



**HAP SENG PLANTATIONS
HOLDINGS BERHAD**

SUSTAINABILITY
REPORT
2023



ABOUT THIS REPORT

Hap Seng Plantations Holdings Berhad (the Group or Hap Seng Plantations) has prepared this report (for the period from 1 January 2023 to 31 December 2023) with reference to the Global Reporting Initiative (GRI) Universal Standards 2021, and the recently published sector standards, GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022. The report also complies with Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting. Carbon emissions disclosure is aligned to the Greenhouse Gas (GHG) Protocol and Roundtable on Sustainable Palm Oil (RSPO) PalmGHG methodology.

Scope and Boundaries

This annual Sustainability Report provides the environmental, economic and social (EES) principles of our operations as well as our commitments in the implementation, and the rollout of new sustainability initiatives in our plantations. This report is structured to cover all our operational and management activities that encompass the cultivation, production and sales of our crude palm oil (CPO) within our estates and mills, including engagement with all our stakeholders.

Since the launch of our inaugural report in 2015, there has been no notable change to the size, structure, or ownership of our palm operations.

Unless otherwise stated, this report contains data and information for the year 2023, commencing 1 January 2023 to 31 December 2023. This report is intended to meet the information needs of our stakeholders and communicate our approach to EES aspects of our business. This report is also intended to be read in conjunction with our 2023 Annual Report and the sustainability-related disclosures on our website.

The scope of our report covers:

- All of Hap Seng Plantations' upstream operations, which include oil palm plantations and palm oil mills.
- This report does not include associate companies or joint venture enterprises.

Assurance

The data and information presented in this report has not been internally reviewed by our internal auditor nor has it been assured by a third party. The Group however is planning to have our report internally reviewed within the next three years.

This report has been reviewed by our Annual Report Committee and presented to the Board of Directors prior to publishing.

Feedback

We welcome any feedback from our stakeholders regarding this report. If you would like to submit feedback or request further clarification, kindly contact:

Name : Kee Keow Chong
Designation : General Manager
Department : Agronomy
Email : keekc@hapseng.com

VISION & MISSION

To achieve the highest productivity and to be the most cost-efficient producer in Malaysia

SUSTAINABILITY PRINCIPLES & VALUES

**Economic
growth**

**Environmental
protection**

**Mutually
beneficial
relationship with
our community**

**Accountable to
our stakeholders**

CORE VALUES

Integrity



Transparency



**Commitment to
excellence**



Sustainability



CONTENTS

ABOUT THIS REPORT

FOREWORD FROM HAP SENG PLANTATIONS HOLDINGS BERHAD

02

PERFORMANCE HIGHLIGHTS

05

SUSTAINABILITY HIGHLIGHTS

2023 Sustainability Highlights & Achievements

06

Tracking Progress on Our Commitments

07

Sustainable Performance Indicators - Targets and Achievements

08

MANAGING OUR MATERIAL MATTERS

14

STAKEHOLDER ENGAGEMENT

16

OUR VALUE CREATION MODEL

18

ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD

20

Location of Operations

21

Our Palm Oil Value Chain

22

Key Milestones

23

OUR SUSTAINABILITY GOVERNANCE

24

Sustainability Governance Structure

25

Membership to Associations

26

ADDRESSING OUR MATERIAL MATTERS BASED ON OUR RISK PROFILE

27

MARKETPLACE

CORPORATE GOVERNANCE, TRANSPARENCY AND ANTI-CORRUPTION

29

Corporate Governance

29

Transparency and Anti-Corruption

30

Our Five Fundamental Principles

31

Data Privacy and Security

31

Economic Performance

32

Benchmarking Our Practices

36

Soil Management Practices

37

Integrated Pest Management

38

Selective Chemical Application

38

SUPPLY CHAIN MANAGEMENT

39

Certification Journey with Our Outgrowers and Smallholders

40

WORKPLACE

WORKPLACE DIVERSITY

42

Supporting Women in Our Workplace

43

LABOUR PRACTICES AND STANDARDS

44

Freedom of Association and Rights to Collective Bargaining

44

Addressing Undocumented Workers

44

Children In Our Plantations

45

Free Access to Clean and Safe Water for Our Workers

45

Addressing Security Issues for Our Workers

46

Capacity Building

46

HEALTH AND SAFETY

47

Handling of Chemicals

48

Challenges in Changing Work Habits

49

ENVIRONMENT

ENVIRONMENT STEWARDSHIP EMISSIONS MANAGEMENT

50

Emission Sources and Sinks

51

Gross Emission by Source

52

Summary of Scope 3 GHG Emissions

53

Fire & Haze Management

53

ENERGY MANAGEMENT

54

Renewable Energy at Hap Seng Plantations

54

WATER MANAGEMENT

55

Water Efficiency

56

Rainwater Harvesting

57

Managing POME Discharge

57

WASTE MANAGEMENT

58

Water Management Programme

58

BIODIVERSITY MANAGEMENT

59

Protecting Our Rivers and Riverbanks

59

Conserving Biodiversity

59

Tabin Wildlife Reserve

60

PROTECTING OUR ENVIRONMENT

60

Environment Protection Mechanism

60

Monitoring of Deforestation

61

Compensation Case Update

61

COMMUNITY

COMMUNITY AND SOCIETY

62

Investing in Education for Our Community

64

Main Capacity Building Programmes in FY2023

64xe

Respecting Land Rights

65

APPENDIX

ESG Performance Indicator

66

GRI Content Index

68

Base Data and Notes

73

Glossary

76

FOREWORD FROM HAP SENG PLANTATIONS HOLDINGS BERHAD

Welcome to the ninth Hap Seng Plantations Holdings Berhad 2023 Sustainability Report. This report document our continuous sustainability endeavours and offer comprehensive insight into our advancements in our sustainability journey. This report encompass our commitments, achievements and challenges during the year, focusing primarily on the development of oil palm plantations.



We are steadfast in our commitment to prioritising the safety and health of our employees, considering it a cornerstone of our sustainability efforts. To demonstrate our unwavering commitment to safety and health, we have embarked and targeted to achieve ISO 45001 certification for our palm oil mills in 2025.

ISO 45001 is an international standard that specifies requirements for an occupational health and safety management system. Compliance to this certification standard is expected to enable the Group to improve our existing standards and meet the global market requirements.

In 2023, we continued to achieve zero workplace fatalities, highlighting our continuous dedication to safeguarding the well-being of all our staff.

This year, we effectively implemented the enhanced noise pollution control measures throughout all our milling operations, namely Bukit Mas Palm Oil Mill (BPOM), Jeroco Palm Oil Mill 1 (JPOM 1), Jeroco Palm Oil Mill 2 (JPOM 2), and Tomanggong Palm Oil Mill (TPOM), effectively reducing noise level.

Ensuring the welfare of employees is of paramount importance and remains our top priority, as they are the backbone of our organization's success and prosperity. As for our ongoing effort to elevate the welfare of our employees, we provided new housing facilities at Tomanggong Estate and Tomanggong Palm Oil Mill in accordance with the guidelines outlined in the Workers' Minimum Standard of Housing and Amenities Act of 1990.

FOREWORD FROM HAP SENG PLANTATIONS HOLDINGS BERHAD

As part of our commitment to Best Management Practices (BMP), we have been actively innovating through the integration of automation and digitalization, leveraging innovative drone technology. This ongoing endeavour is geared towards enhancing our precision agriculture management techniques. Our fleet of drones serves a multitude of purposes, including verifying palm stand per hectare, surveying field boundaries, monitoring flood-affected areas, assessing palm health, and conducting surveys for pests and diseases. In 2023, we expanded our drone fleet by adding 5 new units, bringing the total to 19 drones dedicated to precision agriculture across our plantations.

Prioritizing the welfare of our workers to minimize exposure, we have utilised innovative technology to implement measures to reduce contact with hazardous chemicals in accordance with the Occupational Safety & Health Act guidelines. One such advancement is the use of spraying drones, which offer an alternative approach to ensure effective and efficient productivity, safety, and profitability. By employing this technology, we aim to decrease reliance on manpower while achieving higher levels of productivity. The spraying drones are particularly beneficial for tasks such as pest and disease (P&D) spraying in nursery areas, immature fields, and tall palm areas that are otherwise difficult to reach using conventional knapsack pumps or mist blowers.

In our continuous pursuit of BMP initiatives, we advocate strongly for Integrated Pest Management (IPM), a methodology that integrates cultural, biological, and mechanical strategies to address pests and diseases. For instance, to curb the spread of bagworms and nettle caterpillars, we have strategically introduced beneficial plants across the estate and opted for microbial agents. We also adopted pheromone traps to manage the population of rhinoceros beetle instead of resorting to excessive agrochemicals.

During the year, Malaysia experienced severe floods and landslides, serving as stark reminders of the devastating effects of climate change. This has prompted closer examination of the palm oil sector, which is frequently cited as a major contributor to global warming due to land use changes. Consequently, downstream palm oil consumers now anticipate more extensive disclosures of greenhouse gas emissions data. We are committed to disclose our greenhouse gas emissions to our customers.

Aligned with our Group's steadfast dedication to environmental stewardship, reducing our Greenhouse Gas (GHG) emissions remains a paramount concern, driving ongoing investment in new initiatives. A significant endeavour in this regard is the establishment of biogas plants, which capture methane gas from palm oil mill effluent (POME) and convert it into electricity. We are delighted to announce three of our palm oil mills - JPOM 1, JPOM 2, and BPOM are utilising electricity generated from biogas plants that have resulted in 21% reduction of diesel consumption in 2023 as compared to 2020.

We are committed as a responsible producer on the Crude Palm Oil (CPO) quality and safety as per Food Hygiene Regulations 2009 and stand firm in our dedication to delivering high-quality, certified palm oil products and services to our valuable customers worldwide. Currently, our Plantations Central Laboratory (PCL) boasts a team of three registered chemists accredited by the Institut Kimia Malaysia (IKM) and one registered food analyst endorsed by the Majlis Juruanalisis Makanan Malaysia (MJMM). Their expertise ensures that our certified palm oil products consistently meet and exceed the expectations and specifications of our discerning clientele.

As part of the commitment to meet global food safety requirements, we have established the chloride washing plants at BPOM and JPOM 1 to control the level of free and bound 3-monochloropropane diol (3-MCPDE). We have also been using the food grade lubricant/grease with close monitoring on the Mineral Oil Saturated Hydrocarbons (MOSH) and Mineral Oil Aromatic Hydrocarbons (MOAH) levels to ensure that our palm oil meets food safety requirements by the European Food Safety Authority Panel.



FOREWORD FROM HAP SENG PLANTATIONS HOLDINGS BERHAD



Throughout 2023, our corporate initiative proactively supported 11 independent smallholders and outgrowers in their journey towards sustainability certifications. In 2023, five independent local outgrowers and smallholders are both RSPO and MSPO certified with another three independent local outgrowers and smallholders achieved MSPO certification. Our steadfast commitment to assisting these stakeholders in their certification endeavours underscores our dedication. Furthermore, we engage in active collaboration with like-minded buyers who prioritise sustainable sourcing practices. Together, we reinforce our collective mission of promoting environmental and social responsibility across the entirety of our supply chain. In order to expedite the RSPO certification process of the remaining smallholders, we have collaborated with our key palm oil buyer to support the smallholders in preparing for the RSPO certification process. This collaboration involves funding four smallholders under RSPO group certification for a period of three years starting from year 2023.

We are delighted to announce another significant milestone: Hap Seng Plantations has achieved an improved scores in the Zoological Society of London Sustainable Palm Oil Transparency Toolkit (ZSL SPOTT), affirming our continued progress. In the latest assessment conducted in November 2023, we attained a score of 83.0% (2022: 81.8%).

This accomplishment reflects the strides we have made in addressing gaps and meeting our sustainability targets.

Since the release of our first sustainability report in 2015, our dedication to sustainability has remained steadfast. While we acknowledge the ongoing needs for further progress, we are resolute in our pursuit of sustainable practices across all facets of our operations. We will continue to enhance our performance and transparency to various stakeholders. This involves monitoring specific targets and key performance indicators and nurturing strong relationships with stakeholders. Our aim is to provide stakeholders with an overview of our approach and ongoing progress in fulfilling our sustainability commitments. We are confident that with the continued support and commitment of our stakeholders, employees and the Board of Directors (Board), we can achieve even greater success in our sustainability endeavours. Therefore, we extend our heartfelt gratitude and appreciation to all our stakeholders, employees and the Board for their unwavering support throughout the year.

AU YONG SIEW FAH

Chief Executive – Group Plantations

PERFORMANCE HIGHLIGHTS

FINANCIAL



Our
Revenue

RM667.8
million

Profit
Before Tax

RM120.2
million

Basic Earnings
Per Share

11.43
sen

OPERATION



HEALTH & SAFETY



Lost Time
Accident
Rate (LTAR)

0.48 incidents per 200,000 hours worked

Fatal
Accident

0 fatality

OER

20.75%

Average Age of
Total Planted Area

16.9
years

SOCIAL



Zero Off Spec CPO

Bukit Mas Palm Oil Mill FY2023 from IOI Edible Oils

Highest Quantity CPO Supplier

(Individual Mill Category) Tomanggong Palm Oil Mill FY2023 from IOI Edible Oils

TRACEABILITY



FFB Processed

77% or 549,223 MT
processed by identity preserved
mills (JPOM 1 and BPOM)

23% or 160,641 MT
processed by mass balance
mills (JPOM 2 and TPOM)

CPO Production

CSPO - 77% or 113,946 MT
from identity preserved mills
(JPOM 1 and BPOM)

CPO - 23% or 33,372 MT
from mass balance mills
(JPOM 2 and TPOM)

PK Production

CSPK - 77% or 25,871 MT
from identity preserved mills
(JPOM 1 and BPOM)

PK - 23% or 7,917 MT
from mass balance mills
(JPOM 2 and TPOM)

KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Sustainability Pillar		Achievements
Marketplace	Net profit	RM91.4 million
	Market capitalisation	RM1.375 billion
	Fresh Fruit Brunches production	637,719 MT
	Crude Palm Oil production	147,318 MT
	Palm Kernel production	33,788 MT
	RSPO certification	Maintain 100% certification for all mills
	MSPO certification	Maintain 100% certification for all estates & mills
	MSPO SCCS certification	Maintain 100% certification for all mills
	ISCC EU certification	Maintain 100% certification for all mills
	HACCP certification	Maintain 100% certification for all mills
	MeSTI certification	Maintain 100% certification for all mills
	HALAL certification	Maintain 100% certification for all mills
Workplace	Total workforce	8,046
	Women in workforce	2,628
	Hiring rate	41.20%
	Turnover rate	23.02%
	Safety training	869 trainings per year
	Lost Time Accident Rate (LTAR) per 200,000 hours worked	0.48
	Fatality	0
Community	Community investment	Programmes & activities: RM1,307,810
	Schools – Humana & rural schools	No. of Humana schools: 9; contributed RM787,367
		Capacity building programmes: contributed RM506,555
	Support independent local outgrowers and smallholders	No. of outgrowers and smallholders: 11
	CSR activities for local communities	No. of programmes: 4; contributed RM445,879
Environment	GHG emissions	0.61MT CO ₂ -e/ MT CPO
	HCV areas	1,401.98 Ha
	Riparian buffer areas	1,056.74 Ha
	Biogas facilities	Three mills have access to biogas facilities (JPOM 1, JPOM 2 & BPOM)
	Recyclable waste	1.79 MT
	Water consumption intensity	1.28 m ³ / MT FFB processed
	BOD discharge level	17 ppm
	COD discharge level	325 ppm

KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Tracking Progress on Our Commitments

Year		Status
2015	• All mills RSPO certified	ACHIEVED
	• Establish a GHG baseline	ACHIEVED
	• Increase FFB yield to 22 MT per hectare (* In 2022, reset target to achieve above MPOB's Sabah average yield)	ACHIEVED
	• Complete a biodiversity baseline study	ACHIEVED
	• No increase in Lost Time Accident Rate (LTAR)	ACHIEVED
	• Zero fatality	ACHIEVED
2016	• ISCC EU certification of all mills	ACHIEVED
	• Complete guidelines on biodiversity management at landscape level using an HCV approach	ACHIEVED
	• Develop a GHG emissions reduction plan	ACHIEVED
2017	• Reduce BOD level to 20 parts per million (ppm) for JPOM	ACHIEVED
	• HACCP certification of all mills	ACHIEVED
	• Increase CPO extraction rate to 22.5% (* In 2022, reset target to achieve above MPOB's Sabah average CPO extraction rate)	ACHIEVED
	• MSPO certification of Pelipikan Estate	ACHIEVED
	• Reduce GHG emissions intensity to between 1.5 to 2.0 MT CO ₂ -e/ MT CPO (including Scope 1 and Scope 2 emissions)	ACHIEVED
2018	• MSPO certification of all estates and mills	ACHIEVED
2019	• RSPO & MSPO certification of 50% of JPOM 2 external FFB	ACHIEVED
	• Reduce BOD level to 20 ppm for BPOM	ACHIEVED
2020	• Reduce BOD level to 20 ppm for TPOM	ACHIEVED
	• 70% reduction of COD level at anaerobic treatment for JPOM & BPOM	ACHIEVED
	• Biogas facilities with methane capture for all mills	NOT ACHIEVED (reset target to 2025)
2021	• Reduce GHG emissions intensity to between 1.0 to 1.5 MT CO ₂ -e/ MT CPO (including Scope 1 and Scope 2 emissions)	ACHIEVED
2022	• RSPO & MSPO certification of 100% of JPOM 2 and TPOM external FFB	IN PROGRESS
	• 70% reduction of COD level at anaerobic treatment for TPOM	ACHIEVED
	• Reduce GHG emissions intensity to below 1.0 MT CO ₂ -e/ MT CPO (including Scope 1 and Scope 2 emissions)	ACHIEVED
2023	• Commissioning of Electrostatic Precipitators (ESP) for all mills	ACHIEVED
2024	• ISCC EU Certification for Palm Oil Mill Effluent (POME) Oil of all mills	IN PROGRESS
2025	• ISO 45001 Certification for all mills	IN PROGRESS

- RSPO - Roundtable on Sustainable Palm Oil
- FFB - Fresh Fruit Bunch
- ISCC - International Sustainability & Carbon Certification
- HCV - High Conservation Values
- GHG - Greenhouse Gas
- CPO - Crude Palm Oil
- MSPO - Malaysian Sustainable Palm Oil
- MSPO SCCS - Malaysian Sustainable Palm Oil Supply Chain Certification Standard

- JPOM 1 - Jeroco Palm Oil Mill 1
- JPOM 2 - Jeroco Palm Oil Mill 2
- TPOM - Tomanggong Palm Oil Mill
- BPOM - Bukit Mas Palm Oil Mill
- BOD - Biological Oxygen Demand
- HACCP - Hazard Analysis Critical Control Points
- COD - Chemical Oxygen Demand

* We have reset targets to benchmark against MPOB Sabah averages as this is the accepted industry practice.








KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Sustainability Performance Indicators – Targets and Achievements














Effective FY2023, Hap Seng Plantations has established a set of common ESG-related Key Performance Indicators (KPIs) linked to the remuneration of senior management personnel. These identified KPIs complement the specific ESG-related KPIs identified at the plantation level. The integration of sustainability-linked compensation serves as a robust mechanism to secure commitment from the management towards continuous improvement in the sustainability material matters.

Please refer to page 96 to 98 of the 2023 Hap Seng Consolidated Berhad Annual Report for the performance of common ESG-related KPIs of Hap Seng Plantations in FY2023.










Aside from the remuneration linked common ESG-related KPIs, Hap Seng Plantations also proactively monitor the performance of other relevant KPIs. Table below describes the achievements towards targeted KPIs, alignment to the material matters and how those KPIs contribute to the United Nations Sustainable Development Goals (UN SDGs).

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 1: Marketplace							
Food Safety							
Food Security	Obtain food safety certification.	To maintain certification for both HALAL and HACCP.	Achieved target.	To maintain certification for both HALAL and HACCP.	To maintain certification for both HALAL and HACCP.		7, 36
Economics							
Productivity	FFB yield per hectare.	To achieve higher yield than MPOB's Sabah average FFB yield.	Achieved target as our FFB yield was higher at 19.70 MT per hectare than MPOB's Sabah average yield at 16.39 MT per hectare.	To achieve higher yield than MPOB's Sabah average FFB yield.	To achieve higher yield than MPOB's Sabah average FFB yield.		7, 33
	Oil Extraction Rate (OER).	To achieve higher yield than MPOB's Sabah average OER.	OER was higher at 20.75% than MPOB's Sabah average OER at 20.40%.	To achieve higher OER than MPOB's Sabah average OER.	To achieve higher OER than MPOB's Sabah average OER.		7, 35
Benchmarking							
Business Expansion & Growth; RSPO; Traceability and Segregation; Food Labelling, Quality and Oil Palm Nutritional Value and Safety; HACCP; MSPO; MS ISO/IEC 17025; SPOTT Ranking	RSPO P&C.	<ul style="list-style-type: none"> To maintain 100% certification for all mills. 100% mills were certified in 2015. 	Achieved target. Passed RSPO recertification/ annual surveillance audit for all mills.	To maintain 100% certification for all mills.	To maintain 100% certification for all mills.	 	7, 36
	MSPO.	<ul style="list-style-type: none"> To maintain certification. 100% estates and mills in 2018 ahead of mandatory deadline of 31 December 2018. 	Achieved target. Passed recertification/ annual surveillance audit for estates and mills.	To maintain certification.	To maintain certification.	 	7, 36

KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 1: Marketplace							
Benchmarking							
Business Expansion & Growth; RSPO; Traceability and Segregation; Food Labelling, Quality and Oil Palm Nutritional Value and Safety; HACCP; MSPO; MS ISO/IEC 17025; SPOTT Ranking	MSPO SCCS	<ul style="list-style-type: none"> To maintain certification. 100% mills were certified ahead of mandatory deadline of 1 January 2020. 	Achieved MSPO SCCS certification for all mills. Passed recertification/ annual surveillance audit for all mills.	To maintain certification.	To maintain certification.	 	7, 36
	ISCC EU	<ul style="list-style-type: none"> To maintain certification. 100% mills were certified in 2016. 	Achieved target. Passed recertification audit.	To maintain certification.	To maintain certification.		7, 36
	HACCP	<ul style="list-style-type: none"> To maintain certification. 100% mills were certified in 2017. 	Achieved target. Passed recertification/annual surveillance audit.	To maintain certification.	To maintain certification.		7, 36
	MS ISO/IEC 17025	<ul style="list-style-type: none"> To maintain certification. Certified in 2018. 	Achieved target. Passed annual surveillance audit.	To maintain certification.	To maintain certification.		7, 36
	MeSTI	<ul style="list-style-type: none"> To maintain certification for four mills (JPOM 1, JPOM 2, TPOM & BPOM). 100% mills were certified in 2020. 	Achieved target.	To maintain certification.	To maintain certification.		7, 36
	HALAL	<ul style="list-style-type: none"> To maintain certification. 100% mills were certified in 2019. 	Achieved target.	To maintain certification.	To maintain certification.		7, 36
Legal compliance							
Water Pollution; Air Pollution; Safety & Health	National water quality standards regulated by Ministry of Health.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.	 	45, 56
	Sabah Water Resources Enactment 1998.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.		59, 60
	Department of Irrigation and Drainage guideline.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.	  	59











KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 1: Marketplace							
Legal compliance							
Water Pollution; Air Pollution; Safety & Health	Sabah Wildlife Enactment & the International Union for Conservation of Nature (IUCN) Red List.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.	 	59
	Environmental Quality Act 1974.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.		53, 55
	Environmental Quality (Scheduled Wastes) Regulation 2005.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.		59
	Occupational Safety and Health Act 1994.	To comply with all regulations and guidelines.	No violation reported.	To comply with all regulations and guidelines.	To comply with all regulations and guidelines.	 	47
Governance							
Integrity and Transparency	Value, governance and ethics.	To adhere the core values of Hap Seng Plantations Holdings Berhad.	<ul style="list-style-type: none"> No corruption case reported. No breach of legal requirement reported. 	To adhere the core values of Hap Seng Plantations Holdings Berhad.	To adhere the core values of Hap Seng Plantations Holdings Berhad.		27, 31
	Policies and procedures are publicly made available.	To add new or update the policies and procedures of publicly available documents when required.	There are three updated policies in FY2023.	To add new or update the policies and procedures of publicly available documents when required.	To add new or update the policies and procedures of publicly available documents when required.		30, 60
	Stakeholders engagement.	Stakeholders meeting for estates & mills level is carried out on a regular basis.	Internal stakeholders meeting was carried out by estates and mills on a regular basis.	<ul style="list-style-type: none"> Stakeholders meeting for estates and mills level is to be carried out on a regular basis. Stakeholders meeting for group level to be carried out once every two years. 	<ul style="list-style-type: none"> Stakeholders meeting for estates & mills level to be carried out on regular basis. 		16








KEY SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS IN 2023

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 2: Workplace							
Labour Conditions and Welfare; Safety and Health; Child Labour	No work-related fatality.	Zero fatality.	Zero fatality reported.	Zero fatality.	Zero fatality.		47, 48
	Reduce Lost Time Accident Rate (LTAR) Below 2014 level 2.80 per 200,00 hour worked.	To maintain or reduce LTAR further.	Lost Time Accident Rate (LTAR) per 200,000 hour worked decrease from 0.69 per 200,000 hour worked in 2022 to 0.48 per 200,000 hour worked in 2023.	To maintain or reduce LTAR further.	To maintain or reduce LTAR further.		6, 47, 48
	To live up to International Labour Organisation (ILO) and UN guiding principles on business and human rights.	No violation of human rights.	No violation reported.	No violation of human rights.	No violation of human rights.		44, 45
	No child labour.	No case.	No case reported.	No case.	No case.		45
	Physical security.	No theft nor criminal case.	No theft nor criminal case reported.	No theft nor criminal case.	No theft nor criminal case.		46, 47
Target 3: Environment							
Biodiversity							
No Deforestation & HCS; Elephant & Wildlife	Protect forest reserve adjacent to our areas by monitoring the buffer zone.	<ul style="list-style-type: none"> No encroachment at forest reserve area. To maintain forest reserve buffer zone. 	No encroachment reported and achieved target.	<ul style="list-style-type: none"> No encroachment at forest reserve area. To maintain forest reserve buffer zone. 	<ul style="list-style-type: none"> No encroachment at forest reserve area. To maintain forest reserve buffer zone. 		59, 60
	Monitoring and management of HCV areas.	<ul style="list-style-type: none"> To install more camera traps to monitor the biodiversity (fauna) of the HCV areas. To maintain monthly monitoring as well as HCV area. 	Achieved target. 45 camera traps were purchased/ installed to improve the monitoring.	To maintain monthly monitoring as well as HCV area.	To maintain monthly monitoring as well as HCV area.		47, 59, 60

2023 SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 3: Environment							
Biodiversity							
No Deforestation & HCS; Elephant & Wildlife	Monitoring deforestation.	To maintain monthly monitoring and record of no deforestation activity.	No deforestation activity reported.	To maintain monthly monitoring and record of no deforestation activity.	To maintain monthly monitoring and record of no deforestation activity.	 	61
	Implement Rare, Threatened and Endangered (RTE) policy to protect wildlife.	<ul style="list-style-type: none"> To maintain monthly monitoring. To continue yearly training at estate level. To maintain zero incident of breach. 	<ul style="list-style-type: none"> No incident was reported. Another 5 new cameras were purchased/installed to improve the monitoring of RTE species in the HCV areas. 	<ul style="list-style-type: none"> To maintain monthly monitoring. To continue yearly training at estate level. To maintain zero incident of breach. 	<ul style="list-style-type: none"> To maintain monthly monitoring. To continue yearly training at estate level. To maintain zero incident of breach. 		60
Climate Change							
GHG Emissions; Fire Management; Peat	Reduce GHG emissions intensity of CO ₂ -e/ MT CPO.	To reduce GHG emissions intensity to below 1.0 MT CO ₂ -e / MT CPO.	Achieved target. Emission at 0.61 MT CO ₂ -e / MT CPO.	To maintain or reduce GHG emissions intensity to below 1.0 MT CO ₂ -e / MT CPO.	To maintain or reduce GHG emissions intensity to below 1.0 MT CO ₂ -e / MT CPO.		6, 7, 50
	Commissioning biogas plants.	All four mills to have access to biogas facilities.	Three mills have access to biogas facilities.	To build new biogas facilities.	To commission new biogas facilities.	  	54, 55, 57
	No development on peat soil.	To maintain no planting / development on peat area.	Achieved target.	To maintain no planting / development on peat area.	To maintain no planting / development on peat area.		37, 38
	Zero burning policy.	To maintain zero burning on estates.	No fire incident reported.	To maintain zero burning on estates.	To maintain zero burning on estates.	 	53

2023 SUSTAINABILITY HIGHLIGHTS & ACHIEVEMENTS

Materiality Matters/ Topics	Sustainability Focus	Target 2023	Status of Target	Target 2024	Target 2025	Relevant to UN SDGs	Reported in Page
Target 3: Environment							
Water Resources							
Water Management; Encroachment of Riparian Area	Reduce Biological Oxygen Demand (BOD) level due to POME discharge.	All mills to achieve 20 ppm.	BOD for TPOM was higher at 26.17 ppm. Refer to page 58 on the detail of higher BOD for TPOM.	All mills to achieve 20 ppm.	To maintain 20 ppm target for all mills.		7, 50, 57
	Monitoring riparian buffer area.	To maintain monthly monitoring and yearly training at estate level.	Achieved target.	To maintain monthly monitoring and yearly training at estate level.	To maintain monthly monitoring and yearly training at estate level.	 	59
	Water Resource Management Plan.	To complete installation of water treatment plant at Pelipikan Estate or to provide water from the source that meets the quality of National Water Quality Standard for Malaysia.	No water treatment plant at Pelipikan Estate. Refer to page 45 on the detail of delayed installation of water treatment plant at Pelipikan Estate.	To complete installation of water treatment plant at Pelipikan Estate or to provide water from the source that meets the quality of National Water Quality Standard for Malaysia.	To complete installation of water treatment plant at Pelipikan Estate or to provide water from the source that meets the quality of National Water Quality Standard for Malaysia.	 	45, 55
	Water usage in operation at mills.	To maintain or to reduce water usage at 1.4 m ³ / MT FFB.	Achieved target 2023 - 1.28 m ³ /MT FFB 2022 - 1.88 m ³ / MT FFB 2021 - 1.77 m ³ / MT FFB	To reset target of water usage at 1.5 m ³ / MT FFB.	To maintain or to reduce water usage at 1.5 m ³ / MT FFB.		56
Target 4: Community							
Relationship and Support to Smallholders; Traceability and Segregation; Partnership with Stakeholders; Community Development	Assist neighbouring independent local outgrowers / smallholders in achieving RSPO & MSPO certifications.	Nine out of 11 independent local outgrowers / smallholders to get RSPO / MSPO certifications.	Eight out of 11 independent local outgrowers / smallholders successfully obtained RSPO / MSPO certifications.	To ensure nine out of 11 independent local outgrowers / smallholders successfully obtained RSPO / MSPO certifications.	To ensure ten out of 11 independent local outgrowers / smallholders successfully obtained RSPO / MSPO certifications.		6, 17, 39, 40

MANAGING OUR MATERIAL MATTERS

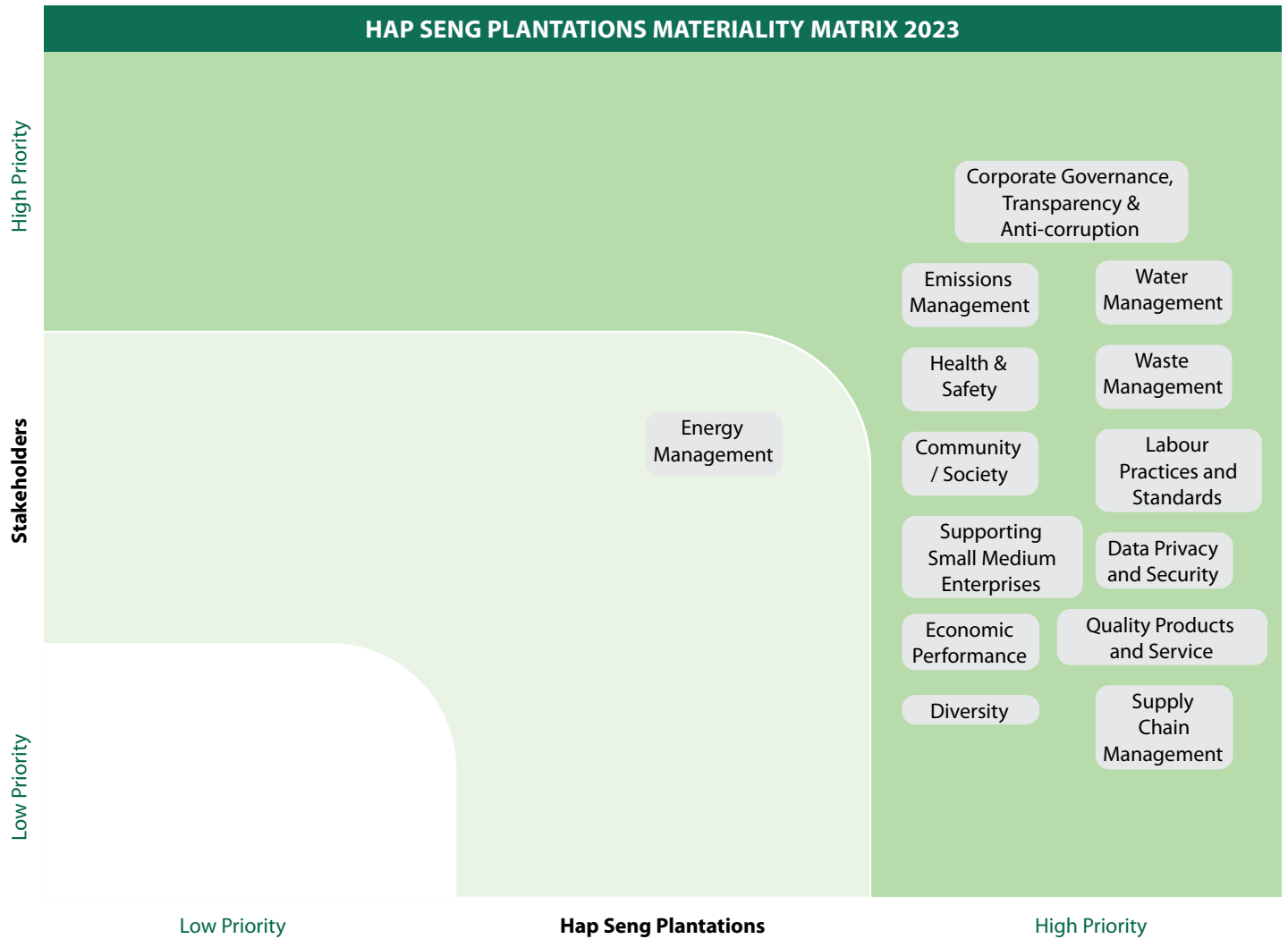
Material matters are the core determinant in influencing how the Board and senior management steer our sustainability strategies, initiatives and reporting.

