

PUBLIC SUMMARY REPORT

External Verification of Sustainability Policy Transparency Toolkit (SPOTT) Palm Oil Assessment

Hap Seng Plantations Holdings Berhad 2025

Contact

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	Hap Seng Plantations Holdings Berhad
Business Address:	Hap Seng Plantations (River Estates) Sdn Bhd 40 KM, Off Jalan Jeroco 91109, Lahad Datu Sabah Malaysia
Contact Person:	Mr. Kee Keow Chong
Office Telephone:	+60195532412
E-mail:	keekc@hapseng.com
Web Site:	Hap Seng Plantations Holdings Berhad

1.2 Assessment Details

Dates of verification:	14-16 Jul 2025
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1.3 Assessment Type

Third party verification to assess and validate information, compliance, performance and/or action taken by **Hap Seng Plantations Holdings Berhad** towards selected SPOTT Palm Oil Indicator Framework 2025 that requires external verification.

1.4 General Description of Hap Seng Plantations Holdings Berhad

Hap Seng Plantations Holdings Berhad (hereafter refer as 'the company') and Hap Seng Consolidated Berhad shared a common history, with their founding some 38 years ago in Tawau, Sabah. Started as a sundry shop in 1946 under the name Hap Seng (which means "Unity and Success"), the Company expanded into the timber business and thereafter rubber, cocoa and oil palm plantations with the incorporation of The River estates Ltd in 1950, the precursor of Hap Seng Plantations Holdings Berhad.

The company was incorporated in Malaysia as a private limited company on 18.04.2007 before it was converted into a public limited company on 03.05.2007 and was known as Hap Seng Plantations Holdings Berhad.

As of 16 November, the company was listed on the Main Board of Bursa Malaysia Securities Berhad.

The company's current total landbank of 40,279 hectares across 14 estates. These are Jeroco Group of Estates (JGOE), Tomanggong Group of Estates (TMGOE), Sungai Segama Group of Estates (SSGOE), Ladang Kawa Estate, Pelipikan and Kota Marudu Estates, with JGOE, TMGOE and SSGOE being contiguous to each other in Lahad Datu.

As a seasoned planter, the company has adopted the industry's best agricultural practices in its estates and is a participant of the RSPO certification programme. Other than that, it has also set aside areas for biodiversity conservation, including the conservation of Bukit Kibos, maintenance and protection of riparian buffer zones as well as retention of designated high conservation value areas in our plantations. Hap Seng Plantations also owns and operates four Roundtable on Sustainable Palm Oil (RSPO) certified palm oil mills. Currently, the company is certified with the following certifications:

- Roundtable on Sustainable Palm Oil (RSPO)
- Malaysian Sustainable Palm Oil (MSPO)
- International Sustainability and Carbon Certification EU (ISCC EU)
- Hazard Analysis and Critical Control Points (HACCP)
- MeSTI
- HALAL
- Italian National Sustainability Certification Scheme for Biofuels and Bioliquids (INS)
- ISO 45001:2018

Biodiversity Conservation

The company allocated significant area within its landbank as High Conservation Value area. The company took the initiative to conduct assessment to identify the diverse flora and fauna inhabiting the area and formulated effective conservation management plan.

The company enforced a strict 'No Hunting Policy' and takes appropriate action against encroachment into the designated conservation areas under its management purview. Ongoing protection and monitoring of the rich biodiversity area are conducted in accordance with Sabah Wildlife Enactments and the International Union for Conservation of Nature Red List. Below are the relevant policies that support the biodiversity conservation:

- [Sustainable Agriculture Policy](#)
- [Malaysian Sustainable Palm Oil \(MSPO\) Policy](#)
- [Biodiversity Policy](#)
- [Rare, Threatened & Endangered Species Policy](#)

Environmental Sustainability

The company developed relevant policies and systems to ensure its operations are adhering to the mandated environmental requirements. The company focuses on biodiversity conservation measures and environmental protection, with a long-term plan to enrich the surrounding biodiversity and ecosystem.

Quality of the generated wastewater is continuously monitored to ensure it meets the requirements regulated by the Department of Environment (DOE), which also aligns to the Group's water management plan. Rainwater harvesting system has been implemented to ensure sustainable water supply for the operations and domestic consumption.

The company recognises that climate change is a significant threat and is committed to reducing its carbon emissions through progressive transition to renewable energy and improvement in energy use efficiency. Regular monitoring on potential deforestation and fire incident are also being regularly conducted throughout the supply chain to minimise the risk of indirect carbon emissions from the operations. Below are the relevant policies that support the biodiversity conservation:

- [Sustainable Agriculture Policy](#)
- [Malaysian Sustainable Palm Oil \(MSPO\) Policy](#)
- [Biodiversity Policy](#)

Policy

The company has established the following policies as a commitment towards the sustainability implementation:

- Sustainable Agriculture Policy
- Safety and Health Policy
- Land Dispute Management
- Malaysian Sustainable Palm Oil (MSPO) Policy
- Rare, Threatened and Endangered Species Policy
- Grievances Procedure
- Biodiversity Policy

1.5 Operational Units under scope

The company operates **4 palm oil mills and 14 estates** in Malaysia. Details of the processing operations are as per **annex 1**.

PART 2: VERIFICATION PROCESS

2.1 About the Verification Body

Control Union (CU) is an independent, international assurance and certification body. Founded in 1920 in the Netherlands, CU has office in more than 70 countries. CU offers one-stop-shop solutions for sustainability reporting and assurance services. CU has more than 4,000 employees working across the globe.

Control Union Certification (CUC) is a part of Control Union – an international inspection and certification body. CUC performs assessments and certification across many sectors including biomass, biofuels, forestry, agriculture, food & feed, fats & oils, minerals, energy and tourism.

In the field of sustainability reporting, CUC serves their clients by performing sustainability strategy checks, gap analysis and independent assurance. CUC is also a registered assurance provider for the AA1000 assurance standard.

Control Union (Malaysia) Sdn Bhd is accredited for RSPO (ASI-ACC-069) for the scope of P&C (Single Site & Group) and SCC worldwide and accredited by the Department of Standard Malaysia (DSM) for ISO 17021, ISO 17065, ISO 17020, ISO 9001, ISO 14001, MTCS - FMC, FSMS and MSPO. When requested, a copy of the accredited certificates can be obtained from CUC. CUC also approved in providing verification for POIG verification indicators.

2.2 Verification Team

Lead Verifier	Jasmandy Syahrul
Team member	Zulkarnain Ishak

2.2.1 Qualifications of the Verifier

Name	Qualifications
Jasmandy Syahrul (Lead Verifier)	<ul style="list-style-type: none"> Graduated in B. Sc. in Plantation Technology and Management from Universiti Teknologi Mara. 9 years working experience in oil palm plantation; operation and sustainability department and more than 5 years as a Lead Auditor Successfully completed Lead Auditor training for RSPO P&C, MSPO (OPMC & SCCS), ISO9001, ISO14001, ISO45001, ISO14064, ISO14065, ISO14067, Carbon Neutrality & Offsetting, ISO14068-1, CDM, Gold Standard, SA8000, SMETA (6.0), SMETA & SVA Defect Guidance Training, SEDEX Virtual Assessment, GHG Methodologies, UER [Upstream Emission Reduction], EUDR Assessment, HCV/HCS Training, etc. Qualified for RSPO P&C, MSPO OPMC, MSPO SCCS, GHG Accounting & Verification (ISO14064-1, ISO14064-2), Verified Carbon Standard (VCS), Gold Standard (GS), Brand Protocol [Unilever VDF, Nestle, PepsiCo, AAK, etc.] NDPE-IRF, Traceability Audit [TTM, TTP], EUDR Readiness Assessment, etc.
Zulkarnain Ishak (Verifier)	<ul style="list-style-type: none"> Currently as CoE Asia Manager – Sustainability Assurance, Control Union Malaysia Sdn Bhd. Join Control Union since 2018. Graduate in B.Sc. Science and Technology from University Malaysia Sabah. Almost 10 years' experience in Government Link Company Plantation (Malaysia) as Assistance Vice President- Sustainability and Quality Management (SQM) for upstream and Downstream Sustainability. Additional 4 years' experience as Environmental Consultant in Alam Sekitar Malaysia. A senior auditor with international auditing experience in Global Report Initiative (GRI) Standards Assurance ACSAP AA1000, NDPE IRF, Traceability Assurance (TTP, TTM), PepsiCo Protocol, RSPO, RSPO SCC, MSPO, ISCC, ISCC ISH, ISCC Waste and Residue, Low iLUC, SPOTT, QMS ISO 9001, EMS ISO 14001, RSB, GGL, SGLS, FSC-COC, HACCP, CepSWaM, etc.

