEDBACK

We welcome feedback from our stakeholders as part of our ongoing commitment to transparency and continuous improvement. All enquiries regarding this IAR may be directed to our Sustainability Department at:

Guan Chong Berhad

PLO 273, Jalan Timah 2, Kawasan Perindustrian Pasir Gudang,
81700 Pasir Gudang, Johor Darul Takzim, Malaysia.

Telephone: +60 7-254 8888

Email: info@gcbcocoa.com

This IAR can be downloaded at
<https://www.gcbcocoa.com/content/annual-reports>.

OVERVIEW

REPORTING SCOPE & BOUNDARY

This IAR encapsulates the Group's performance, operations, and activities for the reporting period from 1 January 2025 to 31 December 2025, and builds upon our previous publications unless otherwise specified.

FORWARD-LOOKING STATEMENTS








This IAR may contain forward-looking statements regarding our future direction, plans, objectives, strategies, potential risks, mitigation measures, and performance. Such statements involve inherent uncertainties as they concern future events that are not guaranteed. Actual results and implementation may differ due to unforeseen risk factors and market conditions.

The inclusion of forward-looking statements in this IAR should not be interpreted as assurances of future outcomes. Readers are advised not to place undue reliance on forward-looking statements, and the Group assumes no obligation to publicly update or revise them in light of new information, future events or other developments.

STAKEHOLDER RELATIONSHIPS & MATERIALITY

In line with the <IR> Framework, we integrate the principles of Stakeholder Relationships and the concept of Materiality to identify, assess, and report on matters that significantly influence our ability to create and sustain value over time.

OUR KEY STAKEHOLDERS

-  Customers
-  Shareholders & Investors
-  Governments, Regulators & NGOs
-  Suppliers & Contractors
-  Local Communities
-  Media
-  Employees

Read More

- Key Stakeholder Engagement, page 52

VALUE CREATION

Our Value Creation Business Model illustrates how we deploy and manage our capitals in alignment with our strategies, activities, and governance structures. This approach enables us to deliver on our corporate vision and generate outcomes for stakeholders.

To explain how value is created and sustained, this IAR adopts the globally recognised 'Six Capitals' model under the <IR> Framework.

OUR SIX CAPITALS



FINANCIAL CAPITAL

Our financial assets and funds form the foundation of our value creation efforts.



INTELLECTUAL CAPITAL

Our brand values, reputation, collective knowledge, and systematic processes drive our success.



SOCIAL & RELATIONSHIP CAPITAL

The relationships we nurture with our stakeholders enhance both individual and collective well-being.



MANUFACTURED CAPITAL

Our factories, machinery, and physical assets are critical in executing our business strategies.



HUMAN CAPITAL

Our skilled workforce, with their experience and competencies, is aligned with our growth strategies.



NATURAL CAPITAL

The natural resources we utilise are essential in our processes to create lasting value.

Read More

- Value Creation Business Model, page 50

OVERVIEW

ASSURANCE

The Group adheres to strong governance and internal reporting standards in preparing this IAR. Our dedicated reporting team has thoroughly reviewed the report, which has received formal approval from the Board.

Looking ahead, we are committed to enhancing our data collection, analysis, and reporting processes to elevate the quality and comprehensiveness of our disclosures. We will actively consider implementing external assurance for future disclosures.

OUR GROWTH STRATEGY



Growth & Expansion



Sustainability



Innovation

RISK CATEGORIES

The risks presented in this IAR are categorised into four segments based on their potential impact areas.



Strategic

Risks primarily influenced by events that are external to the Group but which may significantly affect our strategic decisions or activities.



Operational

Unfortunate events that have the potential to disrupt our day-to-day operations and processes.



Financial

Risks that may directly impact the Group's financial well-being.



Compliance

Non-compliance with laws and regulations in the countries where the Group operates that may lead to financial penalties, reputational damage or even the revocation of business licences.

INTEGRATED REPORTING ACKNOWLEDGEMENT STATEMENT

The Board acknowledges its responsibility for ensuring the integrity of this IAR. In its view, this report addresses all material issues related to the Group's value creation and provides a fair representation of both financial and non-financial performance.

With the support of a dedicated reporting team, the Board has prepared and presented this IAR in line with the <IR> Framework.

THIS IAR WAS APPROVED BY THE BOARD ON 15 APRIL 2026.

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INTRODUCTION

WHO WE ARE

GCB was incorporated as a public limited company in Malaysia on 22 March 2004, and has been listed on the Main Market of Bursa Malaysia since 8 April 2005.

Today, we are recognised as the leading producer of cocoa-based food ingredients in Asia and rank as the fourth largest player globally. Our scale, expertise, and commitment to quality have positioned us as a trusted partner to food manufacturers and brands around the world.



OUR HISTORY

At GCB, our journey has been guided by visionary leadership and a carefully executed growth strategy. From our modest beginnings as a small cocoa trader in the 1980s, we have grown into a premier multinational entity in the global cocoa and chocolate industry.

Starting with a cocoa bean processing facility in Parit Jawa, Muar, Johor in 1985, we reached a pivotal milestone with the establishment of a state-of-the-art production facility in the Pasir Gudang Industrial Area, which expanded our processing capacity to 6,000 MT. Our unwavering focus on continuous capacity enhancement and innovation has since propelled us to the forefront of the sector. Today, we are Asia's leading cocoa processor, with an annual bean grinding capacity of 335,000 MT, and we enjoy a strong reputation for quality in both domestic and international markets.

Our core businesses encompass the manufacture of cocoa-derived food ingredients and a full range of chocolates and couvertures. Our cocoa products include cocoa mass, cocoa butter, cocoa cake, and cocoa powder. Our industrial chocolate offerings are available in solid or liquid form, in dark, milk, or white varieties. These are marketed under four distinct brands: FAVORICH, our flagship brand meaning High in Flavour and Rich in Colour, serving the global market; Carlyle Cocoa, a cocoa powder brand primarily for the US market; SCHOKINAG, a leading European industrial chocolate brand; and FAVORICH CHOCOLATE, which caters globally with a strong focus on the UK and European markets.

We are currently recognised as Asia's largest, and the world's fourth largest, manufacturer of cocoa-derived food ingredients. Our business model is strategically focused on strengthening our presence in cocoa-producing countries and in key chocolate-consuming regions. In Côte d'Ivoire, the world's largest cocoa bean origin, our production facility enables us to operate 'close to source'. Meanwhile, our chocolate production facilities in the UK and Germany allow us to serve customers in some of Europe's largest chocolate-consuming markets.

In 2025, we expanded our capacity with the installation of new press machines in Malaysia, Indonesia, and Côte d'Ivoire, as well as the upgrade of our powder mill in the United States. On top of these, there is also ongoing Phase 2 investment in Côte d'Ivoire, which will add on additional 60,000 MT in annual bean grinding capacity upon completion in 2026. These developments have increased our production efficiency and reinforced our supply chain and service delivery.

Also in early 2025, we entered into an agreement with Coffee and Cocoa Council ("CCC"), the government regulator of cocoa in Côte d'Ivoire, to acquire a 25% stake in Transcao Côte d'Ivoire ("Transcao CI"). This collaboration further secures our long-term access to high-quality beans. In addition, we continue to invest in debottlenecking and capacity expansion projects to meet the rising global demand for chocolate.

INTRODUCTION

MILESTONES ON OUR JOURNEY

1985

Incorporation of GCCM.



1991

Establishment of our factory in Pasir Gudang to enhance our processing capacity.



1995

Establishment and trademarking of the FAVORICH brand.

BERHAD
GUANCHONG

2005

Incorporation of GCB as a publicly listed company in Bursa Malaysia.

Carlyle
Cocoa

2006

Acquisition of Carlyle, a value-added cocoa cake grinding facility in Delaware, US.

2007

Increase of the Group's annual capacity to 60,000 MT.

2010

Expansion of GCB beyond Malaysia with the establishment of ACI in Indonesia and GCBCS in Singapore.



2020

Establishment of GCBCUK as an industrial chocolate facility in the UK.



SCHOKINAG

Acquisition of SCHOKINAG, a German industrial chocolate manufacturer.

2018

GCBCM's annual capacity has been increased to 50,000 MT, reinforcing the Group's status as the leading cocoa grinder in Asia and top four cocoa grinders globally.

The establishment of GCBCCI in Côte d'Ivoire signifies GCB's first expansion beyond Asia, allowing us to source cocoa beans directly from the world's largest cocoa-producing country.

2017

GCB's acquisition of Koko Budi Sdn. Bhd., a cocoa processing facility, and subsequently renamed it to GCBCM.



2015

Launch of a joint venture between the Group and SMC, a prominent sugar, milk and cocoa blender.



INTRODUCTION

MILESTONES ON OUR JOURNEY

2021

Establishment of GCBCE and GCBCTI aims to enhance cost efficiency in the supply of cocoa-derived food ingredients from Côte d'Ivoire directly to our operations in Germany and the UK.



2022

Establishment of GCBUKP as a property management company.

Commissioning of GCBCCI's factory in San Pedro, Côte d'Ivoire, contributing to 60,000 MT to the Group's total annual bean grinding capacity.

Establishment and trademarking of the FAVORICH CHOCOLATE brand.



2024

GCBCCI has increased additional 5,000 MT resulting in 65,000 MT annual bean grinding capacity.

2023

Commissioning of an industrial chocolate facility at GCBCUK's factory in Suffolk, UK adds an extra 16,000 MT of industrial chocolate capacity to the Group.

2025

Establishment of GCBCSUI as a trading company in Europe.

Increase of cocoa cake grinding capacity in Carlyle to 22,000 MT.



INTRODUCTION

WHERE WE STAND TODAY

The incorporation of GCB was pivotal in transforming us from a modest Malaysian manufacturer into Asia's leading cocoa grinder and the world's 4th largest producer of cocoa-derived food ingredients. Recognising the untapped potential, we aimed to position ourselves as a significant multinational player in the global cocoa and chocolate industry.

Starting with collaborations with small trading groups in the 1980s, we progressively engaged with multinational chocolate manufacturers and expanded our sales presence to over 80 countries. As global demand for GCB products grew, we were driven to invest in product innovation, broadening our offerings from basic commodities to a diverse range of cocoa-derived food ingredients, industrial chocolate, and gourmet products.



Looking ahead, we will continue to invest in advanced technologies, modern machinery, automation improvements, and various sustainability initiatives to enhance our global competitiveness. Additionally, we are dedicated to supporting our employees by promoting their well-being and providing robust support for their personal and professional growth.

TRADING OFFICES

- A** GCB Cocoa Singapore Pte. Ltd.
- B** PT GCB Cocoa Indonesia
- C** GCB Cocoa Europe B.V.



MANUFACTURING PLANTS

- 1** **Guan Chong Cocoa Manufacture Sdn. Bhd.** (*Pasir Gudang, Malaysia*)
Annual Bean Grinding Capacity: 87,000 MT
- 2** **GCB Cocoa Malaysia Sdn. Bhd.** (*Pasir Gudang, Malaysia*)
Annual Bean Grinding Capacity: 63,000 MT
- 3** **PT Asia Cocoa Indonesia** (*Batam, Indonesia*)
Annual Bean Grinding Capacity: 120,000 MT

INTRODUCTION

WHERE WE OPERATE

D GCB Cocoa Trading
Côte d'Ivoire

E GCB Cocoa Suisse AG

Our cocoa processing and chocolate production facilities are strategically located across four continents, boasting a combined annual capacity of 335,000 MT for bean grinding, 112,000 MT for value-added processes, and 116,000 MT for industrial chocolate production.



TOTAL
ANNUAL
BEAN
GRINDING
CAPACITY

335,000MT

4 **GCB Cocoa Côte d'Ivoire**
(San Pedro, Côte d'Ivoire)
Annual Bean Grinding Capacity: 65,000 MT

5 **Carlyle Cocoa Co., LLC** *(Delaware, US)*
Annual Value-Added Capacity: 22,000 MT
(Cocoa cake grinding)

6 **Carlyle Cocoa Co., LLC** *(Swedesboro, US)*
Annual Value-Added Capacity:
• 30,000 MT (Cocoa mass melting)
• 60,000 MT (Cocoa butter melting & deodorising)

7 **SCHOKINAG Schokolade-Industrie GmbH** *(Mannheim, Germany)*
Annual Industrial Chocolate Capacity: 100,000 MT

8 **GCB Cocoa UK Limited** *(Suffolk, UK)*
Annual Industrial Chocolate Capacity: 16,000 MT

INTRODUCTION

PRODUCTS INTRODUCTION

OUR DIVERSE PRODUCT RANGE

We offer an extensive portfolio of cocoa-derived ingredients and chocolates, designed for various applications across the food industry and popular consumer categories. Each product is crafted with precision to meet the diverse needs of manufacturers, retailers, and consumers.



COCOA MASS

Cocoa mass, also known as cocoa paste or cocoa liquor, is produced by carefully roasting and grinding cocoa nibs into a smooth, fluid form. It is a fundamental ingredient in the production of chocolate, especially dark chocolate.



COCOA BUTTER

Cocoa butter is extracted by pressing cocoa mass. It is a versatile and valuable ingredient, widely used not only in chocolate manufacturing but also in personal care products, ointments, and pharmaceuticals.



COCOA CAKE

Cocoa cake is obtained from the pressing of cocoa mass. Comprising solid fragments of cocoa nibs, it is ground into smaller pieces and serves as the base for finely milled cocoa powder, playing an essential role in industrial processing.



INTRODUCTION

PRODUCTS INTRODUCTION



Produced by grinding cocoa cake, cocoa powder is a staple ingredient in chocolate confectionery, desserts, beverages, and baking recipes. Its versatility makes it indispensable in both industrial and consumer applications.



Our liquid chocolate is created by blending cocoa butter and cocoa mass, then refining the mixture to achieve a smooth, consistent quality. Rich in flavonoids and antioxidants, it is an ideal choice for superior taste, texture, and nutritional value.



Perfect for baking, our chocolate chips and chunks are engineered for precision. They melt evenly, temper reliably, and deliver consistent results, enhancing the quality of cakes, cookies, and other baked goods.



We produce a wide variety of chocolate beverages by blending cocoa components with sugar, milk powder, and complementary ingredients. These formulations are easy to mix with water, offering a rich, satisfying cocoa flavour.

INTRODUCTION

SNAPSHOT OF FY2025

OUR FINANCIAL PERFORMANCE

REVENUE
(RM' BILLION)

14.92



PROFIT BEFORE TAX
(RM' MILLION)

293.41



NET PROFIT
(RM' MILLION)

227.86



EARNINGS PER SHARE
(RM' SEN)

8.31



SHAREHOLDERS' EQUITY
(RM' BILLION)

2.27



NET GEARING RATIO
(TIMES)

1.36



SHARE PRICE¹
(RM)

0.73



MARKET CAPITAL²
(RM' BILLION)

2.00



Notes:

¹ share price on 31 December 2025

² the market capital is calculated based on the share price on 31 December 2025

INTRODUCTION

SNAPSHOT OF FY2025

OUR NON-FINANCIAL PERFORMANCE

8

Production Facilities

5

Cocoa Trading Offices

Asia's largest and world's 4th largest producer of cocoa-derived food ingredients

In FY2025, we expanded our Group's global cocoa grinding capacity, bringing the total to 335,000 MT across our production facilities worldwide.

Sustainable Cocoa Sourcing

We have reinforced our commitment to sustainable cocoa sourcing by developing our due diligence and traceability system. A structured supply chain management approach has been implemented, covering risk assessments, supplier evaluations, ethical procurement practices, and continuous monitoring. We have adopted digital traceability tools, embed routine supplier assessment procedure, and maintain partnerships with local farming communities. These efforts not only align with evolving global sustainability standards but also ensure responsible practices throughout our entire value chain.

- Supply chain traceability: **50%** of our direct sourcing network is traceable to the farm level.
- Sustainable cocoa volume: Around **61,000 MT** of cocoa sourced through certification schemes in our direct sourcing network.

Caring Beyond Cocoa

Our commitment to CSR has benefitted community development and environmental sustainability. We have fostered stronger relationships with local communities and launched well-being programmes that have had a positive effect on employee satisfaction. Guided by the three pillars – Thriving Communities, Happy Employees, and Healthy Planet – our efforts focus on delivering lasting value throughout our operations. To support these initiatives, we have allocated over **RM360,000**.

- Employee training hours completed: **14,784 hours** of professional development.
- Community impact reach: Over **1,400 individuals** benefiting from our community enrichment initiatives.

Energy Transition

GCB continues to expand its renewable energy portfolio through strategic investments in sustainable power solutions. Our cumulative solar installation of **7.93 MWp** and the use of biomass boilers powered by cocoa shells have reduced our reliance on grid energy. Building on these, we have extended the installation of solar panels to our operations in Côte d'Ivoire following second phase expansion. Where installation of renewable energy generation is not feasible, we have started to leverage renewable electricity certificates starting from covering 89% of our trading office usage in Singapore and Indonesia.

INTRODUCTION

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ang Nyee Nyee

Independent Non-Executive Chairman

Tay Hoe Lian

Managing Director & Chief Executive Officer

Tay How Sik @ Tay How Sick

Executive Director & Chief Operating Officer

Hia Cheng

Executive Director & Chief Financial Officer

Nurulhuda Binti Abd Kadir

Independent Non-Executive Director

Ng Kim Hian

Independent Non-Executive Director

Tan Pui Suang

Independent Non-Executive Director

AUDIT COMMITTEE

Ng Kim Hian

Chairman & Independent Non-Executive Director

Tan Pui Suang

Member & Independent Non-Executive Director

Nurulhuda Binti Abd Kadir

Member & Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Hia Cheng

Chairman & Executive Director

Ng Kim Hian

Member & Independent Non-Executive Director

Tan Pui Suang

Member & Independent Non-Executive Director

NOMINATION COMMITTEE

Tan Pui Suang

Chairman & Independent Non-Executive Director

Nurulhuda Binti Abd Kadir

Member & Independent Non-Executive Director

Ng Kim Hian

Member & Independent Non-Executive Director

REMUNERATION COMMITTEE

Nurulhuda Binti Abd Kadir

Chairman & Independent Non-Executive Director

Ng Kim Hian

Member & Independent Non-Executive Director

Tan Pui Suang

Member & Independent Non-Executive Director

SECRETARIES

Ng Mei Wan (MIA 28862)

(SSM Practicing Certificate No.: 201908000801)

Tan Hui Khim (LS 0009936)

(SSM Practicing Certificate No.: 201908000859)

INTRODUCTION

CORPORATE INFORMATION

REGISTERED OFFICE

No. 7, (1st Floor) Jalan Pesta 1/1
Taman Tun Dr. Ismail 1, Jalan Bakri
84000 Muar
Johor Darul Takzim, Malaysia
Tel : 06-954 1705
Fax : 06-954 1707
Email : lsca-muar@lsca.com.my

PRINCIPAL PLACE OF BUSINESS

PL0 273, Jalan Timah 2
Kawasan Perindustrian Pasir Gudang
81700 Pasir Gudang
Johor Darul Takzim, Malaysia
Tel : 07-254 8888
Fax : 07-251 1711
Website : www.gcbcocoa.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No.: 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 03-7890 4700
Fax : 03-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

AUDITORS

BDO PLT
201906000013 (LLP0018825-LCA)
& AF 0206
Chartered Accountants
Level 8
BDO @ Menara CenTARA
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur, Malaysia

PRINCIPAL BANKERS

Ambank Islamic Berhad
Hongkong and Shanghai Banking Corporation
Limited, Singapore Branch
HSBC Amanah Malaysia Berhad
Maybank Islamic Berhad
Oversea-Chinese Banking Corporation Limited
RHB Islamic Bank Berhad
Standard Chartered Bank (Singapore) Limited
United Overseas Bank Limited
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: GCB
Stock Code: 5102

DATE OF LISTING

8 April 2005

INTRODUCTION

OUR GUIDING PRINCIPLES

OUR VISION

To Be The Preferred Cocoa & Chocolate Ingredients Supplier

OUR MISSION

We at GCB Cocoa are committed to delivering quality cocoa and chocolates while offering utmost flexibility and attention. Through forming strong alliances with local partners, we are dedicated to serving our customers worldwide and growing together with them in long-term partnership.

OUR VALUES



Ambition



Grit



Sincerity

OUR PROMISES

COMPETITIVE PRICES

Offering fair market prices by sourcing competitively as one of the biggest players in the market.

FULL PRODUCT RANGE

Providing an extensive product range from cocoa mass, butter, cake, and powder to liquid and solid chocolates in various shapes, sizes and packaging options.

ETHICAL OPERATIONS

Upholding strict operational standards and treating people with dignity and respect. Our suppliers are expected and required to demonstrate environmental and social awareness in their practices.

PRODUCT QUALITY & SAFETY

Ensuring excellent quality throughout at our production facilities and compliance with all safety standards.

FLEXIBILITY & EXCELLENCE IN CUSTOMER SERVICE

Fulfilling customer orders as our top priority in seeking to establish long-term meaningful relationship.

TECHNICAL SUPPORT & INNOVATION

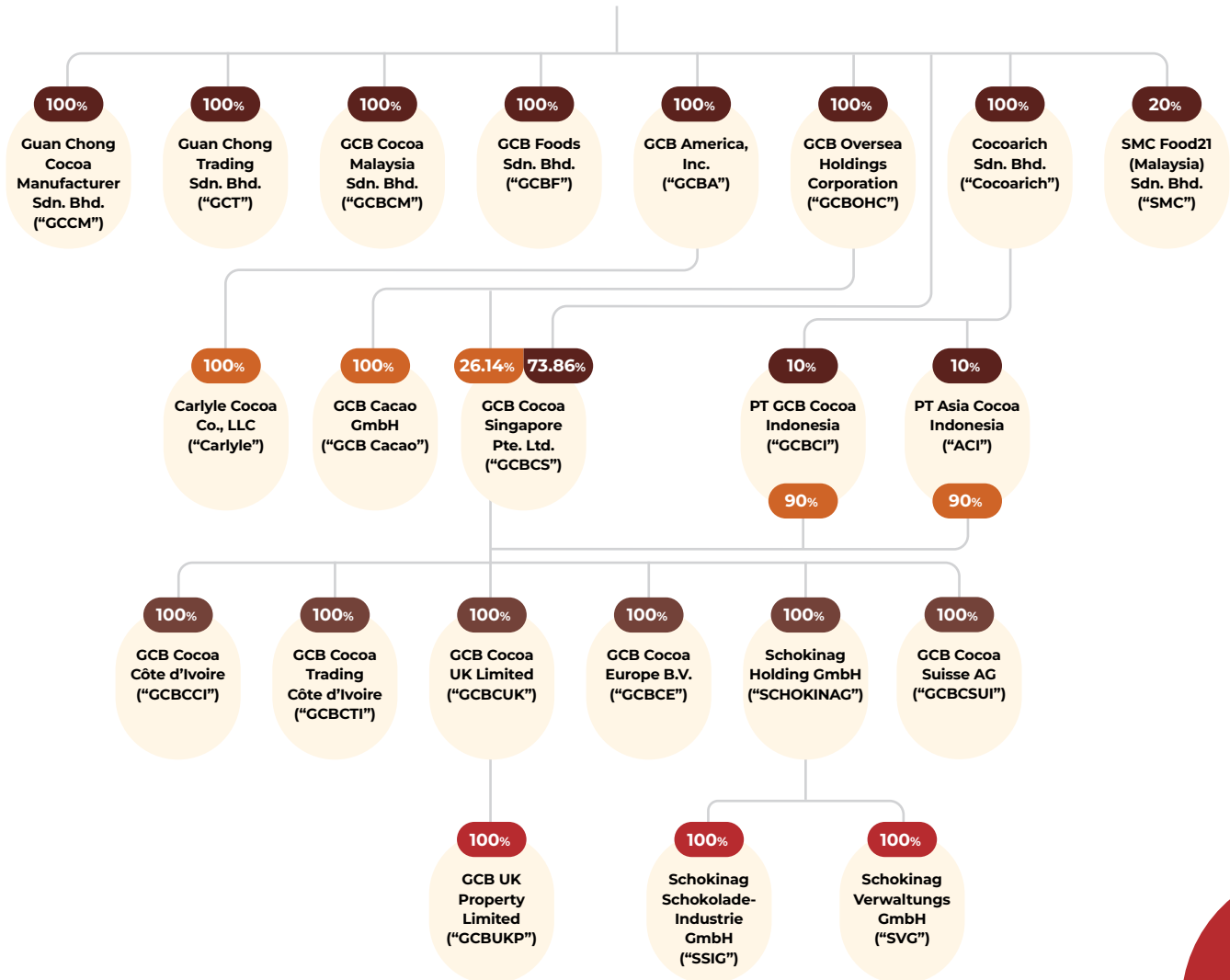
Crafting tailor-made recipes and developing new products via our experienced R&D team.

INTRODUCTION

CORPORATE STRUCTURE

BERHAD GUANCHONG

listed on Main Market of Bursa Securities
("GCB" or "the Group")



INTRODUCTION

CERTIFICATIONS, MEMBERSHIPS & ASSOCIATIONS

QUALITY AND SAFETY STANDARDS AND CERTIFICATIONS

We have consistently maintained a range of quality and safety standards and certifications across our supply chain, ensuring the production of premium cocoa products.

CERTIFICATIONS*

- Fairtrade International Standards
- FSSC 22000
- GMP
- HACCP
- Halal
- IFS
- ISO 14001: Environmental Management System
- ISO 22000: Food Safety and Management System
- ISO 45001: Occupational Health and Safety Management Systems
- ISO 50001: Energy Management System
- Kosher
- Rainforest Alliance
- Roundtable on Sustainable Palm Oil (RSPO)

* The certifications listed reflect standards achieved across the Group. Applicability may vary by entity, facility, and product category.

MEMBERSHIPS AND ASSOCIATIONS

Our commitment to advancing the cocoa industry is highlighted by our ongoing active involvement with the following key industry associations:

KEY INDUSTRY ASSOCIATIONS

- Cocoa Association of Asia (CAA)
- Cocoa and Forests Initiative (CFI)
- Cocoa Merchants' Association of America Inc. (CMAA)
- European Cocoa Association (ECA)
- Federation of Cocoa Commerce (FCC)
- Forum Nachhaltiger Kakao (German Initiative on Sustainable Cocoa)
- Groupement des Exportateurs de Cacao et de Café (Gepex)
- International Cocoa Initiative (ICI)
- Malaysia Cocoa Board (MCB)
- World Cocoa Foundation (WCF)



INTRODUCTION

BUSINESS & MARKET DYNAMICS

CORPORATE PRINCIPAL ACTIVITIES

We are a globally recognised manufacturer specialising in high-quality cocoa-derived ingredients and premium chocolate products. Our portfolio spans cocoa mass, cocoa butter, cocoa cake, and cocoa powder, alongside a comprehensive range of solid and liquid chocolates and couvertures in dark, milk, and white varieties.

MARKET ENVIRONMENT

Weak Chocolate Demand

Cocoa terminal prices surged to unprecedented levels in 2024, exceeding USD 12,000 per MT. Although prices corrected sharply in 2025 to approximately USD 5,000–6,000 per MT in December 2025, they remain well above historical averages.

Throughout 2025, chocolate manufacturers continued to work through high-cost inventories secured during the price peak. As a result, demand has softened. To manage input costs and protect margins, manufacturers have reformulated products by substituting cocoa butter with lower-cost cocoa butter equivalents (CBE), reducing bar sizes, and lowering cocoa content.

Supply Uncertainty

Production in key origins such as Côte d'Ivoire has improved, supported by favourable weather and stronger farmgate prices. Higher yields in Ecuador have also contributed to easing supply pressures. Some analysts now anticipate a potential global cocoa surplus in the 2025/26 crop year, in contrast to the tight markets seen previously.

Nevertheless, structural risks persist. Ageing trees, climate volatility, disease outbreaks, and concentrated production risks in West Africa could quickly reverse supply gains and tighten the market once again.

Global Inflationary Pressures

The cocoa industry continues to operate under sustained inflationary pressure. Ongoing Middle East tensions are expected to drive greater volatility in energy prices and upward pressure on freight costs as oil prices rise. Escalating labour costs have further increased operational expenditure across the Group, intensifying cost management challenges.

Market sentiment also points to a subdued year ahead, as price-sensitive consumers grapple with higher living costs and broader macroeconomic uncertainty. Near-term demand recovery from major confectionery players is expected to remain limited.

Regulatory Landscape

The cocoa industry is increasingly influenced by tightening sustainability regulations aimed at addressing deforestation, human rights, and responsible sourcing. Companies trading key commodities such as cocoa are required to implement robust environmental and social due diligence across their supply chains.

The European Union Deforestation Regulation (EUDR), expected to take effect on 30 December 2026, will mandate that all cocoa products placed on the EU market meet strict traceability and deforestation-free requirements. Businesses must demonstrate full supply chain transparency and provide verifiable evidence that cocoa has not originated from recently deforested land.

In parallel, discussions continue regarding potential EU legislation governing Mineral Oil Saturated Hydrocarbons and Mineral Oil Aromatic Hydrocarbons (MOSH/MOAH), also anticipated around 2027. If implemented, these measures would require stricter contamination controls and enhanced compliance protocols at processing facilities supplying the EU market.

INTRODUCTION

BUSINESS & MARKET DYNAMICS

Geopolitical Tensions

Ongoing geopolitical instability continues to disrupt global trade flows. The Russia–Ukraine conflict, the risk of US–Iran escalation, and trade tensions between the United States and China have contributed to higher global freight costs. Prolonged transit times, elevated insurance premiums, and rising operating expenses have driven shipping rates upwards.

With cocoa prices already elevated, additional logistics costs are intensifying pricing pressures across the industry. Furthermore, tariffs imposed on imports into the United States have increased costs for importers, resulting in higher end-consumer prices and further dampening demand.

COMPETITIVE LANDSCAPE

Côte d'Ivoire Expansion

Establishing operations in the world's largest cocoa-producing country strengthens our strategic positioning. Our cocoa processing facility in Côte d'Ivoire, commissioned in September 2022 and officially inaugurated in July 2023, became fully operational in November 2022. The maiden export shipment in February 2023 marked a key milestone in our growth journey.

Our current strategy focuses on optimising utilisation while expanding annual capacity to 130,000 MT. Equipped with advanced machinery and modern processing technology, the plant enables direct sourcing of premium cocoa beans at origin, significantly shortening the beans-to-ingredients cycle.

This upstream integration enhances supply chain resilience and provides greater control over production planning and shipping schedules. By supplying cocoa-derived ingredients directly to our operations in Germany and the UK, we expect improved cost efficiencies and stronger competitiveness across key European markets.

Looking ahead, we remain proactive in evaluating opportunities to further expand processing capacity in Côte d'Ivoire, enabling access to strategic consumer markets.



Europe Expansion

Europe remains one of the most significant and competitive markets in the global cocoa and chocolate industry, representing a substantial share of worldwide consumption and processing capacity. The region is characterised by established multinational players, strong regional manufacturers, rigorous regulatory standards, and increasingly sophisticated consumer expectations.

Our expansion into Europe reinforces our competitive position within this complex landscape. By establishing a downstream presence in key markets, we operate closer to major industrial chocolate users and food manufacturers. This proximity enhances responsiveness, reduces lead times, and enables more tailored product solutions aligned with evolving customer requirements.

Our integrated supply chain, linking origin sourcing and processing with European manufacturing capabilities, provides a distinct competitive advantage. It strengthens cost optimisation, enhances supply security, and ensures consistent product quality, while maintaining agility in navigating demand fluctuations, pricing volatility, and regulatory developments.

Amid intensifying competition and macroeconomic uncertainty, our European footprint reinforces operational resilience, supports higher-value product development, and underpins our long-term growth strategy in one of the world's most important chocolate markets.