As there have been no significant changes to the size, structure, or ownership of our operations since our first reporting in 2015, we set the review of our material matters once every two years. The material matters for this reporting period have been aligned to the latest Bursa Malaysia's Enhanced Sustainability Disclosure requirement on common sustainability matters.

We conducted the reassessment of our material matters for this reporting period through various platforms, including group session engagements, phone calls, and emails with the participation from both our internal and external stakeholders. Outcome from the materiality assessment reflect issues that are of major concern to stakeholders and of high significance to Hap Seng Plantations.



MANAGING OUR MATERIAL MATTERS



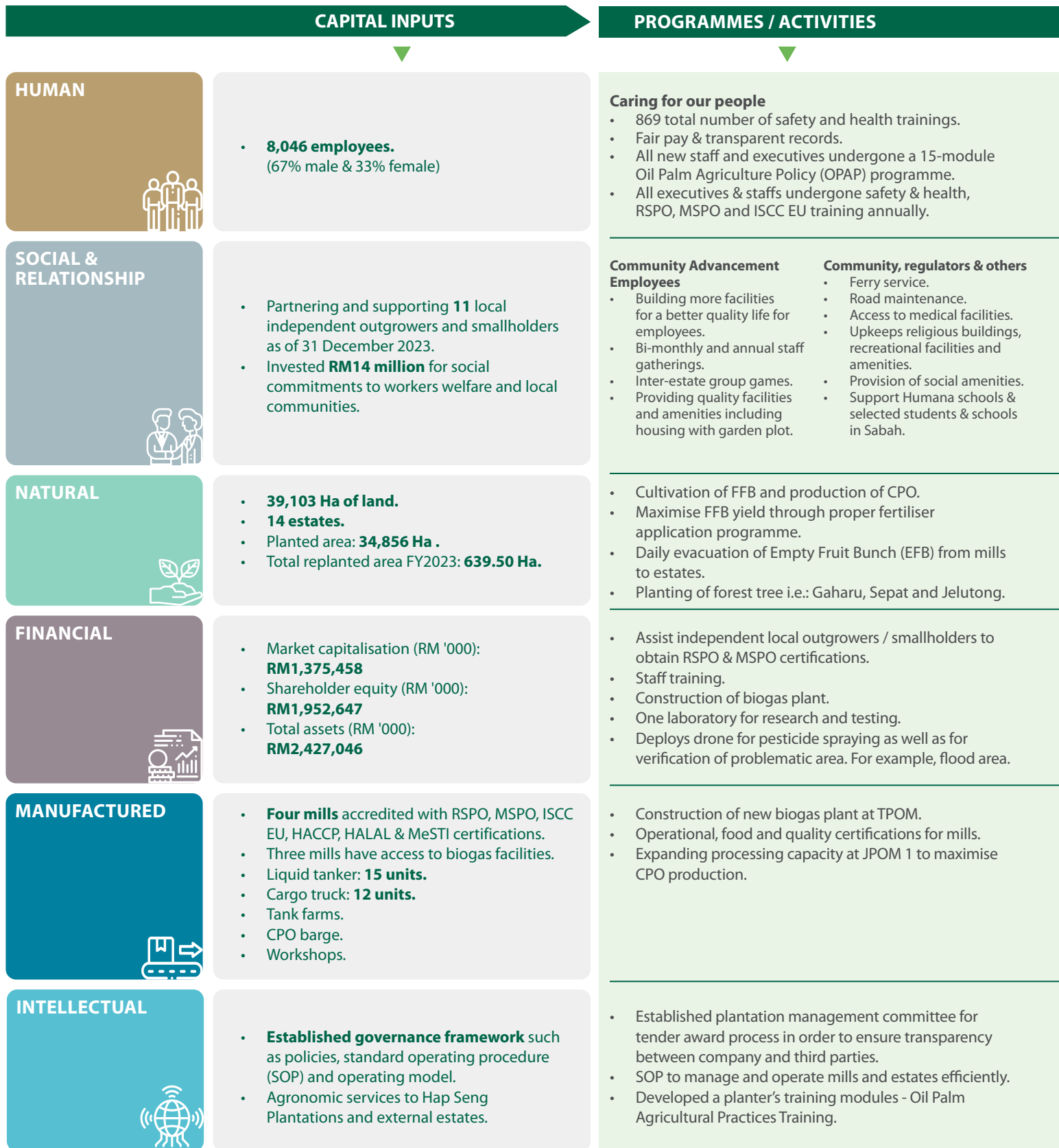
STAKEHOLDER ENGAGEMENT

Stakeholder Group	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. 	Continuous 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 regularly. 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.
Industry Bodies	<ul style="list-style-type: none"> Good agricultural practices. Chemical usage. Water usage. Occupational health and safety. Development of future planters. 	<ul style="list-style-type: none"> Members of the RSPO, Incorporated Society of Planters, Malaysian Palm Oil Association. 	<ul style="list-style-type: none"> Stakeholder meeting at group level conducted regularly. Last meeting was conducted on 18 May 2023. 	<ul style="list-style-type: none"> Commitment to a time bound plan for certification. Appointed Vice Chairperson of the Malaysian Palm Oil Association.

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Area of Interests / Issues	Type of Engagement	Frequency	Outcomes
Employees	<ul style="list-style-type: none"> Talent attraction and retention. Employee development. 	<ul style="list-style-type: none"> Annual performance appraisal. Quarterly engagement with HR managers. Formalised training. 	<ul style="list-style-type: none"> Once a year engagement (October 2023). Quarterly engagement (February, May, August & November 2023). Feedback meeting is conducted once a year. 	<ul style="list-style-type: none"> Feedback from annual performance. Development of cadet programme.
Customers	<ul style="list-style-type: none"> RSPO certification. Supply chain and traceability of palm oil. Quality of palm oil. 	<ul style="list-style-type: none"> One-on-one meetings. 	<ul style="list-style-type: none"> Stakeholder meeting conducted regularly. Last meeting was conducted on 18 May 2023. 	<ul style="list-style-type: none"> "Zero Off Spec CPO Supplier" and "Highest Quantity CPO Supplier" awards from IOI Edible Oils.
Independent Local Outgrowers and Smallholders	<ul style="list-style-type: none"> To commit to RSPO and MSPO certifications. 	<ul style="list-style-type: none"> Provide free technical support and facilities. 	<ul style="list-style-type: none"> 23 meetings with independent local outgrowers and smallholders were conducted in 2023. 	<ul style="list-style-type: none"> Five independent local outgrowers and smallholders obtained their RSPO & MSPO; another three outgrowers/ smallholders successfully obtain the MSPO certification.
Suppliers	<ul style="list-style-type: none"> To ensure all suppliers operate at sustainable manner. 	<ul style="list-style-type: none"> Documents and operation review to ensure suppliers comply with sustainability requirements. 	<ul style="list-style-type: none"> At least once a year. 	<ul style="list-style-type: none"> All suppliers continuously meeting the sustainability requirements. Continue engagement with uncertified suppliers.

OUR VALUE CREATION MODEL

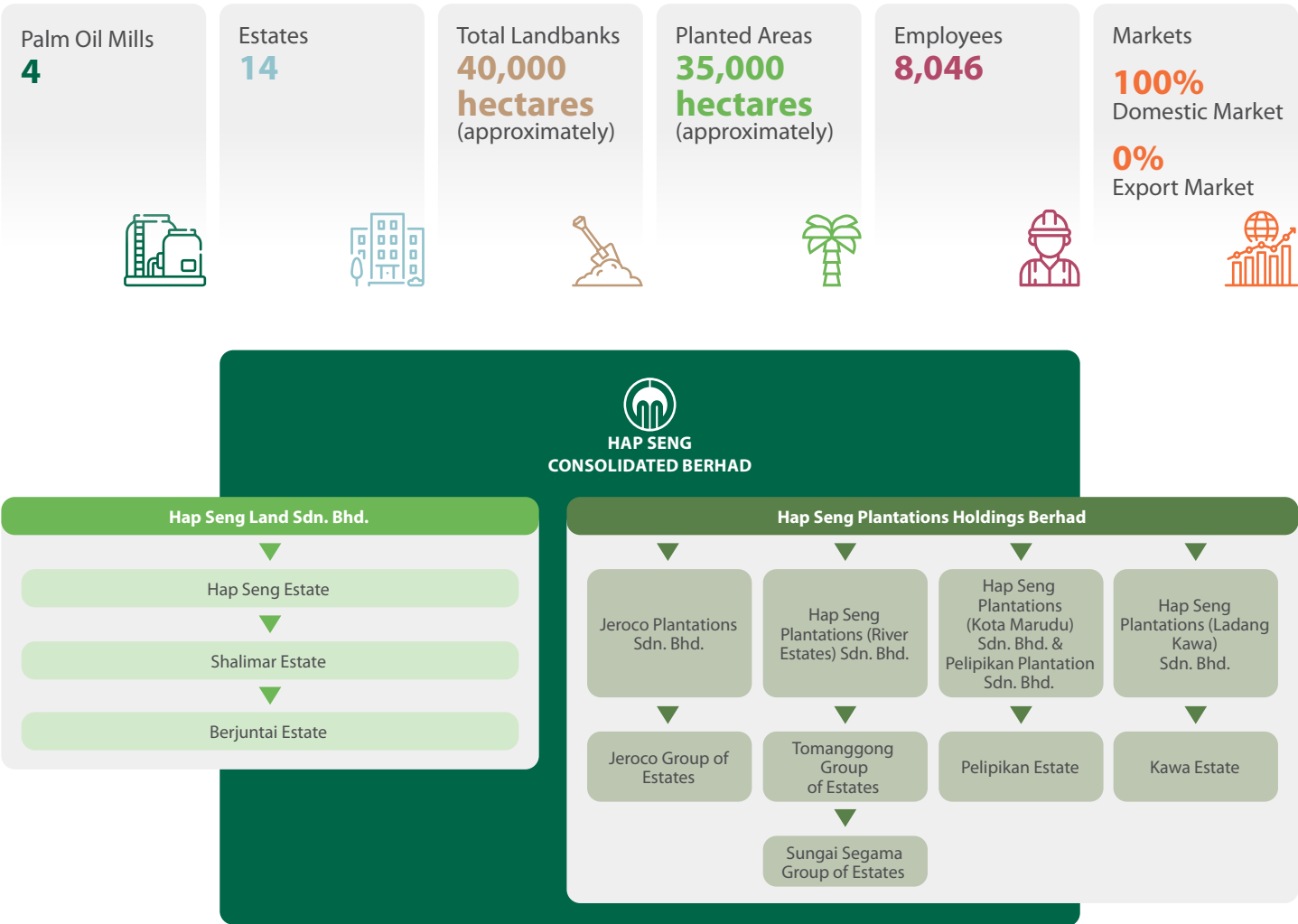


Six Capitals

Hap Seng Plantations creates value for its stakeholders by transforming its capital inputs into tangible and non-tangible outcomes in line with the Group's vision and mission. This year, we have described our value creation within the context of six forms of capitals in accordance with the Integrated Reporting Framework. The diagram below illustrates the relationship between the six capitals, our operational activities and outputs within our sustainability framework:

	OUTPUTS	OUR VISION/MISSIONS/GOALS
<ul style="list-style-type: none"> Regular first aid training for all executives, staffs, mandors and workers. Selected executives and staffs undergo HALAL, HACCP & MeSTI programmes annually. 	<ul style="list-style-type: none"> Lost Time Accident Rate (LTAR) rate of 0.48 incidents per 200,000 hours worked. Zero unresolved grievances / complaints reported in FY2023. 869 total number of safety and health trainings. 	To be the employer of choice.
<ul style="list-style-type: none"> Repair SK Litang's school teachers' housing complex. Engage stakeholders through Joint Consultative Committee (JCC) meeting. <p>Suppliers</p> <ul style="list-style-type: none"> Assist neighbouring independent local outgrowers / smallholders in achieving RSPO & MSPO certifications. 	<ul style="list-style-type: none"> Maintain relationship with local communities. Five independent local outgrowers / smallholders are RSPO & MSPO certified with three outgrowers/ smallholders are MSPO certified. Supply 5.4% of traceable RSPO certified FFB to our mills. Expanded the applicability of our Group Sustainability Policy to third-party suppliers (including outgrowers and smallholders). Adopted the guidelines and procedures for responsible recruitment of foreign workers. Good local infrastructure access – transportation, facilities & market. Enhancing labour practices. Sustainable practices in plantations i.e. recycling of natural materials. 	<p>To be a good corporate citizen in harmony with the environment and the communities we serve.</p> <p>To be the preferred partner and promote win-win business relationship.</p>
	<ul style="list-style-type: none"> FFB production: 637,719 MT. Matured oil palm trees' average age: 16.85 years. FFB yield: 19.70 MT/Ha (higher than MPOB's Sabah average yield at 16.39 MT/Ha). 78.50% RSPO certified and traceable FFB (inclusive of 5.4% RSPO certified FFB purchased from neighboring outgrower/ smallholder). 	To achieve the highest productivity and to be the most cost-efficient producer in Malaysia.
<ul style="list-style-type: none"> Pest damage and sensitive area (Land adjacent to forest reserve, local community & neighbouring stakeholders). Mechanisation of operation i.e Mechanical Post Hole Digger for planting. 	<ul style="list-style-type: none"> Revenue: RM667.8 million. Net Profit: RM91.4 million. Earnings per share: 11.43 sen. 	To achieve sustainable growth and returns for our shareholders over the long term.
	<ul style="list-style-type: none"> CPO production: 147,318 MT. Oil extraction rate (OER): 20.75%. FFB processed: 709,864 MT. Carbon footprint: 0.61 MT CO₂-e/ MT CPO. 11 estates & 4 mills RSPO certified. 14 estates & 4 mills MSPO certified (we are fully MSPO-certified since 2018). 	To provide quality products and excellent services that differentiates us from others.
	<ul style="list-style-type: none"> Faster results in testing plant health and suitable soil conditions to ensure optimum production. Improved rating from external sustainability rating agency (ZSL SPOTT) with score of 83.0%. Innovative practices in plantations operation like P&D drones application. 	<p>To provide quality products and excellent services that differentiates us from others.</p> <p>To achieve sustainable growth and returns to our shareholders over the long term.</p>

ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD



Hap Seng Plantations is a public listed company in Bursa Malaysia. The Plantation division of Hap Seng Consolidated Berhad (HSCB), a diversified group with businesses in property investment and development, credit financing, automotive, trading and building materials, HSCB holds a 69.53% shareholding in Hap Seng Plantations as of 31 December 2023.

The estates of Hap Seng Plantations are situated on a contiguous plot of land in the Lahad Datu region of Sabah, Malaysia. Our landbank spans around 40,000 hectares, of which approximately 35,000 hectares are dedicated to oil palm cultivation. The remaining land is reserved for buildings, including four mills and housing for our workforce of 8,046. Additionally, we maintain 1,400 hectares as conservation areas.