2.3 Methodology

2.3.1 General Overview

Assurance methodology included:

- Interview of management representatives, including senior management at executive and functional levels, and

relevant management that are responsible for the day-to-day management of sustainability.

- Observe and review the management practices, documentation, process testing and evidence gathering across the organization on a sample basis that support adherence to the principles.
- Data source validation
- Carrying out analytical procedures (e.g., trend analysis)

Selected SPOTT indicators for 2025 assessment: 7, 11, 38, 65, 70, 111, 116, 118, 145, 173, 174, 176, 179

2.3.2 Sampling

Where sampling is required for the verification assessment, the sampling design was based on a minimum sample of facilities, where $x = (\sqrt{y})$, where y is the number of facilities under each processing scope. The result always to be rounded “up” to the next whole integral.

Sampled operational units for the evaluation

Total mill	4	Sample Unit (sqrt units)	2
Total estate	14		4

Explanation of the sample selection

Sampling was derived to be representative covering all operational scopes of the company:

Palm Oil Mills: Jeroco Palm Oil Mill 2, Tomanggong Palm Oil Mill

Estates: Sungai Segama, Tomanggong, Lutong, Litang

PART 3 ASSESSMENT FINDINGS
3.1 Summary of the findings

Control Union as a third party has assessed and validated information, compliance, performance and/or action taken by **Hap Seng Plantations Holdings Berhad** towards selected SPOTT Palm Oil Indicator Framework 2025 that requires external verification.

Selected SPOTT indicators for 2025 assessment: 7, 11, 38, 65, 70, 111, 116, 118, 145, 173, 174, 176, 179

Summary of Findings Indicators	Scope and Scoring
Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with palm oil production [indicator 7]	
<p>The company has demonstrated a strong commitment to sustainable palm oil production through active participation in multiple internationally recognized sustainability frameworks.</p> <p>MSPO Certification</p> <p>All mills and estates under the company’s concession have achieved 100% certification under the Malaysian Sustainable Palm Oil (MSPO) standard, confirming compliance with national sustainability requirements.</p> <p>Link: https://www.hapsengplantations.com.my/mspo.html</p> <div style="border: 1px solid #ccc; padding: 10px; margin: 10px 0;"> <p style="text-align: center; font-size: 24px; font-weight: bold; color: #008000;">MALAYSIAN SUSTAINABLE PALM OIL (MSPO)</p> <p>The Malaysian Sustainable Palm Oil (MSPO) certification scheme is a national standard in Malaysia for oil palm industry comprising of plantations, independent and organised smallholder, and palm oil processing facilities. It is mandatory for plantations with certifications on Roundtable on Sustainable Palm Oil (RSPO) to obtain MSPO certification by 31st December 2018.</p> <p>MSPO contains 7 principles:</p> <ul style="list-style-type: none"> ◦ P1: Management commitment and responsibility. ◦ P2: Transparency. ◦ P3: Compliance to legal requirements. ◦ P4: Social responsibility, health, safety and employment condition. ◦ P5: Environment, natural resources, biodiversity and ecosystem services. ◦ P6: Best practices. ◦ P7: Development of new plantings. <p>Hap Seng Plantations Holdings Berhad group of companies ("Group") has achieved the first MSPO certification for Pelipikan Estate on 1st September 2017. The Group has successfully achieved 100% MSPO certified in February 2018 and obtained the MSPO Supply Chain certification in February 2020 for all mills.</p> </div> <p>RSPO Membership</p> <p>The company holds an active membership with the Roundtable on Sustainable Palm Oil (RSPO), classified under the "Ordinary" category for the "Oil Palm Growers" sector.</p> <ul style="list-style-type: none"> - Membership No: 1-0098-11-000-00 - Country: Malaysia - Member Since: 2 September 2005 - Verification Link: RSPO Member Profile 	<p>Comprehensive, externally verified</p>

ISCC Certification

The company is certified under the International Sustainability and Carbon Certification (ISCC) scheme. The company obtained its first ISCC EU certification in January 2015 for the Sungai Segama Group of Estates and has maintained ISCC EU certification for all its palm oil mills.

No.	Supply Chain	ISCC Reg. Number
1	Hap Seng Plantation Holding Bhd (Central Office)	ISCC - Reg - 5314
2	Hap Seng Plantations (River Estates) Sdn Bhd Bukit Mas Palm Oil Mill	ISCC - Reg - 4688
3	Jeroco Palm Oil Mill 1	ISCC - Reg - 5307
4	Jeroco Palm Oil Mill 2	ISCC - Reg - 5308
5	Tomanggong Palm Oil Mill	ISCC - Reg - 5439

Climate risks assessment available [11]

In FY2024, the company conducted climate risk assessment with the alignment of IFRS S2. The table below describes the Plantations division's approach to managing climate-related risks and opportunities:

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IFRS S2 Climate-related Disclosures	Our Approach
Governance	We have established our Sustainability Framework and formed the Environment & Sustainability to create value and address sustainability-related risks and opportunities including climate change. The Board is also updated with the sustainability-related and climate change implementation and progress biannually. Refer to page 23 for details on Hap Seng Plantations' sustainability governance structure.
Strategy	In FY2024, we conducted a qualitative exercise to identify and assess the Group's climate-related transition and physical risks and opportunities. The key management team were engaged to understand how these risks and opportunities impact the business and operations, covering both organisation-wide and asset-level impacts.
Risk Management	Pages 50 to 53 provide a summary of identified transition and physical climate risks and opportunities, which risk ratings were assessed using our internal risk matrix, considering both likelihood and impact on a total of 19 premises.
Metrics & Targets	<ul style="list-style-type: none"> Absolute scope 1 and 2 GHG emissions from HSP in FY2024 totalled 113,775.84 t CO₂-e. The emissions were mainly contributed by the effluent treatment, fertilizer application and fossil fuel consumption. Carbon emissions from land use change were at 201,894 t CO₂-e (based on RSPO PalmGHG). Carbon sequestered from conservation areas and planted oil palms were at 236,408 t CO₂-e. Biogenic emissions were at 147,450.30 t CO₂-e. Scope 3 emissions from the four quantified categories amounted to 10,136.62 t CO₂-e, mainly driven by the emission from fuel and energy-related activities and generated waste.

https://www.hapsengplantations.com.my/download/sustainabilityreports/hsp_h sr2024.pdf

In line with Bursa Malaysia's sustainability requirements, Main Market listed companies are obliged to adopt the IFRS S2 reporting framework by 2025. The company is proactively aligning sustainability reporting to meet these climate-related disclosure requirements. In 2024, the company conducted climate risk assessments, including both transitional and physical risks, to evaluate the potential impacts and are developing mitigation strategies accordingly.