INTRODUCTION

BUSINESS & MARKET DYNAMICS

CORPORATE PRINCIPAL ACTIVITIES

In a rapidly evolving and volatile market, resilience and adaptability are fundamental to sustained success. Swift execution, operational efficiency, and disciplined cost management remain critical to protecting profitability and ensuring long-term stability.

Our strong presence in both key cocoa-producing and major cocoa-consuming markets enables us to leverage structural advantages across the value chain. This strategic footprint enhances our agility, strengthens competitiveness, and supports continued market expansion despite ongoing uncertainty.

Leveraging Our Strategic Market Presence

We have established operations in Côte d'Ivoire, the world's largest cocoa-producing nation, as well as in Europe, one of the most significant chocolate-consuming regions globally. This balanced geographic positioning integrates origin sourcing with close proximity to end markets.

The commissioning of our cocoa processing facility in Côte d'Ivoire in 2022 marked a significant step in strengthening our production and distribution capabilities. By operating at origin, we secure strategic sourcing advantages, reinforce supply continuity, and enhance overall Group competitiveness.

Unlocking Global Supply Chain Synergies

Our international footprint enables us to create meaningful synergies across the supply chain. Strategically located production facilities, combined with a diversified product portfolio aligned with evolving consumer trends, provide distinct competitive advantages.

For example, we have expanded into high-quality cocoa powder production, offering customised variations in colour and fat content to meet diverse customer specifications.

Further strengthening our value chain integration, we expanded downstream into the industrial chocolate segment through the acquisition of SCHOKINAG in 2020, followed by the establishment of a chocolate manufacturing facility in the UK in 2023. These strategic initiatives reinforce our integrated position within the global cocoa and chocolate industry.

Vertical integration allows us to internally source cocoa-derived ingredients for industrial and gourmet chocolate production, enhancing operational efficiency, quality assurance, and supply chain resilience.

Accessing a Diverse Global Customer Base

Our established global footprint and significant market share provide access to a broad and diversified customer base. Supported by SCHOKINAG and GCBCUK, we are well positioned to deepen our presence in key markets and expand relationships across the value chain.

We serve a wide spectrum of customers, from trading houses and ingredient users to small independent businesses and multinational manufacturers. By strengthening these relationships, we aim to elevate them into long-term strategic partnerships that underpin operational sustainability and competitive advantage.

Delivering Innovation and Quality

Operational excellence remains central to our strategy. GCB is committed to delivering high-quality products supported by strong technical expertise and comprehensive after-sales service.

Continuous investment in research and development, coupled with the adoption of advanced technologies, ensures we remain responsive to evolving industry standards and sustainability expectations.

By prioritising innovation, quality, and technological advancement, GCB strengthens its position as a leading provider of high-value cocoa-derived ingredients and premium chocolate products, meeting the dynamic needs of both consumers and industry partners.

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40	Profile of Key Senior Management



LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT




Dear Esteemed Shareholders,

In 2025, global grinding activities experienced a decline as chocolate producers reassessed strategies amid softer consumer demand, attributed to higher prices of chocolate products stemming from the 2024 cocoa bean price surge. Additionally, cocoa producers in West Africa, including Côte d'Ivoire and Ghana, continued to face poor harvests caused by torrential rains, droughts, and plant diseases.

Cocoa grinders and chocolate producers were also challenged by external factors, including frequent changes in the United States reciprocal tariff policy, which further weighed on its cocoa trade with other countries, causing a ripple of uncertainty across the global chocolate industry.

Even so, Guan Chong Berhad ("GCB" or "the Group") navigated industry challenges and remained profitable. Moreover, we advanced our strategic agenda by entering an agreement to acquire a 25% stake in Transcao Côte d'Ivoire ("Transcao CI") from Conseil du Café-Cacao ("CCC"), which will reinforce the Group's position as a global leader in the cocoa supply chain. Our vision remains steadfast: "To Be The Preferred Cocoa & Chocolate Ingredients Supplier."

On behalf of the Board of Directors, it is my great pleasure to report to you on the Group's financial performance and operations during the year under review.



RESILIENT OPERATIONS IN A VOLATILE MARKET

Global cocoa prices in 2025 dropped sharply to around USD 5,000/MT and GBP 3,750/MT in November 2025 in New York and London futures markets, respectively. The price decline marked a steep fall from the highs of USD 12,600 and GBP 10,000 in 2024, reflecting a weaker demand for cocoa ingredients as chocolate makers faced the grim consumer sentiment for high priced chocolates.

According to the International Cocoa Organization, the cocoa price decline was also due to a 7.6% increase in world production to an estimate of 4.70 million MT during the 2024/25 cocoa year (October 2024 to September 2025), from 4.37 million MT previously. Elevated cocoa prices in recent years have encouraged farmers across key regions including West Africa, Latin America, and parts of Asia-Pacific to increase crop production, supporting expectations of recovery in world supply in the years to come.

Despite the significant decline in cocoa prices over the past year, the cocoa industry still needed to invest in sustainability, ranging from ethical sourcing to setting up procedures focused on full traceability of cocoa beans. As a result, these added initiatives drove up costs across the supply chain.

Moreover, the implementation of the European Union Deforestation Regulation ("EUDR") was another development in the industry to see cocoa price remain elevated, driven by higher compliance costs and a limited supply of compliant cocoa. In December 2025, the Council of European Union however postponed application of the regulation for large operators until 30 December 2026, with an extra six-month cushion for micro and small operators.

The EUDR aims to prevent deforestation, enhance traceability and transparency, encourage sustainable production, support global climate goals, and protect indigenous and local communities. In response, GCB has developed policies and procedures to ensure compliance with the regulation.

Given the decline in cocoa prices, the average selling prices of cocoa ingredients in the industry also went through an adjustment. Even so, GCB adapted to market dynamics and maintained profitability in 2025.

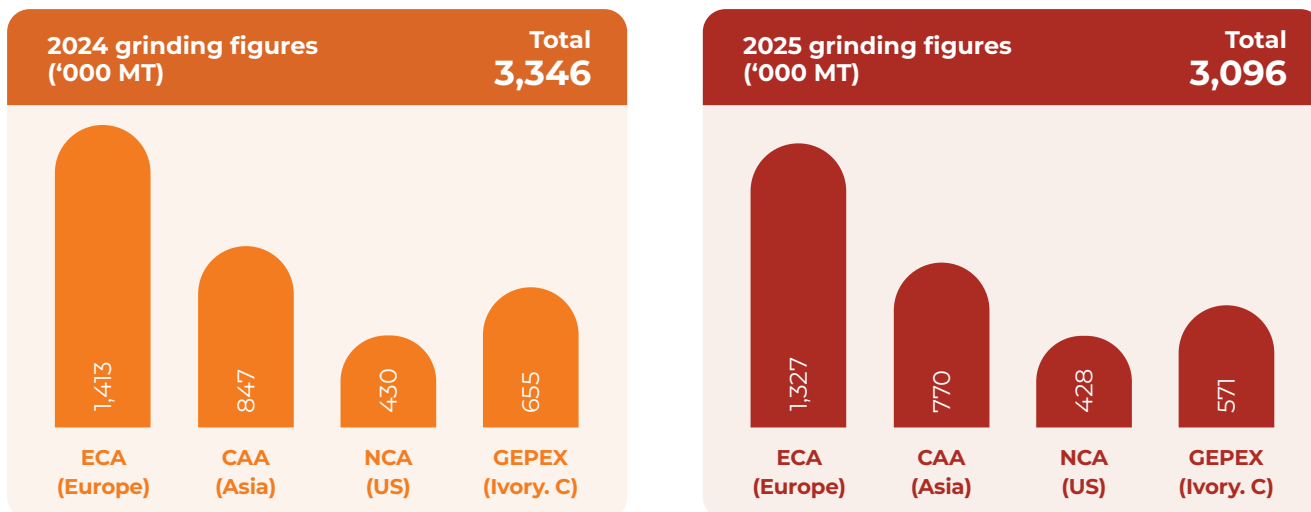
Looking ahead, we remain optimistic of the demand for cocoa ingredients to recover, as the current low bean prices are expected to encourage continued chocolate consumption. At the same time, we will continue to navigate with caution, prioritising optimal capacity utilisation and profitability.

LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT

COCOA GRINDERS BRUISED BY HIGH BEAN PRICES AND REDUCED GLOBAL CONSUMPTION

Softer cocoa grinding activities in 2025 reflected a shift in industry dynamics, as chocolate producers reassessed strategies and reformulated products with alternative ingredients to mitigate volatility in prices of cocoa. At the same time, consumer demand moderated as chocolate prices remain high on the shelf.



¹ European Cocoa Association (ECA), Cocoa Association of Asia (CAA), National Confectioners Association (NCA) and the Ivorian Cocoa Exporters' association (GEPEX)

² ECA 2024 grinding figure has been amended based on corrected figures submitted by one or more reportees at the time of reporting on Q4 2025

³ CAA 2024 grinding figures has been amended, which excluded one grinding member that did not submit data at the time of reporting on Q4 2025

The indicators presented by respective cocoa organisations further confirm the industry's situation as grinding volumes in 2025 declined 7.5% to 3.1 million metric tonnes ("MT"), from 3.3 million MT in the previous year across regions covered by cocoa associations. In addition, cocoa demand weakness is reinforcing supply surplus and accelerating price normalisation. Consistent with this trend, we anticipate a surplus of approximately 200,000 MT of cocoa beans for the 2025/26 season (October 2025 to September 2026), with lower market prices expected to stimulate demand.

Despite the industry challenges in 2025, GCB maintained a commendable grinding capacity utilisation rate of more than 80%, compared to 95% in the previous year, reflecting the market's weak demand for our cocoa ingredients.

COMMENDABLE TOP AND BOTTOM LINES AMID CHALLENGING MARKET CONDITIONS

GCB continued to record strong revenue growth in the fiscal year ended 31 December 2025 ("FY2025"), driven by higher average selling prices of cocoa ingredients despite lower sales volume. As a result, the Group's revenue increased 42.9% to RM14.9 billion, from RM10.4 billion in FY2024 (ended 31 December 2024).

The Group, however, experienced lower grinding margins in FY2025 due to subdued demand and reduced sales tonnage. In addition, finance costs stayed high led by increased borrowing to support working capital needs, following the increasing cocoa bean prices from 2024 to 2025. Consequently, the Group's net profit in FY2025

declined 46.9% to RM227.9 million, compared with RM429.2 million in FY2024.

Meanwhile, the recent decline in bean prices is a positive development for the industry, easing pressure on working capital requirements and reducing the need for financing support. We are also making progress in lowering our borrowings, which would reduce finance costs and gradually improve profit margins over time.

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• Financial Review, page 67

LEADERSHIP STATEMENT

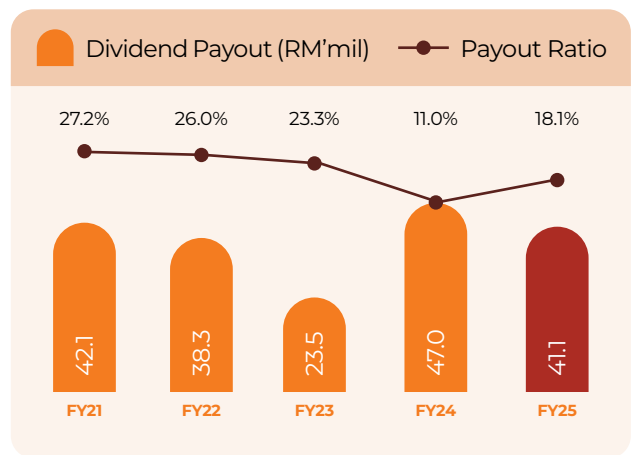
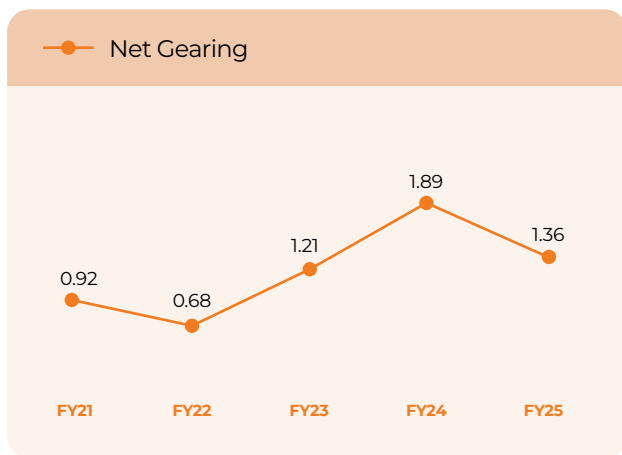
CHAIRMAN'S STATEMENT

MAINTAINING FLEXIBLE BALANCE SHEET FOR SUSTAINABLE GROWTH AND DIVIDEND PAYOUT

GCB remains focused on maintaining a flexible balance sheet to support operations across Malaysia, Indonesia, Côte d'Ivoire, the United States, Germany, and the United Kingdom, even amid industry challenges.

As at 31 December 2025, our total assets decreased by 24.2% to RM7.96 billion, from RM10.49 billion previously, mainly on lower derivative financial assets and inventory value in line with the decreased cocoa bean prices. Similarly, our total liabilities decreased by 32.0% to RM5.69 billion, down from RM8.37 billion, attributed to a significant reduction in short-term borrowings and derivative financial liabilities.

Meanwhile, our total equity grew 6.7% to RM2.27 billion, from RM2.12 billion previously, on increased retained profits. The Group's net gearing ratio decreased to 1.36 times, from 1.89 times previously, due to the 24.7% decrease in total borrowings of RM3.21 billion in FY2025. Out of the Group's total borrowings, 69.1% or RM2.22 billion are short-term and for working capital needs mainly to procure cocoa beans.



GCB continues to prioritise prudent financial management, balancing growth initiatives with dividend payouts. As the fourth-largest cocoa ingredient producer globally, the Group is strategically positioned to benefit from the enduring demand for chocolate.

The Group extends heartfelt gratitude to our valued shareholders for their continued support. To show our appreciation, GCB proposed a final dividend of 1.5 sen per share in respect of FY2025 — a payout of RM41.1 million, subject to shareholders' approval at the forthcoming Annual General Meeting.

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- Financial Statements for the Financial Year Ended 31 December 2025, page 154

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- Financial Review, page 67

LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT

ONGOING EXPANSION OF CAPACITY TO MEET RISING DEMAND

Established in 1985, GCB has consistently showcased our strength in navigating challenges amidst industry headwinds. GCB now has an annual grinding capacity of 335,000 MT across our facilities in Malaysia, Indonesia, and Côte d'Ivoire. Additionally, we have an annual industrial chocolate production capacity of 116,000 MT from our facilities in Germany and the United Kingdom ("UK").

In 2025, the Group adapted to an evolving landscape shaped by shifting demand patterns, geopolitical tensions, and unpredictable trade policies. Despite these challenges, we remained steadfast in our growth strategy and invested RM287.7 million to strengthen operations across Malaysia, Indonesia, Côte d'Ivoire, the UK, and the United States ("US").

Among these investments made, we increased the Group's total annual value-added capacity by 13% to 112,000 MT, from 99,000 MT previously, through the installation of new cake grinding machines in the US operations.

In January 2025, through our subsidiary GCB Cocoa Singapore Pte Ltd, we signed a share sale agreement to acquire a 25% stake for RM130.1 million in Transcao CI from CCC.

With the minority stake in Transcao CI, the Group will also jointly manage the operations of two cocoa grinding factories located in Abidjan and San Pedro, Côte d'Ivoire. The current combined annual capacity of these factories is 80,000 MT.

The acquisition of Transcao CI is a key step in GCB's growth strategy, reinforcing our position as a global leader in the chocolate supply chain. It also underscores our commitment to supporting Ivory Coast's vision, alongside CCC, in advancing the country's strategy for industrialising the cocoa sector. Meanwhile, the acquisition process of Transcao CI is still ongoing and is expected to complete by the second quarter of 2026.

DELIVERING LONG-TERM VALUE THROUGH SUSTAINABILITY

Beyond profitability, operational reliability, and market growth, GCB strives to uphold ESG-driven practices to align with customer demand and standards. These initiatives include:-

REGULATORY AND REPORTING LANDSCAPE

- New Bursa requirement adhered to the NSRF launched in 2024 for Group 1 with market capitalisation above 2 billion have to comply with International Sustainability Standards Boards ("ISSB") standards (International Financial Reporting Standards ("IFRS") S1: General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2: Climate-related Disclosures).
- Actively monitoring E&S related regulation such as EUDR, to be able to manage risks and prepare well ahead to meet consumer and regulator demands.

CLIMATE-RELATED RISKS AND OPPORTUNITIES ("CROs")

- We have identified 3 CROs through a limited materiality assessment that could affect our business model and value chain.
 - Rising Temperature
 - Policy and Regulation
 - Green Technology Advancement
- Actively expanding the scope of climate risk analysis including physical risk assessment through educating internal teams on the potential impacts to put in mitigation action
- Climate related risks are monitored by Enterprise Risk Management ("ERM")

LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT

CARING BEYOND COCOA

- Partnered with hospital and NGOs to give back to communities
- More than 1,400 beneficiaries are under this programme and almost 700 employees participated

KEY PROGRESS IN 2025 INCLUDES:

- Integration of new standards (Climate-First):** Aligning with IFRS S1 and S2, while focusing on climate-related risks and opportunities effects to business model and value chain.
- Purchased Renewable Energy Certificates ("RECs"):** Purchasing renewable energy certificates to cover 89% of our trading offices usage to start expanding the coverage of renewable energy in our mix, gradually increasing the amount of RECs purchased over the years as part of an effort to reduce scope 2 emissions
- Planning the Group decarbonisation:** we are committed to setting Science Based Targets initiative ("SBTi") within the next years, following the recalculation of intended baseline due to acquisition of Transcao CI. Nonetheless we are not stopping investing in initiatives to decarbonise, focusing on transitioning our supply chain towards greater portion of deforestation-free sourcing.
- Deforestation and traceable supply chain:** we have increased the sourcing of traceable and deforestation-free beans throughout the year in preparation for EUDR. This allows us to test out formalised due diligence systems despite the delayed enforcement. We have assessed more than 180,000 hectares cumulatively of farms for deforestation. Engaged and empowered 172 cooperatives to set up best practices.
- Sustainability Governance & Workstreams**
GCB's commitment toward sustainability governance is guided by six workstreams:

WORKSTREAMS:	DESCRIPTION:
Caring Beyond Cocoa	Execute GCB's CSR strategies through our Healthy Planet, Happy Employees and Thriving Communities pillars
Circular Economy	Spearhead efforts to reduce environmental impact through water and waste initiatives and by promoting a circular economy that considers product end-of-life.
Climate Action	Develop a climate transition plan which highlights carbon reduction initiatives and material climate-related risk and opportunities.
Responsible Sourcing	Transition our sourcing practice towards sustainable sourcing, especially for high-risk supply chains.
Corporate Stewardship	Embedding sustainability practices throughout our operations to ensure adherence to Group-wide policies and procedures.
Human Rights	Addressing social inequity issues and promoting diversity and inclusivity within our workforce and supply chains.

The establishment of these workstreams contributes to the overall execution and implementation of sustainability strategies within GCB.

Read More

- Sustainability Governance Structure, page 92

LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT

GOOD COCOA & BEYOND

Our programme Good Cocoa & Beyond "GC&B" shows our efforts to put sustainability at the core of what we do. The goal is to deliver 100% traceable and sustainable cocoa ingredients by 2030 within our direct sourcing network, fortifying a thriving sustainable cocoa sector.

Our four pillars of sustainability aim to address the social, economic, and environmental challenges in our supply chain, especially in origin countries. These pillars include: -



In 2025, our activities conducted include executing deforestation risk assessments on cocoa farms which we directly source from and establishing and expanding women's and youth empowerment through initiatives.

Read More

- Responsible Sourcing, page 112

DUE DILIGENCE FRAMEWORK ADVANCEMENT

At GCB, we continuously improve our due diligence framework to proactively identify, assess, and mitigate legal, environmental, and human rights risks across the value chain. This framework encompasses supplier collaboration, risk evaluation protocols, traceability mechanisms, tailored mitigation actions, and continuous monitoring.

Our progress towards achieving 100% traceable and sustainable cocoa in our direct sourcing network by 2030 recorded in FY2025 as follows:

- Increased direct supply chain volume by 30% to around 97,000 metric tons
- Conducted deforestation risk assessments across over 180,000 hectares cumulatively of cocoa farm
- Implemented a customised digital supply chain management system with farmer databases

These progress improvements position GCB to navigate evolving regulatory requirements, including EUDR, while reinforcing our commitment to responsible cocoa sourcing and ethical supply chain management.

Read More

- Responsible Sourcing, page 112

LEADERSHIP STATEMENT

CHAIRMAN'S STATEMENT

ADVOCATING LONG-TERM SUCCESS WITH GOOD CORPORATE GOVERNANCE AND SUSTAINABILITY POLICIES

GCB maintains a firm commitment to robust corporate governance, which serves as a foundation for the Group's operations. We emphasise responsible and ethical practices to uphold stability and efficiency, while protecting our reputation and strengthening stakeholder confidence.

Moreover, the Group continues to reinforce its alignment with the IFRS Standards by improving the precision of impact assessments and embedding these findings into both strategic decisions and operational processes. We also remain dedicated to openly reporting climate-related risks in line with evolving regulatory requirements, underscoring our contribution to advancing climate action.

Our established frameworks enable us to address potential risks across strategic, operational, financial, and compliance categories. For each area, we apply tailored measures designed to effectively manage and reduce exposure, ensuring the resilience of the business.

Additionally, the Group's ERM Committee and Sustainability Department play a crucial role in overseeing and conducting materiality assessments to evaluate key sustainability risks and opportunities. These assessments are guided by a structured governance framework, ensuring risks are promptly identified and addressed, which includes Product Footprint, Pricing & Quality; Sustainable Operational Performance & Expansion; Responsible & Ethical Suppliers; Talent Attraction, Development and Retention; and Governance and Compliance.

By embedding sustainability into our operations, we create value not only for our business but also for society and the environment, reaffirming our pledge to a more responsible future.

Acknowledgement

I wish to convey my sincere gratitude to the Board of Directors, the management team, and all employees of GCB. Your dedication and effort have been instrumental in driving the Group's growth ambitions, reinforcing our standing as the world's fourth-largest cocoa grinder and a leading provider of chocolate ingredients.

My appreciation also extends to our customers, suppliers, business partners, and other stakeholders whose steadfast trust and support have enabled the Group to overcome the challenges of the past year.

Looking ahead, we remain committed to strengthening business resilience, sustaining profitability, and advancing operational sustainability as we strive for improved performance in the years to come.

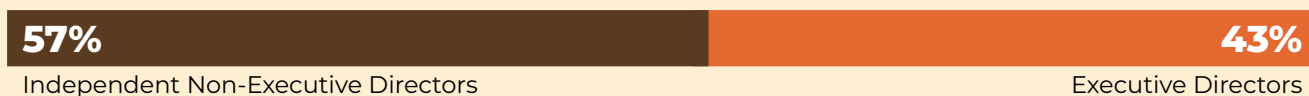
Ms. Ang Nyee Nyee

Independent Non-Executive Chairman

LEADERSHIP STATEMENT

DIRECTORS' PROFILE

BOARD COMPOSITION



Gender



Age Group



COMMITTEE MEMBERSHIP KEY



ANG NYEE NYEE

Independent Non-Executive Chairman

Malaysian

58

Female

Meeting Attendance
FY2025



Ang Nyee Nyee was first appointed as an Independent Non-Executive Director of GCB on 11 November 2020 before being re-designated as the Independent Non-Executive Chairman on 5 April 2023.

She holds a Bachelor of Laws (Honours) degree from the University of London, UK, and obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board of Malaysia. She was admitted to the Malaysian bar as an Advocate and Solicitor in 1993. The following year, she joined Nik Saghir & Ismail (now RTNP) as a legal assistant where she was made a partner in 2004 and continues to work as a senior partner.

As of 1 December 2023, she stepped down as Chairman of the Company's NC and ceased being a member of both the RC and the RMC. She does not hold directorships in any other public companies, has no family ties with any director or major shareholder of the company, and has no conflicts of interests with the Company. She has not been convicted of any offences in the past five years.

She attended all five board meetings held during FY2025.

LEADERSHIP STATEMENT

DIRECTORS' PROFILE

TAY HOE LIAN
Managing Director & CEO

 Malaysian
 61
 Male

Meeting Attendance
FY2025

✓ ✓ ✓ ✓ ✓

Tay Hoe Lian was appointed as the Managing Director and CEO of GCB on 8 January 2005.

He earned his Bachelor's degree in Business Administration from the College of Business Administration at the University of Toledo, US, in 1993. Upon graduation, he joined JB Cocoa Group Sdn. Bhd. as a Transport Division Manager.

In 1997, he became Marketing Manager at GCCM, where he gained extensive experience in marketing cocoa powder across the European, Middle Eastern, and South American markets. In 1999, he was appointed as a Director of GCCM, later advancing to General Manager in 2002 and Managing Director in 2003.

His strong commitment was instrumental in expanding GCCM's production capacity, positioning the company as a global leader in cocoa bean processing, both in terms of capacity and market share.

Since 1 February 2023, he has been serving as a Member of the MCB which is under the purview of the Malaysian Ministry of Plantation Industries and Commodities, from 1 February 2023 to 31 January 2025.

In October 2025, he was appointed as the Chairman of Cocoa Association of Asia, leading the team to drive growth and success in the industry.

He does not hold directorships in any other public companies. He is the cousin of Tay How Sik @ Tay How Sick, an Executive Director, COO and a shareholder of the Company. He has no conflicts of interest with the Company and has not been convicted of any offences in the past five years.

He attended all five board meetings held during FY2025.

TAY HOW SIK @ TAY HOW SICK
Executive Director & COO

 Malaysian
 66
 Male

Meeting Attendance
FY2025

✓ ✓ ✓ ✓ ✓

Tay How Sik @ Tay How Sick was appointed as the Executive Director and COO of GCB on 8 January 2005.

From 1987 to 2003, he served as a Director at JB Cocoa Group Sdn. Bhd., where he played a pivotal role in establishing the company's cocoa bean processing plant and overseeing the setup of the production line and machinery installation. In 1989, he took on the dual roles of Director and Factory Manager at GCCM, and has since maintained responsibility for the company's factory operations.

Over the course of his career, he has developed deep expertise in producing cocoa-based food ingredients, while also refining his ability to maintain and adapt machinery to improve production efficiency and product quality.

He does not hold directorships in any other public companies. He is the cousin of Tay Hoe Lian, the Managing Director, CEO, and a shareholder of the Company. He has no conflicts of interest with the Company and has not been convicted of any offences in the past five years.

He attended all five board meetings held during FY2025.

LEADERSHIP STATEMENT

DIRECTORS' PROFILE

HIA CHENG
Executive Director & CFO

RMC

Malaysian
61
Male

Meeting Attendance
FY2025

Hia Cheng was appointed as the Executive Director and Chief Financial Officer of GCB on 8 January 2005.

He obtained his professional accounting qualification from the ACCA in 1991 and became a FCCA in 2001. From 1986 to 1990, he worked at the local audit firm TH Liew & Gan before joining GCCM in 1991 as an Accounts Supervisor.

In 1996, he was promoted to Finance and Trading Manager at GCCM, where he led the department in sourcing cocoa beans and marketing cocoa butter, cocoa mass, and cocoa cake. Over the years, he was appointed as Director of newly set up overseas subsidiaries in Côte d'Ivoire, the UK and Switzerland, namely GCBCCI, GCBCTI, GCBCUK, GCBUKP and GCBCSUI.

Throughout his career, he has been deeply involved in corporate strategy planning, financial management, and foreign currency management. He also leads feasibility studies and investment appraisals for GCB's expansion projects. His efforts have strengthened GCB's connections with key industry players, including international trading companies, essential suppliers, customers, and cocoa-related organisations. Currently, he oversees the Group's trading, marketing, accounting, finance, and logistics functions, while also driving GCB's expansion into the European market.

He serves as the Chairman of the Company's RMC. He does not hold directorships in any other public companies and has no family relationship with any director or major shareholder of the Company. He has no conflicts of interest with the Company and has not been convicted of any offences in the past five years.

He attended all five board meetings held during FY2025.

NURULHUDA BINTI ABD KADIR
Independent Non-Executive Director

RC NC AC

Malaysian
59
Female

Meeting Attendance
FY2025

Nurulhuda Binti Abd Kadir was appointed as an Independent Non-Executive Director of GCB on 11 November 2020.

She graduated with a Bachelor of Laws (Honours) from the International Islamic University of Malaysia.

From 2004 to 2009, she was a Partner at Nik Saghir & Ismail (now known as RTNP), and later served as a Senior Partner at RTNP from 2010 to 2016. She was a Partner at Faizah Aishah Rahman & Associates from 2016 until her retirement on 31 December 2025.

She holds the position of Chairman of the Company's RC and is a Member of both the AC and the NC. She does not hold directorships in any other public companies, has no family ties with any director or major shareholder of the Company, and has no conflicts of interest with the Company. She has not been convicted of any offences in the past five years.

She attended all five board meetings held during FY2025.

LEADERSHIP STATEMENT

DIRECTORS' PROFILE

NG KIM HIAN

Independent Non-Executive Director

RMC
RC
NC
AC

Malaysian

61

Male

Meeting Attendance
FY2025

✓ ✓ ✓ ✓ ✓

Ng Kim Hian was appointed as an Independent Non-Executive Director of GCB on 27 February 2023.

He obtained his professional accounting qualification from the ACCA in 2002 and is now a FCCA, as well as a Member of both MIA and Chartered Tax Institute of Malaysia (CTIM).

With over 30 years of experience in public practice, his expertise in audit services spans various industries, including manufacturing, housing development, construction, plantations, hospitality, trading, services companies, and multinational corporations. In addition

to his audit work, he provides advisory services on inbound investments and indirect tax matters and serves as a Reporting Accountant for initial public offerings. He is currently an Audit Partner at Crowe Malaysia PLT (Muar office).

On 5 April 2023, he was appointed Chairman of the Company's AC and became a member of the RMC, RC, and NC. He does not hold directorships in any other public companies, has no family ties with any director or major shareholder of the Company, and has no conflicts of interest with the Company. He has not been convicted of any offences in the past five years.

He attended all five board meetings held during FY2025.

TAN PUI SUANG

Independent Non-Executive Director

RMC
RC
NC
AC

Malaysian

55

Female

Meeting Attendance
FY2025

✓ ✓ ✓ ✓ ✓

Tan Pui Suang was appointed as an Independent Non-Executive Director of GCB on 27 February 2023.

She is a FCCA and a Member of MIA. Her extensive corporate experience encompasses corporate finance, planning, financial management, and auditing. Previously, she held key positions such as Asia Pacific Regional Operations Controller at TechnipFMC Asia Pacific, a multinational oil and gas services company listed on the NYSE and Euronext Paris, and Corporate Planning Manager at Malaysia Marine and Heavy

Engineering Holdings Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad. She also served as a Senior Auditor at Deloitte & Touche in Singapore.

During 2017 – October 2025, she worked as the Director of Finance and Corporate Services at the University of Reading, Malaysia, and is currently an Independent Non-Executive Director for VS Industry Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

On 1 December 2023, she was appointed Chairman of the Company's NC and became a Member of the RC and RMC. She was also appointed as a member of AC on 5 April 2023. She has no family ties with any director or major shareholder of the Company, nor does she have any conflicts of interest with the Company. She has not been convicted of any offences in the past five years.

She attended all five board meetings held during FY2025.