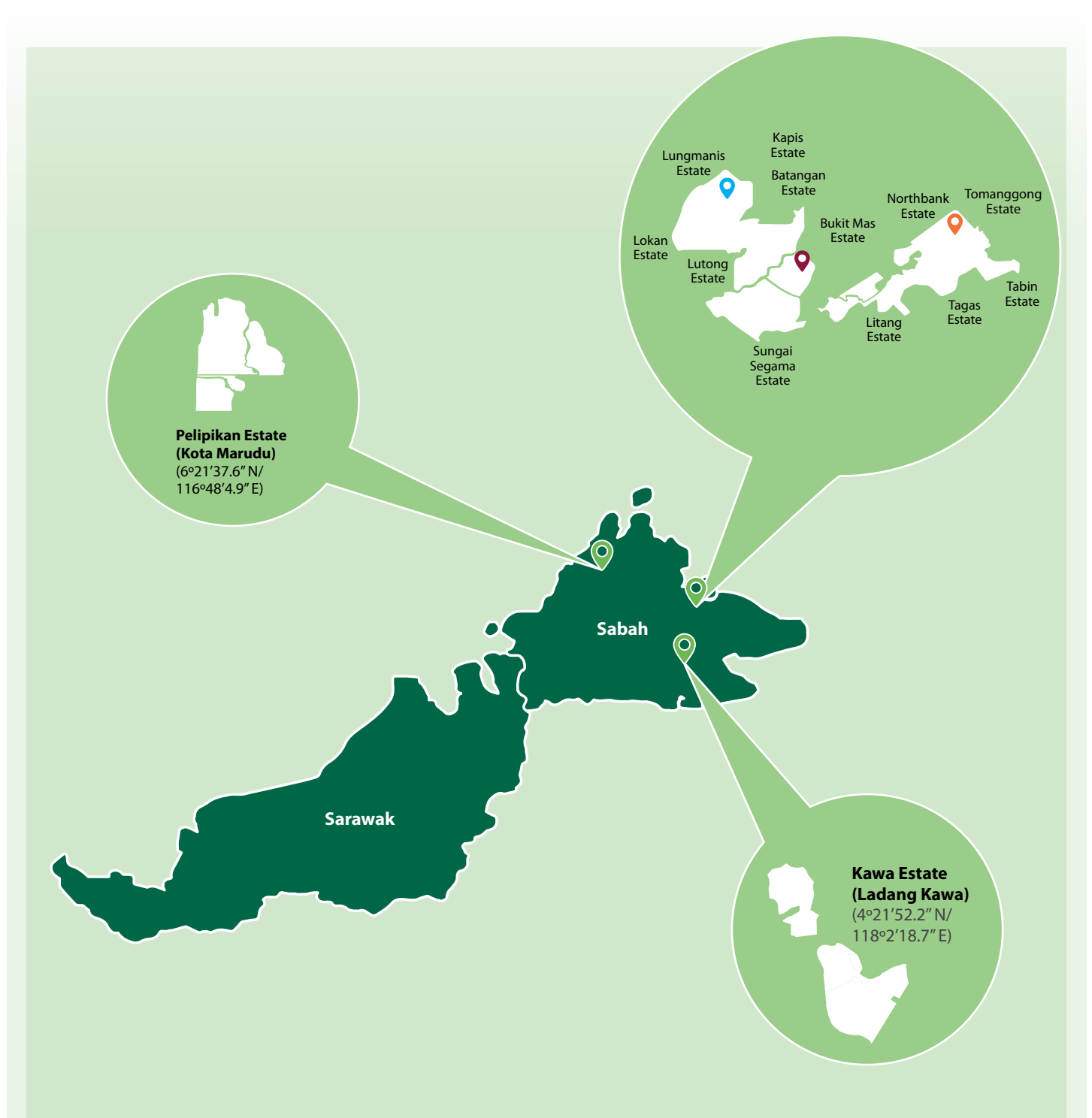
Our main business is in the oil palm cultivation and production of CPO, primarily for the edible oil sector, and PK, which are sold to local palm kernel crusher plants.

Hap Seng Plantations is a member of RSPO since 2005 and has taken the initiative to benchmark our practices against global standards in key sustainable areas of our business as we continue our journey towards becoming a more sustainable company.

We produce fully identity preserved (IP) and mass balance (MB) RSPO certified sustainable palm oil (CSPO) through our four certified mills.

ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD

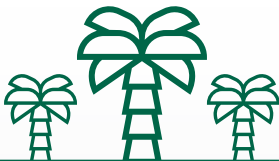
Location of Operations



ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD

Our Palm Oil Value Chain

Planted
35,000 hectares in Sabah, Malaysia



ESTATES – replanting, harvesting, produce FFBs, research on soils and plant growth



MILLS – process FFBs both internal and external, produce CPO and PK (certification on sustainable management and production)



COMMERCIAL PRODUCTS
(NOT INVOLVED)



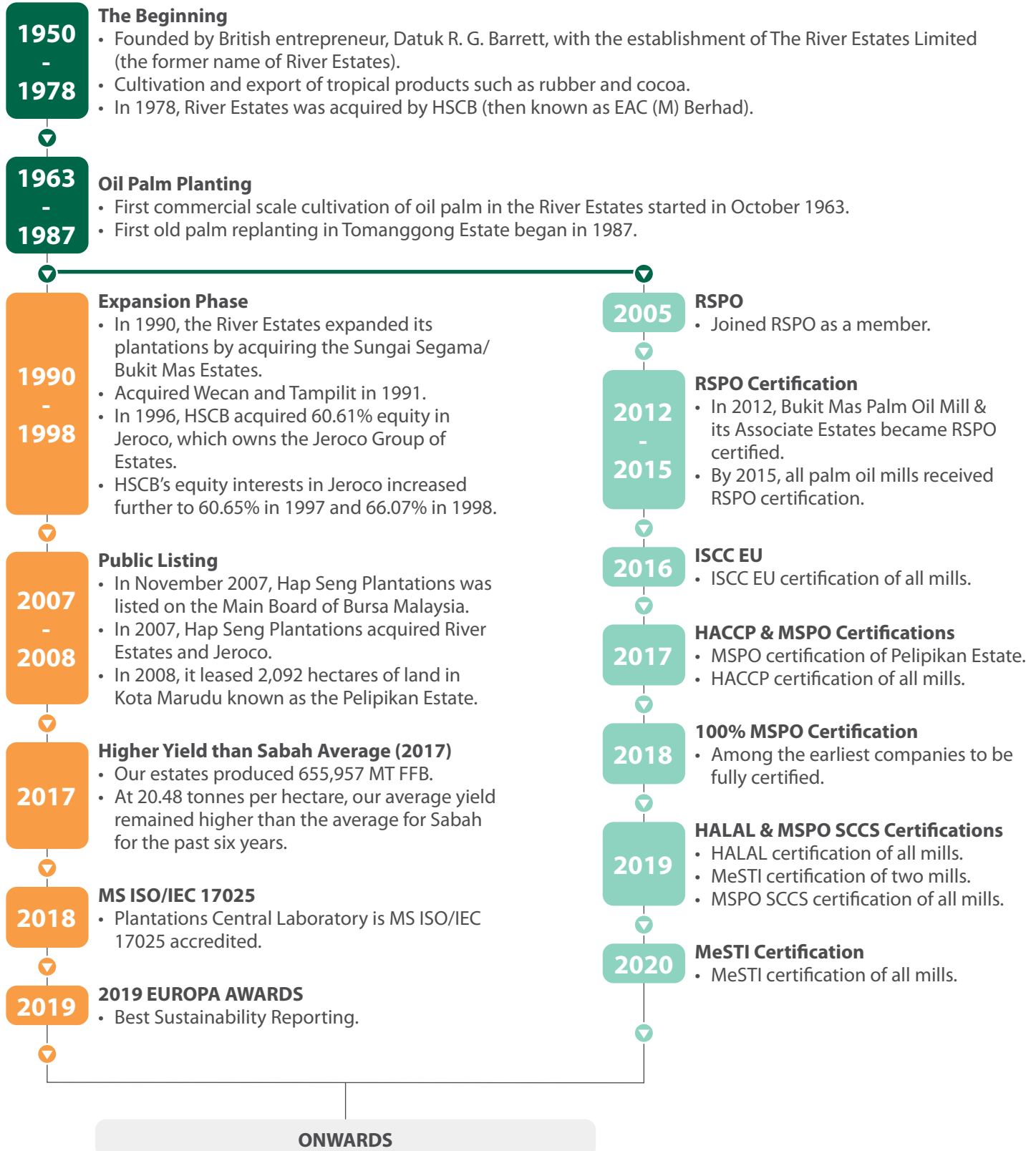
REFINERIES
(NOT INVOLVED)



SHIPPING

ABOUT HAP SENG PLANTATIONS HOLDINGS BERHAD

Key Milestones



OUR SUSTAINABILITY GOVERNANCE

Hap Seng Plantations strictly operates in accordance to the standards of corporate governance by ensuring that it is in compliance with recognised and regulatory guidelines as dictated by the Malaysian Code on Corporate Governance, as well as with the main Listing Requirement of Bursa Malaysia Securities (Listing requirements).

Our Sustainability Agenda – Environment, Workplace, Community and Marketplace

Sustainability serves as an important aspect to our agenda in line with our operations and business strategies as we strive towards making our business more sustainable and responsible by continuously working to strengthen our policies and guidance in all aspects of our palm oil operations.



Marketplace

- Engage in responsible business practices by staying committed to ethical business conduct, responsible agriculture practices, as well as producing safe and quality products.



Workplace

- Prioritise our people by focusing on uplifting the safety and health, work environment, as well as family welfare of our employees.
- 32.66% of our workforce consist of women.



Community

- Promote community advancement by building mutually beneficial relationships that support the enrichment of local communities through provision of convenient means of transportation, business and employment opportunities, as well as access to a better quality of life.
- A total of 2 Community Learning Centre (CLC) at our plantations.
- Supported 9 Humana schools at our plantations.



Environment

- Practices on environmental remediation, conservation and preservation on forest and riparian reserve area with a long-term plan to enrich the flora biodiversity within the vacant areas in Hap Seng Plantations with forest tree species.
- Areas set aside for conservation with the total of 1,401.98 ha.
- Sustainable Agriculture Policy updated on 15 August 2023.



OUR SUSTAINABILITY GOVERNANCE

Sustainability Governance Structure

Sustainability is an integral part of our Board's agenda, as it reviews and signs-off on sustainability policies and disclosures. These include both new and updated policies and procedures such as the HALAL Policy, MSPO Policy, Sustainable Agriculture Policy, Equal Opportunity Policy, Freedom of Association & Right to Collective Bargaining Policy, Labour Policy for Foreign Workers and Standard Operating Procedure for Traceability.

Sustainability governance in Hap Seng Plantations is spearheaded by the Environment & Sustainability Committee and overseen by the Chief Executive – Group Plantations who reports to the Board of Directors. The Environment & Sustainability Committee is supported by the RSPO Sub-committee (General Manager - Agronomy chairs the committee and report to Chief Executive - Group Plantations and Environmental & Sustainability Committee) to develop and drive sustainability strategies, policies and goals to achieve the overall effectiveness and adequacy in the management of environmental, social and governance (ESG) issues in accordance with the Hap Seng Plantations Sustainability Policies. Hap Seng Plantations Sustainability Policies consist of commitments within the ESG requirements to create additional value to the businesses. The policies will be updated depending on the sustainability material matters and future trends derived from engagement with the stakeholders. The Chief Executive or his/her nominee also will represent Hap Seng Plantations in the HSCB Group Sustainability Committee.

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

Responsible for:

- Oversight of the sustainability implementation and progress.
- To provide guidance on the alignment of Sustainability Policies with the business strategy.

Chief Executive – Group Plantations

Responsible for:

- Heads the Environment & Sustainability Committee.
- Approval of proposed sustainability policies.
- Oversees the sustainability implementation and update its progress to the Board.
- Represent Hap Seng Plantations in the HSCB Group Sustainability Committee.

Environment & Sustainability Committee

Responsible for:

- Develop and drive sustainability strategy, policies and goals.
- To discuss the sustainability performance, initiatives, and risks of operating units.
- To align Board's expectation and business strategy to the sustainability policies.

RSPO Sub-committee

Responsible for:

- Maintaining sustainability performance and awareness across operating units.
- Ensure operating units adhere to all sustainability policies, practices and commitments.
- Gather feedback for continuous improvement from relevant stakeholders.
- Provide feedback to the Environment & Sustainability Committee from the inputs provided by the Sustainability Team and operating units.

Sustainability Team

Operating Units (Estates & Mills)

OUR SUSTAINABILITY GOVERNANCE

Membership to Associations

Membership	Joined	Role	Engagement	Purpose
RSPO	2005	As a responsible sustainable grower and miller.	Certification audit and annual surveillance audit.	To ensure sustainability standards are implemented in the management of palm oil production.
Malaysian Palm Oil Association (MPOA)	2000	As a member of MPOA.	Mr. Au Yong Siew Fah is the Vice Chairman of MPOA Malaysia.	To inspire the adoption of sustainable practices in oil palm plantations for long term profitability.
Malaysian Palm Oil Board (MPOB)	NA	Licensed registered under MPOB.	Annual license renewal.	Support the MPOB to enhance the wellbeing of the Malaysian palm oil industry through excellent research & development and services.
Malayan Estate Owners' Association (MEOA)	2017	Mr. Au Yong Siew Fah is an Individual Member of MEOA.	Annual membership renewal.	To promote, foster and protect the interests of the plantation industry in Malaysia.
Malayan Agricultural Producers Association (MAPA)	1983 (continued from the previous management in Teluk Merbau Plantation)	Teluk Merbau Plantation & Shalimar/ Berjuntai Estate are members of MAPA.	Annual membership renewal.	To support the trade union in catering to the needs and interests of agricultural employers.
Jurisdictional Certification Steering Committee (JCSC) Sabah	2018	Committee member	Government, Civil society and private sector.	A participating member in a State level jurisdictional initiative with the goal of achieving 100% RSPO certification for palm oil production in Sabah by 2025.

ADDRESSING OUR MATERIAL MATTERS BASED ON OUR RISK PROFILE

Identified Risk	Identified Risk Related to Material Matters	Strategy to Address the Identified Risk
Environmental, Social and Governance (ESG) Risk L	<ul style="list-style-type: none"> - Mandatory ESG reporting requirements not fully complied with. - Environmental issues such as climate change deforestation, biodiversity loss, open burning, carbon emission, improper waste management and etc. - Social issues such as non-compliance to minimum wage policy and labour laws and human rights issues. - Governance issues such as ethical issues, breach of laws and etc. 	<ul style="list-style-type: none"> • Keep abreast with the latest developments and requirements in ESG reporting. • Identify appropriate measures/ action plan(s) to mitigate the risk and impact of the identified material ESG issues. • To rectify audit findings by the certification bodies on timely basis. • Regular communication with major buyers to keep abreast with potential environmental and climate risks (most of the major buyers have in-house or consultant to monitor their CPO suppliers in term of environmental risks). • Attending ESG seminar or conference to keep updated with the latest ESG insights. • Identify appropriate measures/ action plan(s) to achieve the ESG KPIs. <p>Social</p> <ul style="list-style-type: none"> • Rectify livelihood and social issues raised by the employees and community efficiently to prevent issues from escalating.
Corruption Risk (COR) L	<ul style="list-style-type: none"> - Giving or accepting bribery and corruption. - Non-adherence to Anti-Bribery and Corruption (ABC) Policy and Procedures - Non-adherence to S.17A MACC Act. 	<ul style="list-style-type: none"> • Timely investigation of any reported cases on bribery or corruption practices. • Conduct disciplinary actions against the personnel found to be non-compliant to Act. • To seek clarification from Group Legal or Integrity Committee when there is non-compliance issue.
Market Competition Risk (MCR) M	<ul style="list-style-type: none"> - Competition with domestic producers. - Competition with overseas producers. - Competition with other vegetable oils. - Declining demand for oil palm due to availability of cheaper substitutes and pressures to ban oil palm usage. - Small customer base. 	<ul style="list-style-type: none"> • Constant discussion with buyer/market participants on the palm oil specification. • Identify the reasons for the unsold CPO and PK on a timely basis. • Attending meetings and events organised by the relevant regulatory bodies and trade associations to better understand the market requirements • To build business network through meetings and events organised by the relevant regulatory bodies and trade associations.

S = significant **M** = medium **L** = low

The risk factor corresponded with some of the materiality matters identified by both Hap Seng Plantations and all relevant stakeholders as areas of concern. Based on the linkages, strategies and mitigation programmes have been put in place to address the challenges.

ADDRESSING OUR MATERIAL MATTERS BASED ON OUR RISK PROFILE

Identified Risk	Identified Risk Related to Material Matters	Strategy to Address the Identified Risk
Health and Safety Risk (HSR) L	<ul style="list-style-type: none"> - Accidents/ injuries at the workplace. - Fire/ other natural disasters. - Pandemic outbreak, e.g., COVID-19. - Non-compliance to applicable laws and regulations. 	<ul style="list-style-type: none"> • latest applicable legal requirements and safe work procedures introduced by the Malaysian Health Ministry, state government, district and municipal councils. • To seek clarifications from the relevant ministry office/ government agencies when there is doubt. • Appointed visiting medical officer to provide routine health checks for the workers.
Input Material Risk (IMR) M	<ul style="list-style-type: none"> - Increase in input material prices such as prices of fertilizer, agrichemical, diesel etc; - Wastages or inefficient use of input materials (e.g., fertilizers). - Inadequate supply of good quality seedlings/ ramets. 	<ul style="list-style-type: none"> • Increase the number of rounds of nutrient checking in the field. • To rectify audit findings from ISO audit on a timely basis to ensure compliance at all times. • To source alternative agrichemical substitutes, when necessary. • To maintain the production cost by improving the workers' productivity and maximising crop retrievals. • Consider replacing/ switching input materials for non-critical area, when necessary. (to manage price increase in input materials) • When appropriate, consider to amass raw materials when prices are reasonable/ low (to manage price increase in input materials). • In-house production of oil palm seedling for assured quality and supply.

S = significant **M** = medium **L** = low

The risk factor corresponded with some of the materiality matters identified by both Hap Seng Plantations and all relevant stakeholders as areas of concern. Based on the linkages, strategies and mitigation programmes have been put in place to address the challenges.

MARKETPLACE



CORPORATE GOVERNANCE, TRANSPARENCY AND ANTI-CORRUPTION



Corporate Governance

The Board is the highest governance body in the company and is responsible for the long-term success of Hap Seng Plantations. The Board consists of 10 members: Managing Director, three Executive Directors, one Non-independent Non-executive Directors, and five Independent Non-executive Directors. The Chairman is an independent Non-executive Chairman. The Board's composition reflects diversity in terms of gender, age, ethnicity, nationality, professional background, skills and experience. Two of the Directors on the Board are woman.