Physical Risks														
TIMEFRAMES:	2030 (MEDIUM TERM)	2050 (LONG TERM)												
Climate Scenarios	<p>RCP 8.5 (High Emissions Scenario): Business-as-usual emissions, likely leading to warming of 4°C by 2100</p> <p>RCP 2.6 (Low Emissions Scenario): Aggressive mitigation efforts, aiming for warming below 2°C by 2100</p> <p>Note: The two climate scenarios for physical risk screening are based on Intergovernmental Panel on Climate Change (IPCC) report.</p>													
Climate Hazards	<table border="1"> <thead> <tr> <th>Chronic climate hazards</th> <th>Hazard definitions</th> <th>Climate hazard tool</th> </tr> </thead> <tbody> <tr> <td>Coastal flooding</td> <td>Rising sea levels and higher incidence of extreme sea events, including sea water flooding due to high tides, low air pressure and waves, which can damage coastal assets.</td> <td>Climate Central</td> </tr> <tr> <td>Extreme heat</td> <td>In Malaysia, a heat wave is defined when the maximum daily temperature exceeds 37°C for three consecutive days.</td> <td>Think Hazard</td> </tr> <tr> <td>Water stress</td> <td>Water stress, the ratio of water demand to renewable supply, measures the competition over local water resources. The smaller the gap between supply and demand, the more vulnerable a place is to water shortages.</td> <td>World Resources Institute's Water Risk Atlas</td> </tr> </tbody> </table>		Chronic climate hazards	Hazard definitions	Climate hazard tool	Coastal flooding	Rising sea levels and higher incidence of extreme sea events, including sea water flooding due to high tides, low air pressure and waves, which can damage coastal assets.	Climate Central	Extreme heat	In Malaysia, a heat wave is defined when the maximum daily temperature exceeds 37°C for three consecutive days.	Think Hazard	Water stress	Water stress, the ratio of water demand to renewable supply, measures the competition over local water resources. The smaller the gap between supply and demand, the more vulnerable a place is to water shortages.	World Resources Institute's Water Risk Atlas
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Water stress	Water stress, the ratio of water demand to renewable supply, measures the competition over local water resources. The smaller the gap between supply and demand, the more vulnerable a place is to water shortages.	World Resources Institute's Water Risk Atlas												
Transition Risks														
TIMEFRAMES:	2025 (SHORT TERM)	2030 (MEDIUM TERM)												
Climate Scenarios	<p>Stated Policies (STEPS) Scenario: A business-as-usual approach. Global warming could rise by 2.4°C.</p> <p>Net Zero Emission by 2050 (NZE) Scenario: Aggressive mitigation action aimed at limiting global warming to 1.5°C</p> <p>Note: The two climate scenarios for transition risk assessment are based on International Energy Agency (IEA) report.</p>													

Member of the Roundtable on Sustainable Palm Oil (RSPO) [indicator 38]

As per RSPO's website, [Search members - Roundtable on Sustainable Palm Oil \(RSPO\)](#), the following were sighted.

- Name: Hap Seng Plantations Holdings Berhad
- Country: Malaysia
- Member Since: 02.09.2005
- Membership: 1-0098-11-000-00
- Category: Ordinary
- Status: Active
- Sector: Oil Palm Growers
- Website: <http://www.hapsengplantations.com.my>

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Mill Name	Cert. Number	Cert. Validity	Supply Base	Remark
Own concession				
JPOM 1	RSPO-PC 00111	27.09.2023–26.09.2028	- Batangan - Lutong - Lokan - Lungmanis	IP
JPOM 2	RSPO-PC 00118	27.09.2023–26.09.2028	Kapis	IP, MB
Tomanggong Group of Estates and TPOM	RSPO-PC 00114	09.01.2025-08.01.2030	- Tomanggong - Tagas	MB

			- Litang	
Sungai Segama Group of Estates and BPOM	RSPO-PC 00142	24.05.2022–23.05.2027	- Bukit Mas - Sungai Segama - Kawa (Future Golden Development) - Hap Seng (Tiku Division)	IP
Independent Local Outgrower/ Smallholder				
Lebijaya Sdn. Bhd.	RSPO-PC 00135	17.02.2023–16.02.2028	Lebijaya Sdn. Bhd.	IP
Bukit Kretam Sdn. Bhd.	RSPO-PC 00134	19.07.2022–18.07.2027	Bukit Kretam Sdn. Bhd.	IP
LKM Trading	RSPO-PC 00131	16.03.2020–15.03.2025	LKM Trading	IP
Harus Abadi Sdn. Bhd.	RSPO-PC 00132	16.03.2025 – 15.03.2030	- Harus Abadi Sdn. Bhd. - Spark Glory Sdn. Bhd.	IP
Evidence of monitoring deforestation and/or ecosystem conversion in supplier operations [indicator 65]				
<p>Since the last verification assessment 2024, there is no new land conversion within the company supply chain. Despite that, the company continues monitoring deforestation and ecosystem conversion activities through Global Forest Watch as evident in the <i>'Monthly Summary Report of Deforestation Within Hap Seng Plantations Holdings Berhad and Its Neighbouring Independent Outgrower/Smallholder Based on The Information Provided by Global Forest Watch Fires'</i>. The report is issued monthly by the Sustainability Team with the purpose of monitoring the existence of fire and deforestation activities within its supply base of both internal and external suppliers. (https://www.hapsengplantations.com.my/environmental-sustainability.html#).</p> <p>The deforestation activities are monitored by using Global Forest Watch (GFW) by GIS team under the Sustainability team. As at the assessment day, the company received FFB supply from internal (14 estates) and external (11 estates) suppliers.</p> <p>Sighted the report includes the following information:</p> <ul style="list-style-type: none"> - Number of deforestation occurrences within Hap Seng Plantations Holdings Berhad (HSPHB) in 2024 as reported by Global Forest Watch (GFW) Website - Global Forest Watch Website Map for HSPHB - Global Forest Watch Website Map for Neighbouring Independent Outgrower/Smallholder around HSPHB <p>Further detailed in the report includes a overall list of FFB suppliers from internal and external suppliers:</p> <ul style="list-style-type: none"> - Own Estate: 14 (Lokan, Batangan, Lutong, Kapis, Lungmanis, Tomanggong, Litang, Tagas, Tabin, Northbank, Bukit Mas, Sungai Segama, Kawa, Pelipikan) - 3rd party: 13 (Bukit Kretam Sdn Bhd, Casem & Sangi Enterprise Sdn Bhd, LPC Plantations Sdn Bhd, Noriza Binti Ariffin, Koperasi Pembangunan Desa, Khoo Chin Hung, Lim Engit Fun, Spark Glory Sd. Bhd., LKM Trading, Lebijaya Sdn Bhd, Harus Abadi Sdn Bhd, First Raintree Sdn Bhd, Chin Fui Chuen & Golden Spring Development Sdn Bhd). <p>Example of the deforestation monitoring report reviewed for the month of July 2024 is detailed below:</p> <ul style="list-style-type: none"> - Own estate – There is no alert detected. - 3rd party - There is no alert detected 				Comprehensive, externally verified