LEADERSHIP STATEMENT

PROFILE OF KEY SENIOR MANAGEMENT

TAY HOW YEH

Director



Malaysian



60



Male

Tay How Yeh was appointed as Director of GCCM in January 2003 and currently also serves as Director at GCBCS and GCBCM.

He graduated with a Bachelor's in Business Administration from the University of Toledo in 1989. Between 1990 and 1995, he worked as Manager at GCT, handling cocoa bean sourcing in Tawau, Sabah.

In 1995, he joined GCCM as Production Manager, playing a pivotal role in expanding production capacity and overseeing planning and quality

control. He later became Production and Operation Manager of GCBF, managing raw material procurement and currently focuses on oversight at GCBCCI.

He is not a director of any other public company. He is the cousin of Tay Hoe Lian, the Managing Director, CEO and a shareholder of the Company, and brother of Tay How Sik @ Tay How Sick, an Executive Director, COO and a shareholder of the Company. He does not have any conflict of interest with the Company and has not been convicted for any offences within the past five years.

TAY SEE MIN

Commercial Director



Malaysian



54



Female

Tay See Min was appointed as Commercial Director of GCBCS on 10 December 2010.

She graduated from Monash University, Australia, with a Bachelor's in Information Systems in 1993 and initially worked in IT industry, as an IT Manager at AIA. Since joining GCCM, she has played a key role in trading cocoa beans and expanding the sales and marketing of cocoa products. She successfully set up GCBCI in Jakarta, managed the Indonesian market, and was later appointed as Director of newly set up overseas subsidiaries in Côte d'Ivoire, the UK and Switzerland, namely GCBCCI, GCBCTI, GCBCEUK, GCBUKP and GCBUSI.

Her responsibilities span both commercial and IT functions within the Group, and she

actively leads committees for risk management, corporate governance, sustainability, CSR, and communications. She is also involved in corporate strategic planning and is focused on expansion opportunities in regions including Côte d'Ivoire and Europe, while overseeing IT system automation across the Group.

She is not a director of any other public company. She is the sister of Tay Hoe Lian, the Managing Director, CEO and a shareholder of the Company, and cousin of Tay How Sik @ Tay How Sick, an Executive Director, COO and a shareholder of the Company. She does not have any conflict of interest with the Company and has not been convicted for any offences within the past five years.

LEADERSHIP STATEMENT

PROFILE OF KEY SENIOR MANAGEMENT

EDGAR ALEXANDER BITTONG

President of Carlyle Cocoa, CO, LLC



German



42



Male

Edgar Alexander Bittong was appointed as President of Carlyle in June 2020.

He earned his Bachelor's of Science in Industrial Engineering from the University of Central Florida in 2007. His career began at PLOT Enterprise Ghana Limited as a Site Engineer, where he oversaw machine installations and factory construction. He was promoted to Production Manager in 2009, followed by roles at Euromar Commodities and Cocoa Services LLC, where he progressed from Production Manager to Plant Manager.

In March 2018, Edgar joined Carlyle as Vice President, focusing on growth management and sales improvement at their factories in Delaware and Swedesboro.

He brings extensive experience in production efficiency, project management, and factory operations, which has equipped him to drive key improvements at Carlyle since his tenure.

He is not a director of any other public company, has no family ties with the company's directors, and maintains no conflicts of interest with the company. Additionally, he has not been convicted for any offences in the past five years.

YAU TEE WAN

Group Senior Operations Manager



Malaysian



53



Male

Yau Tee Wan was appointed as Senior Operations Manager of GCCM on 1 January 2012.

He holds a Bachelor's in Physics from Universiti Malaya, graduating in 1997. He began his career as an R&D Engineer at Dunham Bush, focusing on air conditioning equipment. Later, he worked at Mewaholeo Industries Sdn. Bhd. as a Senior Production Executive, specialising in specialty fats production, before joining GCCM in 2002 as Maintenance Manager.

He was promoted to Operations Manager in 2005 and later to Senior Operation Manager in 2010. He currently oversees all manufacturing operations within the Group, including GCCM, GCBCM, GCBF, ACI, SCHOKINAG, GCBCCI and GCBCUK, ensuring efficient production processes. He also manages expansion projects in Côte d'Ivoire and the UK.

He has no conflicts of interest, family ties with the Company's directors, and has not been convicted for any offences in the past five years.

LEADERSHIP STATEMENT

PROFILE OF KEY SENIOR MANAGEMENT

WOONG YOKE MUN

Group QA Manager



Malaysian



45



Female

Woong Yoke Mun was appointed as the Quality Manager of GCCM on 1 January 2018.

She earned her Bachelor's degree in Chemical Engineering from Universiti Malaysia Sabah in 2005. Starting as a Quality Executive at GCCM, she has amassed 20 years of experience in quality assurance, food safety, and regulatory compliance. She became Assistant Quality Manager in 2018, and to Group QA Manager in January 2023. She was appointed as Key Senior Management on 27 February 2023.

Her current role includes leading food safety initiatives and managing training programmes for compliance with global standards.

She does not serve as a director for any other public company and has no family ties to any company directors or conflicts of interest. Additionally, she has not been convicted for any offences in the past five years.

TING BING KEH

Group Operation Manager



Malaysian



49



Male

Ting Bing Keh was appointed as Operations Manager of GCCM in January 2015, bringing extensive experience to the position.

He earned a Bachelor's degree in Engineering with Honours in Chemical Engineering from Universiti Sains Malaysia in 2001. He began his career at GCCM as a Maintenance Executive in May 2003 and quickly advanced to Assistant Manager in 2008, then to Maintenance Manager in 2010. His leadership in maintenance, improvement, and expansion projects was key to ensuring optimal plant operations, leading to his promotion to Operations Manager in January 2015. He was appointed as Key Senior Management on 27 February 2023.

As Operations Manager, Ting Bing Keh oversees production and maintenance management while ensuring compliance with health and safety regulations. He closely monitors operational costs and strategically implements expansion and enhancement projects to support the company's growth.

He does not serve as a director for any other public company and has no family ties to any company directors and maintains no conflicts of interests with the company. Additionally, he has not been convicted for any offences in the past five years.

04 MANAGEMENT DISCUSSION & ANALYSIS

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MANAGEMENT DISCUSSION & ANALYSIS

MARKET OVERVIEW

A thorough understanding of the cocoa market is central to shaping the Group's strategic direction. Key factors, including supply and demand dynamics, price movements, economic headwinds, sustainability milestones, and geopolitical developments, continue to inform how we position ourselves within a rapidly evolving industry.

SUPPLY AND DEMAND DYNAMICS

Cocoa prices reached unprecedented highs in 2024 before correcting sharply, yet remained historically elevated throughout 2025. Chocolate manufacturers, burdened by high-cost inventories and weakening demand, have responded by reformulating products, reducing bar sizes, and lowering cocoa content to protect margins.

Production in major origins, notably Côte d'Ivoire, has improved on the back of favourable weather conditions and supportive farmgate prices, while expanded yields from Ecuador have contributed to greater supply stability. Analysts anticipate a possible global surplus during the 2025/26 crop year. However, deep-rooted structural risks, including ageing tree stocks, climate variability, disease pressure, and ongoing production vulnerabilities across West Africa, continue to cloud the long-term supply outlook.

ECONOMIC CHALLENGES

Persistent inflationary pressures continue to weigh on the cocoa industry. Since the COVID-19 pandemic, costs for packaging materials, construction supplies, spare parts, chemicals, and labour have risen markedly, leading to higher operational expenses across the Group. Demand is expected to remain muted, as price-sensitive consumers contend with rising living costs and broader macroeconomic uncertainty. Major confectionery manufacturers are likewise anticipated to show limited near-term recovery in order volumes.

SUSTAINABILITY REGULATIONS AHEAD

Tightening sustainability regulations are reshaping the cocoa sector, with growing emphasis on combating deforestation and upholding human rights across supply chains. The European Union Deforestation Regulation (EUDR), expected to come into force on 30 December 2026, will mandate traceability to farm plot and proper due diligence conducted and evidence that cocoa entering the EU market originates from deforestation-free areas. Concurrently, potential EU legislation targeting MOSH/MOAH contamination, also expected around 2027, may impose stricter controls and enhanced compliance obligations on processing facilities exporting to the EU.

GEOPOLITICAL AND TRADE PRESSURES

Escalating global geopolitical tensions, including the prolonged Russia–Ukraine conflict, rising risks of a US–Iran confrontation, and trade disruptions stemming from US tariffs on China, have driven up shipping costs. Longer transit times, higher operating expenses, and increased insurance premiums have collectively pushed freight rates higher, compounding pricing pressures for an industry already burdened by elevated cocoa costs. Furthermore, US-imposed tariffs on imported goods have raised importers' costs, leading to higher end-customer prices and further dampening demand.

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK

Despite external factors beyond our control, the Group remains committed to navigating these challenges by pursuing business opportunities, meeting customer demand, and delivering sustainable profits to support long-term growth.

CÔTE D'IVOIRE PRESENCE BRINGS US 'CLOSE TO SOURCE' AND 'CLOSE TO MARKET'

Establishing operations in Côte d'Ivoire, the world's largest cocoa bean supplier, has brought us closer to the raw material source and enabled sustainability initiatives from the earliest stages of procurement. This proximity also improves our cost-effectiveness and strengthens our ability to serve Europe and the UK, where the majority of our chocolate-consuming customers are based. As our Côte d'Ivoire footprint grows, so does our long-term standing as a global leader in the chocolate supply chain.

EUROPEAN COMPETITIVE ADVANTAGE

The European cocoa and chocolate market is among the most significant and highly competitive globally, shaped by high consumption levels, substantial processing capacity, well-established multinational players, and demanding regulatory standards. By situating ourselves within this market, we benefit from closer proximity to major industrial chocolate users, faster response times, shorter lead times, and the flexibility to tailor products to shifting customer preferences. Our integrated supply chain, which spans origin-based cocoa sourcing and processing through to downstream manufacturing in Europe, allows us to manage costs effectively, secure supply continuity, and uphold consistent product quality. In an environment of economic uncertainty and cost volatility, this European footprint bolsters our resilience, enables value-added product development, and underpins our long-term growth ambitions in a critical market.

DRIVING QUALITY AND INNOVATION

GCB continues to prioritise product quality, backed by deep technical expertise, responsive after-sales service, and sustained investment in R&D and modern technologies. Through a firm commitment to innovation and close alignment with market trends, we are reinforcing our position as a leading supplier of high-quality, innovative cocoa-derived ingredients and chocolate products suited to the evolving demands of consumers and the broader industry.

LEVERAGING ESTABLISHED FUNDAMENTALS TO MEET STAKEHOLDER EXPECTATIONS

With a strategic presence in both Côte d'Ivoire and Europe, we are well-positioned to connect origin-based sourcing directly with proximity to end customers. Since commissioning our Côte d'Ivoire processing plant in 2022, we have materially enhanced our production capacity, distribution reach, and competitive standing. Direct operations within a major cocoa origin granted us stronger supply access, greater cost efficiency, and a more robust position in the global cocoa value chain.

Our global footprint generates meaningful synergies through strategically located production facilities and a diversified product portfolio that responds to evolving market needs, including high-quality, customised cocoa powder. Our entry into the industrial chocolate segment through the acquisition of SCHOKINAG in 2020, followed by the establishment of a UK chocolate factory in 2023, has broadened our market reach and reinforced our vertically integrated model. This structure supports internal sourcing of cocoa-derived ingredients, tighter operational efficiency and quality control, and greater supply chain resilience.

STRENGTHENING CUSTOMER RELATIONSHIPS

A strong global presence and significant market share give us access to a wide-ranging customer base, with SCHOKINAG and GCBCUK serving as platforms for further expansion in key markets. These relationships span trading companies through to major food manufacturers, and by cultivating them into long-term strategic partnerships, we seek to strengthen our brand reputation, support business sustainability, and preserve our competitive advantage.



MANAGEMENT DISCUSSION & ANALYSIS

OUR VALUE CREATION STORY

As stewards of our business's performance and sustainability, we closely monitor material factors and key risks, applying mitigation strategies to ensure operational continuity and alignment with our Growth & Expansion, Sustainability, and Innovation strategies. These initiatives are harmonised with our Six Capitals framework, strengthening our competitive edge.

Our vision, "To Be The Preferred Cocoa & Chocolate Ingredients Supplier", underpins our commitment to delivering quality products with precision and reinforces our dedication to sustainability.



MANAGEMENT DISCUSSION & ANALYSIS

OUR VALUE CREATION STORY

01 MARKET OVERVIEW AND OUTLOOK

By carefully analysing global, local and industry landscapes, we identify external factors that could influence our business processes, strategies, and overall value creation. This approach helps us navigate challenges effectively and sustain our competitive advantage.

02 KEY STAKEHOLDERS ENGAGEMENT

At the same time, we actively communicate and engage with key stakeholders to understand their priorities and expectations within the Group's value chain, aiming to gain a well-rounded perspective on our collective operations.

Customers

Shareholders and Investors

Suppliers and Contractors

Employees

Governments and Regulators

Local Communities

Media

03 MATERIAL MATTERS

These activities help us identify material matters essential for value creation and competitiveness, categorised into key issues and themes. For each critical matter, targeted strategies were formulated to capture opportunities and mitigate risks.

Product Footprint, Pricing and Quality

Sustainable Operational Performance and Expansion

Responsible and Ethical Suppliers

Talent Attraction, Development and Retention

Governance and Compliance

04 KEY RISKS AND MITIGATION ACTIONS

Recognising the significance of strategic, operational, financial, and compliance risks to our operations, we proactively tailor our mitigation strategies to reduce exposure to these risks, enhance operational resilience, and ensure financial stability.

05 GROWTH STRATEGIES

To foster coordinated efforts in driving progress across the Group, we have identified three key strategies that leverage our competitive strengths. These strategies enable us to stay aligned with the evolving industry landscape.

Growth and Expansion

Sustainability

Innovation

MANAGEMENT DISCUSSION & ANALYSIS

OUR VALUE CREATION STORY

06 CAPITAL INPUTS

The successful implementation of our strategies relies on the optimised allocation of our capital resources, including financial assets, machinery, established processes, expertise, and long-standing relationships. Together, these elements create a cohesive framework for our operations.

Financial Capital

Manufactured Capital

Intellectual Capital

Human Capital

Social & Relationship Capital

Natural Capital

08 SUSTAINABILITY WORKSTREAMS

Sustainability is central to our ethos, woven into every aspect of our value creation and business activities, promoting shared value for our stakeholders and communities.

Caring Beyond Cocoa

Circular Economy

Climate Action

Responsible Sourcing

Corporate Stewardship

Human Rights

07 VALUE CREATION

Beyond financial outcomes, we strive to distribute the economic value we generate equitably. This includes dividends paid to stakeholders, contributions to national economies, job creation, and investments in social and environmental initiatives.



MANAGEMENT DISCUSSION & ANALYSIS

VALUE CREATION BUSINESS MODEL

Our Value Creation Business Model illustrates how our strategies and business activities deliver significant, measurable results for our stakeholders. By leveraging our Six Capitals, as depicted below, we generate positive outcomes, strengthen our reputation, and drive continued growth in the global cocoa-derived ingredients and chocolate sector.

VALUE CREATION BUSINESS MODEL

INPUTS

Financial Capital

- Our steady and robust financial position
- Our share capital
- Our shareholders' equity
- Our borrowings
- Our access to debt and capital markets

Manufactured Capital

- Our existing facilities:
- Pasir Gudang, Malaysia (2)
- Batam, Indonesia (1)
- Mannheim, Germany (1)
- Delaware, US (1)
- Swedesboro, US (1)
- San Pedro, Côte d'Ivoire (1)
- Suffolk, UK (1)

Intellectual Capital

- Our innovative processes and technologies
- Our brand value, reputation and market experience as the fourth-largest cocoa grinder globally
- Our energy management and data collection systems

Human Capital

- Our strong and diverse Board, supported by our corporate governance structure
- Our experienced and diverse pool of talent, including top management and general staff
- Total number of employees: 2006
- Total number of training hours: 14,785
- An allocation of RM225.3 million has been designated in FY2025 for directors' and employees' remuneration and benefits

Social & Relationship Capital

- Our strong relationships with our key stakeholders
- Our Group-wide policies governing sustainable practices across our supply chain
- Collaboration with cocoa associations and participation in industry initiatives
- Good Cocoa & Beyond and other CSR programmes aimed at uplifting and investing in local communities

Natural Capital

- Our cocoa beans, which are sourced from Southeast Asia, Africa and South America
- Our energy usage, encompassing
 - Electricity: 1,193,975 GJ
 - Natural gas: 444,081 GJ
 - Steam and Heat: 9,471 GJ
- Our generated and consumed solar energy from Group-wide solar panels: 26,711 GJ
- Our generation of steam from residual cocoa shells, which is used to fulfil heating requirements: 111,256 GJ
- Our water withdrawal in our production processes: 1,082,535 m³

BUSINESS ACTIVITIES

Procurement

Collaborating with suppliers to ensure cocoa beans meet our internal standards, as well as global quality, environmental, and social responsibility benchmarks

Production

Focusing on efficient production to deliver high-quality cocoa products that maximise customer benefits while minimising environmental impact

Quality Assurance (Products & Processes)

Establishing standardised production processes and systems compliant with global food and safety standards

Sales & Marketing

Leveraging our expertise, experience, and processes to create exceptional cocoa products, while continuously gathering feedback to drive improvement and promote sustainable value

Distribution

Utilising an integrated distribution system for efficient product delivery, optimising our distribution network through strategic warehouse placement and efficient route planning to ensure timely and cost-effective delivery of our products

Research & Development

Improving product quality through focused research and responsible resource use, ensuring the consistent delivery of innovative products to our customers

OUR VISION

To Be The Preferred Cocoa & Chocolate Ingredients Supplier.

OUR MISSION

We at GCB Cocoa are committed to delivering quality cocoa and chocolates while offering utmost flexibility and attention. Through forming strong alliances with local partners, we are dedicated to serving our customers worldwide and growing together with them in long-term partnerships.

OUR VALUES

Grit | Ambition | Sincerity

OUR PROMISES

-  Full Product Range
-  Product Quality and Safety
-  Competitive Prices
-  Flexibility and Excellence in Customer Service
-  Technical Support and Innovation
-  Ethical Operation

OUR STAKEHOLDERS

-  Customers
-  Shareholders & Investors
-  Governments, Regulators & NGOs
-  Suppliers & Contractors
-  Local Communities
-  Media
-  Employees

[READ MORE](#)

Key Stakeholder Engagement, page 52

MATERIAL MATTERS

- Product Footprint, Pricing & Quality
- Sustainable Operational Performance & Expansion
- Responsible & Ethical Suppliers
- Talent Attraction, Development & Retention
- Governance & Compliance

[READ MORE](#)

Material Matters, page 56



RISKS

- Competitive Risk
- Expansion & Liquidity Risk
- Cocoa Bean Supply Risk
- Human Workforce Risk
- Compliance Risk

[READ MORE](#)

Key Risks & Mitigation Actions, page 58

GROWTH STRATEGIES

-  Growth & Expansion
-  Sustainability
-  Innovation

[READ MORE](#)

Growth Strategies, page 64

MANAGEMENT DISCUSSION & ANALYSIS

VALUE CREATION BUSINESS MODEL

OUTPUTS

Financial Capital

- Cash and bank balance: RM 123.04 million
- Revenue: RM 14.92 billion
- Net profit: RM 227.86 million
- Earnings per share: 8.31 sen
- Net dividends per share: 1.5 sen

[READ MORE](#)

Financial Statements, page 154



Manufactured Capital

Our Current Capacity

- Existing production facilities:
 - Bean Grinding: 335,000 MT
 - Value-Added: 112,000 MT
 - Industrial Chocolate: 116,000 MT

[READ MORE](#)

Where We Operate, page 15



Intellectual Capital

- Increased reliance on advanced machinery and technologies to reduce non-renewable energy use.
- Expanded use of solar panels for energy generation.
- Adoption of relevant international quality standard for cocoa products.
- Energy monitoring with a goal of reducing energy usage.

[READ MORE](#)

Our Non-Financial Performance, page 19 & IFRS Sustainability Disclosure - Climate, page 79



Human Capital

- A diverse Board with expertise in risk assessment, strategic planning, succession planning, and financial and operational management.
- A Succession Planning Policy and Procedures, along with a successor readiness programme, to cultivate a resilient talent pool.

[READ MORE](#)

Financial Statements, page 154 & Human Rights, page 122



Social & Relationship Capital

- Increased stakeholder awareness of the importance of sustainable business practices.
- Contribution of over RM 360,000 to local communities and RM 123.88 million in income taxes.



Natural Capital

- Our high-quality purchased cocoa beans.
- Reduction in carbon dioxide equivalent emissions achieved through biomass boiler and solar panel installations.

[READ MORE](#)

IFRS Sustainability Disclosure - Climate, page 79

OUTCOMES

Customers

- Solid customer partnerships built on consistent volume and quality delivery.
- Ongoing expansion and increased presence in the Asian and European markets.



Shareholders & Investors

- Maintaining strong financial stability.
- Generating continual and growing value through capital appreciation and dividend distributions.



Suppliers & Contractors

- Steady supplier base growth.
- Promoting responsible practices that benefit communities and the environment.
- Improving product quality and driving the adoption of advanced technology.



Employees

- A skilled and diverse workforce.
- Equal opportunities and a non-discriminatory work environment.
- Enhanced employee engagement, productivity, and satisfaction.
- Clear grievance and whistleblowing procedures.
- Career developments and reward systems.
- Adherence to international quality and safety standards.

[READ MORE](#)

Our Non-Financial Performance, page 19



Governments, Regulators & NGOs

- Continued economic contributions through sales and taxes.
- Consistent alignment with government policies.
- Continued engagement in essential CSR activities.
- Sustained robust corporate governance.



Local Communities

- Community development programmes.
- Local employment prioritisation.
- Responsible environmental management practices.

MANAGEMENT DISCUSSION & ANALYSIS

KEY STAKEHOLDER ENGAGEMENT

We engage collaboratively with our stakeholders throughout the year to understand their needs and expectations. This proactive approach helps us refine our strategies, create sustainable and mutual value.

KEY STAKEHOLDER ENGAGEMENT



CUSTOMERS

Why We Engage

Active customer engagement provides valuable insights into market trends and evolving preferences, guiding product innovation and helping us exceed expectations. Strong relationships build loyalty and drive growth.

Key Areas of Concern

- High-quality, safe products delivered on time
- Adherence to evolving ESG regulations
- Supply chain resilience and security

How We Engage

As needed:

- Digital communications, meetings, and site visits
- Customer support and feedback mechanisms
- Corporate events, trade shows, and conferences

Annually:

- Customer survey

How We Address Their Expectations

- Maintaining clear communication and meeting all contractual obligations.
- Ensuring compliance with global standards such as Sedex.
- Sharing market insights through routine pricing updates.
- Offering flexible solutions and technical support for product development.
- Providing reliable communication channels linking customers with our teams.



SHAREHOLDERS & INVESTORS

Why We Engage

Engaging with shareholders and investors helps us understand their expectations and develop strategies that deliver consistent growth and capital appreciation. Regular communication reinforces transparency, accountability, and trust in our management team.

Key Areas of Concern

- Dividend distributions and capital appreciation
- Business strategies, future plans, and performance highlights
- Reputation as a responsible corporate citizen

How We Engage

As needed:

- Press releases
- Meetings

Annually:

- IAR
- AGM

Quarterly:

- Financial reports
- Announcements on Bursa Malaysia
- Investor briefings and other investor relations engagements

How We Address Their Expectations

- Aligning management teams on investor priorities, including expansion, profit growth, stability, and dividends.
- Strengthening corporate governance to enhance transparency and minimise risk.
- Delivering consistent capital appreciation and dividend payouts.
- Using Integrated Reporting to present our vision, sustainability efforts, and long-term value creation strategy.

MANAGEMENT DISCUSSION & ANALYSIS

KEY STAKEHOLDER ENGAGEMENT



SUPPLIERS & CONTRACTORS



Why We Engage

Strong relationships with suppliers and contractors enable us to secure competitive prices, favourable terms, and reliable service. These partnerships are essential to maintaining a steady supply of high-quality raw materials, particularly cocoa beans, which account for nearly 95% of our inputs.



Key Areas of Concern

- Responsible and efficient procurement processes
- Clear standards for product quality and regulatory compliance
- Worker health and safety
- Risk management of social and environmental issues



How We Engage

As needed:

- Supplier Code of Conduct
- Supplier audits and evaluations
- Meetings, conferences, and digital communications
- Supplier training programmes



How We Address Their Expectations

- Setting clear expectations through KPIs, targets, and best practices.
- Ensuring ethical procurement with emphasis on environmental and social responsibility.
- Maintaining open, two-way communication on market trends and updated strategic plans.
- Coordinating across internal departments and external partners for consistent, high-quality supply.
- Conducting regular performance evaluations to drive continuous improvement.



EMPLOYEES



Why We Engage

Engaging with our employees helps us understand their needs, leverage their diverse skills, and allocate resources strategically. This alignment supports talent retention and builds a skilled, competitive workforce that drives our industry leadership.



Key Areas of Concern

- Workplace health and safety
- Open, equitable, and inclusive work culture
- Learning, growth, and professional development opportunities
- Competitive remuneration and comprehensive benefits
- Business expansion and strategic direction



How We Engage

As needed:

- Employee training programmes
- Internal communications
- Employee surveys

Monthly:

- Management meetings
- Workers Committee meetings

Quarterly:

- Workshops/Training sessions
- Team building activities

Annually:

- Employee appraisal session



How We Address Their Expectations

- Recognising dedication through fair and competitive compensation.
- Providing professional growth through training and development programmes.
- Embedding our corporate vision across all levels
- Ensuring effective communication via bulletin boards, email updates, and our corporate website.
- Aligning recognition with organisational goals through performance-based incentives.
- Upholding a safe and healthy work environment.

MANAGEMENT DISCUSSION & ANALYSIS

KEY STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDER ENGAGEMENT



GOVERNMENTS, REGULATORS & NGOS



Why We Engage

Regular communication with government agencies and regulators keeps us informed of changing laws and regulations, enabling proactive risk management across our multinational operations.



Key Areas of Concern

- Adherence to regulatory requirements
- Implementation of MCCG practices
- Continuous review and monitoring of risk registers
- Support for government initiatives



How We Engage

As needed:

- Regulatory certifications and evaluations
- Announcement on Bursa Malaysia & statutory reporting
- Audits and assessments
- Training sessions, dialogues, seminars/webinars
- Regulatory reports analysis
- Government officials/regulatory agents visitations/meetings
- Print & digital media



How We Address Their Expectations

- Providing timely reports and information to regulatory bodies.
- Facilitating seamless audits and site inspections.
- Participating in government-driven initiatives, particularly around sustainable cocoa.
- Contributing to Malaysia's economy through tax payments.
- Supporting government sustainability initiatives through operational innovation.



LOCAL COMMUNITIES



Why We Engage

We engage with local communities to build trust, foster long-term relationships, and operate responsibly. Strong community relationships enhance our reputation and create opportunities for shared value that deliver social and economic benefits while supporting business resilience.



Key Areas of Concern

- Creation of employment opportunities
- Ethical operational practices
- Regular community engagement



How We Engage

As needed:

- CBC programmes
- GC&B programme
- Print and digital media communication



How We Address Their Expectations

- Implementing "Caring Beyond Cocoa" initiatives and supporting local education.
- Prioritising local employment and partnering with local farmers and suppliers.
- Practising responsible waste and water management and adopting green technology.
- Maintaining transparent communication and accessible grievance mechanisms.



MANAGEMENT DISCUSSION & ANALYSIS

KEY STAKEHOLDER ENGAGEMENT



MEDIA

Why We Engage

We collaborate with the media to share insights into our strategies and growth objectives, demonstrating transparency and keeping stakeholders informed.

Key Areas of Concern

- Business strategies and growth goals
- Updates on sustainability initiatives and community engagement

How We Engage

As needed:

- Press releases
- Media interviews

How We Address Their Expectations

- Providing media updates on business development.
- Timely disclosure of material information.

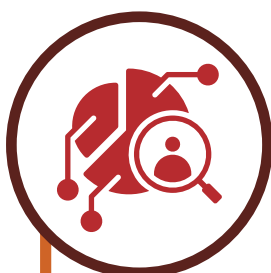


MANAGEMENT DISCUSSION & ANALYSIS

MATERIAL MATTERS

Our focus areas are determined through a thorough materiality assessment. We regularly reassess their significance to our stakeholders, industry, and operating regions, adapting our strategies to align with evolving business conditions.

OUR MATERIALITY DETERMINATION PROCESS



IDENTIFICATION

In line with the Six Capitals of the <IR> framework, we begin by conducting an internal analysis of our business operations, industry landscape, and stakeholder feedback to identify critical factors that could influence the Group's financial and non-financial performance.



EVALUATION & PRIORITISATION

Next, we assess the importance of these issues by evaluating their actual or potential impact on our value creation model and our ability to meet stakeholder expectations. In FY2025, we concentrated our effort on

five key material matters.



DETERMINATION

Lastly, we conduct a comprehensive process to identify the relevant information for disclosure within each topic's scope, while also defining boundaries for each material matter to guide our reporting process.

Product Footprint, Pricing, and Quality

We are committed to delivering high-quality, traceable products with sustainable practices embedded throughout production. Product safety is our top priority, with strict adherence to food safety guidelines and relevant regulations.

Competitive pricing remains central to customer perceptions of our brand and product value. To support the Group's continued growth, we focus on expanding capacity and strengthening our market presence.

Our operational leaders bring extensive expertise in the latest machinery and technology, while our technical teams continuously upgrade and refine equipment based on performance data. Together, these efforts enable us to meet global customer demands while maintaining competitive pricing, stringent quality standards, and broad product reach.

Sustainable Operational Performance and Expansion

We practise responsible and efficient resource management to optimise shareholder returns, build investor confidence, and attract new investment to support growth.

We also focus on minimising risk exposure and strengthening resilience against commodity price fluctuations. Our management team stays informed on relevant environmental regulations and industry standards, ensuring full compliance while navigating market uncertainties with sound decision-making.

Responsible and Ethical Suppliers

We require our cocoa bean suppliers comply with increasingly stringent regulatory standards, including the EUDR, addressing critical issues such as human rights and deforestation. Suppliers are expected to communicate these requirements and conduct due diligence within their own supply chains.

As part of our commitment to corporate stewardship, we have established a guidance framework to help suppliers, particularly SMEs, adopt sustainable practices. We have also implemented processes to support suppliers in meeting quality and food safety standards outlined in their contracts.

Talent Attraction, Development and Retention

We are committed to providing safe, healthy workplaces and a fair, equitable reward system that recognises the diverse skills and contributions of our employees.

Continuous development is essential to achieve our organisational goals. Targeted training initiatives enhance workforce skills and knowledge, while exposure and learning opportunities support career growth. We prioritise internal promotions for high performers and offer cross-departmental secondments and international assignments.

We value workforce diversity, recognising that a range of backgrounds and perspectives strengthens problem-solving and supports agile business management. Our hiring processes are structured to identify motivated candidates with the potential and aspiration to grow their careers alongside the Group.

Complementing this, we have established a succession planning policy supported by a successor readiness programme. This framework focuses on developing internal talent and building leadership capabilities, ensuring a sustainable talent pipeline and continuity in key roles across the organisation.

Governance and Compliance

Robust corporate governance is essential to align our value creation strategies and maintain consistent corporate values across all business divisions and subsidiaries.