The Board strive to adhere to The Malaysian Code on Corporate Governance 2021 - a best practice standard for corporate governance - and plays a key role in developing and implementing Hap Seng Plantations' direction and strategy, professional standards and internal control systems. The Board acknowledges that good corporate governance extends beyond mere compliance, and therefore works to attain the highest standards of business ethics, accountability, integrity and professionalism throughout all Hap Seng Plantations' activities.

The Board (10 Members)

1	Managing Director
3	Executive Directors
1	Non-independent Non-Executive Directors
5	Independent Non-Executive Directors

MARKETPLACE

The Chief Executive - Group Plantations is responsible for the daily operations of Hap Seng Plantations. This includes the sustainability agenda. The Senior General Manager/ General Manager/ Deputy General Manager supervises each group of estates. The Plantation Management Committee, consisting of respective estate and mill managers, meets monthly to review all operational matters.

In line with Hap Seng Plantations sustainability goals, we have actively sought to improve the sustainability practices within our operations while addressing social, environmental and economic challenges.

Hap Seng Plantations has implemented several sustainability policies aimed at fulfilling our commitments without compromising on performance. These policies apply to Hap Seng Plantations and all its subsidiaries. We also encourage our contractors, suppliers and independent local outgrowers and smallholders to adopt our policies.

Policy	Introduced	Updated
HALAL Policy	July 2019	-
Environmental Policy	November 2018	-
Grievance Procedure	November 2010	<ul style="list-style-type: none"> • September 2020 • March 2018 • July 2011
MSPO Policy	March 2017	<ul style="list-style-type: none"> • October 2019 • December 2023
Sustainable Agriculture Policy	February 2017	<ul style="list-style-type: none"> • August 2019 • October 2020 • August 2023
Rare, Threatened and Endangered Species Policy	November 2017	-
Land Dispute Management	March 2016	December 2020
Equal Opportunity Policy	March 2016	March 2019
Freedom of Association and Right to Collective Bargaining Policy	March 2016	March 2019
Labour Policy for Foreign Workers	September 2015	April 2019
Occupational Safety and Health Policy	April 2015	May 2023
Biodiversity Policy (applied to all suppliers and to both within and outside of HCV/ HCS/ set aside area)	December 2021	-

Details of the policies are publicly available at www.hapsengplantations.com.my/corporate-citizen.html

Transparency and Anti-Corruption

Hap Seng Plantations has established five fundamental principles in our code of conduct to instill and promote appropriate standards of conduct and ethical practices.

The code of conduct applies to our Board of Directors and management, as well as to all Hap Seng Plantations' employees. The code is set up to prevent conflicts of interest among board members, management and staff, and also defines the parameter between work and personal activities.

MARKETPLACE

Our Five Fundamental Principles

1 Honesty & Integrity

2 Confidentiality

3 Compliance with law

4 Whistleblowing

5 Conflict of interest

Hap Seng Plantations is committed to working against corruption in all its forms, including extortion and bribery. Our Code of Conduct and Business Ethics Policy, which is incorporated in our employee handbook, prohibits giving and receiving all kinds of bribe or other benefits that may influence our employees' ability to carry out their duties legally and/or in line with company's interest. Any benefits or gifts must be declared to the immediate superior.

The Board has formulated a whistleblowing policy to encourage employees to report any fraud, corruption, serious financial misappropriation and abuse of power while providing them with protection once they have done so. Our whistleblowing policy enables internal and external stakeholders to report cases involving fraud, bribery, corruption and other irregularities directly to our Internal Audit Department. The Internal Audit Department is empowered to conduct investigation on suspected and reported incidents and has direct access to the Board.

In addition, Hap Seng Plantations has a long-established formal avenue for employees to report any misconduct or unethical behaviour they have witnessed directly to the Managing Director. In FY2023, there were no reported corruption, extortion or bribery case involving our employees.

DATA PRIVACY AND SECURITY

We strictly adhere to the requirements of the Personal Data Protection Act (PDPA) 2010 in managing customer data, supported by a clear policy governing its collection, storage, and usage. Regular employee training on handling sensitive information reinforces this policy.

The IT Department ensures data privacy and security through regular group-wide security assessments and phishing email tests to identify risks and vulnerabilities. Collaborating with a trusted security service provider enables comprehensive data monitoring and protection measures.

Access to customer personal data is restricted to authorized personnel within our operations. Annual reviews of user access to business systems across divisions are conducted by the IT Department to maintain security standards. Additionally, the division appoints a PDPA officer to oversee data privacy and security matters. Our commitment to data protection is strengthened by established policies, such as the Employee Personal Data Privacy Policy, ensuring proper management of employee data.

The IT Department proactively shields the organization from phishing attacks by continuously monitoring email systems. Reminders and alert notifications are issued to employees upon detecting suspicious emails, ensuring both staff and the company are protected from cyber threats.

In cases of data breach, the IT Department promptly conducts a thorough investigation. Within 24 hours of the breach report, a risk assessment is initiated to gauge its impact on affected individuals and the Group. Remedial measures are then developed to contain the breach and prevent further harm. Upon investigation completion, a report is produced to, outlining findings, causes, impact, and recommendations for strengthening the security system to prevent future incidents.

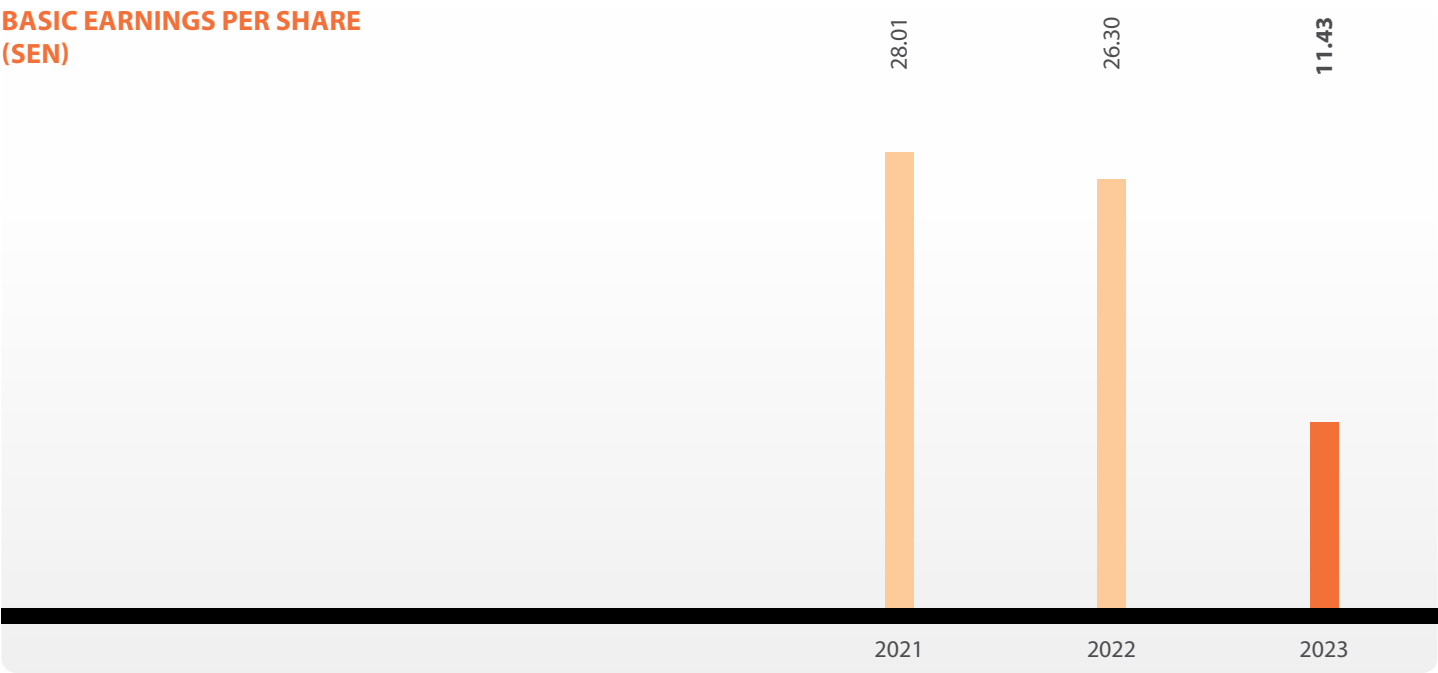
Throughout the year under review, Hap Seng Plantations did not receive any substantiated complaints concerning breaches in customer privacy or data loss.

MARKETPLACE

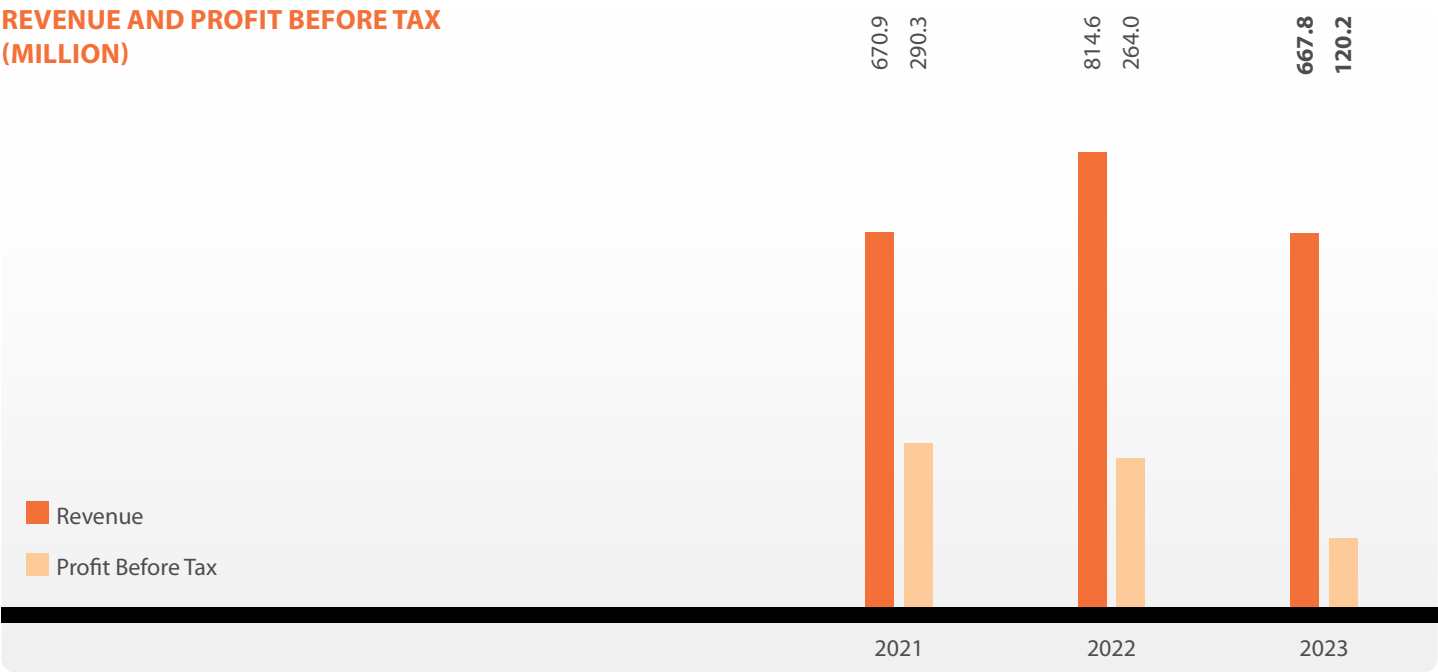
Economic Performance

	2023	2022
Revenue (millions)	RM667.8	RM814.6
Profit before Tax (millions)	RM120.2	RM264.0
Basic Earnings per share (Sen)	11.43	26.30

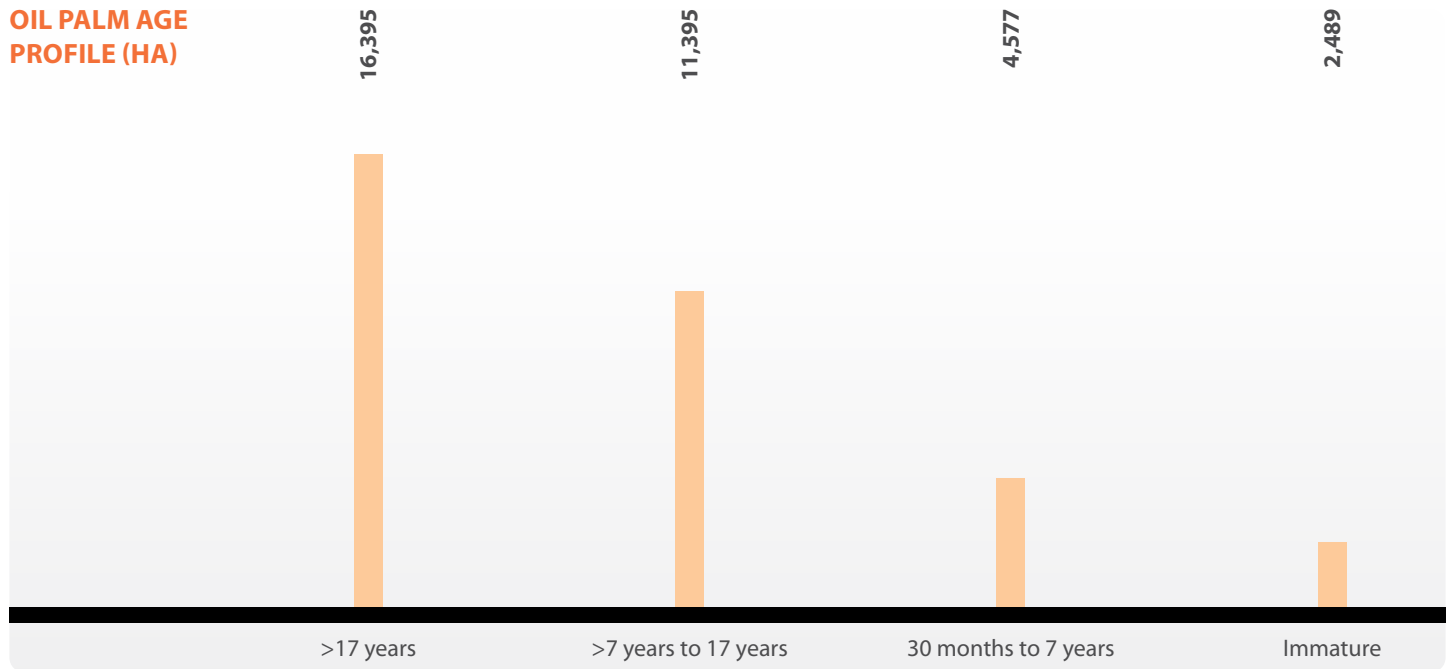
BASIC EARNINGS PER SHARE (SEN)



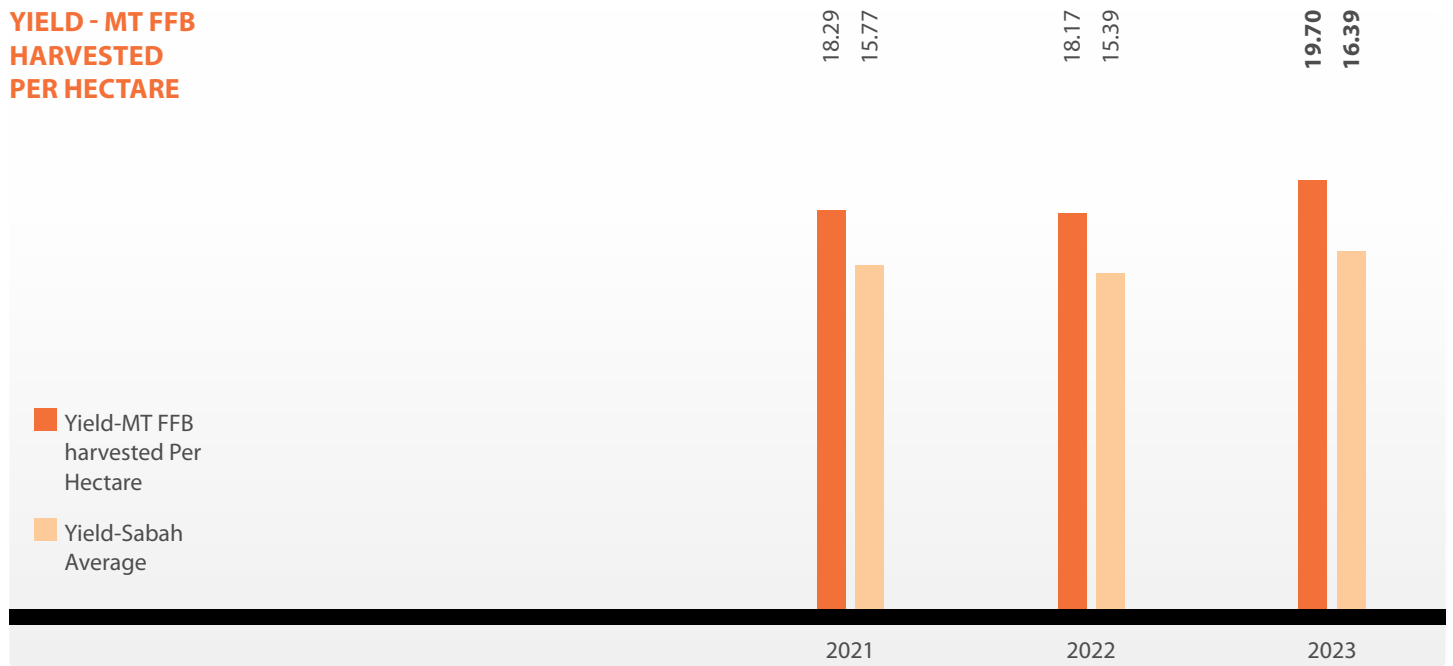
REVENUE AND PROFIT BEFORE TAX (MILLION)



MARKETPLACE

OIL PALM AGE
PROFILE (HA)

The average age of our oil palms is 16.85 years while around 93% of our planted area consists of mature palms. Our replanting programme ensures that we maintain an optimal age profile and level of productivity.