<p>Moreover, the company has established the following policies to indicate commitment to no deforestation. The policies have stated that it's applicable to all the subsidiaries including their business partners such as suppliers, outgrowers, smallholders, contractors, trading and joint venture partners.</p> <p>Sustainability Agriculture Policy V4.0, updated on 15.08.2023. [first version dated 23.02.201]</p> <ul style="list-style-type: none"> - No deforestation, Environment and Biodiversity - Protection of Peat Areas - Managing Environmental Impact <p>Biodiversity Policy (30.04.2024)</p> <ul style="list-style-type: none"> - Identifying, protecting and maintaining high carbon stock (HCS), high conservation value (HCV) and other set-aside areas - No deforestation and no development on areas classified as HCS, HCV. - Commitment to restoration of non-compliant land conversion or deforestation - Commitment to zero conversion of all natural ecosystem 	
Implementing a landscape or jurisdictional level approach [Indicator 70]	
<p>Some landscape activities have been implemented by the company in 2024 to support the community growth. Example as below.</p> <p>Digital Marker 2024</p> <p>The company has initiated 'Digital Maker 2024' with the aim of making a lasting impact on the education landscape in Sabah, especially in Lahad Datu. The programme is part of a strategy in promoting STEM (science, technology, engineering and mathematics) education and increasing digital literacy in Sabah. Recognizing the benefits of this programme to the students and teachers, the company contributed RM392,774 to this programme in FY2024.</p> <p>The program provides training through bootcamps and workshops to 100 primary school teachers from various schools, focusing on digital conceptualization, creativity and innovation. Students will be teaching through team projects.</p> <p>Students from Tawau, Lahad Datu, Semporna, and Papar districts learned coding using Scratch [programming language] and Arduino [microcontroller], creating projects to address real-world issues. The program also features a Maker Fair competition, with events for both primary and secondary school students. Teachers also receive BootCamp training to improve their skills in guiding students through creative learning and problem-solving.</p> <p>HSPD Caring Developer 3.0 2024</p> <p>HSPD Caring Developer 3.0 is a townhall session held with the residents of Bandar Sri Indah, Tawau, Sabah. This initiative aims to enhance community engagement and promote sustainable development in the areas where we operate. The session seeks to foster open dialogue and collaboration between residents and their representatives, addressing social and environmental challenges faced by local communities. It also encourages active participation from community members in decision-making and feedback processes.</p> <p>HSG Explore 2024</p> <p>HSG Explore 2024 is the flagship CSR programme of Hap Seng Group, now in its eighth year, dedicated to nurturing leadership and fostering personal development among youth in Sabah. This year, the programme expands its reach to Tawau, Semporna, and Kota Kinabalu. Through monthly sessions centred on the 4Cs—collaboration, communication, creativity, and critical thinking—students participate in group-based life simulation activities and career readiness workshops. Teachers play a pivotal role as coaches, creating a safe and supportive environment that encourages students to thrive and stay motivated. The programme culminates in Explore Camps and Conventions, where students showcase their projects and achievements, while recognising the valuable contributions of students, parents, and educators.</p>	<p>Comprehensive, externally verified</p>

Progress towards commitment to reduce GHG emissions intensity [indicator 111]

Sustainability Report 2024 (SR) is referred to. The company is aimed to reduce the GHG emission intensity to below 1.0 MT/ CO₂e. As of FY2024, the company has achieved the GHG emission intensity at 0.57 MT/ CO₂, [hsphb_sr2024.pdf](#).

The company outlined their commitment to reduce the GHG emission as sighted under section 'Environment Stewardship, page 48 of the SR. Noted that, FY2019 has been determined as a baseline for Scope 1 and 2. Observed the GHG emission disclosure is aligned to the GHG Protocol and RSPO PalmGHG methodology.

The following is the GHG emission intensity record for all mills from 2022 to 2024. Observed that, there is 7% reduction compared to FY2023.

Mills	MT CO ₂ -e/MT CPO (INCLUDING SCOPE 1 & SCOPE 2)			
	2019 Baseline	2022	2023	2024
JPOM 1	0.56	0.62	0.58	0.58
JPOM 2	1.62	1.30	1.33	1.00
BPOM	1.44	0.58	0.69	0.35
TPOM	1.34	1.22	0.59	0.57
Average	1.08	0.68	0.61	0.57

The reduction was attributed to land use change as more oil palm areas are reclassified under RSPO PalmGHG calculation as planted on non-forested land. Land use change accounts for 70% of our GHG emissions. The estates supplying FFB to BPOM were originally cleared decades ago and were left to regenerate until the 1990s when they were finally planted. Consequently, this land is classified as disturbed forest under the PalmGHG definitions.

The following table shows the GHG emission for Scope 1 and 2, GHG Sequestration & Off-set for FY2024 as sighted in the SR. The quantification of the GHG emissions by using RSPO Palm GHG v4.0.

Emissions Source	t CO ₂ -e
	FY2024
Scope 1 - Direct Emissions	113,667.80
Scope 1: Mechanical	19,821.44
Fossil Fuel Combustion	19,812.14
Fugitive Emissions (refrigerants)	9.29
Scope 1: Non-Mechanical	93,846.36
Fertiliser	28,671.42
POME Treatment	61,966.51
Domestic Water Treatment	730.28
Biogenic Emissions (CH ₄ and N ₂ O)	2,478.14
Scope 2 - Indirect Emissions	108.04
Purchased Electricity	108.04
Absolute Scope 1 & Scope 2 Emissions	113,775.84
Land Use Change (based on RSPO PalmGHG)	201,894.00
Carbon Sequestration	-236,408.00
Biogenic Emissions (CO₂)	147,450.30

Furthermore, the company also has quantified their Scope 3 emission limited to 4 categories; Employee commuting, Business travel, Waste generated in Operation and Fuel and energy related Activities. Summary of the Scope 3 emission is tabulated below.

Scope 3 Emission	Emission (tCO ₂ -e)	
	FY2023	FY2024
Fuel and Energy related Activities	5,267.76	4,810.48
Waste Generated in Operations	4,702.50	4,572.08
Business Travels	3.87	11.46
Employee Commuting	235.84	742.60
Total	10,209.97	10,136.62

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Below is the summary and comparison of GHG emission for FY2023 and FY2024 consisting of Scope 1, 2 and 3.

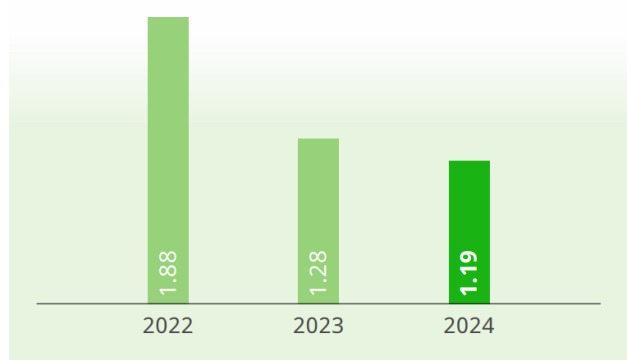
	2023 GHG emission (tCO ₂ e)	2024 GHG emission (tCO ₂ e)
Scope 1	269,893	113,667.80
Scope 2	110	108.04
Scope 3	10,209.97	10,136.62

Progress towards commitment on water use intensity [indicator 116]

The company sourced water from natural ponds and rainwater for their daily operation and domestic usage. Each mill has established the water consumption and water efficiency record to monitor the water usage throughout their operation.

Based on the SR 2024, page 61, the company manage to reduce the water consumption for FFB processing from 1.28 m³/MT FFB to 1.19 m³/ MT FFB, [hsphb_sr2024.pdf](#).

WATER USAGE IN MILLS (m³/MT FFB)



Further confirmation is obtained by reviewing the water efficiency of each mill.

Mill	Baseline (m ³ / MT FFB)	2021 (m ³ / MT FFB)	2022 (m ³ / MT FFB)	2023 (m ³ / MT FFB)	2024 (m ³ / MT FFB)
BPOM	1.42	1.34	1.29	1.43	1.37
JPOM 1		2.09	2.56	1.09	1.01
JPOM 2		2.33	0.74	0.61	1.07
TPOM		1.53	1.63	1.75	1.71
Average		1.77	1.88	1.28	1.19

In addition, the company has developed a water management plan as sighted in SR 2024, page 60. Moreover, each mill has established the water management plan and regularly monitored.