We have established measures to ensure strict compliance with all relevant legal, industry, and regional regulations, including ESG requirements, product quality, food safety, Halal and Kosher certifications, data protection, taxation, EUDR, and Living Income Differential (LID) levies. We closely monitor regulatory changes to maintain preparedness, particularly for our GCBCCI factory serving European markets.

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

Comprehensive risk management protocols play a pivotal role in ensuring the protection and resilience of our vast global operations. To ensure this, we have implemented a streamlined process for identifying risks linked to our business activities and devised strategies to mitigate potential exposures.

The following outlines our four key risk categories, the approach used for risk assessment, and a risk matrix highlighting how we prioritise risks based on their likelihood and potential impact.

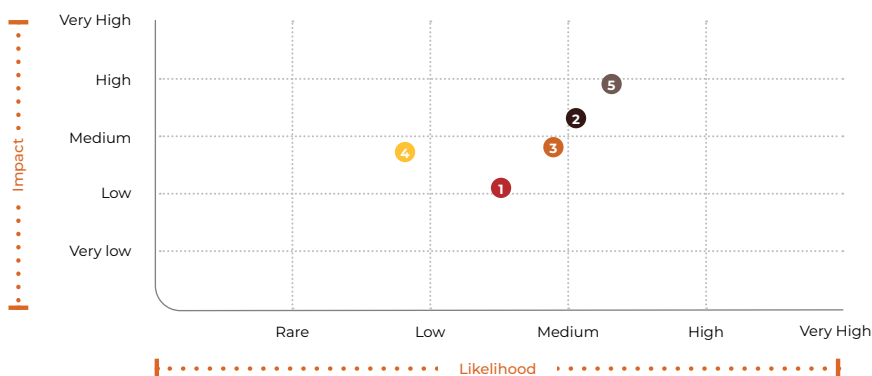
Our Risk Categories

<p>Strategic Risks primarily influenced by events external to us, but which may significantly affect our strategic decisions or activities</p>	<p>Operational Unfortunate events that have the potential to disrupt our day-to-day operations and processes.</p>	<p>Financial Risks that may directly impact our financial well-being.</p>	<p>Compliance Non-compliance with laws and regulations in the countries where we operate that may lead to financial penalties, reputational damage or even the revocation of business licenses.</p>
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Our Risk Determination Process



Our Risk Matrix



Risk Categories:

- 1 Competitive Risk
- 2 Expansion & Liquidity Risk
- 3 Cocoa Bean Supply Risk
- 4 Human Workforce Risk
- 5 Compliance Risk

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

RISK	CATEGORIES	DESCRIPTION	MITIGATION ACTIONS
<p>Competitive Risk</p> <p>Material matters impacted: Product Footprint, Pricing, and Quality</p> <p>Stakeholders involved:</p>  <p>Capital impacted:</p>  <p>Growth strategies:</p> 	<p>Operational</p>	<ul style="list-style-type: none"> • As a leading cocoa grinder, we face intense global competition. Failing to adopt the latest production technologies could harm our competitiveness and cause customer loss. • A careful approach to technology adoption is vital, as poor investments can lead to high costs, lower profitability, and a weakened competitive edge. • To remain competitive, we must continue offering sustainable options to our customers. • We must stay alert to health risks and supply chain issues, as these could lead to customer complaints, food safety concerns, and reputation damage. 	<ul style="list-style-type: none"> • Establishing cocoa processing facilities in Côte d'Ivoire provides access to higher-quality raw materials from the world's largest cocoa bean producer. This expansion kickstarts sustainability initiatives right from bean procurement, enhancing operational efficiency and competitiveness. • With our GC&B Programme, we are better positioned to deliver sustainable products that are monitored for deforestation, child labour, and other environmental concerns. • Expanding into the European and UK markets strengthens our competitive edge and boosts product margins through customer diversification, targeted preferences, competitive pricing, and reduced freight costs from strategically located production facilities. • We offer a diverse range of cocoa products, from natural to alkalised, in various colours, including brown, red and black, at competitive prices. • To maintain high-quality standards and address potential safety issues in our supply chain, we have implemented the ISO 22000: Food Safety Management System and comply with FSSC 22000 requirements. • Before acquiring new machinery and technology, we conduct due diligence and engage experienced professionals to design efficient systems. We also participate in international exhibitions and collaborate with suppliers to stay current on technological advancements, ensuring our production line meets customer quality demands. • Our dedicated marketers work closely with our R&D and QA teams to ensure timely delivery of products that meet customer specifications, while managing relationships with multinational companies to uphold our quality and reputation. • Additionally, we prioritise innovative product development to access diverse market segments.

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

RISK	CATEGORIES	DESCRIPTION	MITIGATION ACTIONS
<p>Expansion and Liquidity Risk</p> <p>Material matters impacted: Sustainable Operational Performance and Expansion</p> <p>Stakeholders involved:</p>    <p>Capital impacted:</p>    <p>Growth strategies:</p> 	<p>Financial</p>	<ul style="list-style-type: none"> Expanding into Germany, the UK, and Côte d'Ivoire requires assessing risks such as market conditions, cultural differences, and local business practices to avoid costly mistakes. Price fluctuations in the bean terminal market can impact our margins and profits. To avoid cash flow deficits, we must align product sales and bean purchases with production capacity, while closely monitoring cash flow. 	<ul style="list-style-type: none"> Our strategy for addressing workforce challenges involves creating a balanced mix of local hires and experienced personnel from headquarters to lead the setup, leveraging insights from our previous expansions into Indonesia and the US for smooth operational integration. We carefully assess the Group's financial resources before pursuing any new investments. To minimise risks associated with poorly planned expansions, we focus on growing within our core areas of expertise, such as bean grinding and industrial chocolate. Before expanding into a new country, we evaluate predefined criteria, including political stability, strategic location value, government incentives, long-term supply and demand, quality issues, environmental concerns, and other relevant factors. Feasibility studies on machinery, local energy supply, workforce, and environmental impact are also conducted. During project execution, our team ensures that costs remain within budget. To proactively manage cash flow risks, we regularly monitor our marketing and trading positions, providing management with the information needed for informed decision-making. We conduct working capital and bean inventory forecasts to ensure adequate cash flow and financing while maintaining a mix of long-term and short-term loans for project and working capital needs. Diligently monitoring our gearing ratio helps protect our reserves for expansion projects, supported by detailed project forecasts. We use hedging contracts to mitigate risks associated with fluctuations in cocoa bean market prices.

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

RISK	CATEGORIES	DESCRIPTION	MITIGATION ACTIONS
<p>Cocoa Bean Supply Risk</p> <p>Material matters impacted: Responsible and Ethical Suppliers</p> <p>Stakeholders involved:</p>  <p>Capital impacted:</p>  <p>Growth strategies:</p> 	<p>Strategic</p>	<ul style="list-style-type: none"> • The supply of cocoa beans is vulnerable to various factors, including climate change, natural disasters, diseases, and political instability. • Additionally, if our suppliers do not adhere to our Supplier Code of Conduct, which prohibits illegal activities such as deforestation and child labour, we may face scrutiny from global unions, potential product boycotts, and potential reputational harm. 	<ul style="list-style-type: none"> • We conduct thorough background checks on all new suppliers before entering into agreements, avoiding partnerships with those lacking an established company background or portfolio. • All suppliers are required to sign and adhere to our Supplier Code of Conduct, which outlines our expectations for ethical and sustainable practices. • To ensure compliance with our standards, we perform regular supplier audits. If an audit reveals unsatisfactory results, we request detailed evidence to address the issues. We also implement sustainability evaluations to assess whether suppliers have policies and procedures to mitigate illegal practices in their supply chains while promoting sustainability. • With processing facilities in Côte d'Ivoire, we are closer to the world's largest cocoa bean source, reducing the risk of supply shortages. • We continuously expand our supplier base to mitigate concentration risk and avoid overreliance on a few major suppliers. We maintain sufficient stock to meet our production and sales commitments and have implemented sustainability programmes to provide cocoa trees to farmers, encouraging more planting. • We strengthen control over the supplier approval process to ensure the Group collaborates only with reliable suppliers. • We maintain close communication with bean suppliers and continuously monitor their performance to ensure timely delivery of cocoa bean shipments.

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

RISK	CATEGORIES	DESCRIPTION	MITIGATION ACTIONS
<p>Human Workforce Risk</p> <p>Material matters impacted: Talent Attraction, Development, and Retention</p> <p>Stakeholders involved:</p>    <p>Capital impacted:</p>   <p>Growth strategies:</p>  	<p>Operational</p>	<ul style="list-style-type: none"> • Inadequate evaluation of candidates can result in the recruitment of unsuitable personnel, leading to financial losses and damage to our reputation. • Conversely, the departure of highly talented employees could weaken our workforce and diminish the overall capabilities of our organisation. • We must remain vigilant regarding potential safety risks, including manufacturing accidents and equipment malfunctions, to avoid negative impacts such as legal liabilities and operational disruptions. • Additionally, cultural and linguistic disparities present challenges to the effective functioning of our businesses, particularly concerning our international subsidiaries. 	<ul style="list-style-type: none"> • We engage professional recruitment agencies to shortlist qualified candidates, reducing the risk of hiring underqualified talent. • Employee well-being is prioritised through regular Group-wide health and safety training and a comprehensive benefits package that includes healthcare and professional development. • Regular meetings between our headquarters and global subsidiaries promote alignment with our corporate vision and goals, fostering effective communication and unity. • We strategically deploy experienced management and operational teams across our subsidiaries to ensure cultural integration and alignment of industry knowledge with the Group.

MANAGEMENT DISCUSSION & ANALYSIS

KEY RISKS & MITIGATION ACTIONS

RISK	CATEGORIES	DESCRIPTION	MITIGATION ACTIONS
<p>Compliance Risk</p> <p>Material matters impacted: Governance and Compliance</p> <p>Stakeholders involved:</p>  <p>Capital impacted:</p>  <p>Growth strategies:</p> 	<p>Compliance</p>	<ul style="list-style-type: none"> • Non-compliance with tax, financial, and sustainability regulations, such as EUDR and food safety laws, can result in significant financial losses, product restrictions, and reputational damage. • Violating cybersecurity rules may compromise information, exacerbating these negative impacts. • Conducting transactions with customers and suppliers in sanctioned or high-risk countries violates international trade laws, risking fines or penalties. • Sourcing cocoa beans from deforested areas (deforestation cut off date 31 December 2020) will be banned by the EU under the new EUDR regulation, and non-compliant products will be excluded from access to the EU market. 	<ul style="list-style-type: none"> • As a publicly listed company, we must comply with Bursa requirements, a responsibility overseen by our Corporate Governance Committee, which establishes policies and procedures for adherence. • We actively participate in professional training events organised by relevant bodies to stay informed about regulatory changes impacting our operations, covering areas such as accounting, finance, human resources, tax, and trading. • During expansions into unfamiliar countries, we maintain regular communication with local authorities to understand specific requirements and incentives for upcoming projects. • We have implemented internal controls and SOPs to ensure timely submission of all regulatory documents. • To prevent issues with relevant authorities, our finance team regularly updates the marketing team on countries under sanctions or considered high-risk. • Committed to sound corporate governance, we have established policies and procedures to prevent fraud and bribery throughout the organisation. • IT personnel ensure compliance with both local and international data protection regulations. • To adhere to stricter regulations, we have developed a comprehensive due diligence system and formed a dedicated working group to ensure that proper sourcing controls are in place.

MANAGEMENT DISCUSSION & ANALYSIS

GROWTH STRATEGIES


GCB's transformation from a local producer to the world's fourth-largest cocoa grinding company reflects our commitment to growth strategies that drive expansion across the Group.

Having established ourselves as a key player in the global cocoa industry, we continue to focus on three core strategies that leverage our competitive advantages and reinforce our position as an innovative and responsible industry leader.

STRATEGIC PRIORITIES	COMPETITIVE ADVANTAGES	BUSINESS STRATEGIES	TIMEFRAME MEDIUM-TERM (5-25 YEARS) LONG-TERM (25-55 YEARS)
 <p>Growth & Expansion</p>	<ul style="list-style-type: none"> Expanding into key markets, including the US, UK, Europe, and Côte d'Ivoire, to unlock economies of scale Positioning production facilities in the world's largest chocolate-consuming and producing regions to optimise growth opportunities Increasing annual cocoa grinding capacity to 335,000 MT through facilities in Pasir Gudang (Malaysia), Batam (Indonesia), and San Pedro (Côte d'Ivoire) Expanding industrial chocolate capacity to 116,000 MT through facilities in Mannheim (Germany) and Suffolk (UK) Enhancing cocoa cake grinding, liquor and butter melting, and butter deodorising capabilities through US facilities in Delaware and Swedesboro Leveraging SCHOKINAG (Germany) and GCBCUK (UK) to grow within the European industrial chocolate market Applying "close to source" and "close to market" strategies through our Côte d'Ivoire facility Sourcing premium cocoa beans directly, shortening the bean-to-ingredient cycle, reducing supply chain risks, and strengthening control over production and logistics Building a diverse global customer base while maintaining strong supplier relationships to ensure stable supply and timely delivery 	<ul style="list-style-type: none"> Monitoring expansion opportunities to strengthen presence in strategic international cocoa-derived ingredients and industrial chocolate markets Ensuring full compliance with laws and regulations across all operating jurisdictions Exploring new market opportunities and cultivating mutually beneficial customer relationships globally Fostering stability and unity among employees to promote a collective mindset towards achieving Group objectives Deploying dedicated marketing personnel to understand customer needs and drive tailored innovation aligned with market trends Exploring production line expansion at our Côte d'Ivoire facility to meet growing demand Establishing cost efficiency initiatives, including: <ol style="list-style-type: none"> Direct control over cocoa bean quality and cost Expanded direct sustainability programmes Shortened bean-to-product cycle Reduced logistics costs for cost-effective access to Europe and the US 	<p>Medium term</p>


MANAGEMENT DISCUSSION & ANALYSIS

GROWTH STRATEGIES

STRATEGIC PRIORITIES	COMPETITIVE ADVANTAGES	BUSINESS STRATEGIES	TIMEFRAME MEDIUM-TERM (5-25 YEARS) LONG-TERM (25-55 YEARS)
 <p>Innovation</p>	<ul style="list-style-type: none"> • Implementing innovative processes to continuously enhance product quality • Leveraging process team expertise to adopt advanced technologies, streamline production, and improve efficiency • Optimising facility layouts, machine run-time planning, and production scheduling to boost efficiency • Offering a one-stop product matching service, with our R&D team developing cocoa liquor, cocoa powder, and chocolate across a wide range of flavours and characteristics • Building extensive technical and chocolate expertise to enhance market competitiveness and agility, including: <ol style="list-style-type: none"> 1) Rapid development of tailor-made recipes for customers 2) Adaptation to market trends such as vegan or nut-free products 3) State-of-the-art pilot plant capabilities 4) Modern analytical devices and sensory panels 	<ul style="list-style-type: none"> • Prioritising continuous innovation and ongoing R&D to maintain market leadership and deliver consistently high-quality products • Exploring cutting-edge technologies to enhance grinding capacity and production efficiency • Collaborating with customers through our in-house R&D team to co-develop new recipes and innovative products • Integrating best manufacturing standards and systems to maintain product consistency and quality 	<p>Medium to long-term</p>

MANAGEMENT DISCUSSION & ANALYSIS

GROWTH STRATEGIES

STRATEGIC PRIORITIES	COMPETITIVE ADVANTAGES	BUSINESS STRATEGIES	TIMEFRAME MEDIUM-TERM (5-25 YEARS) LONG-TERM (25-55 YEARS)
 <p>Sustainability</p>	<ul style="list-style-type: none"> • Harnessing renewable energy through steam from cocoa shells in biomass boilers and electricity from solar panels • Prioritising a safe and healthy working environment for all employees • Implementing internal controls to conduct due diligence on environmental and social issues, including deforestation • Collaborating with underperforming suppliers to develop action plans for improving sustainable practices • Leveraging career development programmes to understand employee needs and foster continuous professional growth • Engaging meaningfully with local communities through CSR initiatives to create lasting positive impact • Developing climate transition plan to set practical decarbonisation target • Integrating climate risk assessments into Group's ERM framework to ensure climate transition and physical risks are considered in strategic planning 	<ul style="list-style-type: none"> • Fostering corporate stewardship with continued commitment to energy conservation and adoption of new technologies to reduce power consumption and enhance efficiency • Expanding use of experienced in-house personnel dedicated to optimising processes for improved energy efficiency • Investing in our GC&B Programme to expand Human Rights Due Diligence systems, covering more farmer households, addressing child and forced labour issues, and implementing ongoing deforestation risk assessments • Ensuring traceable and sustainable cocoa-derived ingredients throughout our direct sourcing network • Prioritising professional development, training opportunities, and a safe, healthy work environment for all employees • Expanding CBC initiatives across subsidiaries to drive greater impact • Climate-related risks are identified through scenario analysis which better informs management on setting mitigation controls 	<p>Medium to long-term</p>

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

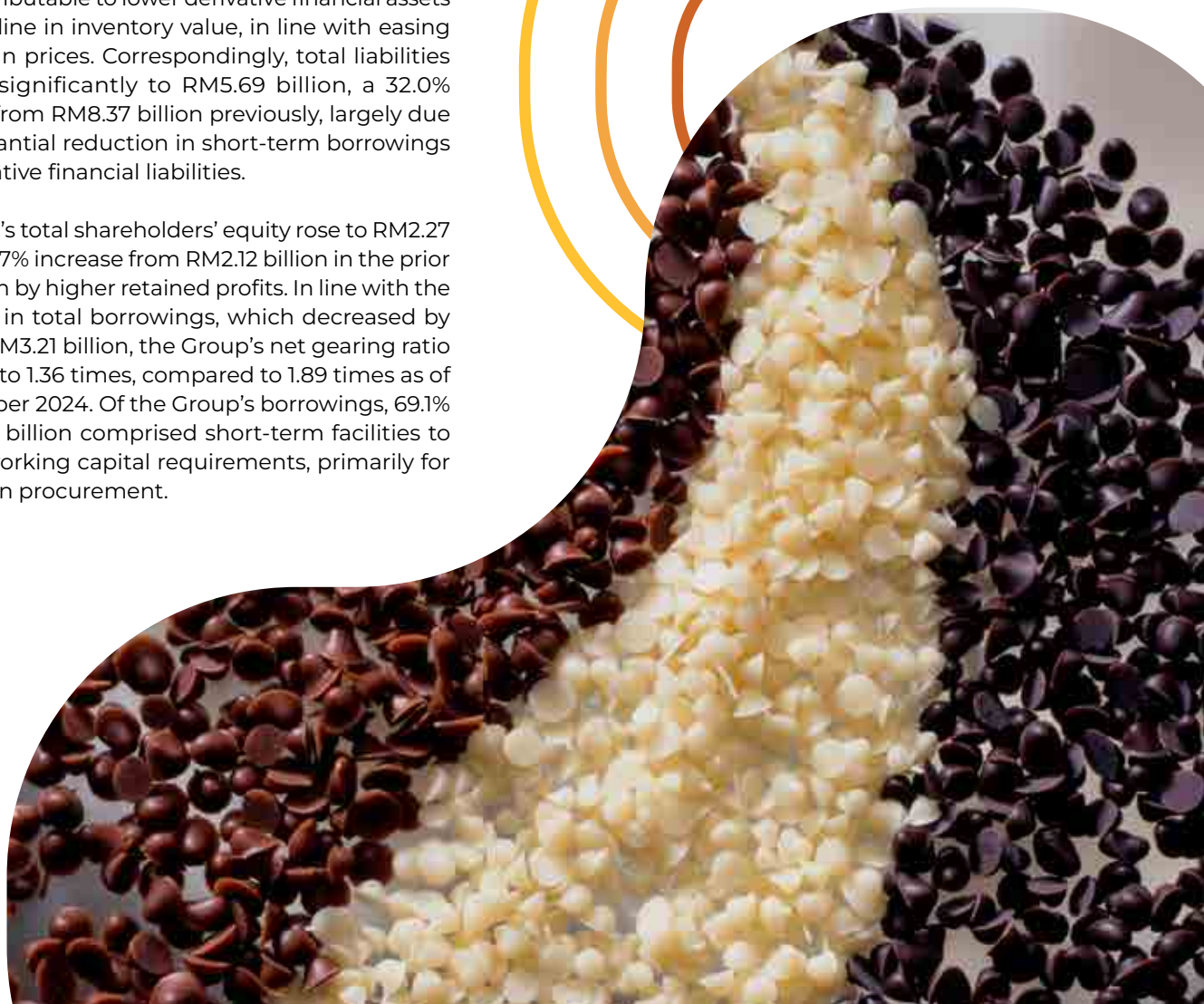
In FY2025, the Group continued to deliver strong topline performance, recording revenue of RM14.9 billion, a 42.9% increase from RM10.4 billion in the previous year. This growth was primarily driven by higher average selling prices of cocoa ingredients, which offset the effects of lower sales volume.

Despite the robust revenue growth, the Group faced challenges in profitability. The Group experienced lower grinding margins due to subdued market demand and reduced sales tonnage. Additionally, finance costs remained elevated as increased borrowing was required to support working capital needs amid the rising cocoa bean prices from 2024 to 2025. Consequently, the Group's net profit declined by 46.9%, falling to RM227.9 million from RM429.2 million in FY2024.

As at 31 December 2025, the Group's total assets stood at RM7.96 billion, representing a 24.2% decrease from RM10.49 billion in the previous year. This reduction was mainly attributable to lower derivative financial assets and a decline in inventory value, in line with easing cocoa bean prices. Correspondingly, total liabilities dropped significantly to RM5.69 billion, a 32.0% decrease from RM8.37 billion previously, largely due to a substantial reduction in short-term borrowings and derivative financial liabilities.

The Group's total shareholders' equity rose to RM2.27 billion, a 6.7% increase from RM2.12 billion in the prior year, driven by higher retained profits. In line with the reduction in total borrowings, which decreased by 24.7% to RM3.21 billion, the Group's net gearing ratio improved to 1.36 times, compared to 1.89 times as of 31 December 2024. Of the Group's borrowings, 69.1% or RM2.22 billion comprised short-term facilities to support working capital requirements, primarily for cocoa bean procurement.

Looking ahead, the recent decline in cocoa bean prices has reduced some pressure on working capital requirements, but overall market conditions remain fluid. The Group's reduction in borrowings is expected to moderate finance costs over time, although the extent of this impact will depend on future price movements and industry demand. We remain committed to closely monitoring market developments, optimising our cost structure, and ensuring sufficient liquidity to navigate evolving industry dynamics.



MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Summarised Group Statements of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 December (RM'000)					
	2021	2022	2023	2024	2025
Revenue	3,923,297	4,419,839	5,320,841	10,442,520	14,924,050
EBITDA	292,595	308,973	359,952	878,858	720,277
Profit Before Tax	196,760	188,081	139,058	513,812	293,412
Profit Attributable to Owners of the Parent	154,838	147,410	100,926	429,158	227,861

Summarised Group Statements of Financial Position As At 31 December (RM'000)					
	2021	2022	2023	2024	2025
Total Non-Current Assets	1,072,428	1,308,165	1,552,005	1,551,554	1,696,333
Total Current Assets	2,423,044	2,352,209	3,949,913	8,941,968	6,262,718
Total Assets	3,495,472	3,660,374	5,501,918	10,493,522	7,959,051
Share Capital	297,059	495,237	495,237	495,237	495,239
Reserves	1,046,008	1,144,038	1,258,257	1,630,283	1,771,746
Treasury Shares	(720)	(720)	(720)	(720)	(720)
Total Equity	1,342,347	1,638,555	1,752,774	2,124,800	2,266,265
Total Non-Current Liabilities	516,242	502,550	794,462	923,278	1,085,023
Total Current Liabilities	1,636,883	1,519,269	2,954,682	7,445,444	4,607,763
Total Liabilities	2,153,125	2,021,819	3,749,144	8,368,722	5,692,786
Total Equity and Liabilities	3,495,472	3,660,374	5,501,918	10,493,522	7,959,051

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Summarised Group Statements of Cash Flows For the Financial Year Ended 31 December (RM'000)	2021	2022	2023	2024	2025
Operating Profit Before Changes in Working Capital	277,912	345,949	64,148	101,991	1,568,867
Net Cash (Used in)/From Operating Activities	(79,134)	277,708	(736,583)	(1,676,354)	1,117,604
Net Cash Used in Investing Activities	(164,591)	(274,048)	(239,238)	(154,438)	(252,526)
Net Cash From/(Used in) Financing Activities	241,231	(14,386)	984,092	2,023,378	(967,295)
Net (Decrease)/Increase in Cash and Cash Equivalents	(5,446)	(5,629)	6,934	153,201	(135,268)
Cash and Cash Equivalents at Beginning of Financial Year	58,338	52,892	47,263	54,197	207,398
Cash and Cash Equivalents at End of Financial Year #	52,892	47,263	54,197	207,398	72,130

Note:

including the effect on exchange rate differences

Financial Analysis	2021	2022	2023	2024	2025
EBITDA Margin	7.46%	6.99%	6.76%	8.42%	4.83%
PBT Margin	5.02%	4.26%	2.61%	4.92%	1.97%
Net Profit Margin	3.95%	3.34%	1.90%	4.11%	1.53%
Free Cash Flow (RM'000)	(243,321)	3,829	(967,481)	(1,830,425)	871,264
ROE	11.53%	9.00%	5.76%	20.20%	10.05%
ROA	4.43%	4.03%	1.83%	4.09%	2.86%
EPS (sen)	14.86	13.52	8.59	15.66#	8.31
Net Dividends Per Share (sen)	4.04	3.52	2.00	1.71#	1.50
Payout Ratio	27.19%	26.04%	23.28%	10.92%#	18.05%
Cash and Bank Balances (RM'000)	73,809	69,111	85,094	241,690	123,040
Total Borrowings (RM'000)*	1,302,285	1,186,752	2,210,413	4,258,105	3,206,765
Gearing (net of cash)	0.92	0.68	1.21	1.89	1.36

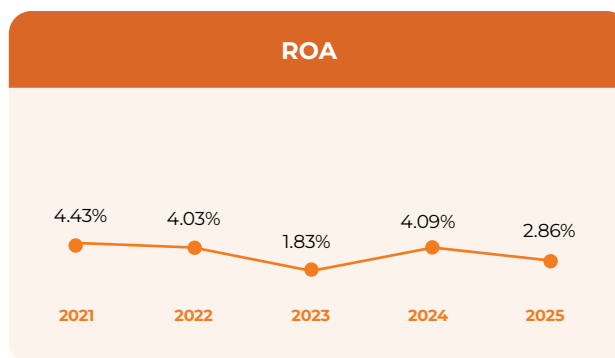
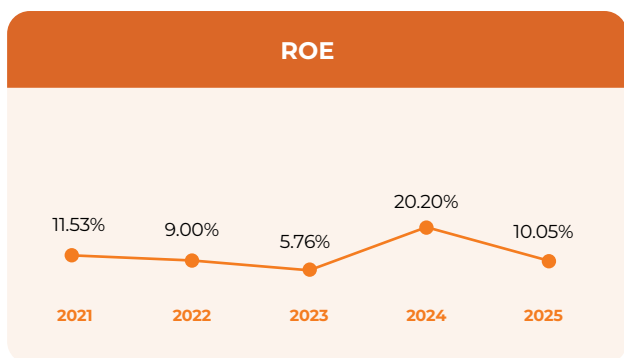
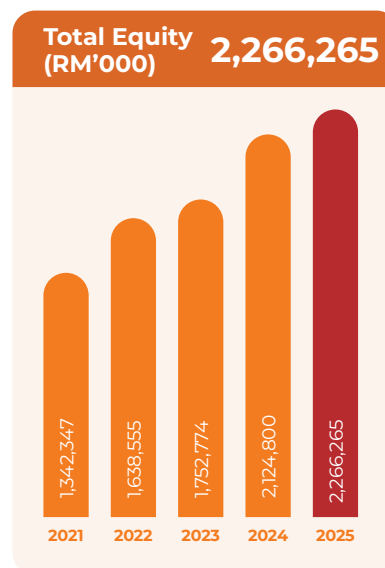
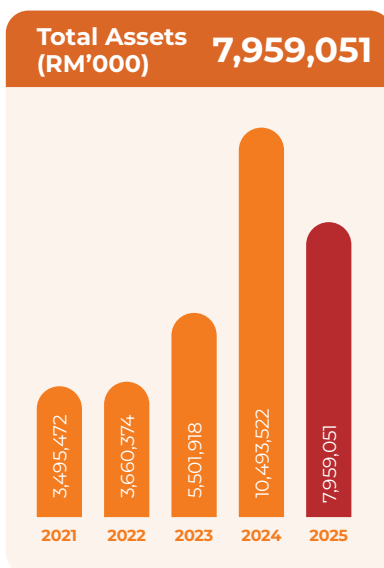
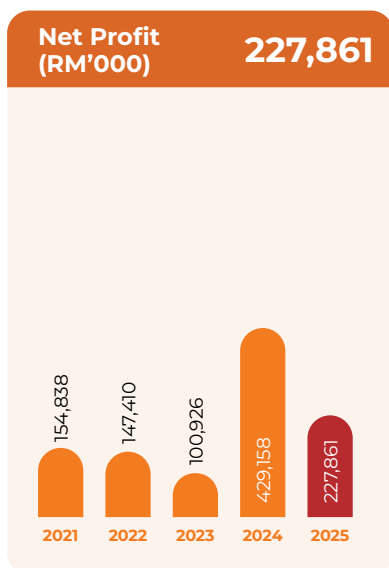
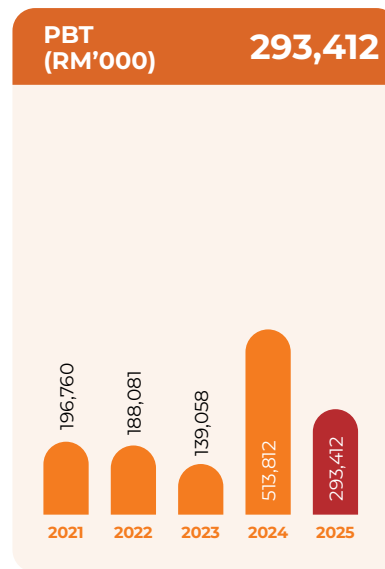
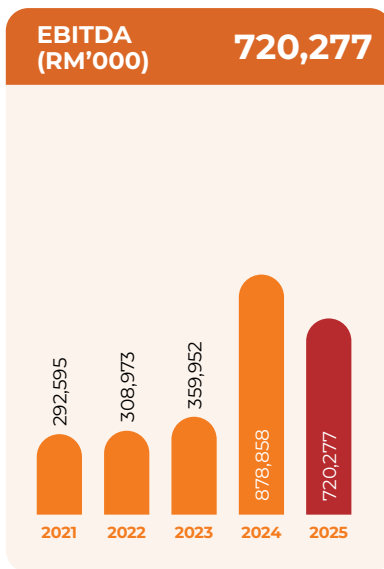
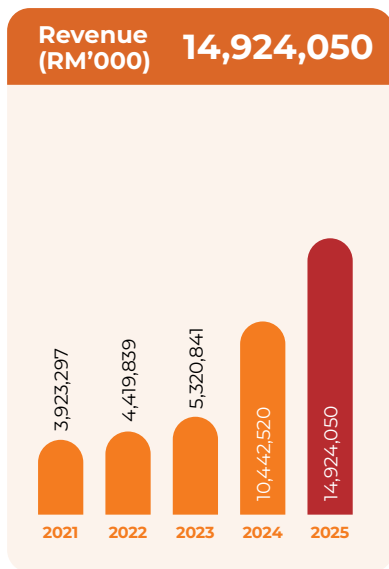
Note:

* including lease liabilities owing to financial institutions

restated due to adjustment on number of ordinary shares as a result of bonus issue during 2025

MANAGEMENT DISCUSSION & ANALYSIS

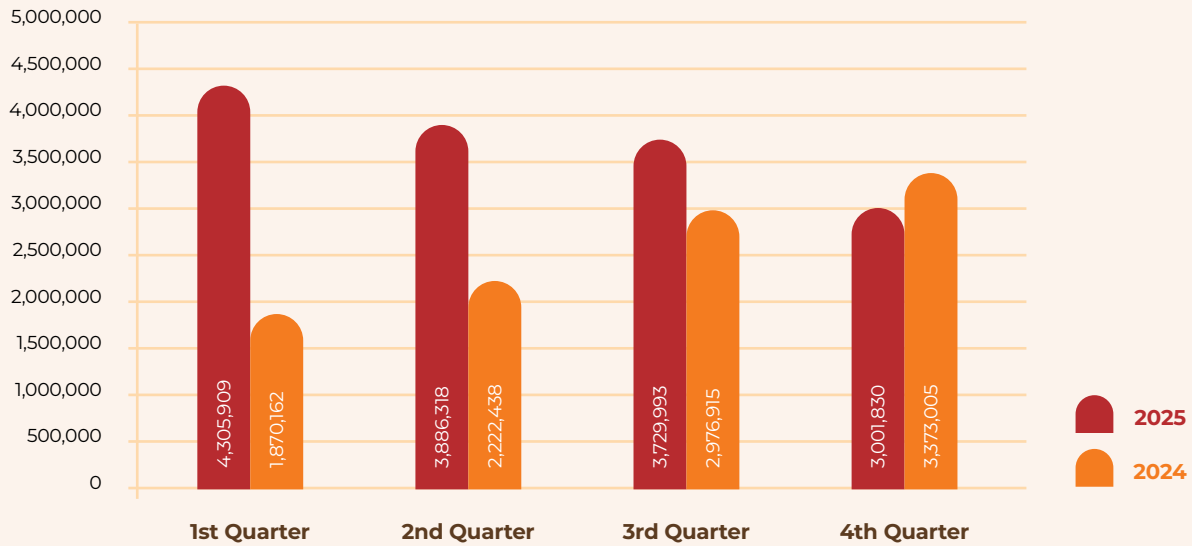
FINANCIAL REVIEW



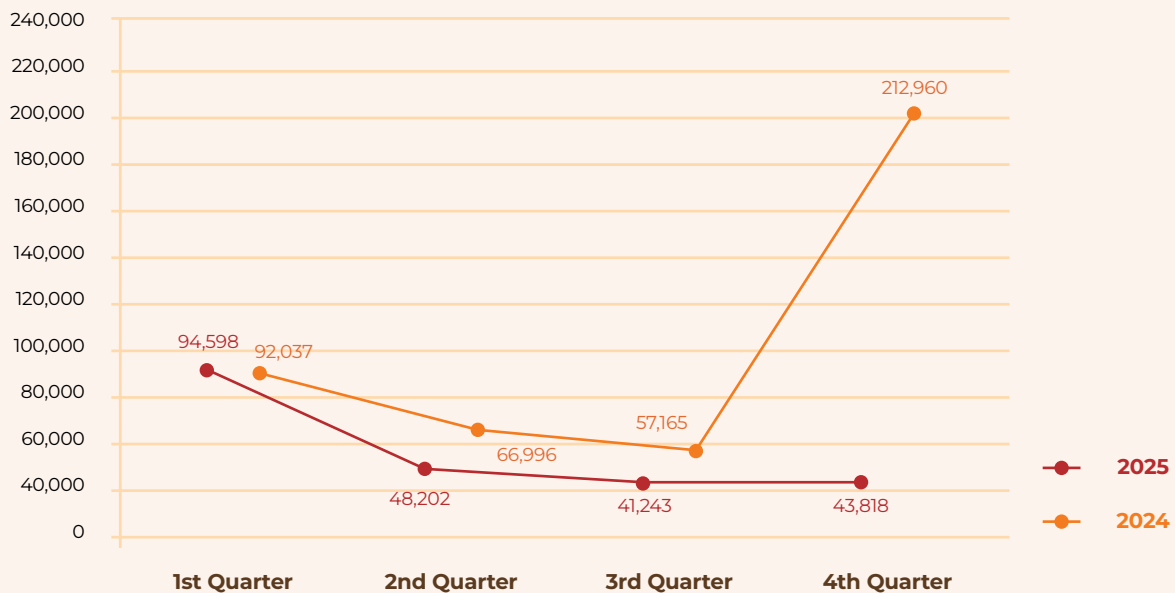
MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Quarterly Revenue (RM'000)



Quarterly Net Profit (RM'000)



MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE REVIEW

FY2025 presented significant challenges, including record-high cocoa prices driven by adverse weather in West Africa, persistent inflation, geopolitical disruptions, and evolving sustainability regulations. The Group maintained its resilience through an integrated supply chain, strategic expansion in Côte d'Ivoire and Europe, and a sustained focus on operational excellence and customer partnerships.

CAPACITY ENHANCEMENT AND OPERATIONAL EXCELLENCE

The Group has pursued targeted capacity expansion across its global operations to strengthen efficiency and deepen its market presence.



CÔTE D'IVOIRE OPERATIONS:

- ▶ Installed an additional press unit to increase pressing capacity.
- ▶ Tested and commissioned the bush bean cleaning plant.
- ▶ Installed a one-tonne block cocoa liquor packing line.
- ▶ Commenced machine installation for a second cocoa bean grinding line, liquor grinding line, presses, cake grinding line, deodoriser plant, butter pretreatment plant, and liquor and butter packing line.
- ▶ Initiated construction of additional warehousing to accommodate approximately 7,000 MT of product storage.
- ▶ Launched the 4-Way Shuttle (4WS) automated storage and retrieval system project to maximise warehouse capacity storage.
- ▶ Carried out strategic debottlenecking of production lines to optimise throughput.

EUROPEAN OPERATIONS ENHANCEMENT:

United Kingdom

- ▶ Enhanced overall industrial chocolate production flow and efficiency.

UNITED STATES VALUE-ADDED PROCESSING:

Carlyle Facility

- ▶ Installed a complete cocoa cake grinding line from the dumping station through to powder packing and palletising.
- ▶ Installed a liquor block depalletising system.
- ▶ Advanced operational efficiency through process automation.

ASIAN MANUFACTURING HUB:

- ▶ Installed oil-free compressors, eco filter lines, magnets and metal detectors to enhance product quality and reduce contamination risk.
- ▶ Installed additional press to increase pressing capacity and improve control of cocoa cake and powder fat content.
- ▶ Implemented robotic palletising systems to automate palletising processes and reduce manual labour.
- ▶ Installed additional powder mill lines to increase cocoa cake grinding capacity and support higher production throughput.

Machinery utilisation rates remained strong throughout the year, sustaining productivity despite a challenging operating environment.

The past year has underscored the agility and resilience of our business. Looking ahead, we remain focused on refining practices across five core operational areas to drive growth and advance our sustainability goals.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE REVIEW

OUR 5 CORE OPERATIONAL AREAS:

The Group has pursued targeted capacity expansion across its global operations to strengthen efficiency and deepen its market presence.



SAFEGUARDING PRODUCT QUALITY AND RELIABILITY

- ▶ Source quality cocoa beans for production.
- ▶ Uphold customer trust by ensuring all products comply with global food safety standards, applicable laws and regulations, and our stringent internal quality control requirements.
- ▶ Maintain an uncompromising commitment to product quality and reliability.
- ▶ Foster a quality-driven culture that delivers products trusted and preferred by customers.
- ▶ Pursue continuous improvement through regular product reviews.
- ▶ Embed effective supervision and communication throughout production.
- ▶ Strengthen monitoring with a comprehensive camera inspection system.
- ▶ Track, investigate, and resolve customer complaints and product returns related to food safety.
- ▶ Provide routine employee training on food handling, quality, and food safety best practices.



EMBEDDING SUSTAINABILITY IN OUR SUPPLY CHAIN

- ▶ Adhering to evolving global sustainability trends and requirements.
- ▶ Lower dependence on non-renewable energy by leveraging renewable sources, including biomass boilers and solar panels.
- ▶ Integrating climate-related risks in ERM framework.
- ▶ Deploy systematic machine monitoring and control systems to maintain energy and water efficiency across operations.
- ▶ Enhance ESG practices across our six sustainability workstreams: Caring Beyond Cocoa, Circular Economy, Climate Action, Responsible Sourcing, Corporate Stewardship, and Human Rights.



MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL PERFORMANCE REVIEW



MAINTAINING HIGH LEVELS OF HEALTH AND SAFETY

- ▶ Acknowledge the essential role of our people in executing processes and producing quality products.
- ▶ Comply with global health and safety standards to maintain a safe working environment.
- ▶ Adopt new technologies, such as lifting manipulators and automated palletisers, to reduce the risk of injuries and accidents.
- ▶ Continuously improve and implement machine safety standards, including handling protocols and safety intervention features.
- ▶ Increase employee access to reporting platforms for raising safety concerns and offering feedback.
- ▶ Conduct routine training and briefings, including annual occupational safety refresher sessions.
- ▶ Implement appropriate safety measures across offices, manufacturing sites, and warehouses, including clear safety signage.
- ▶ Enforce strict hygiene policies, including frequent handwashing and mandatory sanitisation routines.
- ▶ Utilise specialised teams to optimise productivity and ensure a safe working environment.
- ▶ Maintain our zero-fatality track record, reflecting our commitment to workplace safety.



DEVELOPING SKILLS AND KNOWLEDGE

- ▶ Provide on-the-job training and foster continuous professional development for all employees.
- ▶ Upskill operational workers, particularly in specialised tasks, to boost productivity.
- ▶ Foster a culture of mentorship among senior management to develop future leaders, driving GCB's strategic vision and operational excellence.



INTEGRATING TECHNOLOGY TO ENHANCE EFFICIENCY AND MEET CUSTOMER DEMAND

- ▶ Deploy robotic arms to maximise efficiency in packaging lines.
- ▶ Modernise production planning and daily operations with digital workflows.
- ▶ Implement strict preventive maintenance backed by a fully stocked spare parts inventory.
- ▶ Optimise output through strategic planning and a highly trained workforce.

SUSTAINABILITY STATEMENT 2025



05 OVERVIEW

77 Sustainability Highlights in 2025



OVERVIEW

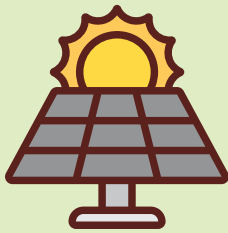
SUSTAINABILITY HIGHLIGHTS IN 2025



Covered
89%
of trading offices' electricity usage with RECs

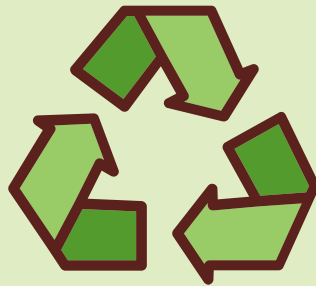


Around
2,000
employees as of 31 December 2025



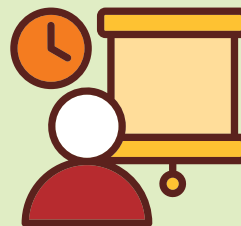
Solar panels generation capacity,
7.93 MWp

More than
14,000 MT
waste diverted from landfill



ZERO
corruption incidents reported

ZERO
fatality and reduction in Lost Time Injury Rate (LTIR) by
60%
compared to 2024



Average training hours per employee is at
7.37 hours



Over
RM360,000
contributed by CBC to benefit more than
1,400 people

06 SUSTAINABILITY SECTIONS

79	IFRS Sustainability Disclosure - Climate
112	Responsible Sourcing
120	Circular Economy
122	Human Rights
126	Corporate Stewardship
127	Caring Beyond Cocoa



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

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IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

BASIS OF PREPARATION

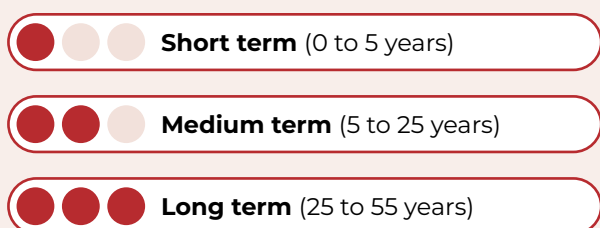
COMPLIANCE WITH IFRS SUSTAINABILITY DISCLOSURE STANDARDS

The Group has prepared this IFRS Sustainability Disclosure section in accordance with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements. When preparing this report, the disclosure topics contained in the Sustainability Accounting Standards Board (SASB) standards have been consulted and taken into consideration.

CONNECTIVITY WITH FINANCIAL STATEMENTS (REPORTING PERIOD, REPORTING ENTITY, AND PRESENTATION CURRENCY)

This IFRS Sustainability Disclosure section has been prepared for the Group and should be read alongside 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. The reporting period covered is the financial year ended 31 December 2025, which corresponds to the reporting period of the related consolidated financial statements.

The Group has established time horizons that reflect its strategic planning cycles and the periods within which sustainability-related risks and opportunities may reasonably be expected to emerge. The following time horizons, determined as at the end of the reporting period, are consistent with the timelines applied in strategic decision-making:



The reporting entity covered by these sustainability-related financial disclosures is identical to that of the consolidated financial statements, comprising the parent company, GCB, together with its subsidiaries. In preparing these disclosures, the Group has undertaken an assessment of both its own operations and its broader value chain.

Ringgit Malaysia (RM) has been adopted as the presentation currency for these sustainability-related financial disclosures, in alignment with the currency used in the consolidated financial statements. All amounts are rounded to the nearest million unless otherwise indicated.

FIRST-TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

This marks the Group's inaugural reporting period under the IFRS Sustainability Disclosure Standards, covering the annual reporting period ended 31 December 2025. The following standards have been applied for the annual reporting period commencing 1 January 2025:

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

Transition relief is available under the standards and MMLR for issuers listed on the Main Market of Bursa Malaysia applying for the first time.

The Group has elected to apply the transition relief that permits disclosure of information solely about climate-related risks and opportunities (in accordance with IFRS S2 'climate-related disclosure standard'). As a result, the requirements of IFRS S1 'sustainability-related disclosure standard' have been applied only to the extent that they relate to climate-related risks and opportunities during this first annual reporting period.

As at 31 December 2025, no additional IFRS Sustainability Disclosure Standards have been issued by the ISSB.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

OVERVIEW OF THE GROUP

OUR KEY BUSINESS ACTIVITIES

The Group's core operations centre on the manufacture of cocoa-derived food ingredients, alongside a comprehensive range of chocolates and couvertures. Our cocoa product portfolio includes cocoa mass, cocoa butter, cocoa cake, and cocoa powder. Strategically positioned across the globe, the Group's cocoa processing and chocolate production facilities have a combined annual capacity of 335,000 MT for bean grinding, 112,000 MT for value-added processes, and 116,000 MT for industrial chocolate production.

Beyond direct customer sales, a portion of the Group's intermediate consumer products is sold to traders who subsequently export them to markets worldwide, including European market. The Group's products are marketed under four distinct trademarked brands: FAVORICH, the inaugural brand representing 'High in Flavour' and 'Rich in Colour,' which serves the global market; Carlyle Cocoa, a cocoa powder brand targeted primarily at the US market; SCHOKINAG, an established European industrial chocolate brand; and FAVORICH CHOCOLATE, which serves global markets with particular emphasis on the UK and European regions.

A summary of the Group's key business activities, their geographical locations, and revenue contribution by geographical location is presented below:

Business activities	Additional Information	Geographical Location	% of total revenue ¹
Downstream			
Cocoa Product	Sales of Cocoa Mass, Cocoa Butter, Cocoa Cake and Cocoa Powder	Malaysia, Singapore, Indonesia, Côte d'Ivoire, Netherlands	81.7%
Value-Added Service	Cocoa Cake grinding, Cocoa Mass melting, and Cocoa Butter melting and deodorising services	US	0.7%
Industrial Chocolate Product	Sales of Industrial Chocolate	UK, Germany	17.6%

¹ The revenue disclosed is the percentage of revenue from external customers per business activity. Refer to Note 23 of the Group's FY2025 financial statements for further details.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

OVERVIEW OF THE GROUP

OUR STRATEGY AND CLIMATE-RELATED GOALS

The Group maintains its commitment to strengthening its position within the cocoa industry through ongoing investment in and enhancement of its cocoa processing operations. Operational efficiency remains a central focus, with efforts directed towards optimising resource utilisation, minimising waste, and improving productivity across all processing facilities.

Through the implementation of sustainable manufacturing practices, the Group seeks to advance responsible resource management. Close collaboration is maintained with local farmers, communities, and third-party suppliers to promote inclusive and responsible supply chain practices.

These strategic efforts support the Group's long-term ambition of establishing itself as a reliable and responsible player in the cocoa sector, while contributing to broader sustainability goals. In support of its long-term business strategy and values, the Group has established the following sustainability-related targets:

Increase volume of deforestation-free² cocoa (cut-off date 31 December 2020)

The Group has committed to avoid sourcing from deforested areas, in support of EUDR compliance. GCB aims to eliminate cocoa-driven deforestation and the conversion of other natural ecosystems within its direct sourcing network by 2030.

Increase volume of traceable and sustainable cocoa

The GC&B Programme reflects the Group's commitment to embedding sustainability at the heart of its operations. The overarching objective is to achieve 100% traceable and sustainable cocoa³ within the direct sourcing network by 2030.

Increase generation of renewable energy

The Group seeks to reduce its dependence on non-renewable energy sources by harnessing renewable alternatives, including biomass boilers that utilise cocoa shells for steam generation and solar panels to decrease reliance on carbon-intensive energy. To further advance the transition to cleaner energy, the Group has initiated the procurement of Renewable Energy Certificates (RECs).



² Deforestation-free cocoa: conversion forest land to agricultural use, regardless of whether it's human-induced or natural.

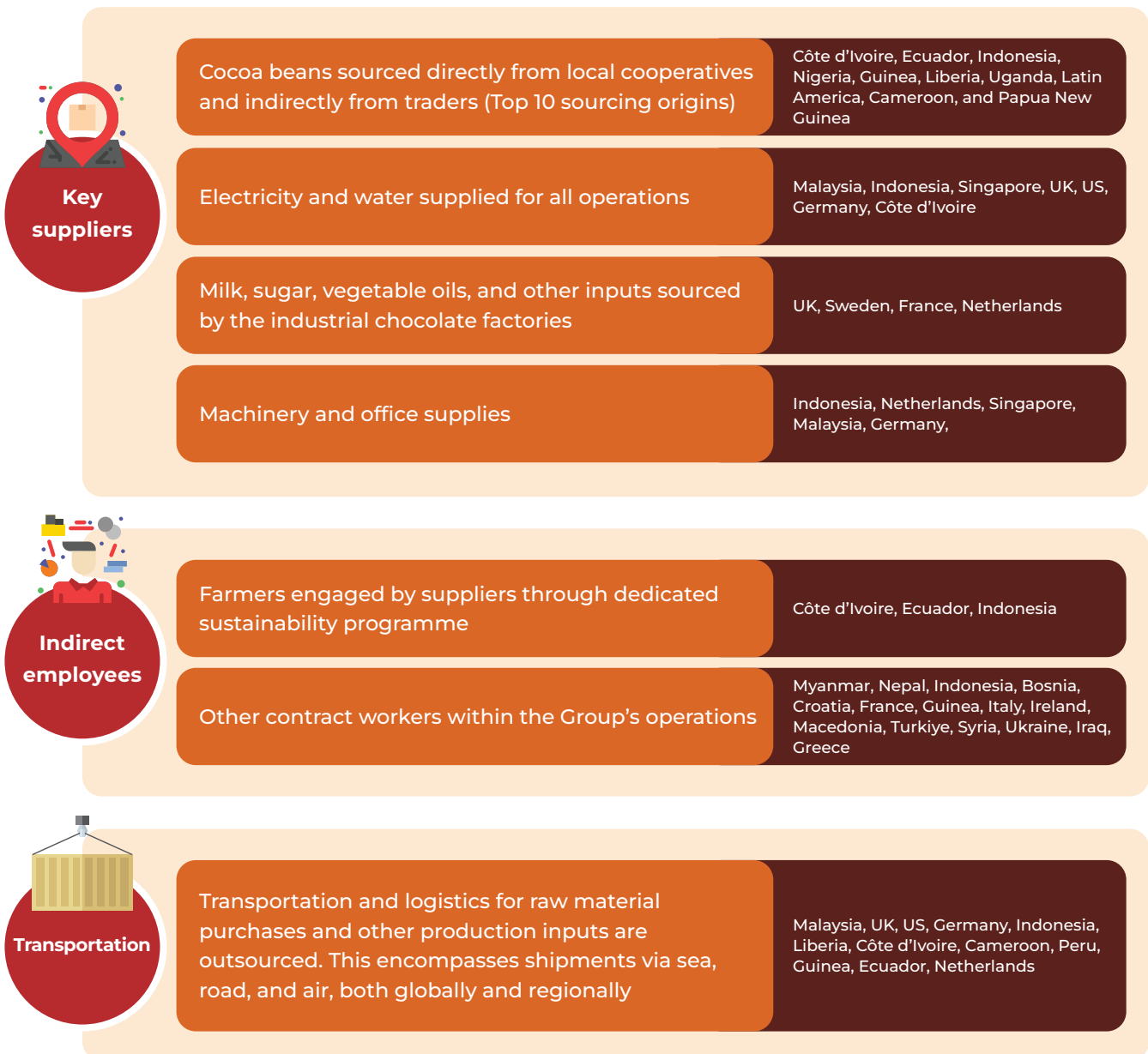
³ Traceable and sustainable cocoa is cocoa produced according to internationally recognised sustainability standards, which includes traceability, with location mapping, and requires addressing child labour and deforestation concerns.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

OUR VALUE CHAIN

The Group's operations are supported by a diverse network of stakeholders across its supply chain, all contributing to the production of high-quality cocoa products. This network encompasses key raw material suppliers, predominantly independent cooperatives based in Indonesia, South America and West Africa, as well as a dedicated workforce engaged in the Group's processing activities. It further includes logistics providers responsible for transporting materials and finished goods, and end customers located across global markets.

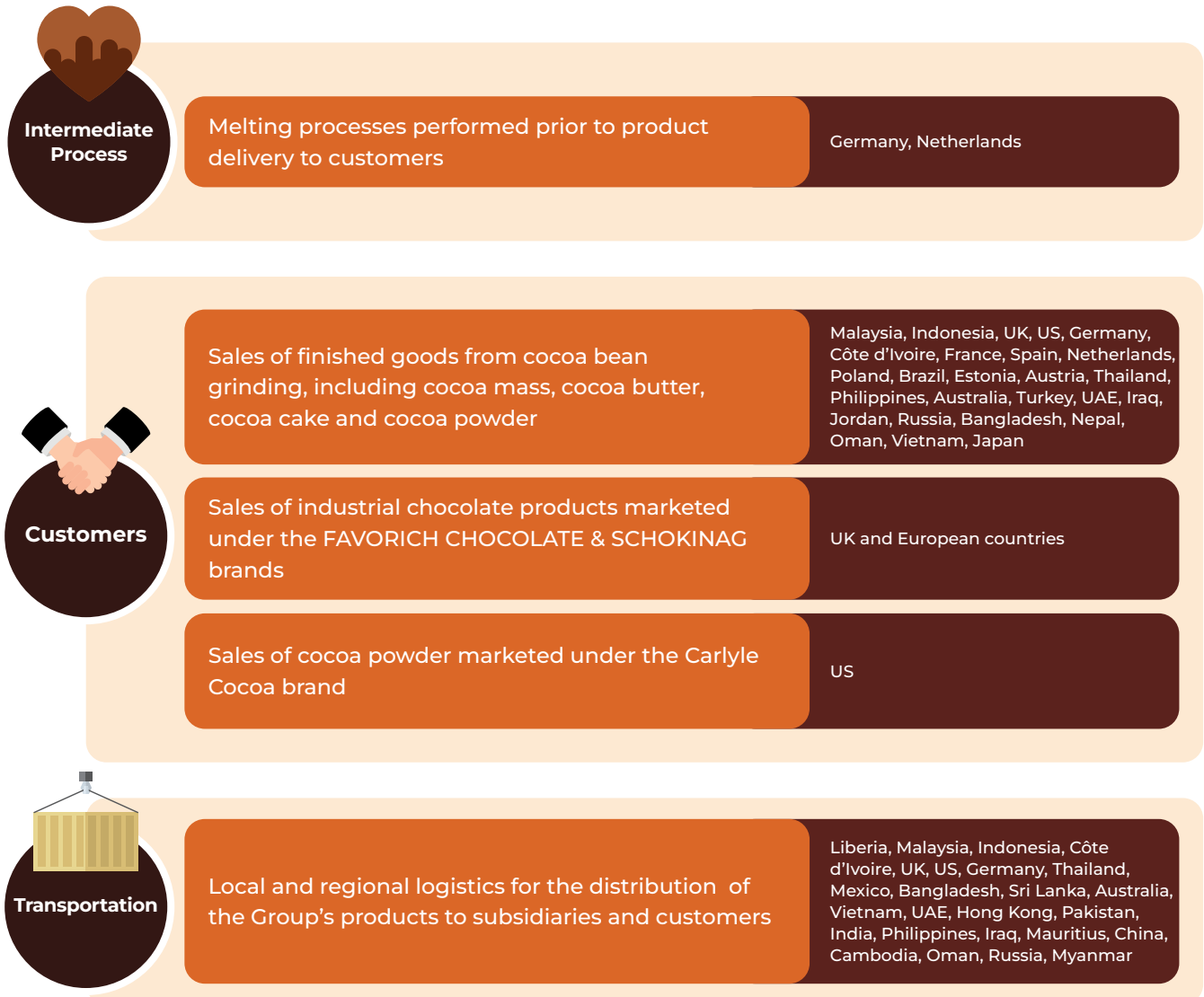
UPSTREAM VALUE CHAIN



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

OUR VALUE CHAIN

DOWNSTREAM VALUE CHAIN



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

REPORTING BOUNDARY

REPORTING ENTITY

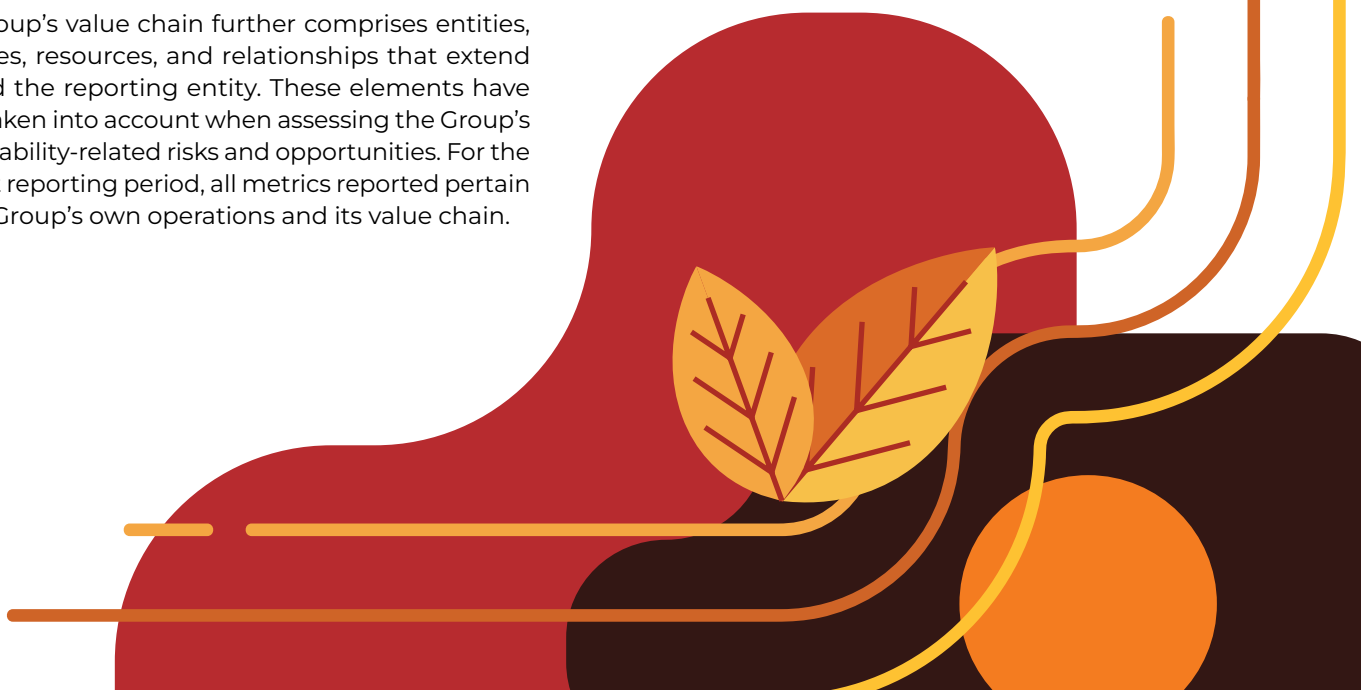
The entities, assets, and operations constituting the 'reporting entity' for the purposes of the Group's sustainability report are identical to those included in the Group's FY2025 financial statements. The following change to the Group structure occurred during the reporting period:

- New incorporation:** During the year, the Group incorporated GCB Cocoa Suisse AG on 5 August 2025. This entity has been incorporated into the sustainability reporting boundary from its date of incorporation (further details are provided in Note 9 of the Group's FY2025 financial statements). As the entity was not operational during the reporting period, its sustainability-related impacts are considered immaterial.

Entities and assets in the reporting entity	Additional information	Note in financial statements	Information considered and included
Parent and subsidiaries	-	Note 9	fully covered
Leased assets (the Group is a lessee)	The Group holds leases over various offices, warehouses, land, houses, equipment, and vehicles. Under these arrangements, the Group possesses the right to control the use of the assets and to obtain substantially all related economic benefits throughout the lease term.	Note 6	fully covered
Leased assets (the Group is a lessor)	The Group owns investment properties leased to tenants under operating leases. These investment properties continue to be recognised on the Group's statement of financial position.	Note 7	fully covered

VALUE CHAIN

The Group's value chain further comprises entities, activities, resources, and relationships that extend beyond the reporting entity. These elements have been taken into account when assessing the Group's sustainability-related risks and opportunities. For the current reporting period, all metrics reported pertain to the Group's own operations and its value chain.



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

REPORTING BOUNDARY

REPORTING BOUNDARY FOR GHG EMISSIONS

The Group applies the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) (2015) (the 'GHG Protocol') for the measurement of its GHG emissions, except where otherwise specified by IFRS S2. The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) has been used to define the Scope 3 categories applicable to the Group, in fulfilment of the Scope 3 GHG emissions disclosure requirement. The Group's GHG emissions reporting boundary encompasses both its organisational boundary and operational boundary.

ORGANISATIONAL BOUNDARY

The Group has adopted an operational control approach to determine its organisational boundary for GHG emissions reporting.

The Group considers the operational control approach to be the most appropriate methodology for measuring its GHG emissions, given the existence of entities and assets outside the Group's financial reporting boundary over which it does not exercise operational control.

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

Additional Information	Note in financial statements
Parent and consolidated subsidiaries	The Group has operational control across its subsidiaries by virtue of its full authority to introduce and implement operational policies throughout the entities. Note 9
Leased assets	For leased assets where the Group acts as lessee, operational control is exercised over such assets for the duration of the lease term. These assets comprise buildings, equipment, and vehicles. Note 6 The Group also holds investment properties that are leased out to third parties. Operational control over these assets is not exercised by the Group during the lease term.