YIELD - MT FFB
HARVESTED
PER HECTARE

In FY2023, our estates produced 637,719 MT of FFB. At 19.70 MT per hectare, our average yield has remained higher than the Sabah state's average for the past six years. This is the result of our focus on best management practices and the use of premium and high-quality planting materials, such as Hybrid DxP seeds, throughout our estates.

MARKETPLACE

Hap Seng Plantations also provides management and advisory services. Under this service, we manage three plantations, and these are:

Ladang Kawa,
Sabah

668.50 Hectares
owned by Hap Seng Land Sdn Bhd

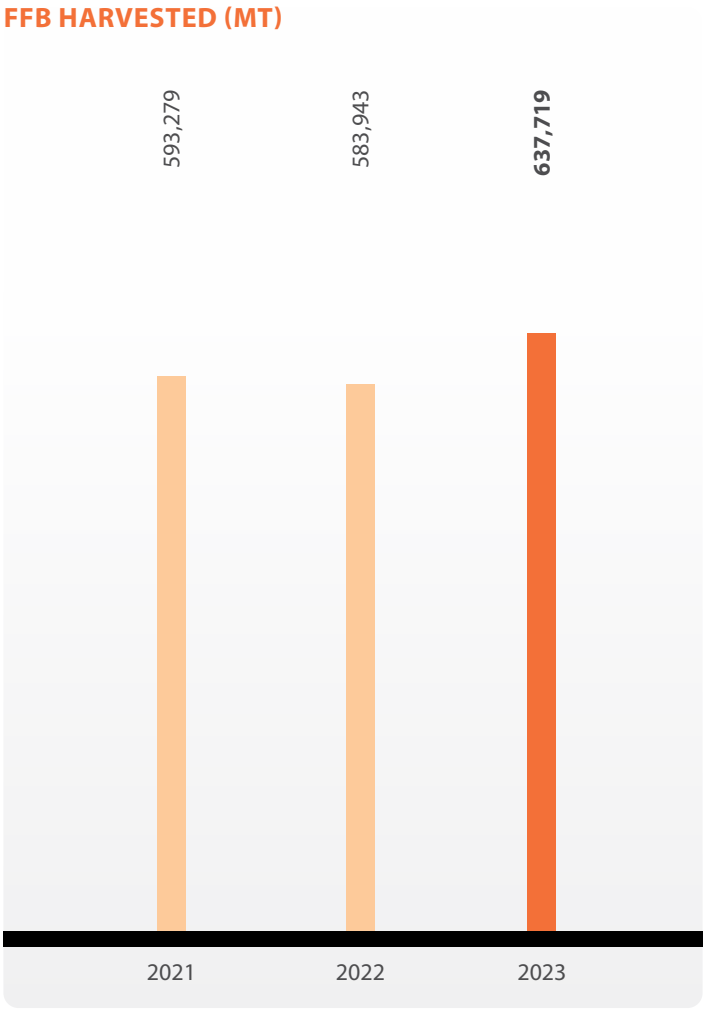
1,176.36 Hectares
owned by Future Golden Development Sdn Bhd

Kuala Selangor,
Selangor

587.00 Hectares
owned by Hap Seng Land Sdn Bhd

Sepang,
Selangor

1,157.00 Hectares
owned by GLM Emerald (Sepang) Sdn Bhd and Sunpoint Resources Sdn Bhd



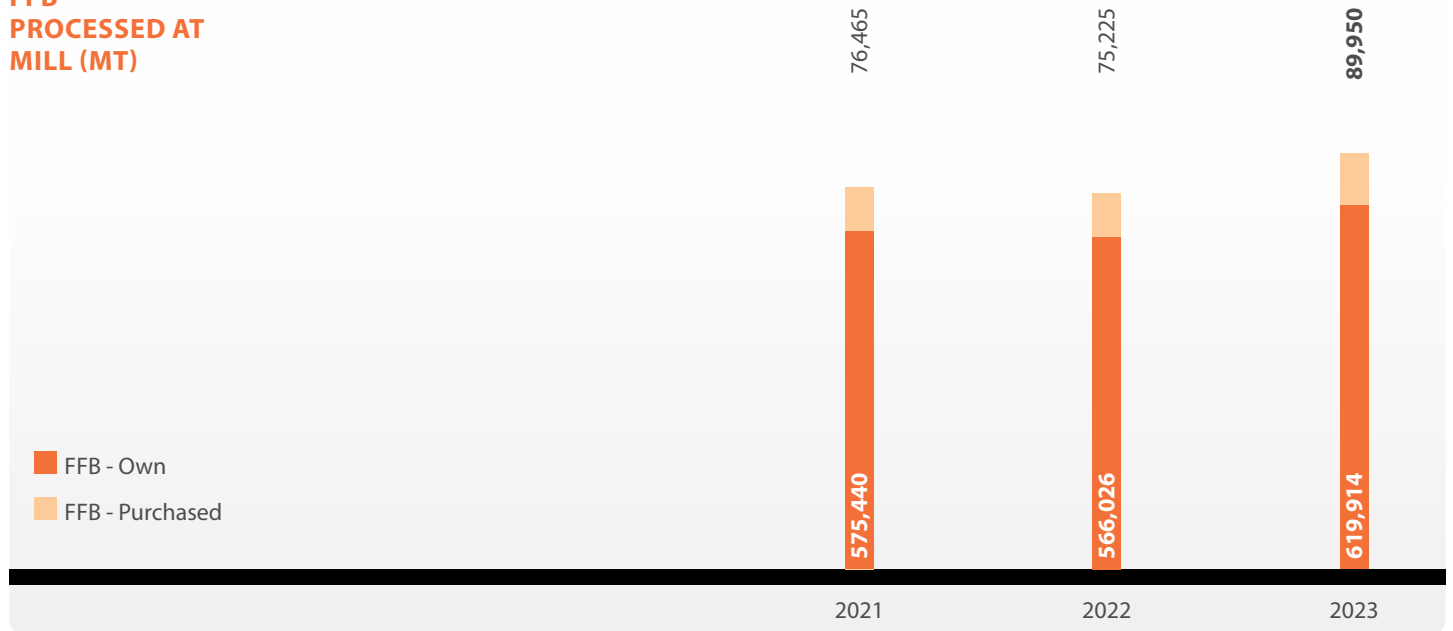
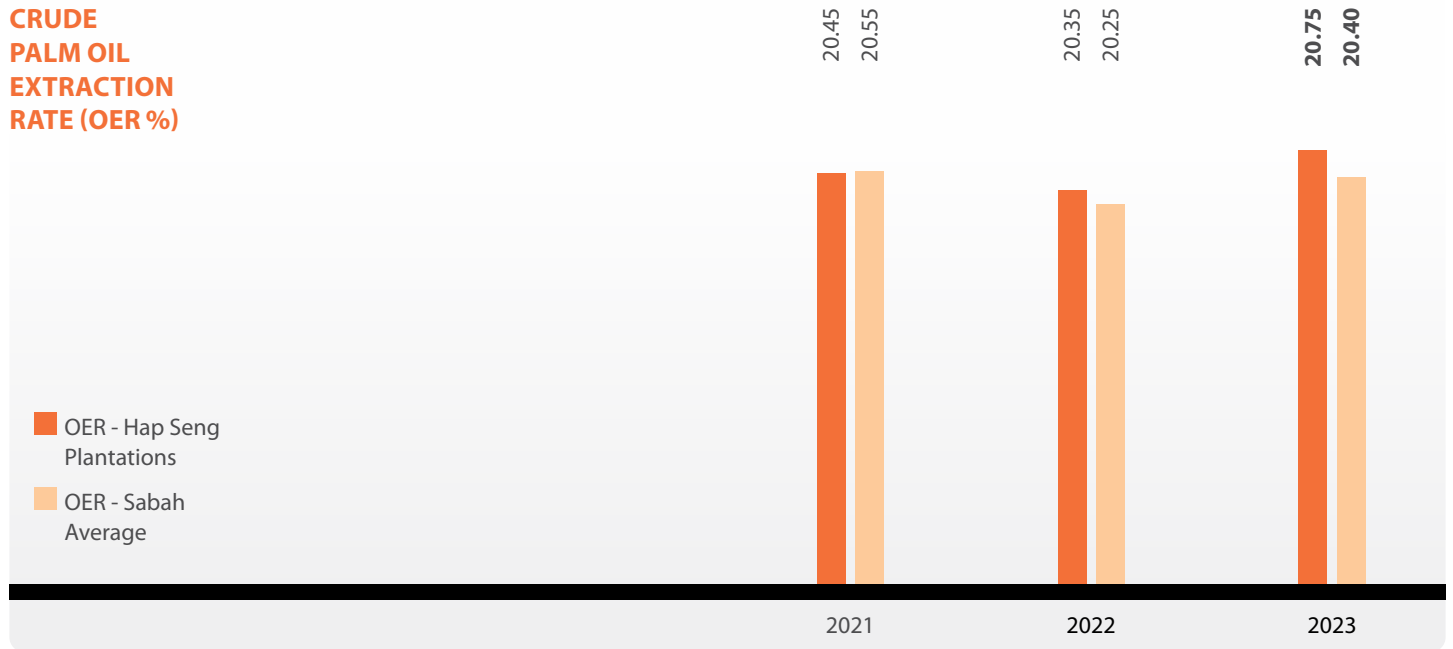
Hap Seng Plantations processed a total of 709,864 MT of FFB in FY2023. 619,914 MT or 87% of FFB were produced by our own plantations while the remaining 89,950 MT or 13% were bought from our neighbouring independent local outgrowers and smallholders.

We operate two IP and two MB mills in Lahad Datu where all of these mills are RSPO and MSPO certified. With a combined milling capacity of 180 tonnes of FFB per hour, our mills produced 147,318 MT of CPO in 2023, with an average OER of 20.75%.

In FY2023, 77% or 549,223 MT of FFB purchased from our own estates and independent local outgrowers and smallholders were processed by our identity preserved mills (JPOM 1 and BPOM), producing 113,946 MT of CSPO.

Our mass balance mills (JPOM 2 and TPOM) handled the remaining 23% or 160,641 MT of FFB, producing 33,372 MT of CSPO.

MARKETPLACE

FFB
PROCESSED AT
MILL (MT)CRUDE
PALM OIL
EXTRACTION
RATE (OER %)

MARKETPLACE

Benchmarking our Practices

Highlights		
Certifications	Unit Certified	Remarks
RSPO	All mills & 81% landbank as at 2023	As of 2023
MSPO	All mills & 100% landbank*	Since Feb 2018
MSPO SCCS	All mills	Since Dec 2019
ISCC EU	All mills	Since 2017
HACCP	All mills	Since June 2017
MS ISO/IEC 17025	Plantations Central Laboratory	Since Oct 2018
HALAL	All mills	Since Sept 2019
MeSTI	All mills	Since Sept 2020

* Not including 81 hectares of land adjoining to the existing land of which the land title is currently under application

ZSL SPOTT RANKING

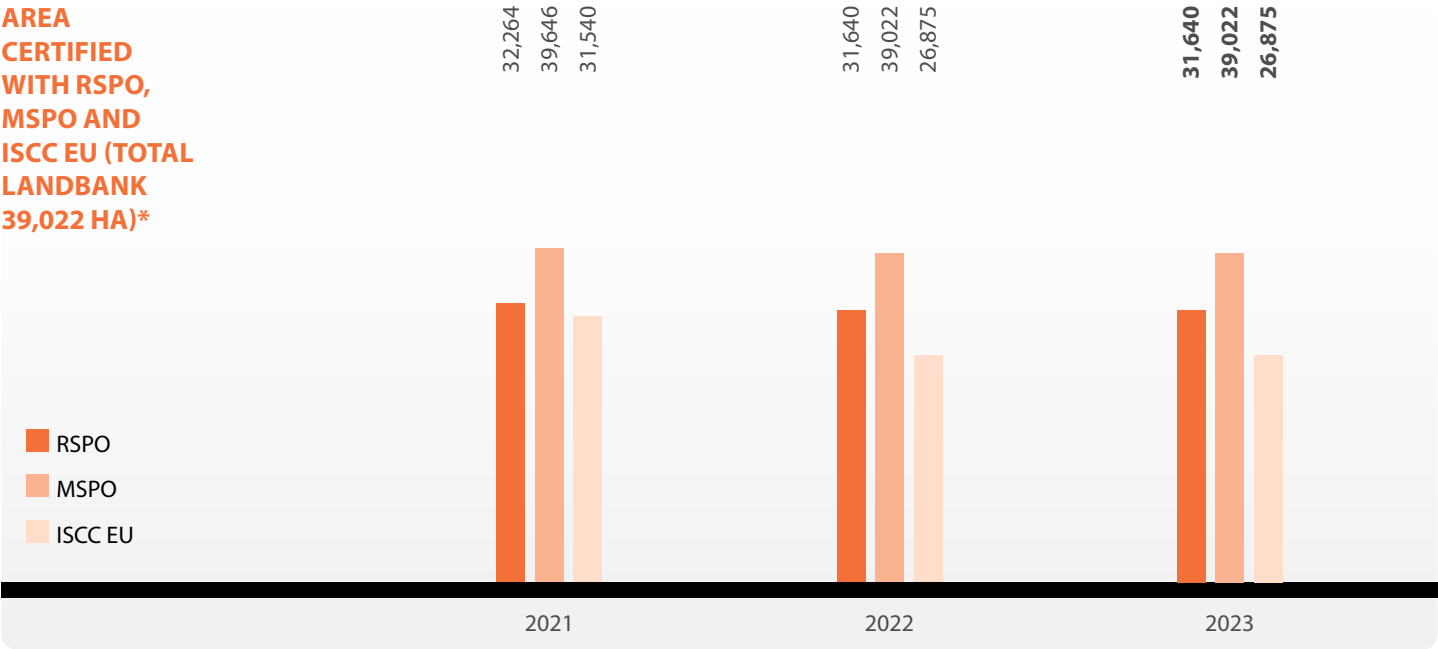


17th Globally



4th in Malaysia

AREA
CERTIFIED
WITH RSPO,
MSPO AND
ISCC EU (TOTAL
LANDBANK
39,022 HA)*



* Total landbank of 39,022 hectares not including 81 hectares of land adjoining to the existing land of which the land title is currently under application.

* Total landbank reduce from 39,646 Ha to 39,022 Ha.

MARKETPLACE

In FY2023, Hap Seng Plantations improved its SPOTT ranking to forth position amongst the assessed Malaysian plantation companies with an overall score of 83.0%, an improvement of 1.2% as compared to the score of 81.8% registered in FY2022.

SPOTT assessment provides detailed snapshot of corporate transparency on sustainability performance. Hap Seng Plantations is currently amongst the 100 plantation producers/ processors/ traders tracked by SPOTT, which represent around half of land banks under oil palm cultivation globally. Hence, SPOTT assessment provides industry stakeholders with a comprehensive overview of the state of the market as well as specific insight into our progress.

Year	Score (%)	Overall Ranking	Ranking (Malaysia Plantation Companies)	Ranking (RSPO Member Companies)
Nov 21	78.6	13 (out of 100 assessed companies globally)	3	13
Nov 22	81.8	14 (out of 100 assessed companies globally)	3	14
Nov 23	83.0	17 (out of 100 assessed companies globally)	4	17

* Please refer to <https://www.spott.org/palm-oil/> for the HSP SPOTT ranking.

Hap Seng Plantations achieved various international and local certifications, including standards such as RSPO, MSPO, MSPO SCCS, ISCC EU, HACCP, ISO/IEC, HALAL and MeSTI.

In order to improve the quality and safety of our products, CPO washing plants were installed in November 2021 for BPOM and December 2021 for JPOM 1. Both plants were successfully commissioned in January 2022. The main function of a CPO washing plant is to reduce the level of 3-monochloro-1,2-propanediol, its esters (3-MCPDE), and glycidyl esters (GE) by removing the chloride in CPO. Due to the formation of 3-MCPDE, which can be triggered by the presence of chloride in CPO, the total chloride content in CPO is currently a critical quality factor that buyers closely monitor and has raised concerns on its potential health risks to humans. As part of the CPO washing process, chloride free water is added into CPO in an amount of 5-10% by weight of the crude oil.

Soil Management Practices

Hap Seng Plantations adhere to best soil conservation practices as part of soil nutrient management, which determine our crop yield and quality. We employ good agriculture practices by using both cultural and biological methods such as planting leguminous cover crops to reduce soil erosion and improve crop quality.

We also construct earth terraces, silt pits and bunds, and maintain natural covers along palm avenues. As a measure to prevent soil erosion, we do not cultivate on slopes with a gradient of 25 degrees or more. EFB, oil palm trunks and fronds are mulched, composted and recycled as organic materials to maintain soil properties at an optimum level.