- Maintenance of riparian reserves to minimize soil run-off and act as a filter to preserve the quality of water entering the waterways.
- Growing legumes cover crops to prevent soil run-off.
- Avoiding oil palm planting on steep terrain.
- Monitoring and treating POME and wastewater prior to discharge.
- Applying BioTUBE desludging technology to remove solids in POME, reducing BOD levels to within an acceptable limit as required by the DOE.
- Rainwater harvesting

Progress towards commitment on water quality (BOD or COD) [indicator 118]

Comprehensive, externally verified

The company aims to meet the BOD level at 20 ppm for all their mills.

The monitoring of water quality (BOD and COD) by 'The 20 ppm and Biogas Project Committee' is conducted on a daily basis as stated in the Sustainability Report 2024 (SR), page 62, Managing POME Discharge.

The installation of biogas and polishing plant from 2021 at all mills helps the company to reduce the BOD level and managed to achieve below 20ppm as required by Department of Environment (DOE).

Biological Oxygen Demand (BOD)

The following is the BOD approved limit by DOE for all mills.

Mill	JPOM 1 & 2	TPOM	BPOM
Limit (mg/l)	20	100	20
Discharge	Watercourse discharge		Land Discharge
License no.	JAS.SHQ.600-3/1/26 003449	JAS.SHQ.600-3/1/17 003547	JAS.SHQ.600-3/1/82 003546
Validity	01.07.2024–30.06.2025	01.07.2024–30.06.2025	01.07.2024–30.06.2025

While the following is the BOD level for all mills from **2022 to 2024** obtained from the company's SR 2023, page 62. Overall improvement – The average BOD level decreased from 16 ppm in 2022 and 17 ppm in 2023 to 12 ppm in 2024. BPOM recorded the lowest BOD level at 8 ppm, improving from 13 ppm in 2023. All mills saw a drop in BOD levels from 2023 to 2024. TPOM reduced from 26 ppm in 2023 to 14 ppm in 2024, a notable improvement of 12 ppm. Between 2022 and 2024, there is a clear improvement in water quality indicators, with 2024 showing the best performance across all mills.

Mills	BOD level in		
	2022	2023	2024
BPOM	11 ppm	13 ppm	8 ppm
JPOM 1	15 ppm	17 ppm	12 ppm
JPOM 2	16 ppm	12 ppm	13 ppm
TPOM	22 ppm	26 ppm	14 ppm
Average	16 ppm	17 ppm	12 ppm

Examples of local stakeholder engagement to prevent conflicts. [indicator 145]

The company continues to demonstrate a strong and evolving commitment to sustainability, with a particular emphasis on proactive stakeholder engagement as a key driver of its sustainability strategy.

The company actively engages a broad spectrum of stakeholders including employees, local communities, regulatory bodies, industry partners, and shareholders to align sustainability goals with stakeholder expectations. The company fosters open communication channels and collaborative partnerships to ensure transparency, mutual understanding, and shared responsibility in achieving sustainability outcomes.

Regular consultations, feedback mechanisms, and capacity-building initiatives are in place to strengthen stakeholder relationships and encourage inclusive participation in sustainability efforts.

The company's stakeholder engagement approach reflects a comprehensive and inclusive model that supports long-term sustainability objectives. The company acknowledges the vital role of its stakeholders and expresses sincere appreciation for their continued support. Through these collaborative efforts, the company remains confident in its ability to drive meaningful progress toward a more sustainable and resilient future.

The company has established the sustainability focus, target and status of target for Stakeholder Engagement as below:

Topic	Sustainability Focus	Target 2025	Status of Target

Comprehensive, externally verified

Comprehensive, externally verified

Integrity and Transparency	Stakeholder Engagement	<p>Stakeholders meeting for estates and mills level is to be carried out on a regular basis.</p> <p>Stakeholders meeting for group level to be carried out once every two years.</p>	<p>Target achieved.</p> <p>Internal stakeholders' meetings were carried out by estates and mills on a regular basis.</p>
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The company disclosed the sustainability pillar for Stakeholder Engagement as per Sustainability Report 2024 as published on page 16.

STAKEHOLDER ENGAGEMENT

Sustainability Pillar	Area of Interests/ Issues	Type of Engagement	Frequency	Outcomes
Government	<ul style="list-style-type: none"> Riparian areas. Buffer zone along forest reserve border. 	<ul style="list-style-type: none"> One-to-one meeting with respective agencies. 	<ul style="list-style-type: none"> External stakeholder meeting conducted once every two years. Last meeting was conducted on 18 May 2023. 	<ul style="list-style-type: none"> Continuous improvement plan on environment, HCV & Biodiversity, RTE species. Continued protection of waterways.
Shareholders/ Investment Community	<ul style="list-style-type: none"> Financial performance Update on RSPO certification. Replanting programme. Expansion plans. 	<ul style="list-style-type: none"> Annual General Meeting. Analyst briefing. 	<ul style="list-style-type: none"> Once a year. Quarterly. 	<ul style="list-style-type: none"> Periodic update on company performance and operations.
Local Communities	<ul style="list-style-type: none"> Road accessibility. Access to medical services. Support to smallholders. CSR to local village by allowing them to borrow camping equipment for the purpose of school sport. 	<ul style="list-style-type: none"> Social impact assessments. Grievance and complaints channel. Programme to encourage company staff to send their children to the school of a neighbouring village so that facilities can be upgraded based on increased student numbers. 	<ul style="list-style-type: none"> Ad-hoc. Stakeholder meeting at group level conducted once every two years. Last meeting was conducted on 18 May 2023. 	<ul style="list-style-type: none"> 8th JCC Stakeholder Consultation Meeting was conducted on 18 May 2023 for JGOE, SSGOE, TMGOE & Kawa Estate. Free medical services provided. Maintenance of good road conditions. Water supply during drought.
Workers	<ul style="list-style-type: none"> Workers conditions. Wages. Occupational health and safety. Meeting basic needs. 	<ul style="list-style-type: none"> Social impact assessments. Awareness and continuous improvement. 	<ul style="list-style-type: none"> Stakeholder meeting conducted for all estates and mills on a regular basis. 	<ul style="list-style-type: none"> Ongoing refurbishment and upgrading of living quarters and amenities. Yearly evaluation of wages. Streamlined and centralised health and safety management.

The company has implemented structured and recurring stakeholder engagement mechanisms at both operational and group levels, demonstrating a proactive approach to inclusive and transparent communication with internal and external stakeholders.

Internal Stakeholder Engagement (Operational Level):

Joint Consultation Committee (JCC) meetings have been conducted at various estates and mills to facilitate dialogue with internal stakeholders.

Verified records include:

- Ladang Tomanggong: JCC meeting held on 12 September 2024 (minutes observed).
- Jeroco POM1 & POM2: JCC meeting held on 14 June 2024 (minutes observed).
- Ladang Lutong: JCC meeting held on 21 May 2024 (minutes observed).

These meetings serve as platforms for discussing operational matters, safety procedures, and sustainability practices with estate and mill personnel.

Group-Level Stakeholder Consultations

The company conducts biennial stakeholder consultations at the group level, covering the Sungai Segama Group Estate (SSGOE), Tomanggong Group Estate (TMGE), Jeroco Group Estate (JGOE), and Kawa Estate.