OPERATIONAL BOUNDARY

Direct GHG emissions arising from sources owned or controlled by businesses and operations within the Group's organisational boundary are classified as the Group's Scope 1 GHG emissions. GHG emissions associated with the generation of purchased electricity consumed by these businesses and operations are classified as the Group's Scope 2 GHG emissions. All remaining indirect GHG emissions, arising from sources neither owned nor controlled by the Group, are classified as the Group's Scope 3 GHG emissions.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

The preparation of this IFRS Sustainability Disclosure section has required management to exercise judgement across several areas, including the identification of climate-related risks and opportunities and the determination of material information for disclosure. Furthermore, the preparation of this section necessitates the use of estimates for certain amounts that cannot be directly measured. Estimates have been applied where sustainability information relates to value chain entities and requires estimation, pertains to forward-looking information, or is subject to data limitations.

This topic sets out the most significant judgements exercised in preparing this section, together with amounts subject to a high degree of measurement uncertainty. The specific details of each judgement or source of estimation uncertainty are provided in the referenced disclosure pages.

SIGNIFICANT JUDGEMENTS

Description		Page reference
Materiality Process	<p>Management exercised judgement in identifying sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects. For the purposes of this first-year report prepared in accordance with the IFRS Sustainability Disclosure Standard, the focus has been placed on climate-related risks and opportunities (IFRS S2) and the material information associated with these. The methodology followed by the Group in determining what information could reasonably influence the Group's financial prospects and the decisions of primary users is detailed in the Materiality Assessment topic.</p> <p>Judgement was also applied in determining which metrics from the disclosure topics in the industry-based SASB Standards were relevant to the Group.</p>	89
Organisational boundary for GHG emissions	<p>The Group has applied the operational control approach to establish its organisational boundary for GHG emissions reporting. This approach requires the identification of operations over which the Group possesses full authority to introduce and implement operational policies.</p> <p>Both the selection of the organisational boundary consolidation approach and the identification of operations under the Group's operational control represent areas of significant judgement.</p>	86
Calculation methods for GHG emissions	<p>A combination of calculation methods has been applied by the Group to determine its Scope 3 GHG emissions. Exercised judgement in selecting the most appropriate calculation methods for each category, taking into account the availability and quality of data. Priority is given to supplier-specific data where such data is available and of sufficient quality.</p>	

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

MEASUREMENT UNCERTAINTY

The following amounts are subject to a high degree of measurement uncertainty:

Description	Page reference
GHG-related metrics	The Group measures its GHG emissions in accordance with the GHG Protocol, except where otherwise required by IFRS S2.
Climate physical risk – Rising Temperature and Climate Variability	<p>There is significant uncertainty regarding how climate change, including the effects of increases or decreases in GHG emissions, will affect the frequency and intensity of future extreme weather events in the region where the Group operates.</p> <p>Our GHG emissions are calculated using emission factors from reputable, globally recognised sources verified by external parties. While using science-based methods, the emissions factor inevitably carries some uncertainty.</p> <p>There is a high degree of uncertainty stemming from variability in climate projections, the possibility of unexpected changes in weather patterns due to shifting climatic conditions, and the consequent impacts on the Group's operations.</p>
Anticipated financial effect	The Group has determined that anticipated financial effects will not be disclosed for this first reporting period due to the high level of uncertainty surrounding the effects on the business model, value chain, and strategy.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

MATERIALITY ASSESSMENT

This year represents the first occasion on which GCB has prepared a IFRS Sustainability Disclosure section in accordance with IFRS Sustainability Disclosure Standards, applying the transition relief to disclose IFRS S2. A materiality assessment was accordingly undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects.

The materiality process was carried out by the executive-level Sustainability Steering Committee (SSC), incorporating input from other management personnel within the Group and an external consultant. The outcomes of the process were validated and approved by the Board of Directors (BOD).

Step 1

Identify climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects over the short, medium, and long term.

Step 2

Identify material information, specifically the disclosures required in relation to the identified climate-related risks and opportunities.

Management directed particular attention to existing and potential investors (shareholders or holders of preferred shares), lenders (refer to Note 18 in the Group's FY2025 financial statements), and other stakeholder groups. The materiality assessment, encompassing the identification of climate-related risks and opportunities, was finalised at the end of the 2025 reporting period. Events or changes occurring during the period (such as subsidiary acquisitions) were incorporated into the materiality determination process.

Step 1: Identification of climate-related risks and opportunities

The Group adopted a systematic approach, drawing on multiple sources to identify climate-related risks and opportunities. The assessment encompassed the Group's own activities, as well as its upstream and downstream value chain (refer to Our Value Chain, page 83). The process is summarised below:

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

The initial step involved developing an understanding of the context within which the Group operates, including its business activities and the geographical and regulatory landscape of its operations.

Consideration was also given to the resources upon which the Group depends and the relationships maintained throughout its value chain. The key contextual factors assessed are summarised as follows:

- a. Key locations: The Group operates in Malaysia, Indonesia, Singapore, Germany, UK, US, Côte d'Ivoire, and the Netherlands. Cocoa beans, the primary raw material, are sourced from cooperatives and trade houses located across the globe. Chocolate ingredients, such as milk and sugar, are sourced from suppliers in various countries.
- b. Regulations: The Group is required to comply with stringent regulatory requirements imposed by local authorities and international legislation. Compliance with standards necessary for certifications, such as RA and FT, is also required, along with the establishment of due diligence systems and documentation in accordance with EUDR requirements.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

MATERIALITY ASSESSMENT

- c. Key resources: The Group is dependent on several resources, which include the following:
- land providing the space and soil necessary for cocoa tree cultivation
 - raw materials in the industrial chocolate process, such as sugar, milk, and specific ingredients, which can include chemical agents
 - energy in the form of electricity, steam, and heat purchased through the national grid and pipeline
 - credit facilities from its lenders, as disclosed in Note 18 of the Group's financial statements
 - key talent and employees
 - suppliers, including indirect farmers
 - water, for the cooling machine and other purposes.
- d. Transportation and logistics: The Group sells its own products directly to customers. In addition, a portion of the Group's products is sold through traders and distributors, who then sell them to other global customers. The Group engages with third-party logistics providers and uses a variety of transportation methods, including sea, road, and air, to transport raw materials and products.

1.2 Identify risks and opportunities

The primary basis for identifying risks and opportunities was the understanding of the Group's operations and value chain. Consideration was given to whether critical resource inputs, relationships, and interdependencies with the value chain are exposed to climate-related risks or present opportunities that could affect the Group's capacity to generate cash flows.

The sources consulted included the following, but were not limited to:

- existing risk management and due diligence processes, including the Group's ERM
- disclosure topics in the SASB Standards for the 'Agricultural Products' industry
- climate-related risks and opportunities identified by entities operating in the same industries as the Group
- engagement with stakeholders, including employees and lenders

Where appropriate, the Group also consulted with subject matter experts.

1.3 Assess whether the risks and opportunities could reasonably be expected to affect the Group's prospects

Only those climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital (and thereby affect the Group's prospects) have been disclosed. In conducting this assessment, for the climate-related risks, the Group considered a combination of:

- the likelihood of the event occurring, and
- the magnitude of the impact on the Group's financial prospects if the event did occur.

Assessment results were plotted on a matrix to identify risks that could reasonably be expected to affect the Group's prospects. For climate-related opportunities, current emerging opportunities and investments made were considered.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

MATERIALITY ASSESSMENT

1.4 Mitigation actions and plans to remediate

Mitigation strategies and plans were developed following the identification and assessment of the Group's climate-related risks and opportunities.

1.5 Final consolidation and approval of risks and opportunities for the Group

The determination of climate-related risks and opportunities requires the exercise of judgement. Climate-related risks identified by SD were presented to the ERM for assessment by the risk owner, with subsequent presentation to BOD for approval. Climate-related opportunities identified by SD were presented to SSC.

Step 2: Identification of material information

The Group assessed whether information is material within the context of its overall climate risk assessment, taking into account both qualitative and certain quantitative (non-financial) factors. The judgements applied in identifying material information relating to climate-related risks and opportunities will be reviewed at each reporting date.

An assessment of the current and anticipated financial effects of the Group's climate-related risks and opportunities has been undertaken. Anticipated quantitative financial effects have not been disclosed, as the financial effects cannot be separately identified, and the level of measurement uncertainty is currently too high for the resulting information to be useful.

OUTCOME OF THE PROCESS

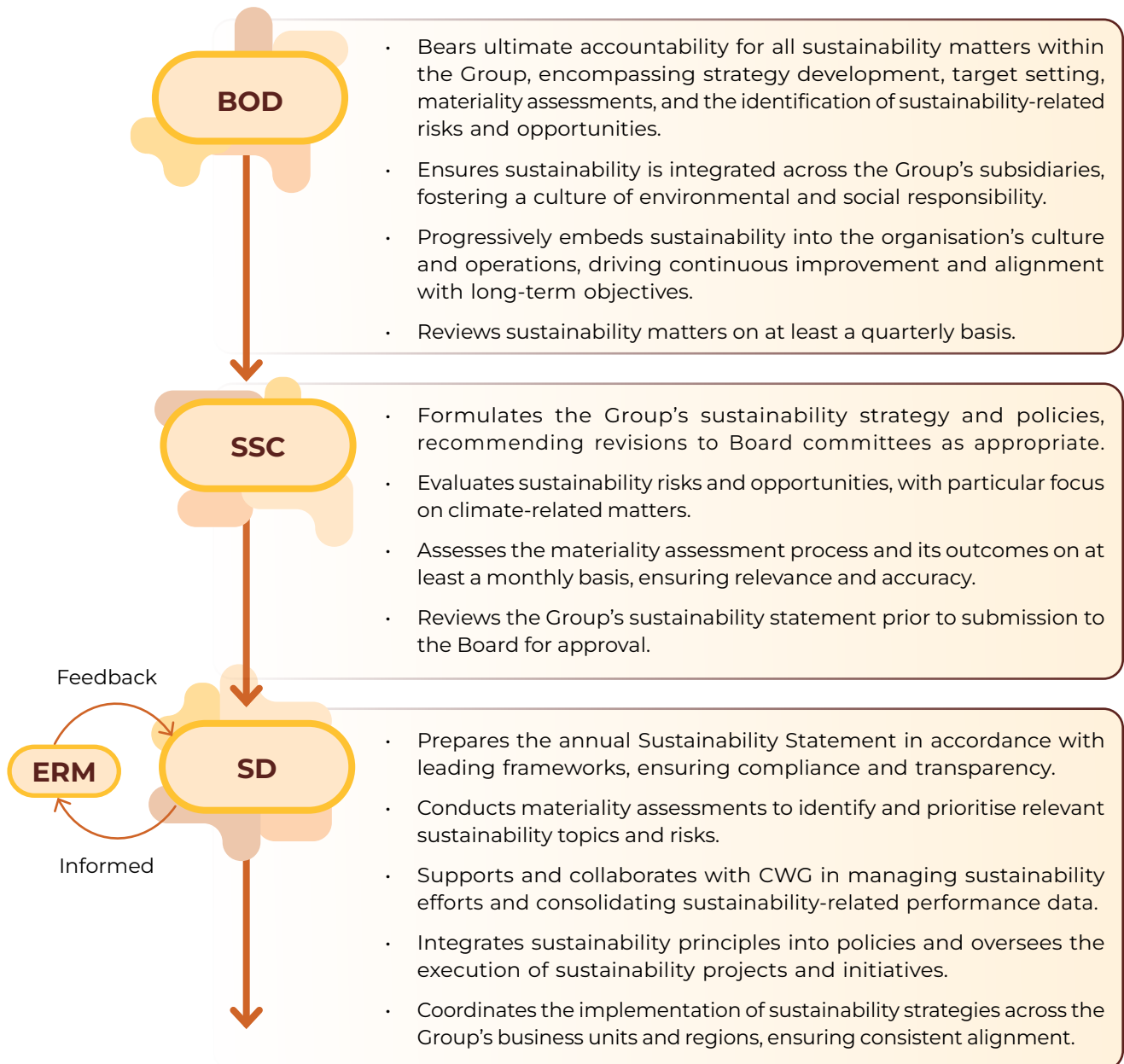
The table below presents the climate-related risks and opportunities identified through the materiality process described. Additional information is available on the pages referenced.

Risk/opportunity identified	Summary of management approach	Affected component of the reporting boundary	Page reference
Climate-related			
Physical Risk: Rising Temperatures and Climate Variability	Expansion of the GC&B programme and deforestation-free volumes, including: <ul style="list-style-type: none"> Support for farmers through agroforestry and GAPs Deforestation assessment 	Risk identified for own operations as well as the suppliers	94
Transition Risk: Policy and regulation	<ul style="list-style-type: none"> Ongoing monitoring of relevant legislations Establishment of Compliance function in key origin Strengthening due diligence policy, procedures, and systems that assess risks and implement controls 	Risk identified for own operations as well as the suppliers	102
Opportunity: Green technology advancement	<ul style="list-style-type: none"> Continued utilisation of installed solar panels and biomass boilers on our manufacturing plant in Malaysia, UK, and Côte d'Ivoire Increasing adoption of green or energy efficient technologies 	Opportunities identified for own operations	106

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

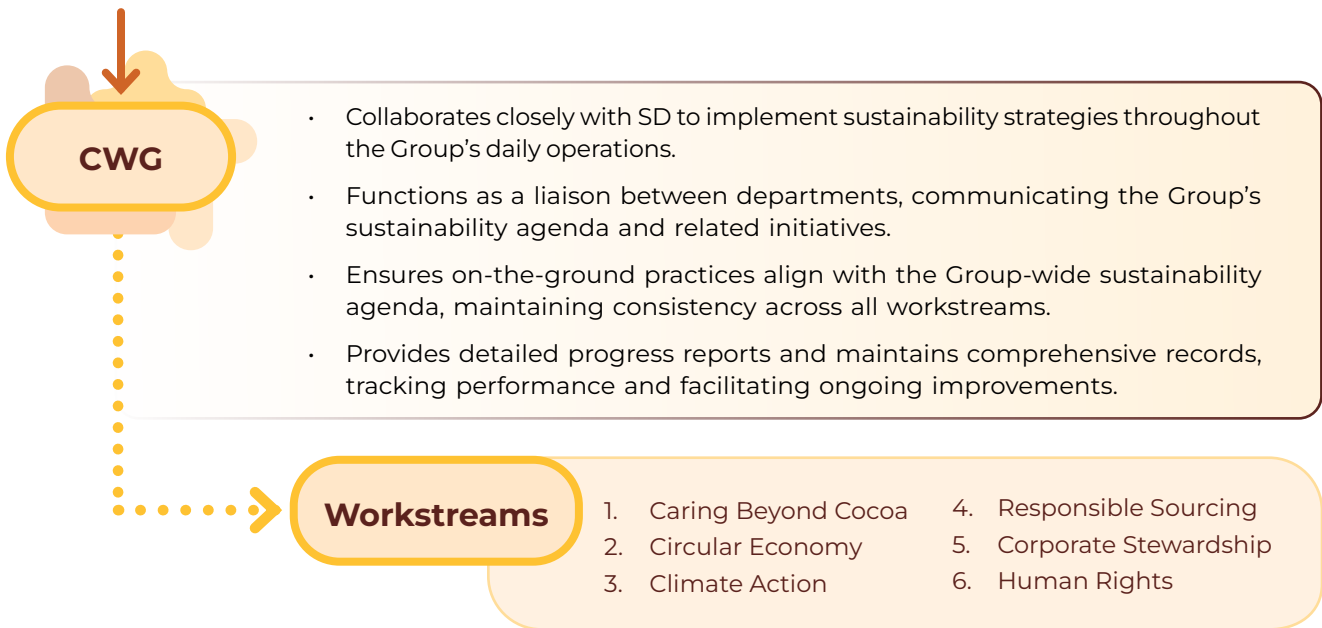
SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's commitment to integrating business and sustainability is driven by the highest levels of governance, with Board members undergoing ongoing sustainability-related training as part of their continuous skill development. An overview of the Group's sustainability governance structure is set out below:



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

SUSTAINABILITY GOVERNANCE STRUCTURE



IMPACT OF SUSTAINABILITY ON REMUNERATION POLICIES

A dedicated committee within the Board, the Remuneration Committee, holds responsibility for the development and implementation of remuneration policy for the Board, its committees, and management.

Achievement of the Group's sustainability-related targets will require collective effort across all entities, operations, and individuals. Senior management of each entity bears responsibility for meeting sustainability-related targets at the entity or operation level. Individual targets are defined accordingly to ensure accountability for progress.

RISK MANAGEMENT

The risk assessment process incorporates both qualitative and quantitative factors, with consideration given to the likelihood and impact (magnitude) of potential risks.

Sustainability-related risks, including climate-related risks, are identified through the materiality assessment and other risk identification processes. Following the identification of climate-related risks and opportunities, the Group undertakes a process to prioritise and monitor them. The ERM Committee bears responsibility for identifying and managing overall risks for the Group.

Prioritisation of overall risks is performed by the ERM Committee, with risks prioritised based on impact and likelihood, taking into account potential financial impacts, operational disruptions, and regulatory changes. The Board approves the prioritised risks. With respect to opportunities, SD consolidates inputs from various workstreams and reports to SSC, which collaborates with the Board to ensure appropriate prioritisation of identified climate-related opportunities alongside other opportunities identified by the Group.

Monitoring of climate-related risks and opportunities is tracked individually against the metrics and targets for which each workstream committee chair is responsible. These metrics and targets are reported to SSC monthly.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

1. RISING TEMPERATURES AND CLIMATE VARIABILITY

a. Description

Cocoa beans constitute the Group's principal raw ingredient. No farms are owned by the Group; instead, cocoa is procured directly from suppliers, including cooperatives and traders. Exposure to chronic physical climate risk exists within the Group's supply chain, stemming from rising temperatures and heightened climate variability across cocoa-producing regions. Optimal cocoa cultivation conditions include consistent temperatures between 20°C and 30°C, elevated humidity, and regular rainfall. A report from scientists at World Weather Attribution, the Red Cross Red Crescent Climate Centre, and Climate Central found that over the 12-month period (24/25), 4 billion people — about 49% of the global population — experienced at least 30 additional days of extreme heat. In Africa, the event with the strongest influence of climate change stretched across central and western Africa — from Senegal to South Sudan and the Central African Republic — from 14-30 December 2024.⁴ It was made at least 15 times more likely because of climate change. This has contributed to diminished flowering, reduced yields, and greater vulnerability to pests and diseases.

The upward trend in GHG emissions is unequivocal, bringing with it effects on weather patterns, most notably increases in surface temperature. Farm productivity and crop health stand to be negatively affected by rising temperatures, with cacao trees producing fewer flowers and undergoing physiological stress, ultimately leading to diminished yields in certain region. Harvest disruptions of this nature may also drive up material sourcing costs from particular origins.⁵

Cocoa availability in certain countries may be affected by this risk, given that climate-exacerbated effects, including disease outbreaks and shifting weather patterns, have already taken a toll on production yields.

b. Effects on Business Model and Value Chain

The identified climate physical risk are increasingly affecting cocoa productivity, water availability, supply chain continuity, and operational resilience, with potential implications for cost stability and sustainability performance.

- **Resource availability & Climate Disaster:** Climate conditions may affect operational continuity through changes in water availability. Based on the water stress assessment, certain regions may experience either excess water, resulting in higher flood frequency, or insufficient water supply. Both extreme scenarios may disrupt normal manufacturing operations and supply chain activities, including cocoa transportation and product delivery.
- **Supply Volume Risk Leading to Cost Pressure:** Declining seasonal rainfall in certain regions, coupled with soil moisture deficits and drought patterns, is reducing yields, thereby constraining raw material availability and driving volatility in cocoa bean supply. The tightening of raw material availability and increased cocoa bean supply volatility arising from these conditions in key sourcing regions limit suppliers' ability to consistently secure contracted cocoa volume.
- **GHG Emissions (Purchased Cocoa Beans):** Cocoa beans represent the largest raw material volume purchased, reflecting emissions attributed to land-use change, farm management practices and transportation activities. Given that these emissions largely fall beyond the Group's direct operational control, meaningful reductions can only be achieved through active supply chain engagement. Land use change has been identified as the principal contributing factor.

⁴ Giguere, Otto, Tannenbaum, Vahlberg, et al. (2025). Climate Change and the Escalation of Global Extreme Heat: Assessing and Addressing the Risks. Climate Central, Red Cross Red Crescent Climate Centre, World Weather Attribution. <https://www.climatecentral.org/report/climate-change-and-the-escalation-of-global-extreme-heat-2025>

⁵ <https://www.climatecentral.org/climate-matters/climate-and-cocoa-2025>

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

c. Effect on Strategy and Decision-Making

In response to the potential risks posed by rising temperature events linked to elevated GHG emissions, the Group has put in place a number of mitigation and adaptation initiatives, including the GC&B programme, detailed as follows:

- **Climate physical risk assessment & preparedness:** Important to understand the probability and extent of disruptions caused by rising temperature. Group will expand beyond water stress assessment and assess broader range of climate events to integrate into disaster management protocol. Where chronic climate change effects are expected, adaptation measures will be implemented such as flood control procedures in Malaysia.
- **Supply Volume Risk Leading to Cost Pressure:** Operating within an increasingly climate-constrained supply landscape, the Group recognises the necessity of diversifying its sourcing regions, bolstering supplier resilience programmes, and employing more sophisticated climate-monitoring tools to anticipate seasonal disruptions. Procurement strategies will also be reassessed, with a view to increasing physical buffer stocks where practicable and forging deeper partnerships with suppliers equipped to adopt climate-smart practices. We encourage the supplier and farmers to join sustainability programme including GC&B, through this it will help mitigating the climate impact and recover the yield volume for the future.
- **GHG Emissions (Land Use Change Management):** Within agricultural commodity production, deforestation remains a common occurrence, often driven by the imperative to secure land for cultivation purposes. The resulting impact on GHG emissions has been substantial and poses a challenge both for GCB and the wider cocoa industry. In response, the Group has established a traceability system and instituted a deforestation risk assessment covering its direct supply chain, with the objective of increasing the proportion of deforestation-free cocoa procured.

d. Financial effects

Current Financial Effects

The prevailing financial effects of rising temperatures on the Group's financial position, financial performance, and cash flows are principally driven by declining yields of high-quality cocoa beans.

In mitigation of this risk, the Group has invested in and capitalised on the GC&B Programme to execute targeted initiatives with selected farmers, placing particular emphasis on agroforestry, RM0.68 million, and farmer training in GAPs, RM1.66 million.

Farmers whose livelihoods are affected by yield fluctuations and who participate in GC&B and other sustainable programmes are remunerated at premium prices for the beans they supply. A commitment has been made by the Group to procure premium sustainable beans in 2025.

Anticipated Financial Effect

Anticipated financial effects for the Group may stem from yield declines across suppliers and the broader value chain, with the potential consequence of reduced revenues and compressed margins over the medium and long term.

When the adaptation measures undertaken through the GC&B Programme and sustainable sourcing initiatives targeting climate impacts via agroforestry and GAPs are taken into consideration, management expects that the adverse impact will be partially mitigated over the medium and long term (in accordance with Scenario 2 in the scenario analysis below).

- Elevated operational costs and diminished revenue arising from operational inefficiencies
- Increased expenditure associated with climate mitigation and adaptation efforts

It is the Group's intention to broaden GC&B programme engagement with cooperatives, accompanied by increased investment to further develop and expand agroforestry and GAPs throughout the direct sourcing network, with a particular focus on Côte d'Ivoire.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The uncertainty surrounding the effect of rising temperatures on the Group's assets has been factored into the impairment assessment conducted by the Group. Although temperature-driven yield declines may influence cocoa prices, the associated financial effects cannot be distinguished from other significant price determinants, including currency movements, geopolitical factors, and shifts in demand. Based on these projections, management does not foresee any material adjustments to the carrying amounts of reported assets and liabilities over the next 12 months.

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

Climate-related Scenario Analysis

To comprehend and assess the potential effects of rising temperatures on the Group's operations, a climate-related scenario analysis was conducted, drawing upon a spectrum of possible scenarios. These scenarios have been constructed using publicly available data from authoritative sources, encompassing both regional and international climate projections.

This scenario analysis was performed for the financial year ended 31 December 2025. An annual review of the analysis with comprehensive reassessment and detailed analysis carried out at minimum intervals of three years, or sooner should significant new climate data with expected implications for the Group's climate-related scenario analysis emerge.

To assess the potential effects of physical climate risks on supply chain resilience across key regions, the Group has applied three IPCC-aligned climate scenarios (SSP1-1.9, SSP2-4.5, SSP5-8.5). Each scenario represents a distinct global pathway in terms of greenhouse gas emissions, temperature trajectories, and adaptive capacity.

Scenario 1: SSP1-1.9 (High Transition Risk, Lower Physical Risk)

A rapid global decarbonisation pathway consistent with limiting warming to approximately 1.5°C. Strong and early climate policies accelerate compliance obligations and increase short-term operational costs. Physical climate impacts persist but are comparatively moderated.

Scenario 2: SSP2-4.5 (Intermediate Scenario)














A stabilising pathway characterised by moderate regulatory progression, uneven policy adoption, and temperature increases exceeding 2°C. Transition requirements evolve gradually, whilst physical impacts intensify across key cocoa regions.

Scenario 3: SSP5-8.5 (High Physical Risk, Low Transition Risk)

A high-emissions trajectory in which limited climate policy action results in substantial temperature increases and severe physical climate impacts. Transition risks are comparatively lower due to weak regulatory intervention.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Scenarios	Factor	Short-term (0-5 years)
Scenario 2: SSP2-4.5 (Intermediate Scenario)	 Temperature	<ul style="list-style-type: none"> ▶ Temperature rising gradually. ▶ Physical climate impacts affect cocoa production.
	 Rainfall	<ul style="list-style-type: none"> ▶ Increasing variability; seasonal shifts affecting cocoa growing cycles.
	 Regulatory environment	<ul style="list-style-type: none"> ▶ Moderate regulatory pressure. CBAM continues current sectors with uncertain agriculture product inclusion timeline. ▶ Carbon disclosure for land-use sector fragmented.
	 Market conditions	<ul style="list-style-type: none"> ▶ International regulations create material price fluctuations. ▶ Fossil fuel dependency creates high operational expenses in some regions. ▶ Consumer demand is gradually shifting towards more sustainable and traceable cocoa products.
	 GCB's Response	<ul style="list-style-type: none"> ▶ Leverage trends by expanding traceable and sustainable supply chain, which has started direct investment since 2023 through GC&B. ▶ Invested in renewable energy generation capacity in our operations and started to measure carbon metrics. ▶ Plan to commit SBTi net zero target.
Scenario 1: SSP1-1.9 (High Transition Risk, Lower Physical Risk)	 Temperature	<ul style="list-style-type: none"> ▶ Continues rising consistent with previous trend. ▶ Physical risks (heavy rainfall, droughts) affect cocoa production.
	 Regulatory environment	<ul style="list-style-type: none"> ▶ Regulatory pressure accelerates climate regulations such as CSDDD and CBAM enforced. ▶ Countries start adoption of carbon pricing mechanisms.
	 Incentives & finance	<ul style="list-style-type: none"> ▶ Cocoa-sourcing countries expand tax incentive for nature-based solutions, renewable energy, and industrial decarbonisation.
	 Market conditions	<ul style="list-style-type: none"> ▶ Multinational customers shift toward sustainable and traceable cocoa. ▶ Company margins tighten due to investments to meet new regulations.
Scenario 3: SSP5-8.5 (High Physical Risk, Low Transition Risk)	 Temperature	<ul style="list-style-type: none"> ▶ Continued significant rise in global temperatures. Increasing frequency of extreme weather events which adversely affect cocoa farms, reducing yields and bean quality.
	 Regulatory environment	<ul style="list-style-type: none"> ▶ Climate policy remains fragmented and delayed. ▶ Industries operate under business-as-usual with greater reliance on fossil fuel-based energy sources.
	 Incentives & finance	<ul style="list-style-type: none"> ▶ lack of priority on sustainable incentives to aid companies to transition to a lower carbon economy.
	 Market conditions	<ul style="list-style-type: none"> ▶ Some countries begin withdrawing from international climate agreements. ▶ Countries and companies delaying or abandoning net-zero plans. ▶ Supply chain due diligence requirements loosens.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Medium-term (5-25 years)	Long-term (25-55 years)
<ul style="list-style-type: none"> ▶ Climate impacts worsen cocoa growing conditions in some key origins 	<ul style="list-style-type: none"> ▶ The impact is less noticeable than in previous years
<ul style="list-style-type: none"> ▶ Drought/flood cycles more frequent. 	<ul style="list-style-type: none"> ▶ Disruption to growing seasons; suitable cocoa area shifts.
<ul style="list-style-type: none"> ▶ CBAM could include agricultural products for selected EU markets. ▶ Cocoa traceability frameworks mature. 	<ul style="list-style-type: none"> ▶ Regulatory framework widely adopted but fragmented. ▶ CBAM with an advanced pricing mechanism strictly applies widely.
<ul style="list-style-type: none"> ▶ International climate incentives scale up. ▶ Climate-smart agriculture adoption at a moderate pace. ▶ Traceable and deforestation-free cocoa products are required to sell in major markets. 	<ul style="list-style-type: none"> ▶ Verified cocoa gains stronger global demand; supply remains inconsistent in certain regions.
<ul style="list-style-type: none"> ▶ Cocoa yield shows moderate improvement despite extreme weather impact due to agroforestry and GAP initiatives implemented through the sustainability programme. ▶ Efficient routing on shipping is underway, but regulatory clarity and carbon cost mechanisms remain in progress. 	<ul style="list-style-type: none"> ▶ Adaptations influenced by external uncertainties, including regulatory developments, climate variability, and farmer adoption rates. ▶ Early years investments from the GC&B Programme and other sustainability programmes could partially offset the impact in the long term.
<ul style="list-style-type: none"> ▶ Global temperature range of fluctuation becomes narrower. 	<ul style="list-style-type: none"> ▶ Global warming pattern begins more stable as emissions move towards net-zero.
<ul style="list-style-type: none"> ▶ CBAM potentially expands to agriculture and land-use sectors ▶ Cocoa importers in EU, UK, and Asia adopt traceable and deforestation-free criteria for imports. ▶ Shipping companies scale lower-emission technologies. 	<ul style="list-style-type: none"> ▶ CBAM widely adopted with broader industries covered. ▶ Low-carbon transportation is widely adopted globally.
<ul style="list-style-type: none"> ▶ International climate finance increasingly supports forest protection and sustainable land-use. 	<ul style="list-style-type: none"> ▶ Strong sustainability compliance becomes a competitive advantage.
<ul style="list-style-type: none"> ▶ Climate-smart agriculture widely implemented. ▶ Cocoa producing regions shift due to climate conditions and productivity increases due to uptake of GAPs during early years. 	<ul style="list-style-type: none"> ▶ Verified traceable and deforestation-free cocoa becomes dominant. ▶ Consumer expect traceability information readily available as the supply chain becomes transparent.
<ul style="list-style-type: none"> ▶ Direct impact of increasing temperature heavily affects indirect suppliers and puts pressure on availability of cocoa. 	<ul style="list-style-type: none"> ▶ Severe impact on cocoa yields in certain regions. ▶ Governments start making short-term adaptation measures.
<ul style="list-style-type: none"> ▶ Lack of robust climate-related policies from governments reduces the climate resiliency of farms. 	<ul style="list-style-type: none"> ▶ Infrastructure insufficient to withstand climate conditions ▶ Companies increase spending on disaster recovery and adaptation measures to sustain operations.
<ul style="list-style-type: none"> ▶ Public and private funding for sustainability transition limited. 	<ul style="list-style-type: none"> ▶ Sustainable incentives are limited as the government shifts focus on securing resource acquisition and disaster recovery strategy in the middle of global conflicts
<ul style="list-style-type: none"> ▶ Renewable energy options are limited and costly for wide adoption ▶ Supply chain disruption due to acute climate events increases 	<ul style="list-style-type: none"> ▶ Emergency adaptation measures implemented reactively. ▶ Insurance costs increase due to the frequency of damage caused by weather conditions.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

SIGNIFICANT AREAS OF UNCERTAINTY

The modelling of different scenarios and their climate-related impacts necessitates consideration of a range of uncertainties and the exercise of judgement. The following represent the significant areas of uncertainty taken into account by the Group in its assessment of climate resilience:

Expected frequency and intensity of future rising temperatures: Considerable uncertainty surrounds how climate change will unfold, including the effects of increases or decreases in GHG emissions.