The recycling of nutrient-rich organic matters such as EFB, POME and belt press solids as fertiliser is another common practice with multiple benefits. Reusing of biomass as fertiliser helps to reduce our reliance on agrochemicals, reduce our costs and mitigate our GHG emissions. To further enhance recycling of nutrient-rich organic matters, we have planned to build a fiber mat plant at JPOM 1.

MARKETPLACE

Our Sustainability Agriculture Policy explicitly prescribed “no new development on peat areas regardless of depth” and this has been the practise. Similarly, nine out of 11 independent local outgrowers and smallholders who have committed to implementing RSPO and MSPO certifications have agreed to adopt similar commitment as well as BMP for soils and peat from Hap Seng Plantations as these commitments follow the requirements set by RSPO and MSPO.

Integrated Pest Management

IPM is one of the Good Agricultural Practices that Hap Seng Plantations deploys to control pests, pathogens and weeds so as to minimise the use of chemical pesticides. In order to control the nettle caterpillar population, which is one of our biggest pest control challenges, we planted more than the recommended 10 metres of beneficial plants per hectare of oil palm. These plants, which includes *Tunera subulata*, *Antigonon leptopus* and *Cassia cobanensis*, provide a natural habitat for predators of nettle caterpillars, as well as bagworms.

Other preventative measures include the establishment of fast-growing leguminous covers to accelerate decomposition of palm biomass. This prevents biomass from becoming a breeding ground for *Oryctes rhinoceros* beetles, one of the major pests afflicting the palm oil industry.

We have also introduced a type of beneficial fungus (*Beauveria bassiana*), which is parasitic on various oil palm damaging arthropods, as well as a natural insecticidal bacterium (*Bacillus thuringiensis*) as natural pests control measures.

Several other natural, cultural and mechanical pest control strategies have also proven effective. Pheromone traps are used across our estates to reduce the populations of Apogonia beetles, Rhinoceros beetles, Cockchafrs and Odoratus, while diverting them from damaging the immature oil palm plantings. This method has helped us to reduce the use of synthetic pesticides such as Cypermethrin.

Selective Chemical Application

We do not undertake blanket spraying of herbicides at Hap Seng Plantations. Weeds are treated on a block basis following an analysis of the problem in the area. Herbicide usage in plantation is usually cyclical and will increase with more new or immature plantings.

We are currently using 31 types of agrochemicals in our plantations for weeds and pests control. Four of the chemicals are listed in the UN Rotterdam and Stockholm conventions. Two of the listed chemicals are only used in the nursery, while the other two are used to target specific pests. To minimise the usage of such chemicals, we regularly conduct P&D surveillance and monitoring. Chemical treatment is only implemented when the pest damage surpasses critical thresholds that have been established. To accurately assess the extent of pest infestation, we deploy census gangs to conduct surveys. This helps us make informed decisions on whether chemical treatment is necessary and to what degree it should be applied.

Since 2011, we have banned the use of paraquat in our plantation as paraquat was highlighted by our stakeholders as a chemical of concern due to widespread misuse. Since our engagement with the independent local outgrowers and smallholders in 2017, nine out of 11 independent local outgrowers and smallholders have committed to adopt a “no use of paraquat policy” as this policy comply with the requirement set by RSPO and MSPO. We (including all suppliers) are also committed to reduce and phase-out in stages by 2045 (when new alternate chemical is available) the use of pesticides that are categorized as World Health Organization (WHO) Class 1A and 1B pesticides and other chemicals specified in the Rotterdam and Stockholm conventions. Additionally, pollution prevention measures are implemented to prevent surface water runoff from the oil palm fields. Our employees are trained not to spray any chemical within the riparian buffer, which is maintained along the natural waterways throughout the plantation to minimise chemical runoff into streams. Regular monitoring of stream water quality is also performed to ensure that the water quality remains at an acceptable level. Based on the pesticide usage recorded in FY2023, none of the pesticide used was categorized as Class 1a or Class 1b.

MARKETPLACE

Pesticide use	Pesticide Toxicity Categorisation	Unit	FY2023
	Pesticide categorised as extremely hazardous (Class Ia)	Kg or Litre	0.00
		Volume per Ha	0.00
	Pesticide categorised as highly hazardous (Class Ib)	Kg or Litre	0.00
		Volume per Ha	0.00
	Pesticide categorised as moderately hazardous (Class II)	Kg or Litre	907.00
		Volume per Ha	0.40
	Pesticide categorised as slightly hazardous (Class III)	Kg or Litre	49,637.55
		Volume per Ha	17.09
	Pesticide categorised as unlikely to present an acute hazard (Class IV)	Kg or Litre	25,183.53
		Volume per Ha	7.78

SUPPLY CHAIN MANAGEMENT

Currently, 5.4% of the FFB purchased from our third-party suppliers (independent local outgrowers and smallholders) are RSPO or MSPO certified as five out of the 11 independent local outgrowers and smallholders have successfully obtained both RSPO and MSPO certifications, while another three have obtained the MSPO certification as of December 2023. The three RSPO certified outgrowers and smallholders have been sending their crop to our identity preserved mill at BPOM since August 2020 while another two RSPO certified outgrower have been sending their certified crop to mass balance mill at JPOM 2 since August 2022 onwards. This is expected to contribute to the volume of our certified products in the near future.

To ensure that we stay on track to achieve our goal of delivering 100% RSPO certified CPO from all our mills, we continue to engage with these suppliers to raise awareness of sustainable palm oil and the benefits of getting certified. One of the remaining outgrowers and smallholders has committed to implementing RSPO and MSPO, while the other two have not made a commitment.

Those who have made commitment to obtain RSPO and MSPO certifications have adopted sustainability policies from Hap Seng Plantations as these policies align with the RSPO and MSPO requirements. Hap Seng Plantations will assist these independent local outgrowers and smallholders by conducting independent internal audits on them at least twice a year to gauge their compliance to our company policies. In FY2023, we conducted two internal audits on all nine independent local outgrowers and smallholders.

Nine out of 11 independent local outgrowers and smallholders have also committed to our sustainability policies that cover no planting on peat soil, zero burning, no deforestation, biodiversity conservation, protection of rare, threatened and endangered (RTE) species, human rights, Free, Prior and Informed Consent (FPIC) and the protection of HCV areas.

In FY2023, Hap Seng Plantations continued to provide free technical support (including training, policy implementation and the development of SOP and training facilities to assist the independent local outgrowers and smallholders in achieving their RSPO and MSPO certifications. The cost for technical support was estimated at RM200,000 per outgrower or smallholder.

We also hope that the study undertaken by RSPO in demonstrating the various benefits of sustainable practices and increase in productivity would be a pulling factor in convincing the independent local outgrowers and smallholders to pursue RSPO certification.

MARKETPLACE

The 11 suppliers are all located in the Kinabatangan region of Sabah. Their locations are listed in the coordinates below:

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	JPOM 2
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	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	TPOM
10. Casem Sdn. Bhd. & Sangi Enterprise Sdn. Bhd.	5°26'59.0"N	118°35'09.7"E	JPOM 2
11. Korporasi Pembangunan Desa	5°34'46.9"N	117°50'30.5"E	TPOM

Companies in bold are RSPO & MSPO accredited. Some of the companies supplying to more than one mill.

* Previously the land was managed by Chin Hock Vui.

We are committed to a full traceable and transparent supply chain whereby our products can be traced back to its source. However, we also recognise that a large part of our footprint lies beyond our operations. Realising that our suppliers are critical in our sustainable and traceability goals, we proactively approached our 11 independent local outgrowers and smallholders since 2017 to raise awareness on sustainable palm oil and the benefits of becoming certified.

Certification Journey with Our Outgrowers and Smallholders

	2021	2022	2023
No. of supplier committed to obtain RSPO & MSPO certifications	8 (+1)	9 (+1)	9
Obtained RSPO & MSPO certifications	3	4 (+1)	5 (+1)
Obtained MSPO certification	3 (+2)	3	3

MARKETPLACE

87% of our FFB originates from our own plantations while the remaining 13% are from third parties. The encouraging support motivated us to allocate significant efforts and resources in helping all 11 independent local outgrowers and smallholders in obtaining RSPO and MSPO certifications.

Mill	Origin of FFB Sources	
	Own Plantation	Third Party
JPOM 1	299,324 MT (99.78%)	663 MT (0.22%)
JPOM 2	5,238 MT (11%)	43,834 MT (89%)
TPOM	94,499 MT (85%)	17,070 MT (15%)
BPOM	220,853 MT (89%)	28,383 MT (11%)
Total	619,914 MT (87%)	89,950 MT (13%)

We have established a taskforce in 2017 to monitor the traceability of our products and had developed and implemented the “Traceability and Supply Chain Standard Operating Procedure” with the following purposes:

- Procedure for identifying, segregating & recording the estate and mill products by suitable means during all stages of reception, production, storage and delivery.
- Procedure for recording the Certified Sustainable Fresh Fruit Bunch (CSFFB) and conventional FFB by suitable means from harvesting and during stages of loading.
- Procedure for recording the CSFFB and conventional FFB by suitable means from reception and during stages of CSPO, CPO, CSPK and PK dispatch to refinery.
- Procedure for documented recording of the CSPO and CSPK delivery from mill to refinery/ bulk transit installation (external)/ buyer's vessel.
- Procedure for documented recording of the CSPO and CSPK during the development of the contract agreement, purchase order, and after delivery/ sales of the product has been made.

We have achieved full traceability of the FFB that we procure through our efforts. Furthermore, of the traceable FFB, 79.50% are RSPO certified.

Traceability



100%
to FFB sources

Traceable and
RSPO Certified

79.50%
of Certified &
Sustainable FFB

WORKPLACE

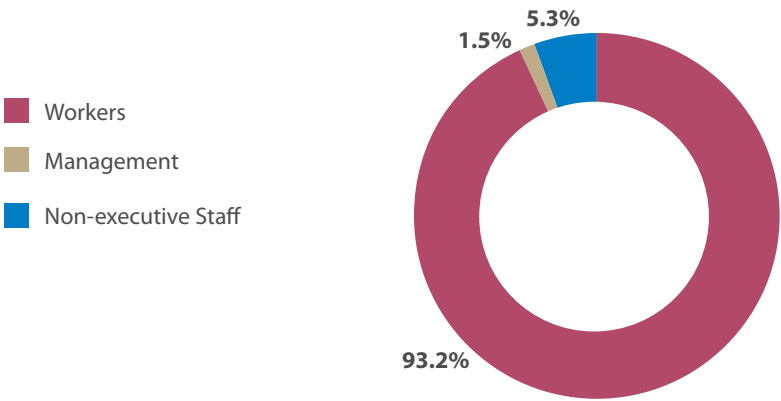


WORKFORCE DIVERSITY



Hap Seng Plantations employs 8,046 people, reflecting the typical composition found in the plantation sector. Approximately 92% of our employees are manual workers based in the field and mill.

EMPLOYEES BY EMPLOYMENT CATEGORY



WORKPLACE

Supporting Women in Our Workplace

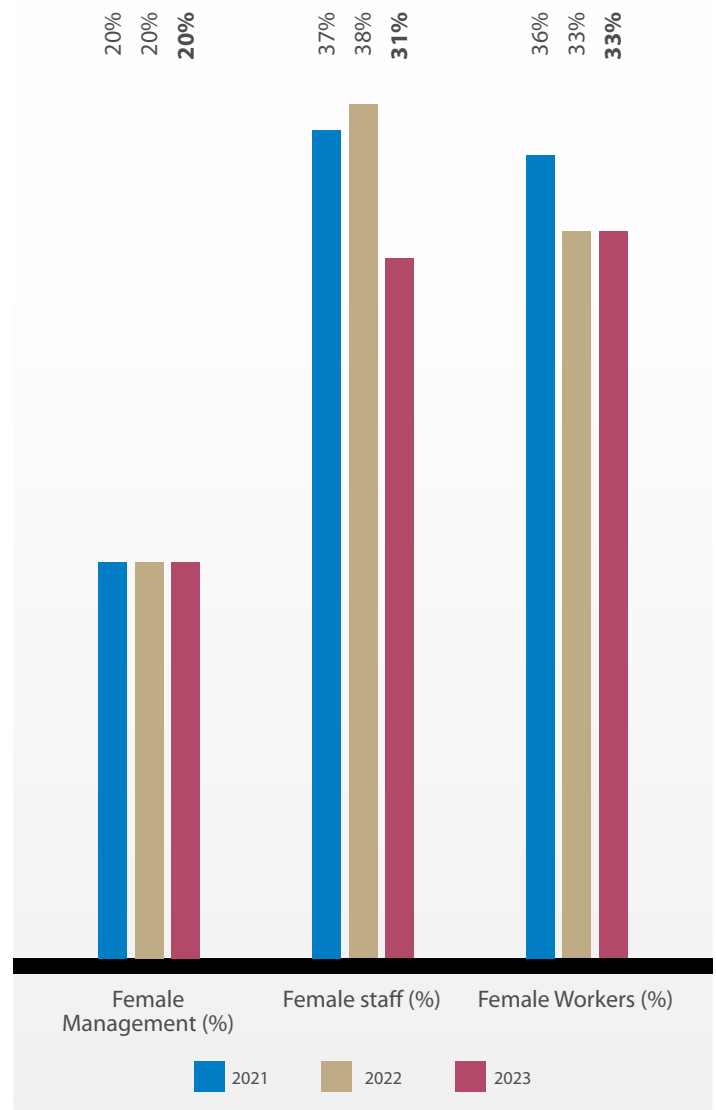
Hap Seng Plantations is committed to providing equal employment opportunity to all employees and does not discriminate based on gender. We also encourage married couples to apply for job openings, which can contribute to a more stable workforce.

We plan to improve our gender balance at the management level, where women are currently not well represented. This is partly due to relatively lower number of women educated in agricultural disciplines that working in plantation industry from which we draw our management candidates. We have two women in senior position and they sit on the company's board. While we have four female in the Senior Executive/ Managerial level.

Lower representation of female employees can be partly attributed to the physically demanding job nature of the plantation industry. We are exploring ways to enhance the educational resources available within our plantations for their children to ensure that they have the support they need to succeed in their career.



WOMEN IN HAP SENG PLANTATIONS



WORKPLACE

LABOUR PRACTICES AND STANDARDS

All our workers are paid the required base wage of RM1,500 per month. This is the state minimum wage requirement since May 2022 as stipulated under the Minimum Wages Order 2022.

Beyond the base wage, workers are paid an additional daily rate based on tonnage of harvest, maturity of the field worked, and specific work tasks. During peak harvesting months, workers have the opportunity to earn up to RM4,000 per month based on the amount of FFB they harvested. However, due to the seasonal nature of our operations, earnings may vary throughout the year, which can make it challenging to manage workers' expectations. To address this issue, we periodically review wages to prevent income fluctuations and reduce potential worker dissatisfaction.

Job Title	Wage Ratio (male to female)
GENERAL COOK	1.036
ESTATE CLERK	1.049
LABORATORY TECHNICIAN	0.865
MILL CLERK	1.000
PURCHASING CLERK	1.104
STORE CLERK	1.355
CHIEF CLERK	1.024
ACCOUNTS EXECUTIVE	0.681
ADMIN EXECUTIVE	0.924

Note: The variance in salary between staff and executives is influenced by the duration of their tenure with the company.

In Hap Seng Plantations, there is no disparity in daily wages between male and female employees in roles such as sprayer, P&D worker, and general worker.

Freedom of Association & Rights to Collective Bargaining

We recognise the right of our employees to form and join unions. We also have a grievance procedure that enables employees to raise issues and seek redress. There was no harassment case reported throughout the year under review.

Addressing Undocumented Workers

Sabah's long coastline and proximity to neighbouring Indonesia and the Philippines present challenging conditions for the government to manage its borders.

We take specific measures to ensure that all our plantation employees are legal. To achieve this, we often hire new workers recommended by our existing employees. Individuals who do not have proper documentation for legalisation process will be asked to return to their home country and apply for proper permits.

We bear all the costs and expenses for legalizing the workers. Each worker is required to retain their own passport for safekeeping.

WORKPLACE

Children in Our Plantations

We do not allow children or young person under the age of 18 to work in our estates. We conduct regular spot checks, and for the reporting period there were no reported incident of child labour.

We believe that the best means to eradicate child labour is the provision of decent quality education, in which we have been supporting through HUMANA schools and various children education initiatives.

Free Access to Clean and Safe Water for Our Workers

In FY2019, we have completed the establishment of three water treatment plants and are currently able to produce sufficient treated water to cater to our employees living in our plantations except for Pelipikan Estate (Kota Marudu region), which is still relying on rainwater harvesting. The delay in setting up water treatment plant at Pelipikan Estate was due to geographical factors. It was challenging to find a strategic location for the water treatment plant with sufficient water catchment within the terrain of Pelipikan Estate. In the meantime, the supplied rainwater is continuously being monitored to ensure the quality meet the National Water Quality Standards as regulated by the Malaysia's Ministry of Health. Such rigorous monitoring is also being conducted on the treated water supplied to the workers.



WORKPLACE

Addressing Security Issues for Our Workers

We are currently taking measures to enhance the security of residential areas in our estates. In addition to maintaining close communication with security forces, particularly the Royal Malaysian Police, a number of specific security enhancements have been made.