Verified consultation sessions include:

Year	Date	Stakeholder Consultation
2021	27 th April 2021	7 th Stakeholder Consultation
2023	18 th May 2023	8 th Stakeholder Consultation
2025	14 th May 2025	9 th Stakeholder Consultation

During these sessions, the company's Sustainability Team provides updates on the company's RSPO/MSPO certification status, introduces the JCC framework, and reviews key company policies such as the Safe Work Procedure (SSOP), Fire Prevention and Response SOP, and the Grievance Procedure.

Additionally, discussions include environmental management topics such as High Conservation Value (HCV) areas, biodiversity protection, and the conservation of rare, threatened, and endangered (RTE) species. Action plans and continuous improvement strategies are also shared and discussed with stakeholders.

The company structured approach to stakeholder engagement at both operational and group levels reflects a strong commitment to transparency, inclusivity, and continuous improvement in sustainability practices. The regularity and depth of these engagements support effective communication and foster collaborative progress toward shared sustainability goals.

Social Impact Assessment (SIA)

The company has established and maintained comprehensive Social Impact Assessments (SIA) across its operational units. These assessments are regularly reviewed and updated, incorporating stakeholder input and addressing key social, legal, and community-related concerns.

Tomanggong

- Documented SIA reports dated October 2012 and September 2019 were reviewed.
- The SIA covers plantation and mill operations, including legal compliance, labour conditions, grievance mechanisms, amenities, and cultural considerations.
- The most recent annual review was conducted on 18 September 2024.
- Stakeholder engagement is facilitated through Joint Consultative Committee (JCC) meetings at both estate and group levels, involving internal workers, government agencies, NGOs, and neighbouring estates.
- A separate Environmental Impact Assessment (EIA) is maintained, focusing on upstream and downstream processes, including boiler emissions and POME discharge.

Sungai Segama Group of Estates & Bukit Mas Palm Oil Mill

- The SIA Management Action Plans and Continuous Improvement Plans were last updated on 22 March 2024.
- The external stakeholder meeting was held on 18 May 2023 and the Internal workers' meeting held on 20 December 2023 (Signed attendance lists and photographic documentation).

<ul style="list-style-type: none"> - Key action items include: <ul style="list-style-type: none"> o Regular inspections of housing and amenities. o Staggered replanting to ensure income continuity. o Provision of protective gear (e.g., straw hats) to mitigate heat stress. o Support for Ministry of Health immunisation programs. o Conditional water supply assistance to nearby villages. o Monthly water sampling by the Agronomy Laboratory. - Additional updates for Ladang Kawa and Hap Seng Estates were completed on 24 March 2025. <p>Jeroco POM 1, Jeroco POM 2, and Supply Base</p> <ul style="list-style-type: none"> - The SIA involved a wide range of stakeholders, including internal staff, government bodies, NGOs, neighbouring plantations, smallholders, local communities, schools, suppliers, and contractors. - The assessment includes: <ul style="list-style-type: none"> o Baseline socio-economic data and stakeholder profiles. o Labour policies, grievance procedures, and sexual harassment policies. o Facilities and amenities provided by the estates. o Review of legal status for dependents, with a documented action plan to ensure compliance. o Secondary data collection through document and file reviews. <p>The company's implementation of Social Impact Assessments across its estates and mills demonstrates a structured and inclusive approach to managing social risks and impacts. Regular reviews, stakeholder consultations, and targeted action plans reflect the company's commitment to continuous improvement and legal compliance in its social responsibility practices.</p>	
Programme to support independent smallholders [indicator 173]	
<p>The company has implemented structured and inclusive support programs for independent smallholders and surrounding growers, aimed at promoting legal, sustainable, and certified Fresh Fruit Bunch (FFB) production. These programs are aligned with RSPO and MSPO certification requirements and demonstrate the company's commitment to inclusive supply chain development.</p> <p>General Support Initiatives</p> <ul style="list-style-type: none"> - The company provides free consultation, assessments, and technical guidance to surrounding smallholders and growers on RSPO and MSPO certification processes. - The company supports inclusive engagement, consulting with all interested smallholders, including women and other partners, to assess their needs and improve livelihoods. - Training on pesticide handling has been conducted for various smallholders and small growers, with photographic evidence reviewed. - The company maintains a stakeholder traceability system and publicly reports progress through the Annual Communication of Progress (ACOP), as referenced in Clause G.4.4.1 of the 2024 report - <i>In progress to encourage the Independent Local Outgrowers/Smallholders to go for RSPO certification. At the time of reporting, 8 out of 11 Independent Local Outgrowers/Smallholders have went through RSPO Stage 1 Audit with the technical assistance provided by Hap Seng Plantations Holdings Berhad. In 2024, six independents local outgrowers and smallholders are both RSPO and MSPO certified with another four independents local outgrowers and smallholders achieved MSPO certification.</i> <p>Tomanggong</p>	<p>Comprehensive, externally verified</p>

<ul style="list-style-type: none"> - The company supports independent smallholders through clear mutual agreements on the Internal Control System (ICS), certification ownership, and handling of certified materials. - Despite some smallholders preferring independent certification over ICS participation, the company continues to offer support services. - RSPO-certified smallholders: Spark Glory, Harus Abadi, LKM Trading. - In progress for certification: Lebijaya, Khoo Chin Hung, Bukit Kretam, LPC Plantation. <p>Sungai Segama & Bukit Mas Palm Oil Mill:</p> <ul style="list-style-type: none"> - All FFB suppliers from smallholders in this region have achieved RSPO certification, including LKM Trading, Spark Glory, Harus Abadi, and Bukit Kretam. - Verified evidence of stakeholder engagement includes a cooperative meeting held on 6 December 2023 (Mesyuarat Koperasi Pembangunan Desa Pekebun Kecil Kampung Tidung 2023), which discussed pathways to RSPO certification. <p>Jeroco Complex</p> <ul style="list-style-type: none"> - The company has developed and implemented smallholder support programs focused on improving livelihoods, productivity, quality, and management capacity. - RSPO-certified smallholders: Spark Glory, Harus Abadi, LKM Trading, Bukit Kretam, and Lebijaya. - In progress for certification: Khoo Chin Hung and LPC Plantation. - Verified training on pesticide handling was conducted for smallholders at Lebijaya in 2023 and 2024. <p>The company support for independent smallholders reflects a well-structured and inclusive approach to sustainable supply chain development. Through ongoing consultation, training, and certification assistance, the company is actively contributing to the legal and sustainable production of palm oil among its surrounding communities.</p>	
Percentage of independent smallholders/outgrowers involved in programme [indicator 174]	
<p>The company has demonstrated a long-standing commitment to supporting independent smallholders and promoting sustainable sourcing practices. These efforts are aligned with RSPO and MSPO certification requirements and contribute to a more transparent, traceable, and responsible palm oil supply chain.</p> <p>Smallholder Engagement and Policy Adoption</p> <ul style="list-style-type: none"> - Since 2017, the company has engaged with 13 independents local outgrowers and smallholders to promote sustainable practices. - 10 out of 13 have formally committed to a “no use of paraquat” policy, in compliance with RSPO and MSPO standards. - These smallholders have also adopted the company’s sustainability policies, which include: <ul style="list-style-type: none"> o No planting on peat soil o Zero burning o No deforestation o Biodiversity conservation o Protection of Rare, Threatened, and Endangered (RTE) species o Respect for human rights and Free, Prior and Informed Consent (FPIC) o Protection of High Conservation Value (HCV) areas <p>Sustainability Certification Support</p>	<p>Comprehensive, externally verified</p>

- The company continues to support all 13 independent smallholders in achieving and maintaining RSPO and MSPO certifications.
- In FY2024, the company provided free technical support, including:
 - o Training programs
 - o Policy implementation guidance
 - o Development of Standard Operating Procedures (SOPs)
 - o Access to training facilities
- The estimated cost of technical support was RM200,000 per outgrower or smallholder.