CAPACITY TO ADJUST OR ADAPT STRATEGY AND BUSINESS MODEL

The Group's strategy and business model, including its mitigation plans and actions, are currently based on the baseline scenario deemed most probable (Scenario 2). The mitigation action plans in this scenario include accelerating agroforestry and GAPs across the direct sourcing network, as well as advancing traceability systems to strengthen supplier engagement.

As set out in the Sustainability Governance Structure topic, the Board undertakes periodic evaluations of the Group's strategy and progress against targets. This process affords the Group the opportunity to assess its capacity for adjusting and adapting its strategy and business model in response to climate change.

Financial flexibility is maintained by the Group to address climate-related risks through:

- Debt-to-equity ratio of 1.36, providing capacity for additional borrowing if required.

These resources furnish the capacity to accelerate adaptation investments or respond to supply disruptions under adverse scenarios.

The Group's processing facilities are distributed geographically across Malaysia, Indonesia, Côte d'Ivoire, UK, US, and Germany. This geographical spread affords the following flexibilities:

- Reallocation of processing volumes between facilities in the event of regional supply disruption.
- Procurement of cocoa beans from alternative origins, leveraging existing supplier relationships across a diverse range of origin countries.
- Utilisation of trading operations to access spot market supply as required.
- Processing directly at cocoa bean producing country optimises the sea freight needed to transport beans to Asia region for processing, avoiding transportation emissions.



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

f. Processes, Controls and Policies to Manage Climate-Related Physical Risks

A structured approach is employed by the Group to identify and assess climate-related risks, utilising various inputs and parameters, including historical climate data and predictive models. On balance, the Group is positioned for a rapid transition scenario. The early investments in sustainability, traceability, and deforestation-free sourcing align with anticipated regulatory requirements. The Group's premium market positioning may derive benefit from growing demand for certified sustainable cocoa. Although company margins may contract initially due to investments in compliance and decarbonisation measures, improvements are anticipated over time as sustainability increasingly becomes a source of competitive advantage.

Under a high-emissions scenario, current strategies would necessitate substantial enhancement. The Group acknowledges that severe physical climate impacts would test the boundaries of existing adaptation capacity and may call for strategic repositioning, encompassing geographic diversification, investment in strengthened supply chain contingency planning.

Beyond risk management, the Group undertakes the identification and assessment of climate-related opportunities based on current operational efficiency and potential benefits. Although these processes are conducted independently of overall risk management, they are aligned with broader strategic decision-making. The climate resilience assessment is reviewed annually by the Board, with consideration given to its implications for strategic planning, capital allocation, and risk management. SSC monitors progress on climate-related targets quarterly and reports its findings to the Board.

g. Metrics⁶

Climate-related risks and opportunities	Description of metric	Methodology to calculate metric	Measuring Unit	Current Metric (2025)
Entity developed metrics				
	Farmers engaged with GC&B	Total farmers engaged with GC&B as at the end of reporting period	Number of farmers	31,475
Rising Temperature and Climate Variability	Area under agroforestry	Total area under agroforestry practices in the reporting period	Hectare (ha)	3,696
	Progress of traceable and sustainable cocoa beans in our direct sourcing network	Current progress of traceable and sustainable cocoa beans in our direct sourcing network at the end of reporting period	Percentage (%)	36

⁶ The Group is currently developing climate targets which is not ready to be disclosed for the current year of reporting period. GCB progressively looks at the progress of our own mitigation and resilience short, medium and long term. The assumptions used in the current and future targets are also consistent with the Group's cash flow projections for going concern and impairment assessments. The metrics and methodologies have not been validated by a third-party.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks and opportunities	Description of metric	Methodology to calculate metric	Measuring Unit	Current Metric (2025)
Metrics from SASB Industry Standard - Agricultural Products				
Energy Management	Operational energy consumed (FB-AG-130a.1)	Total energy consumed	Gigajoules (GJ)	1,193,975
	Percentage grid electricity (FB-AG-130a.1)	Grid electricity usage per total energy consumption	Percentage (%)	41
Greenhouse Gas Emissions	Fleet fuel consumed (FB-AG-110a.3)	Total fleet fuel consumed	Gigajoules (GJ)	10,514
	Percentage renewable fleet fuel consumed (FB-AG-110a.3)	Total renewable fleet fuel per total amount of fleet fuel consumed	Percentage (%)	0
Ingredient Sourcing	Agricultural products sourced from regions with High or Extremely High Baseline Water Stress (FB-AG-440a.2)	Cost of agricultural products sourced from regions with High or Extremely High Baseline Water Stress per total cost of agricultural products sourced.	Percentage (%) by cost	8

Metric tonnes of CO ₂ equivalent (tCO ₂ e)	Current year 2025
	Total
Gross Scope 1 GHG emissions	32,829
Gross Scope 2 (Market-based) GHG emissions	52,321
Scope 3 : Business Travel Emissions	578
Scope 3 : Employee Commuting Emissions	2,228
Total Scope 3 emissions	2,807
Emission Intensity (tCO₂e/MT of finished goods)	0.33

Category 1 (Purchased Goods and Services) and Category 4 (Upstream Transportation and Distribution) are excluded from FY2025 Scope 3 metrics due to data limitations, we are committed to include them from the next reporting period.

Scope 2 GHG emissions are calculated using both location-based and market-based methodologies, with grid emission factors obtained from national grid operators. Contractual instruments held by the Group, such as Renewable Energy Certificates, have been reflected in the market-based calculation.

All emissions disclosed relate to the consolidated accounting group. The Group does not hold material investments in associates, joint ventures, or unconsolidated subsidiaries that would require separate disaggregation under IFRS S2 paragraph 29(a)(iv).

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

2. CLIMATE-RELATED TRANSITION RISK: POLICY AND REGULATION

a. Description

Given its involvement in the trading and sale of cocoa and chocolate products, the Group is subject to a range of local and international regulations, encompassing climate-related requirements. Full compliance with all applicable regulatory obligations is imperative for sustaining the business.

As a public listed company on Bursa Malaysia's Main Market, the Group is required to comply with the MMLR, particularly Chapter 9 on Continuing Disclosure, including the prescribed disclosure of sustainability-related risks and opportunities. In addition, the Group must comply with applicable operational regulations, such as circular economy act presented in the EU. Failure to comply with these regulatory obligations may adversely affect the Group's reputation, shareholder confidence, operational continuity, and market standing.

The Group's monitoring extends beyond regulatory impacts within the jurisdiction of its headquarters to encompass potential reporting requirement impacts in countries where its entities are situated, including Singapore's Accounting and Corporate Regulatory Authority (ACRA), and the EU's Corporate Sustainability Reporting Directive (CSRD).

Various environment-related regulations exert both direct and indirect effects on the Group, particularly those originating from the EU (Carbon Border Adjustment Mechanism (CBAM), Green Claim Directive, Corporate Sustainability Due Diligence Directive (CSDDD), and European Union Deforestation Regulation (EUDR). With the introduction of the EUDR in 2023, cocoa was designated as one of the commodities falling within the regulation's scope, thereby directly impacting the Group's operations. Compliance with the EUDR obliges the Group to establish due diligence policies and procedures, implement a robust traceability system, secure appropriate assurance, and report on the measures taken to ensure that cocoa beans are legally sourced and free of deforestation.



IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

b. Effects on Business Model and Value Chain

The Group's operations across the globe are governed by various laws, including climate-related requirements pertaining to reporting disclosure and due diligence. Furthermore, to maintain its various sustainability certification, both the Group and its suppliers must meet requirements for proper traceability and assessment.

Should the Group fail to comply with these requirements, its business model will be affected and its financial performance will be adversely impacted, as outlined below:

- **Enforcement Action:** The Group is required to comply with the new sustainability reporting requirements established by Bursa Malaysia. Non-compliance with the requirements will be investigated and corrective action will be taken. Failure to address the deficiencies identified in the corrective action may result in the relevant authorities taking appropriate enforcement action.⁷
- **Market Access Restriction – EUDR:** Failure to comply with the EUDR, including requirements on traceability, geolocation data, and deforestation-free sourcing, may restrict the Group's ability to access and trade in the European Union market. Non-compliant cocoa beans or cocoa products may be subject to rejection, shipment delays, penalties, or import bans, which could disrupt the Group's value chain, increase operational costs, and adversely affect revenue from key export markets.⁸

Beyond non-compliance risks, the EUDR has compelled the Group to strengthen its existing supply chain governance to satisfy heightened customer requirements. Customers with exposure to the EU market impose more stringent due diligence, traceability, and assurance expectations, generating cascading impacts throughout the supply chain.

- **Increase Supply Chain Due Diligence Requirement:** The Group is obligated to assess a broader spectrum of risks within supply chain assessment, encompassing origin verification, geolocation data, and deforestation risk, and to work in close collaboration with suppliers to enhance traceability and data integrity. The potential consequences include elevated compliance costs, increased operational complexity, extended procurement timelines, and a more restricted supplier base, all of which could affect the Group's business model and place pressure on financial performance.

c. Effect on Strategy and Decision Making

A number of initiatives have been undertaken by the Group to meet requirements established by local and international authorities regarding climate change.

- **Climate disclosure:** In accordance with the applicable transition relief established by the NSRF and adopted by Bursa, substantial preparations have been made to adhere to climate-first disclosure under IFRS S2: Climate-related Disclosure. A gap analysis assessment aligned with IFRS S1 and S2 has been conducted with external consultant. Climate risk assessment has been integrated into ERM framework, with key risks and mitigation plans communicated to dedicated team to ensure information are reported accurately.
- **Due diligence and traceability systems:** Establishing governance over traceability requirements and due diligence has become critically important. A dedicated task force has been formed to identify, assess, and monitor progress and requirements established by EUDR, ensuring full compliance and meeting regulatory demands. A customised digital system for farm to product traceability and supplier risk assessment has been implemented, which is coupled with deforestation assessment capabilities to ensure checks are operationalised, integrated into operations.

⁷ <https://www.sc.com.my/resources/media/media-release/acsr-sets-out-approach-for-non-compliance-to-sustainability-reporting-requirements>

⁸ https://green-forum.ec.europa.eu/nature-and-biodiversity/deforestation-regulation-implementation/traceability-and-geolocation-commodities-subject-eudr_en?prefLang=mt

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

- **Increase Supplier Collaboration:** Strengthening supplier readiness for evolving regulations and industry developments is essential to maintaining supply chain resilience. Through the due diligence framework, supplier assessments have advanced, with only approved suppliers permitted to contract traceable, deforestation-free volumes. Corrective actions and targeted feedback have been communicated to suppliers to reinforce their compliance controls. In Côte d'Ivoire, dedicated engagement sessions were held with local cooperatives within our direct sourcing network to facilitate this transition.

d. Financial Effects

Current Financial Effects

No instances of non-compliance with regulatory reporting and compliance standards affected the Group during the financial year.

The current financial effects of mitigating actions undertaken in respect of policy and regulation risks, and their impact on the Group's financial performance and cash flows during the current reporting period, may be summarised as follows:

- Expenses were incurred by the Group in connection with climate risk assessment and new disclosure requirements, as well as staff training.
- Investments were made to upgrade traceability systems and human resources to conduct broader supply chain checks.

Certain recurring costs are anticipated to be incurred over the short, medium, and long term.

Anticipated Financial Effects

The Group anticipates that non-compliance with regulatory requirements, together with heightened supply chain due diligence obligations, will have material financial effects over the short, medium, and long term. Such effects stem from direct financial impacts, including penalties and fines, as well as the potential loss of access to EU marketplaces. Non-compliances would directly impair the Group's capacity to export to certain markets and would affect its business model. Nevertheless, the Group is of the view that its current strategy and internal processes are adequate to address this risk, and the adverse impact is expected to be immaterial.

With respect to the impact of the Group's mitigation actions, financial performance and cash flows are expected to remain consistent with the effects observed in the current reporting period.

Furthermore, the Group is actively partnering with its suppliers to strengthen their compliance with traceability requirements under the relevant regulations, while investing in enhanced internal due diligence capabilities through the deployment of additional systems and the recruitment of dedicated expertise.

e. Resilience of the Group's Strategy and Business Model in Relation to Climate Transition Risk

The Group's strategy and activities for managing policy and regulation are managed through the continuous improvement. The Corporate Governance committee conducts periodic reviews of these processes as part of the Group's monitoring activities.

A comprehensive process has been instituted by the Group to address any potential instances of non-compliance with local and global regulations. This process includes the Grievance Mechanism, which ensures that incidents are reported and addressed promptly upon occurrence. The mechanism allows identifying and remediating the root causes underlying such incidents.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

f. Processes, Controls and Policies to Manage Climate Transition Risks

The overall process for identifying, assessing, prioritising, and monitoring climate transition risk forms part of the general process described in risk management.

All departments must monitor disclosure regulations affecting the Group and proactively detect risks that should be proactively mitigated to minimise material impacts. The routine risk assessment reviews provide data gathered serves a dual purpose: as a compliance measure for regulatory requirements and as a resource for management analysis.

Policies and regulations in operating regions are monitored closely by Corporate Governance committee. When material policy change might affect the Group, department heads are informed and required to perform impact assessment with results reported to the ERM committee for BOD review. These assessments are intended to identify potential gaps within existing processes, highlight areas for improvement, and ensure that the Group's policies, procedures, and internal controls are capable of meeting established regulations and are aligned with industry best practices.

Scenario analysis is not conducted by the Group to inform its identification of policy and regulation risk, given that expected disclosure and due diligence requirement levels are determined by established regulations. Accordingly, there is minimal variability in the management of this risk.

g. Metrics

Climate-related risks and opportunities	Description of metric	Methodology to calculate metric	Measuring Unit	Current Metric (2025)
Entity developed metrics				
Policy and Regulation	Cocoa bean supplier assessed for environmental and social risk	Total cocoa bean supplier assessed for environmental and social risk during the reporting period	Number	164

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

3. CLIMATE-RELATED OPPORTUNITIES: GREEN TECHNOLOGY ADVANCEMENT

a. Description

As a manufacturing business, our operations rely heavily on energy for processing cocoa beans into cocoa ingredients and industrial chocolate. Alternative energy sources are continuously evaluated to ensure energy security whilst simultaneously managing operating costs in an efficient manner.

Opportunities relating to green technology are concentrated within the processing facilities, particularly in energy-intensive operations such as roasting, grinding, and pressing. Growing customer expectations for lower emissions are driving demand for lower-carbon cocoa products, with consequent implications for production methods, energy sourcing, and supplier practices.

b. Effects on Business Model and Value Chain

While renewable energy solutions offer long-term benefits, they also present operational and maintenance challenges. In support of energy resilience and emissions reduction, the Group has installed solar panels at its manufacturing plants in Malaysia, the UK, and Côte d'Ivoire, providing a maximum generation capacity of 7.93 MWp. Biomass boilers have also been commissioned in Côte d'Ivoire, converting 62,558 MT of cocoa shells into steam energy via waste-to-energy processes. Together, these systems produce an average of approximately 71,779 GJ renewable energy annually.

- **Maintaining Solar Panels and Biomass Boiler:** These systems require proper maintenance and efficiency monitoring. Given their exposure to the external environment, solar panels are susceptible to numerous factors that may impair performance, including heavy rainfall, dust accumulation, humidity, and wind.⁹ Biomass boilers entail higher maintenance demands owing to the conversion of cocoa shells into steam energy; careful management of fuel quality and combustion conditions is required, alongside regular servicing of boiler and ash-handling systems to ensure safe and reliable operation.

- **Reduce operational costs and avoid emissions:** The Group reduces electricity costs through the installation of solar panels and biomass boilers. These systems further contribute to the avoidance of carbon emissions by displacing conventional energy sources with renewable and waste-to-energy alternatives.
- **Customer demands:** Growing demand for deforestation-free, traceable, and verified cocoa requires investment in traceability platforms, geospatial monitoring, and supplier training. Rising expectations for product-level carbon footprint transparency require the development of capabilities to provide emission-factored product declarations, compelling the company to reinforce its data systems, audit readiness, and verification processes.

c. Effect on Strategy and Decision-Making

The Group will continue investing in processes and systems.

- **Expansion of green technology:** The Group continually explores opportunities to expand green technology for greater renewable energy generation within its operations. Where practicable and cost-effective, initiatives will be implemented to reduce reliance on conventional electricity generation.
- **Purchased Renewable Energy Certificates:** The Group has purchased renewable energy certificates for selected entities to reduce its carbon emissions and ensure that renewable energy sources are reflected in its energy consumption. Initial coverage is expected to address electricity consumption at trading offices, with incremental progression towards operational usage over time.
- **Digitalising supply chain:** Digitised traceability platforms and geospatial monitoring tools (e.g., polygon-level farm mapping, satellite deforestation screening) facilitate verification of compliance with deforestation-free regulations. These systems bolster compliance with emerging EU market rules (EUDR). The resulting capability supports emissions reporting (Scope 1, 2, and upstream Scope 3), and customer needs for GHG tracking.

⁹ Dawood, T. A., Barwari, R. R. I., & Akroot, A. (2023). Solar Energy and Factors Affecting the Efficiency and Performance of Panels in Erbil/Kurdistan. *International Journal of Heat & Technology*, 41(2).

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

d. Financial Effects

Current Financial Effects

The Group has realised financial benefits from climate-related initiatives, primarily through renewable energy investments and digital solutions that improve operational efficiency and supply chain management. The current financial effects in 2025 are reflected in the following:

- Biomass and solar panel maintenances: RM 3.82 million in 2025 from solar panels and biomass boilers
- Capital expenditure: RM32.92 million invested in renewable energy assets (cumulative)
- Investment into digital solutions for supply chain traceability, assessment: around RM1 million

Anticipated Financial Effects

The anticipated financial effects of the company's sustainability investments are expected to materialise progressively over the long-term strategic horizon. Over the short term, an increase in capital expenditure is anticipated, driven by accelerated investment in supply chain digitalisation, encompassing polygon-level farm mapping, satellite-based deforestation screening, and enhanced carbon measurement systems. These initiatives are supported by operational efficiency gains derived from improved data accuracy and reduced compliance risks.

Over the medium term, reduced exposure to energy price volatility and stronger alignment with emerging carbon-pricing mechanisms are anticipated, while digital traceability capabilities serve to enhance supply-chain transparency and strengthen the company's competitive standing in customer procurement processes that increasingly prioritise verifiable sustainability attributes.

Over the long term, the transition to renewable energy is expected to yield a structural cost advantage as fossil fuel prices rise. Advanced digital systems, once fully embedded, are anticipated to reduce audit costs, support premium product certification, and potentially unlock new revenue streams.

e. Resilience of the Group's Strategy and Business Model in Relation to Climate-Related Opportunities

The incorporation of solar panels and biomass boilers serves to strengthen the resilience of the Group's strategy and business model by diminishing reliance on external energy sources and reducing exposure to energy price volatility. Through the diversification of its energy mix and the utilisation of renewable and waste-to-energy solutions, the Group bolsters energy security and stabilises operations across its manufacturing facilities.

The deployment of biomass boilers, which convert cocoa shells into steam energy, enables the Group to optimise resource efficiency by repurposing production waste as a valuable energy input. This circular approach yields reductions in disposal costs, supports cost stability, and mitigates operational risks arising from energy supply disruptions.

Furthermore, investments in renewable energy infrastructure advance the Group's transition towards lower-carbon operations, thereby assisting in the management of climate-related transition risks, ensuring compliance with evolving regulatory requirements, and fulfilling customer and stakeholder expectations. Collectively, these initiatives enhance the long-term resilience and sustainability of the Group's business model.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

CLIMATE-RELATED RISKS AND OPPORTUNITIES

f. Processes, Controls and Policies to Manage Climate-Related Opportunities

The Group proactively identifies and capitalises on climate-related opportunities to enhance operational efficiency, reduce costs, and advance sustainability objectives. At present, emerging technologies are discussed among operations teams for consideration during new machinery procurement. In recognition of the growing imperative to integrate green technology, annual reviews of emerging green technologies will be conducted by the SSC in collaboration with the Climate Action workstream. Inputs for these reviews include industry benchmarks, technology assessments, supplier innovation, and regulatory developments. Opportunities are appraised against the following criteria: (1) emissions reduction potential, (2) financial return/payback period, (3) operational feasibility, (4) alignment with customer requirements, and (5) availability of regulatory incentives.

The adoption of renewable and waste-to-energy solutions is guided by policies that ensure compliance with environmental regulations and alignment with the Group's sustainability commitments. These initiatives position the Group to realise energy cost savings, achieve lower carbon emissions, and enhance operational resilience, whilst simultaneously contributing to long-term business value and stakeholder confidence.

As part of its decarbonisation strategy, the Group has initiated the procurement of RECs to progressively cover electricity consumption and is exploring long-term purchase agreements with providers as a means of managing cost volatility.

Governance oversight of climate-related opportunities is further strengthened through the Carbon Committee, which participates in deliberations concerning high-impact investments involving material capital allocation. These deliberations ensure alignment with climate-related risks and opportunities and support the Group's future Science-Based Targets initiative (SBTi) commitments. In addition, the Group monitors policy and regulatory developments, including carbon pricing mechanisms and renewable energy incentives, to optimise the timing, scale, and financial viability of its climate-related investments.

g. Metrics

Climate-related risks and opportunities	Description of metric	Methodology to calculate metric	Measuring Unit	Current Metric (2025)
Entity developed metrics				
Green Technology Advancement	Renewable energy certificates	Total purchased renewable energy certificates	Number	26
Metrics from SASB Industry Standard - Agricultural Products				
Energy Management	Percentage of renewable energy generated (FB-AG-130a.1)	Total renewable energy per total energy consumption	Percentage (%)	12
	Renewable energy generated (FB-AG-130a.1)	Total renewable energy generated internally	Gigajoules (GJ)	137,967

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

EVENTS AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and prior to the date of authorisation for issue of this report have occurred that necessitate disclosure in this sustainability report.

STATEMENT OF ASSURANCE

The Group has employed good governance and internal reporting practices in the production of this IFRS Sustainability Disclosure. Additionally, the Group's dedicated reporting team has reviewed this report, with the Board subsequently providing approval. Moving forward, we will strive to enhance our data collection, analysis and reporting processes in order to improve the quality and scope of our disclosures. As the Group makes further progress in our sustainability journey, we will firmly consider the adoption of external assurance for our future disclosures.

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate-related physical risk: rising temperature and climate variability	Farmers engaged with CC&B	Number	31,475	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Area under agroforestry	Hectare (ha)	3,696	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Progress of traceable and sustainable cocoa beans in our direct sourcing network	Percentage (%)	36	100% traceable and sustainable cocoa within the direct sourcing network by 2030	No assurance
Climate-related physical risk: rising temperature and climate variability	Operational energy consumed	Gigajoules (GJ)	1,193,975	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Percentage grid electricity	Percentage (%)	41	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Fleet fuel consumed	Gigajoules (GJ)	10,514	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Percentage renewable fleet fuel consumed	Percentage (%)	0	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by cost	8	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Scope 1 emissions	Metric tonnes of carbon dioxide equivalents (tCO2e)	32,829	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Scope 2 emissions (market-based)	Metric tonnes of carbon dioxide equivalents (tCO2e)	52,321	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Scope 3 emissions - Category 6: Business Travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	578	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Scope 3 emissions - Category 7: Employee Commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	2,228	—	No assurance
Climate-related physical risk: rising temperature and climate variability	Emission intensity	tCO2e/Metric tonnes of finished goods	0.33	—	No assurance

IFRS SUSTAINABILITY DISCLOSURE - CLIMATE

PRESCRIBED TABLE

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Climate-related transition risk: policy and regulation	Cocoa bean supplier assessed for environmental and social risk	Number	164	—	No assurance
Climate-related opportunity: green technology advancement	Renewable energy certificates purchased	Number	26	—	No assurance
Climate-related opportunity: green technology advancement	Renewable energy generated	Gigajoules (GJ)	137967	—	No assurance
Climate-related opportunity: green technology advancement	Percentage of renewable energy generated	Percentage (%)	12	—	No assurance

RESPONSIBLE SOURCING

Responsible sourcing and robust traceability are central to how we operate. By embedding ethical practices across our supply chain, we mitigate risks such as labour exploitation and deforestation, while meeting growing consumer demand for transparency. This approach strengthens our operations, supports sustainable growth, and delivers lasting value for all.

ETHICAL SUPPLY CHAIN

Our suppliers are essential partners in building a responsible, sustainable value chain. Through close collaboration, we address global challenges such as human rights, environmental protection, and fair trade, while fostering long-term relationships.

In 2025, approximately 75% of our primary cocoa bean suppliers completed our Sustainable Procurement Questionnaire, helping us monitor compliance, identify improvement opportunities, and strengthen sustainability across our supply base.

TRANSITIONING TO DEFORESTATION-FREE SUPPLY CHAIN

On 31 May 2023, the European Commission adopted the EUDR under Regulation (EU) 2023/1115. The regulation requires companies placing products on the EU market to demonstrate that covered commodities are deforestation-free, legally produced, and fully traceable to their origin. These commodities include palm oil, soy, beef, coffee, cocoa, timber, and rubber.

GCB is fully committed to meeting the EUDR, which aligns closely with our existing sustainability efforts. Since 2021, our Forest and Traceability Policy has guided our approach to conserving forests and ensuring our sourcing activities do not contribute to deforestation as well as other ecosystem impacts. To strengthen the commitment, we have established due diligence policies and procedures at the Group-level encompassing supplier assessment, a traceability framework, and corrective actions.

Our preparedness for the EUDR is underpinned by early and systematic action. We established robust traceability foundations through clear policies and procedures, the implementation of the GC&B Programme, the formation of a dedicated compliance team, and the sourcing of verified produced cocoa beans. These measures have strengthened our due diligence framework and positioned us well to respond to evolving regulatory expectations.

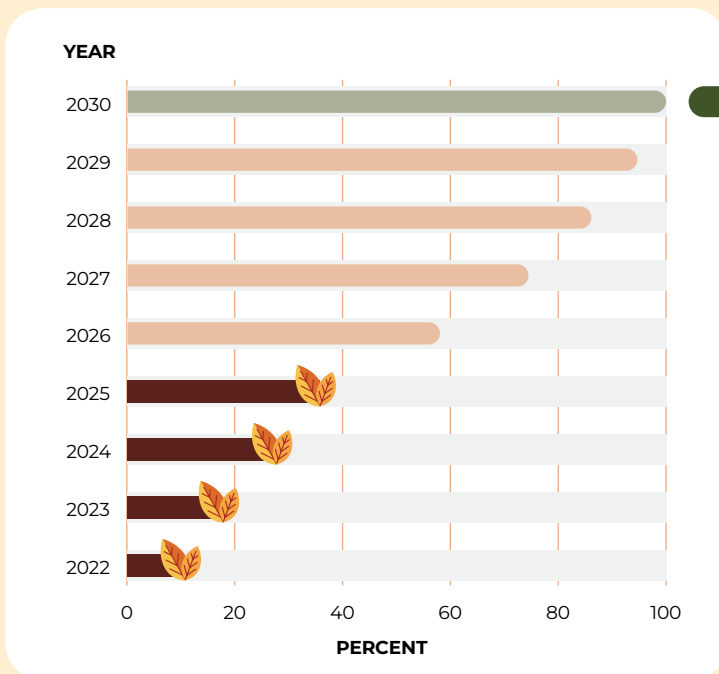
RESPONSIBLE SOURCING




To comply with EUDR requirements, we have integrated farm-level geolocation data into our digital traceability system. This information, submitted by suppliers, is verified through deforestation-free assessments using high-resolution satellite imagery and independent third-party expertise. We have established forest baselines, conducted farm-level risk analyses, and cross-checked supplier disclosures through our Sustainable Procurement Questionnaire (SPQ) process to ensure alignment with EUDR definitions and national legal requirements.

Significant investments have been made in verification, supplier engagement, and smallholder data collection to prepare our segregated supply chains for EUDR compliance. Our goal is to achieve 100% traceable and sustainable cocoa beans in our direct sourcing network by 2030. GCB remains committed to supporting a more transparent and sustainable global cocoa industry.

We are pleased to highlight the following milestones in our responsible sourcing journey:

TRACEABLE AND SUSTAINABLE COCOA

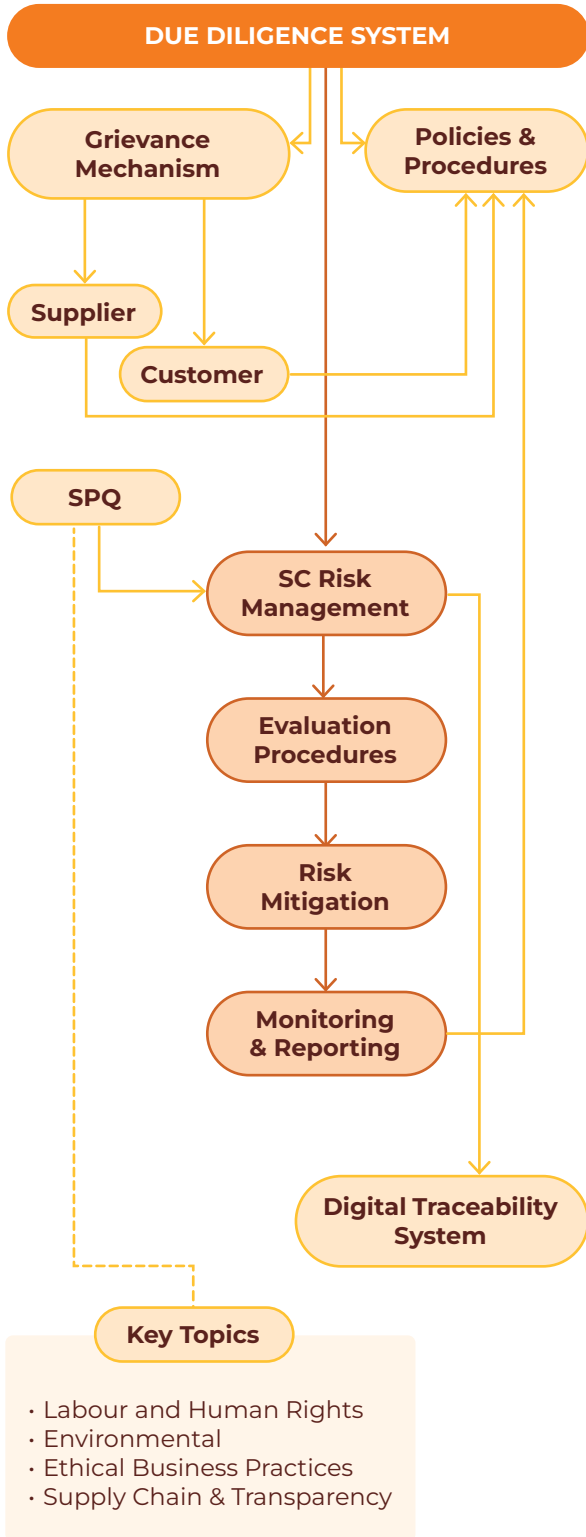


- 
2024
 Developed Due Diligence Policies, Procedures and Digital Traceability System
- 
2023
 EUDR entered into force
- 
2020
 GC&B programme launched
- 
2020
 Deforestation cut-off date, 31 December 2020



RESPONSIBLE SOURCING

In 2025, we have traced around 48,000 MT of sustainable cocoa beans, which accounted for 36% of our direct sourcing network to the farm level. In parallel, we conducted capacity-building initiatives to support 172 cooperatives within our direct sourcing network in Côte d'Ivoire.