Certification Journey with Our Outgrowers and Smallholders

	2022	2023	2024
No. of supplier committed to obtain RSPO & MSPO certifications	9 (+1)	9	10 (+1)
Obtained RSPO & MSPO certifications	4 (+1)	5 (+1)	6 (+1)
Obtained MSPO certification	3	3	4 (+1)

Collaborative Sourcing and Supply Chain Transparency

- The company maintains active partnerships with buyers to ensure that sustainable sourcing practices are upheld throughout the supply chain.
- The company is committed to a fully traceable and transparent supply chain, with traceability extending to the source of FFB production.
- Recognizing that a significant portion of its footprint lies beyond its direct operations, HSPHB proactively engages suppliers to raise awareness of sustainable palm oil practices and the benefits of certification.

The company's comprehensive support for independent smallholders (**100% - 13 out of 13**) reflects a strategic and inclusive approach to sustainable palm oil production. Through policy alignment, technical assistance, and collaborative sourcing, the company is actively contributing to a more responsible and resilient supply chain.

Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements [indicator 176]

The company continues to demonstrate a strong commitment to supporting independent smallholders and ensuring a fully traceable and sustainable palm oil supply chain. These efforts are aligned with RSPO and MSPO certification standards and reflect the company's broader sustainability objectives.

As of 2024, the company continues to support 13 independent smallholders in their journey toward RSPO and MSPO certification. Engagement with these smallholders began in 2017, with the aim of raising awareness on sustainable palm oil practices and the benefits of certification. 10 out of 13 smallholders (77%) have formally committed to adopting a "no use of paraquat" policy, in line with RSPO and MSPO requirements. These smallholders are located in the Kinabatangan region of Sabah, and their locations are documented with geographic coordinates.

The company is committed to a fully traceable and transparent supply chain whereby the products can be traced back to their source. Also, the company recognizes that a large part of owned footprint lies beyond HSPHB operations. Realizing that the company suppliers are critical in the sustainable and traceability goals, the company proactively approached all the 13 independents local outgrowers and smallholders since 2017 to raise awareness on sustainable palm oil and the benefits of becoming certified.

The 13 suppliers are all located in the Kinabatangan region of Sabah. Their locations are listed in the coordinates below:

Comprehensive, externally verified

External Suppliers	Coordinates	Mills
1. Spark Glory Sdn. Bhd.	5°18'51.1"N 118°34'32.7"E	BPOM, JPOM 2 & TPOM
2. Harus Abadi Sdn. Bhd. & First Raintree Sdn. Bhd.	5°26'10.0"N 118°33'38.6"E	BPOM & JPOM 2
3. LKM Trading	5°18'31.9"N 118°29'53.5"E	BPOM & JPOM 2
4. Bukit Kretam Sdn. Bhd.	5°29'42.1"N 118°33'46.7"E	BPOM, JPOM 2 & TPOM
5. Lim Engit Fun	5°23'14.3"N 118°42'37.4"E	JPOM 2 & TPOM
6. Lebijaya Sdn. Bhd.	5°21'38.9"N 118°31'01.6"E	BPOM & JPOM 2
7. LPC Plantations Sdn. Bhd.	5°26'45.9"N 118°40'56.5"E	JPOM 2 & TPOM
8. Khoo Chin Hung	5°22'50.3"N 118°44'15.1"E	JPOM 2 & TPOM
9. Noriza Binti Ariffin*	5°26'40.8"N 118°41'01.2"E	JPOM 2 & TPOM
10. Casem Sdn. Bhd. & Sangi Enterprise Sdn. Bhd.	5°26'59.0"N 118°35'09.7"E	JPOM 2 & TPOM
11. Korporasi Pembangunan Desa	5°34'46.9"N 117°50'30.5"E	JPOM 2 & TPOM
12. Chin Fui Chuen**	5°22'02.3"N 118°45'28.1"E	TPOM
13. Golden Spring Development Sdn. Bhd.**	5°26'24.4"N 118°33'14.4"E	JPOM 2 & TPOM

Supply Chain Management

The company is committed to achieving 100% RSPO-certified CPO from all its mills. The company maintains a fully traceable and transparent supply chain, with traceability extending to the source of FFB production. Recognizing that a significant portion of its footprint lies beyond its direct operations, the company proactively engages its suppliers to align with sustainability and traceability goals.

Of the 13 Suppliers assessed:

- 10 have committed to RSPO/MSPO certification
- 1 is in the process of committing
- 2 have not yet made a formal commitment

Certification Journey with Our Outgrowers and Smallholders

	2022	2023	2024
No. of supplier committed to obtain RSPO & MSPO certifications	9 (+1)	9	10 (+1)
Obtained RSPO & MSPO certifications	4 (+1)	5 (+1)	6 (+1)
Obtained MSPO certification	3	3	4 (+1)

The company's structured and sustained engagement with independent smallholders demonstrates a clear commitment to responsible sourcing, certification support, and supply chain transparency. Through policy alignment, capacity building, and regular audits, the company is actively contributing to a more sustainable and inclusive palm oil industry.

Sighted memo and report from the company conducted the internal audit for MSPO and RSPO to Lebijaya Sdn Bhd (onsite audit) dated 13 December 2024 reference HSPHB/RSPO/MSPO/2024/IA03/05. Also, the recertification audit by third party audit against RSPO Independent Smallholder Standard dated 18-21 November 2024.

Proportion of supply from suppliers that is verified as deforestation- and/or conversion-free (DCF) [indicator 179]

The company monitors Deforestation via Global Forest Watch (GFW). GFW provides an open access tool for sustainability practitioners to create a deforestation free supply chain, and it provides information about potential deforestation activities to users. Regular monitoring on potential deforestation and fire incidents is also being regularly conducted throughout the supply chain to minimize the risk of indirect carbon emissions from the operations.

Notes that monthly summary report of Deforestation Monitoring Report within the company and its neighboring independent outgrower/ smallholder based on the information provided by Global Forest Watch fire (April 2025, May 2025 and June 2025) <https://www.hapsengplantations.com.my/environmental-sustainability.html#>

Comprehensive, Self-reported

Fire Hotspot Monitoring Report

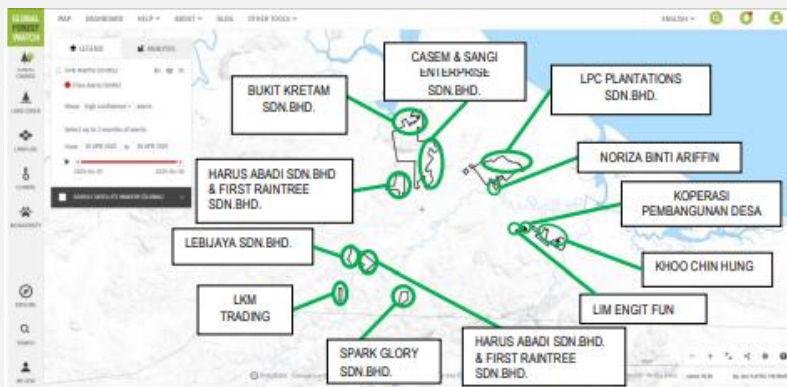
2025

- 30 June 2025 - Fire Hot Spot Report
- 31 May 2025 - Fire Hot Spot Report
- 30 April 2025 - Fire Hot Spot Report
- 31 March 2025 - Fire Hot Spot Report
- 28 February 2025 - Fire Hot Spot Report
- 31 January 2025 - Fire Hot Spot Report