1. STRATEGIC APPROACH TO DUE DILIGENCE

Through our Sustainable Procurement and Due Diligence frameworks, we prioritise working with suppliers who are committed to sustainability and ethical business practices. By collaborating with like-minded suppliers, we align our efforts in responsible sourcing, fair labour practices, and environmental stewardship.

2. RISK ASSESSMENT

We take a systematic approach to supplier risk assessment, considering factors like country specific risks supplier profiles, and deforestation indicators. This includes evaluating indigenous rights and analysing supply chain complexity to identify potential environmental and social risks. The framework allows us to categorise and prioritise risks, ensuring resources are allocated where they are most needed.

3. SUPPLY CHAIN TRACEABILITY

Our enhanced traceability system provides end-to-end visibility within our direct supply chain, supported by digital documentation and segregation protocols. As part of supplier engagement, we gather detailed supply chain information, including geolocation data, enabling us to trace cocoa from farm to factory. We verify this information using customised traceability system and controls at the point of delivery, along with supplier risk assessments and to ensure due diligence is upheld throughout the supply chain.

4. RISK MITIGATION AND GRIEVANCE MECHANISMS

We implement targeted mitigation strategies based on supplier risks, including engagement and capacity building. Suppliers are monitored to implement corrective actions when required. A publicly available grievance mechanism provides a public channel for stakeholders to raise grievances.

5. MONITORING AND REPORTING

Regular compliance assessments and performance monitoring ensure our due diligence system's effectiveness. We maintain detailed documentation for reports to stakeholders and regulators. Our monitoring system detects potential issues early, supporting proactive risk management. In addition to these efforts, we continue to source cocoa beans that meet internationally recognised quality and traceability standards, reinforcing our commitment to responsible raw material sourcing.

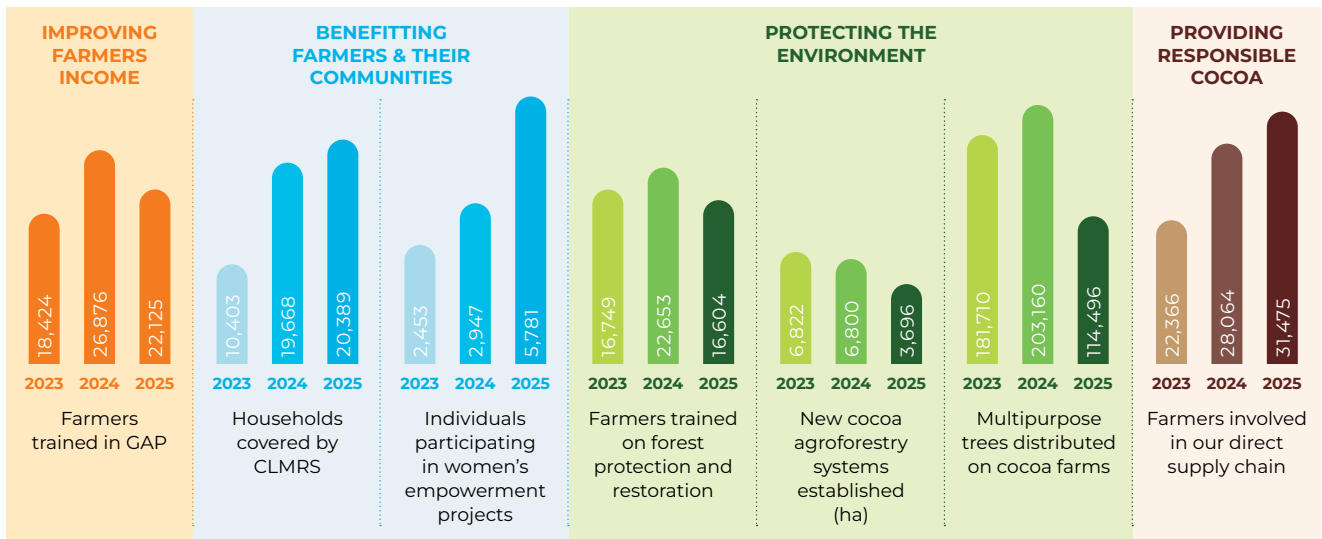
RESPONSIBLE SOURCING

GOOD COCOA & BEYOND PROGRAMME

Meaningful change requires longer-term investment. Five years after the launch of our Good Cocoa & Beyond Sustainability Strategy, our systematic approach to cocoa sustainability is driving continuous improvement, addressing four key interconnected priorities by working directly with farmers and cocoa-growing communities, primarily in Côte d'Ivoire, but also Ecuador, Indonesia and Nigeria.¹⁰



GC&B PROGRAMME IMPACT



¹⁰ The majority of programmes in West Africa run according to the crop season, from October 2024 to September 2025, while other programme cycles run from January 2025 to December 2025. The data for this report consolidates full programme years (either the West African crop year or the calendar year).

¹¹ Traceable and sustainable cocoa is cocoa produced according to internationally recognised sustainability standards, which includes traceability, with location mapping, and requires addressing child labour and deforestation concerns.

RESPONSIBLE SOURCING

IMPROVING FARMER INCOME

To promote resilient livelihoods, we focus on enabling farmers to produce more cocoa on less land.

Our approach involves training lead farmers who then provide training and tailored coaching to other farmers, helping them boost yields, improve productivity and strengthen farm management. In 2024/25, lead farmers trained 22,125 farmers and provided ongoing coaching to 14,794 farmers, building their capacities to adopt Good Agricultural Practices. Additionally, demonstration plots were established to showcase these practices in action. This training qualifies farmers for premium payments on sustainably sourced cocoa beans, boosting both their immediate income and long-term financial stability.

CASE STUDY: GOOD AGRICULTURAL PRACTICES IN ACTION

M. Koffi, who lives in Bobekro in San Pedro, Côte d'Ivoire, has experienced dramatic harvest fluctuations due to climate change: 3 tonnes in 2021/22, dropping to 2 tonnes in 2022/23, then recovering to 3 tonnes in 2023/24. "I've lost control of my production," he says. He also faces challenges with diseases and parasites. Despite using various pesticides last year, his yields remained unstable. Through training in Good Agricultural Practices, he has adopted a different approach: protecting his cocoa trees with shade trees and improving soil health. With guidance on pruning and farm management, conditions have improved. "After pruning, air circulates better in my farm, and this helps my cocoa grow properly."

Natural Composting Initiative

At the beginning of the 2024/25 season, lead farmers supported by GCB trained farmers to produce natural compost using cocoa pods and leaves from their own farms in Côte d'Ivoire. After three months of guided composting, farmers had nutrient-rich compost ready to apply. Early adopters reported healthier trees and improved yields. With chemical fertilisers becoming increasingly expensive, this sustainable alternative is attracting growing interest from cooperative members.



Figure 1: M. Koffi on his farm



Figure 2: Composting training and monitoring with farmers

RESPONSIBLE SOURCING

BENEFITTING FARMERS AND THEIR COMMUNITIES

Our programmes address key social challenges, including human rights, gender equality, youth empowerment, and access to essential services and infrastructure.

Protecting Children and Promoting Education

In 2024/25, CLMRS activities focused on raising awareness of child labour risks and managing these, including providing bikes and school kits to enable children to attend school, and ensuring children have birth certificates. In total, 20,389 households were covered by CLMRS.

Tackling Forced Labour

We strengthened forced labour monitoring in 2024/25, raising awareness of labour rights among cocoa-growing communities, reaching 20,091 households, and creating formal employment contracts for labourers to protect their rights.

Empowering Women Through Financial Inclusion

Our commitment to gender equality translated into continued support for VSLAs, enabling members to save money and access small loans. This year, 4,964 individuals participated in VSLAs across GCB's projects. One VSLA was supported to open a bank account, unlocking access to larger financing opportunities, while others used their savings and loans to launch income-generating activities such as shops, kitchen gardens and poultry farming.

CASE STUDY: BUILDING HOUSEHOLD PROSPERITY THROUGH VSLAS

While VSLAs primarily benefit women, they also create broader household economic opportunities. Ouattara N'nan joined a VSLA three years ago and initially used loans to buy petrol cans, reselling them in smaller amounts for profit. Starting with weekly repayments of 500 francs, his profits enabled him to increase contributions to 2,500 francs per week. At the end of the group's first savings cycle, he received 51,000 francs, which he reinvested in jewellery to diversify his business, now run together with his wife. VSLA membership has not only financed their business but also provided training in business management, helping them plan for the future.



Figure 3: Mr. Ouattara's wife posing with the lead farmer while selling jewellery

Creating Opportunities for Youth

We recognise the importance of engaging the next generation of cocoa farmers. Youth Service Groups provide valuable pruning and crop spraying services to farmers, increasing yields and offering extra labour capacity. These groups empower their 328 members by generating income and building skills in business management.

Building Essential Infrastructure

Community development initiatives are designed in consultation with farmers and their communities to meet genuine local needs. Over the past year, initiatives included building a community centre, connecting a health centre to the electricity grid, and supplying desks and chairs for five schools.

RESPONSIBLE SOURCING

PROTECTING THE ENVIRONMENT

As a Cocoa & Forests Initiative signatory, we are committed to eliminating cocoa-driven deforestation and the conversion of natural ecosystems in our direct supply chain by 2030.

We map farms and conduct deforestation risk assessments to track progress. In 2024/25 crop year, we conducted deforestation risk assessments across almost 75,000 hectares of cocoa farms in our programme supply chain, making considerable progress towards our 2030 commitment.

Lead farmers raise awareness of forest protection through GAP training. By adopting practices such as composting and integrated pest management, farmers increase yields on existing farms, reducing pressure to expand into forested areas.

Our programmes also promote agroforestry systems. In 2024/25, over 114,000 shade trees were distributed to participating farmer groups, developing an additional 3,696 hectares of cocoa agroforestry.

CASE STUDY: AGROFORESTRY ADOPTION

M. Ble Konan Pacome was initially sceptical about agroforestry. However, after noticing his cocoa trees were dying due to lack of rainfall, he signed up to receive shade trees during the 2023/24 programme following guidance from a GC&B lead farmer responsible for training. In 2024/25, he requested for additional trees and completed agroforestry and Farmer Field School training. He says:

“The first trees are growing well and they’re not taking anything away from my cocoa trees. I’ve planted others around the edge of my field. Now I want to sign up again because I’ve learned that trees will protect my cocoa from the sun, help bring rain, and provide extra income when I sell the fruits and timber once the trees are mature.”



Figure 4: Planting shade trees



Figure 5: Agroforestry in action

RESPONSIBLE SOURCING

PROVIDING RESPONSIBLE COCOA

Supply chain transparency is our priority, enabling us to verify the conditions under which our cocoa is grown. Our goal is for all cocoa in our direct sourcing network to be traceable and sustainable by 2030, produced according to internationally recognised standards such as Rainforest Alliance or Fairtrade, with initiatives to address child labour and deforestation.

We use a digital management and traceability systems to track activities, training, and premium payments through leveraging comprehensive farmer databases. Polygon mapping combined with satellite monitoring enables us to locate farms precisely and support accurate traceability.

Third-party audits through certifications provide independent assurance that sustainability standards are being met. By increasing the proportion of cocoa procured through our direct supply chain, we have strengthened traceability and moved closer to our 2030 goal.

CIRCULAR ECONOMY

WATER MANAGEMENT

Water is a critical input for cocoa processing, from production to cooling systems. Water scarcity poses a material risk to our operations, while evolving environmental standards across our operating regions carry significant regulatory implications.

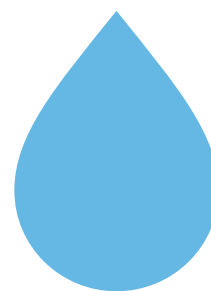
Our Group-wide Sustainable Development policies outline robust practices for water conservation, and we continuously monitor water usage across manufacturing processes to drive operational excellence. We are equally committed to responsible wastewater treatment. Water treatment plants in Malaysia, Indonesia, and Côte d'Ivoire remove pollutants before discharge, with officers monitoring and reporting sludge and water discharge volumes.

To understand our exposure, we conducted a water risk assessment using the World Resources Institute (WRI) Aqueduct Water Risk Atlas. According to Baseline assessment, its identified one manufacturing plant and one business office in Germany and Indonesia are being located in water-stressed regions. Based on these findings, we are working with management to implement targeted initiatives that ensure the long-term sustainability of our operations.

In 2025, we recorded zero incidents of non-compliance with local regulations and international standards for water discharge.

Water Usage (m ³)	2023*	2024	2025
Water Withdrawal	1,191,400	1,084,300	1,082,535
Water Discharge	958,100	804,250	794,690
Water Consumption	233,400	279,860	287,843
Water Intensity (m ³ /MT)	4.43	2.51	3.15

Regions with High or Extremely High Baseline Water Stress	2025	
	m ³	%
Water Withdrawal	707,891	65
Water Consumption	1,220	0.42



*exclude GCBCUK and GCBCCI

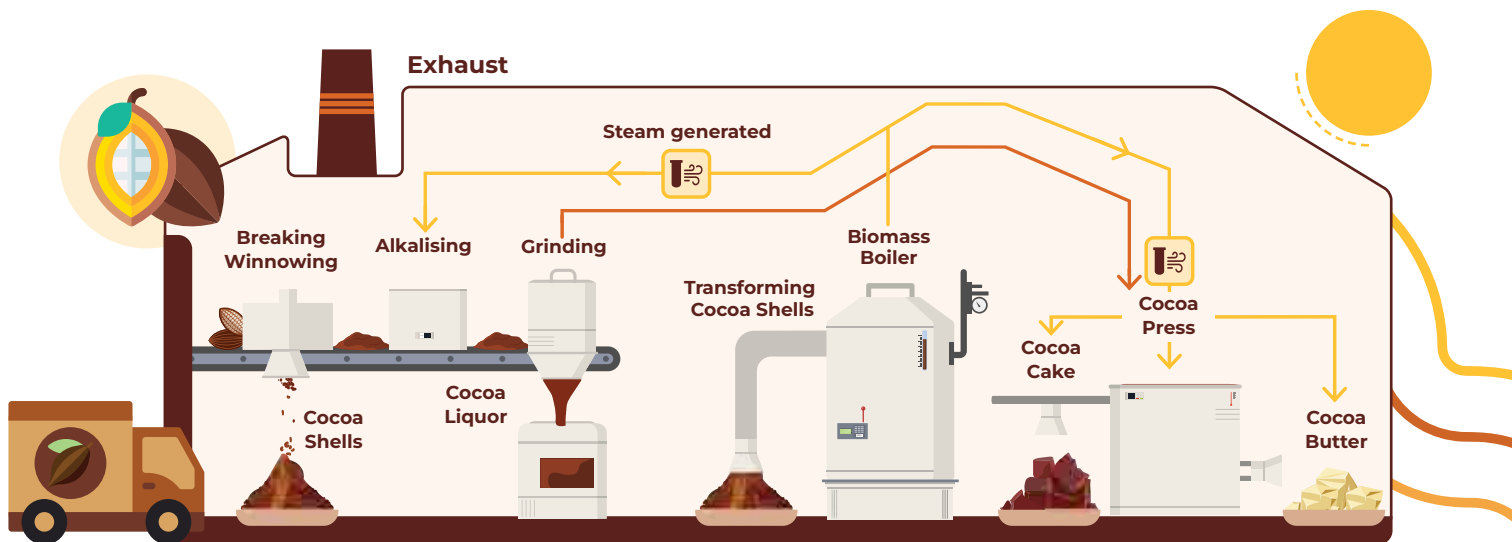
CIRCULAR ECONOMY

WASTE MANAGEMENT

Beyond regulatory compliance and cost optimisation, our waste minimisation efforts reflect a deliberate commitment to reducing environmental impact and maximising resource value.

Our environmental policies regularly assessed by the Corporate Governance, ensures strict adherence to all relevant waste disposal laws and regulations. We implement a structured scheduled waste management system for hazardous waste across our operating plants. Routine inspections by our Environmental and Safety Officers verify compliance with environmental quality regulations in each country where we operate. All hazardous waste is properly stored and disposed of at regular intervals through licensed agents.

As part of our circular approach, we repurpose cocoa shells, a key by-product of our processing facilities, to support renewable energy efforts. At our Malaysian and Côte d'Ivoire facilities, these shells fuel biomass boilers to generate green energy, reducing dependency on purchased fuel and lowering carbon emissions. Where applicable, other waste streams are assessed and sold to external parties for recycling or repurposing. These initiatives align with our broader climate action objectives.



2025		Hazardous Waste (MT)	Non-hazardous Waste (MT)	Total Waste Generated (MT)
2025		247	21,764	22,011
Waste Diverted from Disposal (MT)		2025	Waste Directed to Disposal (MT)	
Recycling		778	Cocoa Shells Converted to Fuel Onsite	
Reuse and Other Reprocessing		13,477	Landfilling	
Total		14,255	Other Disposal Operations	
			Total	
			4,880	

HUMAN RIGHTS

EMPLOYEE DIVERSITY AND RIGHTS

Employee diversity and the protection of employee rights are fundamental to building an inclusive, high-performing workplace. A diverse workforce drives innovation, strengthens decision-making, and helps attract top talent. At GCB, we are committed to upholding employee rights and providing multiple channels for raising concerns.

Our Human Resources and Administration (HRA) Department oversees all employee-employer interactions, ensuring practices align with our Employee Handbook and Business Ethics & Code of Conduct, while uphold impartial, non-discriminatory standards for job applicants and employees across all offices. We provide equal opportunities regardless of gender, race, or sexual orientation. Our Finance and HRA Departments collaborate to ensure entry-level wages meet local standards and that compensation is fair, transparent, and equitable.

GCB enforces a zero-tolerance policy against harassment, bullying, and discrimination. Our Internal Grievance Procedure enables employees to raise concerns effectively.

We monitor labour market trends and gather feedback through performance reviews to continuously improve our practices. We have also developed remediation policies for discrimination, workplace violence, forced labour, and child labour. These policies apply to all employees, contractors, and third parties, establishing clear criteria for remedial action.

Respecting human rights is both a moral imperative and essential to long-term business success. Our Human Rights & Labour Policy and Procedure strictly prohibits forced and child labour, and our Supplier Code of Conduct extends this expectation across our supply chain.

Employee Headcount



HUMAN RIGHTS

Workforce by Employee Category and Age Group in 2025

	Under 30	30-50	Over 50
Senior Management	7	45	48
Middle Management	3	62	35
Assistant Managers	7	82	11
Executives	39	54	7
Non-Executive	45	47	8

Workforce by Employee Category and Gender in 2025

Employee Category	Male	Female
Senior Management	63	37
Middle Management	69	31
Assistant Managers	48	52
Executives	52	48
Non-Executive	89	11

Employee Hires and Turnover in 2025

Rates	New Employee Hires			Employee Turnover		
	2023	2024	2025	2023	2024	2025
Age						
Under 30	74%	55%	63%	65%	60%	60%
30-50	23%	41%	32%	28%	33%	35%
Over 50	3%	4%	5%	7%	7%	5%
Gender						
Male	81%	80%	81%	82%	83%	85%
Female	19%	20%	19%	18%	17%	15%

In 2025, our employees invested a total of 14,785 hours in training and development programmes. This ongoing investment in our workforce enhances efficiency and performance, reinforcing our position as Asia's largest and the world's fourth largest cocoa products manufacturer.

HUMAN RIGHTS

OCCUPATIONAL HEALTH AND SAFETY

Workplace safety and employee well-being are integral to our operational excellence. As a global cocoa industry leader, we are committed to providing safe, healthy, and supportive work environments. Our approach goes beyond regulatory compliance, recognising that a safe workplace underpins business continuity, productivity, and long-term talent retention.




Health and Safety Committees at each factory bring together employee and management representatives to address concerns, analyse incidents, and drive improvements. Employees can report issues directly to the committee or via our whistleblower channel. Dedicated Safety Officers serve as key points of contact, conducting routine hazard assessments to identify and mitigate risks. When incidents occur, they lead investigations, implement corrective actions, and report to the committee.

Safety training is compulsory during induction, with ongoing training for Safety Officers and emergency

response teams. Employees in high-risk roles receive specialised training and the appropriate protective equipment. In Malaysia, we also apply the 5S methodology to maintain clean, efficient, and safe workplaces, reducing waste, improving productivity, and building employee discipline.

To minimise the impact of potential disruptions, we have implemented a Crisis and Incident Management Procedure. Identified high-impact scenarios include power outages, water supply interruptions, floods, fires, and disease outbreaks, with response measures in place to ensure operational resilience.

In 2025, we maintained zero work-related fatalities. Although some injuries were reported, our safety team conducted thorough assessments and introduced targeted preventive measures to reduce future risks. We remain committed to minimising occupational hazards while fostering skill development, creating a workplace where every employee feels secure and valued.

	 Lost Time Incident	 Fatalities	 Lost Time Incident Rate (per 200,000 hours)
2023	30	0	2
2024	94	0	5
2025	55	0	2

Note: The information presented above refers to GCB's operations only and does not include trading offices.



CUSTOMER HEALTH AND FOOD SAFETY

Food safety is central to how GCB serves its global clientele. We foster a strong food safety culture, maintain rigorous quality controls, and adhere to all guidelines and regulations to ensure every product meets the highest standards of safety, integrity, and quality.

To embed food safety as a core element of GCB's identity, we have established a Group-wide Food Safety and Quality Policy. Recognised standards are integrated directly into our standard operating procedures, enabling systematic monitoring and quality assurance at multiple control points throughout production. Our Quality Assurance (QA) and Quality Control teams oversee manufacturing activities, conduct risk assessments, and ensure traceability from raw materials to finished products. Regular internal assessments are complemented by third-party audits, with all relevant documentation securely maintained to support regulatory compliance.

Food safety training is mandatory for all employees and workers with access to our manufacturing facilities. We also maintain a comprehensive product recall and withdrawal programme, supported by documented procedures. These measures enable effective risk management, hazard mitigation, and reinforce customer confidence.

We recognise our suppliers as critical partners in maintaining these standards. Our Supplier Quality Expectation Manual defines clear requirements for manufacturing practices, quality, packaging, and crisis management. New suppliers undergo rigorous assessments, including self-assessments and site audits, to ensure consistency and continuous improvement across our supply chain.

Our robust Quality Management System is continuously monitored by our QA Department to ensure alignment with the latest food safety certifications and industry standards. This framework is further strengthened through our memberships with relevant industry bodies.

Health and Safety Impact

All of our products and services are thoroughly assessed for health and safety impact improvements.

Non-Compliance

Zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products and services.

Product Recalls

Zero product recalls were issued for health and safety reasons.

CORPORATE STEWARDSHIP

Strong corporate governance underpins our commitment to ethical and responsible business conduct. Through sound stewardship, we safeguard operational integrity, strengthen business resilience, and reinforce trust with stakeholders across our value chain.

Our approach goes beyond regulatory compliance. We are committed to creating shared long-term value by generating positive social, economic, and environmental outcomes, ensuring that sustainability is embedded into how we operate and make decisions.

Group-wide policies guide our operations, helping us manage risks such as corruption and discrimination while upholding ethical conduct at every level.

CORPORATE GOVERNANCE

The Corporate Governance Committee oversees the implementation of key governance principles, including:

Forward-Thinking Policies: We adopt a long-term view on resource management and stakeholder impact, prioritising sustainable practices that protect our business, communities, and the environment.

Transparency and Accountability: We uphold high standards of transparency and accountability, communicating openly on social and environmental matters to build stakeholder trust.

Inclusive Stakeholder Engagement: Engaging diverse stakeholder groups in our decision-making fosters shared purpose and creates mutual value.

Our Code of Conduct and group policies set clear expectations for responsible behaviour. All employees, suppliers, vendors, and contractors are expected to uphold these standards. New employees are briefed during onboarding, with annual updates on policy changes and whistleblower procedures. Our governance policies are publicly available on our website.

We have established grievance mechanisms that allow employees and supply chain partners to raise concerns confidentially and without fear of retaliation. In 2025, a total of 2 cases were reported and resolved through appropriate processes.

ANTI-CORRUPTION AND ANTI-FRAUD

GCB enforces a zero-tolerance approach to corruption and unethical conduct. All associated persons are prohibited from offering or receiving any form of improper benefit. We comply fully with applicable anti-corruption legislation, including the Malaysian Anti-Corruption Commission Act 2009, the US Foreign Corrupt Practices Act, and the UK Bribery Act. We also implement an Anti-Fraud Policy that strengthens internal controls, protects company assets, and fosters a culture of ethics, accountability, and responsible conduct.

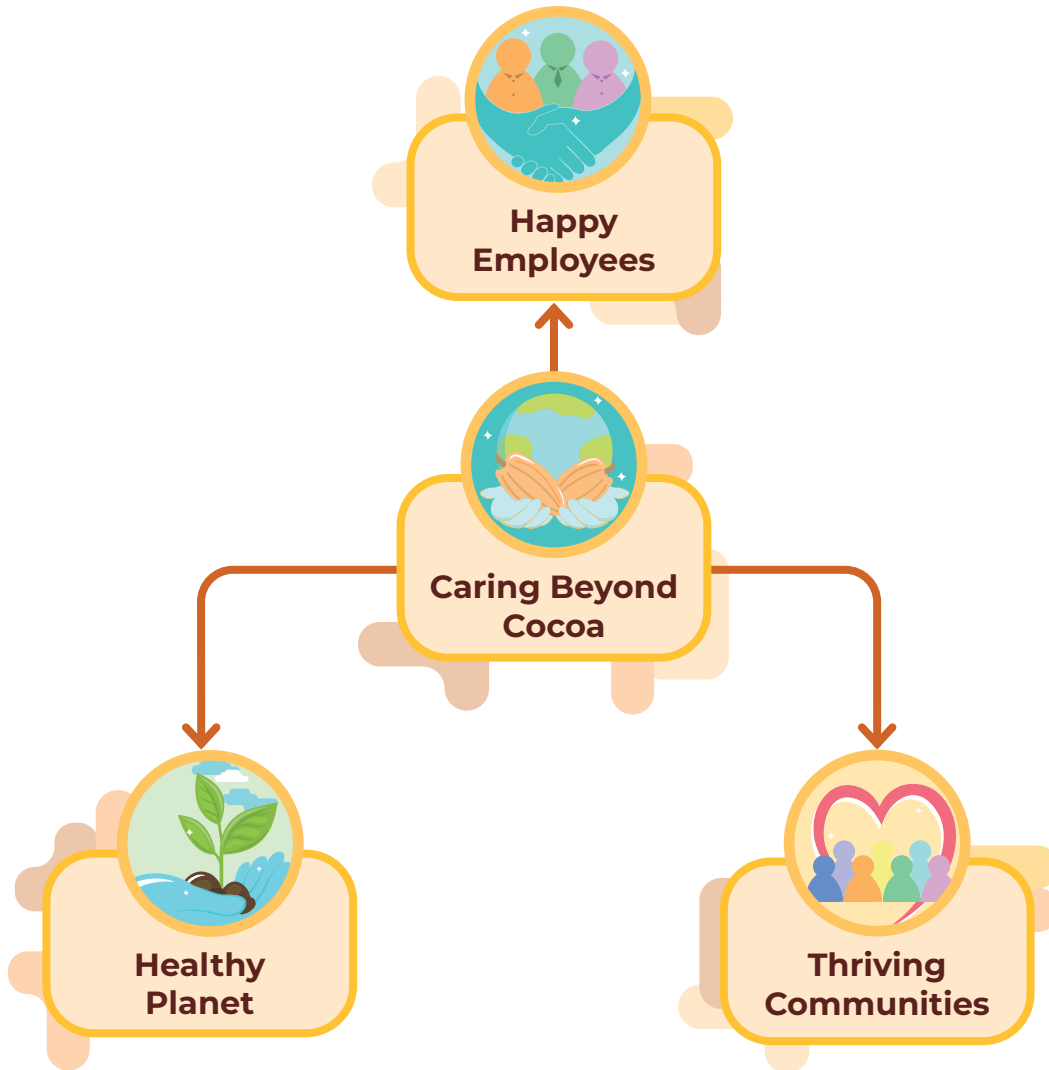
DATA SECURITY & PROTECTION

Protecting stakeholder data is a priority. Our policies ensure personal information is handled fairly, lawfully, and transparently. Through regular IT risk assessments and a Cyber Risk Index, we monitor exposure, attack likelihood, and security risks to maintain a resilient technology environment.

In 2025, we maintained a record of zero leaks, thefts or losses of customer data, reinforcing our commitment to responsible governance.

CARING BEYOND COCOA

Our Caring Beyond Cocoa (CBC) workstream drives the Group's community and social impact efforts through three pillars: **Thriving Communities, Healthy Planet, and Happy Employees**. Led by cross-departmental volunteers, CBC ensures our initiatives deliver meaningful, accountable outcomes.



A formal CSR policy and procedure are in place to maintain transparency and accountability across all CBC activities.

CARING BEYOND COCOA

Throughout 2025, we delivered a range of initiatives across all three pillars, strengthening community ties, enriching employee experiences, and advancing environmental awareness.

CLOSE TO COMMUNITY

During the year, we directed donations to students from low-income families, orphans, indigenous communities, and nursing homes.



We also continued championing the empowerment of women and girls through football programmes, fostering inclusivity through sport.

CARING BEYOND COCOA

EDUCATING CYCLE OF LIFE

Employees took part in hands-on workshops — repurposing coffee waste into DIY candles and converting food waste into compost — building practical sustainability habits beyond the workplace.



LIFE BEYOND WORK

Under our Happy Employees pillar, we promote active lifestyles through weekly pickleball, hiking, and running sessions, while also providing basic necessities to employees in need — reinforcing a culture of care and mutual support.



In 2025, we contributed over RM360,000 towards these initiatives, benefiting over 1400 individuals.

CARING BEYOND COCOA

DONATION FOR FLOOD VICTIMS IN KABUPATEN ACEH TAMIANG AND ACEH TIMUR

Following Cyclone Senyar in late November 2025, Aceh experienced its worst flooding on record, affecting 18 districts, 3,678 villages and nearly 2 million residents. Over 480,000 people were displaced, with widespread damage to homes and infrastructure leaving many communities isolated.

In response, GCB partnered with PT Saman Seudati Lestari (SSL) to deliver urgent humanitarian aid to affected communities in Aceh Tamiang and Aceh Timur from 7 December 2025 to 20 February 2026.

Assistance funded by GCB included:



564,000

litres of clean water



1

drinking water installation unit



4

electricity generators



21

water storage tanks



19

solar-powered emergency lamps

Resources were strategically deployed across evacuation centres and affected areas, including a solar-powered drinking water installation at Al-Ikhlas Mosque, Terban Village, serving approximately 1,200 displaced persons. Generators and solar-powered lighting were further utilised to restore electricity, water distribution and communication access across affected communities.

Through this initiative, GCB and SSL delivered critical relief that improved the safety, health and living conditions of those impacted by the floods.