B) Global Forest Watch Fires Website: 01st April 2025 – 31th April 2025



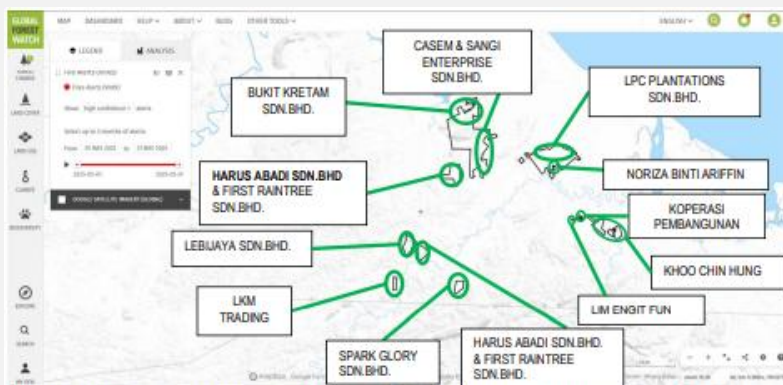
No fire alert within Hap Seng Plantations Holding Berhad (HSPHB) areas in Global Forest Watch Fires website.



No fire alert within neighbouring independent outgrower/smallholder around HSPHB in Global Forest Watch Fires website.

B) Global Forest Watch Fires Website: 01st May 2025 – 31st May 2025

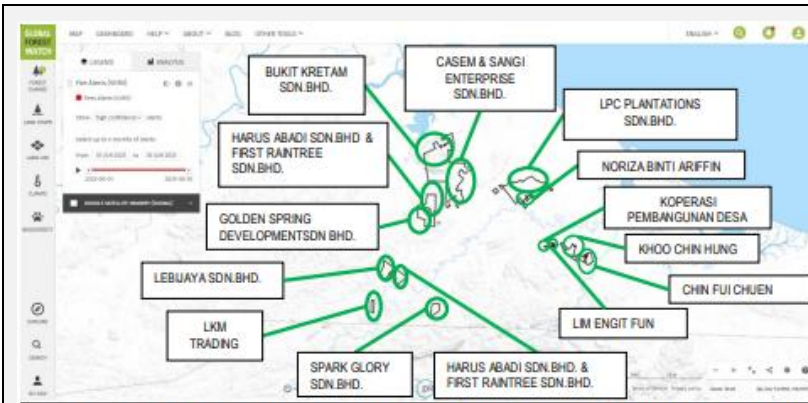

No fire alert within Hap Seng Plantations Holding Berhad (HSPHB) areas in Global Forest Watch Fires website.



No fire alert within neighbouring independent outgrower/smallholder around HSPHB in Global Forest Watch Fires website.

B) Global Forest Watch Fires Website: 01st June 2025 – 30th June 2025


No fire alert within Hap Seng Plantations Holding Berhad (HSPHB) areas in Global Forest Watch Fires website.



No fire alert within neighbouring independent outgrower/smallholder around HSPHB in Global Forest Watch Fires website.

Relevant policies to support environmental sustainability are as below:

- Sustainable Agriculture Policy
- Malaysian Sustainable Palm Oil (MSPO) Policy
- Biodiversity Policy

Noted that the company has established the SUSTAINABLE AGRICULTURE POLICY V4.0 (15.08.2023) contain NO Deforestation, Environment and Biodiversity details such as below:

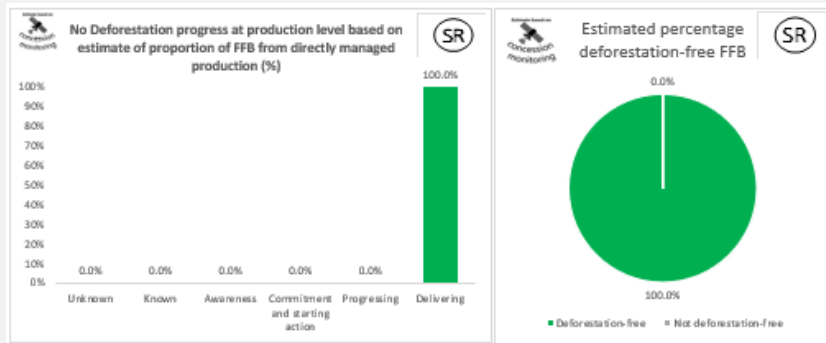
- There will be no deforestation and no development on areas classified as high carbon stock ("HCS") as defined by the High Carbon Stock Approach methodology, or in areas containing high conservation values ("HCV"). Prior to any new developments taking place, a robust HCS/HCV assessment will be undertaken in accordance with the HCV Assessor Licensing Scheme ("ALS") assessors and the HCS Approach ("HCSA") quality assurance process.
- No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their Free, Prior and Informed Consent ("FPIC"). This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.
- Commitment to restoration of non-compliant land conversion.
- HSPHB committed to analyse the annual trend of the quantified Green House Gas ("GHG") emissions to reduce the amount and implement more sustainable practices based on the sources of their GHG emissions that they have identified. The emission of GHG will be progressively reduced on existing plantations and operations towards the time-bound target.
- A strict Zero Burning policy is practiced for all operations

Noted that the company has implemented the NDPE Methodology on the Deforestation Free. The result as below

No Deforestation progress at production level based on estimate of proportion of FFB from directly managed production				
FFB production categories (delivering)	Volume from own estates	Volume from 3rd party supply	Volume from refineries & traders	% of volume (overall)
Unknown	0.00	0.00	0.00	0.0%
Known	0.00	0.00	0.00	0.0%
Awareness	0.00	0.00	0.00	0.0%
Commitment and starting action	0.00	0.00	0.00	0.0%

Progressing	0.00	0.00	0.00	0.0%
Delivering	163,431.86	548,233.38	0.00	100.0%
	163,431.86	548,233.38	0.00	100.0%

The total volume no deforestation at production level based is 711,665.24 MT (Delivering) with the no deforestation progress as at production level based on estimate of proportion of FFB from directly managed production are 163,341.86 MT (own estate) delivering and 548,233.38 MT (third party supply) as delivering.



Noted that the result proportion self-declared NDPE IRF by the company as graph above.

3.2 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Verifier.

Acknowledged by:

Name: Kee Keow Chong

Position: General Manager – Agronomy

Date: 11/08/2025

Signature

3.2 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Verifier.

Acknowledged by:

Name: Kee Keow Chong

Position: General Manager – Agronomy

Date: 11/8/2025

Signature

3.3 Signing by the Lead Assessor

I the undersigned, being the Lead verifier, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Jasmandy Bin Syahrul

Position: Lead Verifier

Date: 22.07.2025

Signature

3.4 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Ebnun Holdoon Shawal

Position: Reviewer

Date: 14.08.2025

Signature

ANNEX 1:

List of mill and estates operates by Hap Seng Plantations Holdings Berhad included in the scope of assessment:

Operational Units under scope			
Hap Seng Plantations Holdings Berhad operates 4 palm oil mills and 14 estates based in Malaysia. Details of the processing operations are as per below:			
Operations Unit	Facilities	Location	Certification
1. Bukit Mas Palm Oil Mill 2. Jeroco Palm Oil Mill 1 3. Jeroco Palm Oil Mill 2 4. Tomanggong Palm Oil Mill	Palm oil mill	Sabah	RSPO, MSPO, ISCC EU
1. Lokan 2. Lutong 3. Lungmanis 4. Litang 5. Tabin 6. Bukit Mas 7. Kawa 8. Batangan 9. Kapis 10. Tomanggong 11. Tagas 12. Northbank 13. Sungai Segama 14. Pelipikan	Estate	Sabah	RSPO, MSPO, ISCC EU