These include improving communications among security personnel and the establishment of early warning systems at the main entrance and exit points across Sungai Kretam and Sungai Segama.

Capacity Building

The Board of Directors endeavours to consistently acquire essential knowledge related to sustainability management, enabling well-informed decision-making. The Board of Directors recorded 139.5 hours of training in FY2023 which consist of ESG-related trainings such as ESG governance, climate risks and opportunities, disclosure requirements in accordance with International Sustainability Standards Board (ISSB) requirements and cybersecurity. List of training programme in which the Board of Directors engaged during FY2023 is available on page 27 of Hap Seng Plantations Annual Report.

At Hap Seng Plantations, all staff and executives must undergo a 15-module Oil Palm Agriculture Policy (OPAP) programme that consist of best practices in estate management. A passing grade is mandatory for staff members and executives to advance in their work. From 2016 to 2023, additional syllabus on RSPO, MSPO, ISCC EU and Health and Safety were included to the programme, ensuring that staff and executives are well equipped to maintain and support our certification programme and safety efforts.

No	Training	Target Employees	Objective of Training	Schedule	Number of Employees Trained in FY2023
1	Oil Palm Agriculture Policy	All executives and staff from estates.	To educate staff and executives on good agricultural practices.	6 months (Feb to July) every year with examinations.	73
2	First Aider Training	All executives, staff, mandors and workers from estates and mills.	To train all individuals in charge of work units at estates and mills on first aid principles and kit.	Every three years (in 2020, it took place on 1 – 2 July 2023).	160
3	RSPO, MSPO and ISCC EU	All executives and staff from estates and mills.	To provide training on RSPO/MSPO/ISCC EU principles and criteria for all estates and mill operating units.	Annually.	73
4	Safety and Health	All executives and staff from estates and mills.	To regularly educate and promote awareness on safety measure at workplace.	Annually.	20
5	HACCP	All executives and staff from mills.	To educate on food safety and HACCP requirements.	Annually.	52
6	HALAL	One HALAL executive and five committee members for each mill.	To educate on food safety and HALAL requirements.	Annually.	697
7	MeSTI		To educate on food safety and MeSTI requirements.	Annually.	697

WORKPLACE

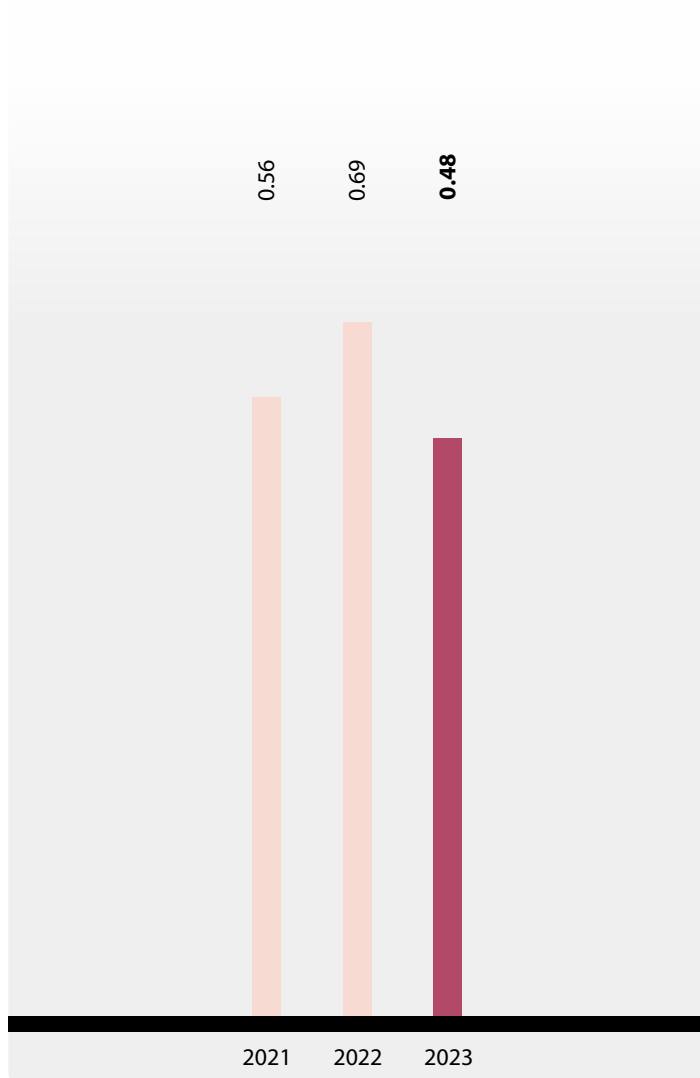
HEALTH AND SAFETY



Hap Seng Plantations seeks to provide and maintain a safe and healthy working environment for all employees, contractors and visitors. In this respect, our commitment to safety is to ensure a continuous reduction in the number of accidents in our operations, while continuously instilling a safety-first mindset in our employees' daily work culture.

All our workers are covered by the Foreign Workmen Compensation Scheme, a general insurance policy that covers both injuries and fatalities.

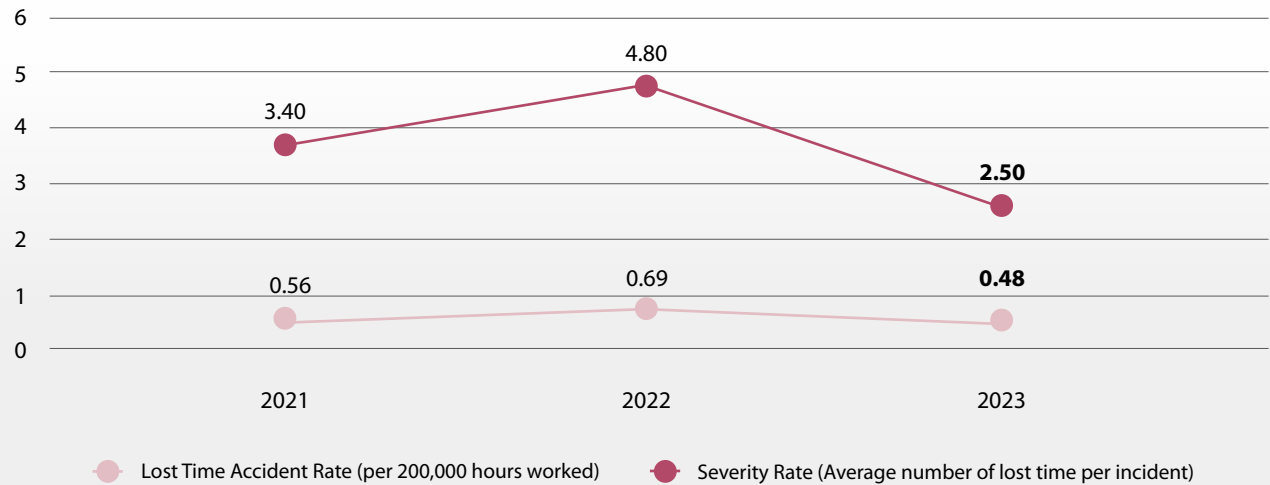
**LOST TIME ACCIDENT RATE
(INCIDENTS PER 200,000 HOURS WORKED)**



WORKPLACE

No fatality was recorded in FY2023 while the Lost Time Accident Rate (LTAR) decreased by 14% from 0.56 per 200,000 hour worked in FY2021 to 0.48 per 200,000 hour worked on FY2023. The severity rate average amount of lost time per incident decreased by 26% from 3.40 workday per incident in FY2021 to 2.50 workday per incident in FY2023.

LOST TIME ACCIDENT RATE



Our SOP requires all accidents to be reported and recorded at our clinic while the Occupational Safety & Health (OSH) Committee will conduct a thorough review on the cause of the accident and outline recommendations and actions that need to be taken to prevent future recurrence. The findings of each review are reinforced by safety training and re-training on the use of proper protective equipment to minimise future risks. Investigation reports are kept and maintained at each estate and oil mill.

Based on investigation, critical accident recorded this year was due to accident sustained while employee commuting to and from the workplace, which was also the main contributor to the increase of accident severity rate. We have therefore provided regular intensive training, specifically focusing on road safety.

In addition to reactive programmes, we also carry out preventative actions to ensure a safer working environment. Our OSH Committee conducts workplace inspections and provides regular in-house OSH training. Safety and warning signs are clearly positioned at the workplace. Whenever an accident or incident occurs, the OSH Committee will investigate its cause, reviews the SOP, and considers new control measures to prevent recurrence of such incident in the future.

Handling of Chemicals

In FY2023, Hap Seng Plantations deployed the use of drone for chemical spraying as an alternative in our pest and disease management. This innovative technology effectively reduces the risk of chemical exposure to our employees.

Despite the drone technology is in its early phase, we believe that this system able to reduce the risk of chemical exposure to our employees, improve productivity, and optimise workforce utilisation.

To ensure safety, our chemical handlers receive continuous safety training in chemical handling. All sprayers are required to wear full-body personal protective equipment (PPE) and shower after each shift.

Assistant managers and field conductors are responsible for ensuring compliance with safety procedures, which is regularly monitored through internal safety audits.

WORKPLACE

Spraying crews must attend a health check every three months, with particular emphasis on the health of women workers. Pregnant workers are assigned lower-risk tasks, such as general work and are given maternity leave after delivery.



Challenges in Changing Work Habits

The main obstacle we face when pursuing our health and safety goal is dealing with the attitude of workers towards health and safety. Based on our investigation, we found that many workers do not prioritise safety training as it requires them to be away from the field, which can result in reduced income. To address this reluctance, we have been emphasising the personal benefits of safety training as an investment, as a reduced risk of accidents is directly linked to increased productivity and higher income.

In this regard, we are employing the following strategies to achieve our objectives.

Our safety management plan includes:

- Annual training of SOP for each work unit.
- Daily monitoring of the work activity in each work unit by management representatives.
- Induction training on SOPs for every new employee.
- Safety committee meetings between management and worker representatives held on a quarterly basis to discuss actions required to improve the SOP of each work unit.
- Periodical reviews on Hazard Identification Risk Assessment and Risk Control (HIRARC) in order to improve control measures and reduce the risk of accidents.

Implementation of specific safety procedures, including:

- Implementation of a Log Out Tag Out (LOTO) system in mills. LOTO increases machine handling safety, especially during maintenance, by locking the switchboard to prevent accidental activation.
- Implementation of Permit To Work (PTW) for high-risk and/or non-routine work - for example working at height, in extreme temperatures and in confined spaces. PTW is only issued to individuals qualified to do the work, thereby ensuring compliance with SOPs.
- Quarterly workplace safety inspections/audits conducted by a Safety Committee member to review any safety measures requiring improvement.
- Train workers on HIRARC for each work task to help them better understand task-specific hazards.
- Engaging external occupational safety and health trainers, such as the National Institute of Occupational Safety and Health (NIOSH) and BOMBA, to conduct Authorised Entrant and Standby Person (AESP) competency training and PPE fit test training.

All our estates and mills are required to undergo routine Chemical Health Risk Assessments (CHRA). The CHRA is conducted once every five years to assess chemical hazards to health and ensure compliance with the Use and Standard of Exposure Chemical Hazardous to Health (USECHH) Regulation 2000.

ENVIRONMENT



ENVIRONMENT STEWARDSHIP



Achieved GHG emissions intensity of below
1.0 MT CO₂-e / MT CPO
ahead of target timeline of 2022



Maintaining POME BOD level below
20 PPM



ZERO fire incident

1,056.74 Ha
set for Riparian Area

1,401.98 Ha
set for HCV Area

EMISSIONS MANAGEMENT

Hap Seng Plantations recognise that climate change is a major threat to the earth, and we are committed to monitor and reduce our carbon emissions. We established our GHG emissions baseline in FY2014 by using the RSPO PalmGHG Calculator v2.1.1. RSPO introduced the new PalmGHG Calculator v4.0 in 2019 and since then, we have calculated our data using this latest version.

In FY2023, our net carbon emissions per tonne of CPO reduced by 10% as compared to FY2022. The significant reduction was attributed to the commissioning of a new biogas facility at BPOM and reduction in the emissions from land use change due to reclassification of more oil palm planted areas as planting 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.

Mills	MT CO ₂ -e/MT CPO (INCLUDING SCOPE 1 & SCOPE 2)			
	2019 Baseline	2021	2022	2023
JPOM 1	0.56	0.75	0.62	0.58
JPOM 2	1.62	1.11	1.30	1.33
BPOM	1.44	0.88	0.58	0.69
TPOM	1.34	1.29	1.22	0.59
Average	1.08	0.94	0.68	0.61

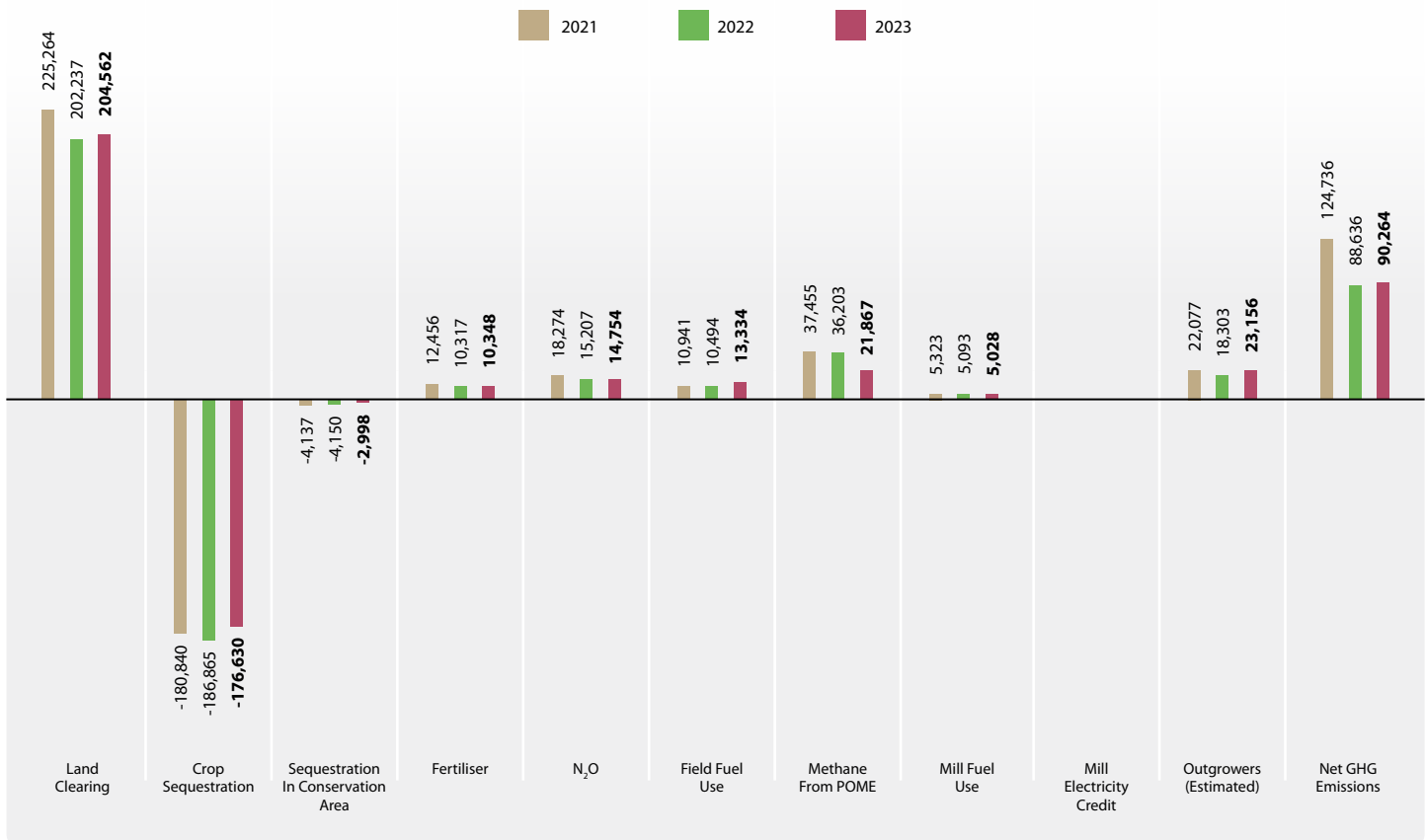
Note that the 2014 figures were calculated using RSPO PalmGHG v2.1.1. For 2016, 2017 and 2018 the figures used the PalmGHG v3.0.1 while for figures from 2019 onwards are based on the PalmGHG v4.0. RSPO advises that recalculation is not necessary.

ENVIRONMENT

We have also aligned our emissions to GHG Protocol using the data from PalmGHG. Direct GHG emissions (Scope 1) contributed 269,893 MT CO₂-e while the indirect GHG emissions (Scope 2) contributed 110 MT CO₂-e. The GHG emissions significantly reduced by the GHG sequestration and off-set gained from our conservation efforts and natural carbon removal capacity from the planted oil palm trees. GHG reduction from sequestration and off-set accounted for as much as 66% of our gross GHG emissions, resulted in net GHG emission of 90,375 MT CO₂-e.

FY2023	Emissions at MT CO ₂ -e
Scope 1 Emissions	269,893
Scope 2 Emissions	110
Gross GHG Emissions	270,003
GHG Sequestration & Off-set	179,628
Net GHG Emissions	90,375

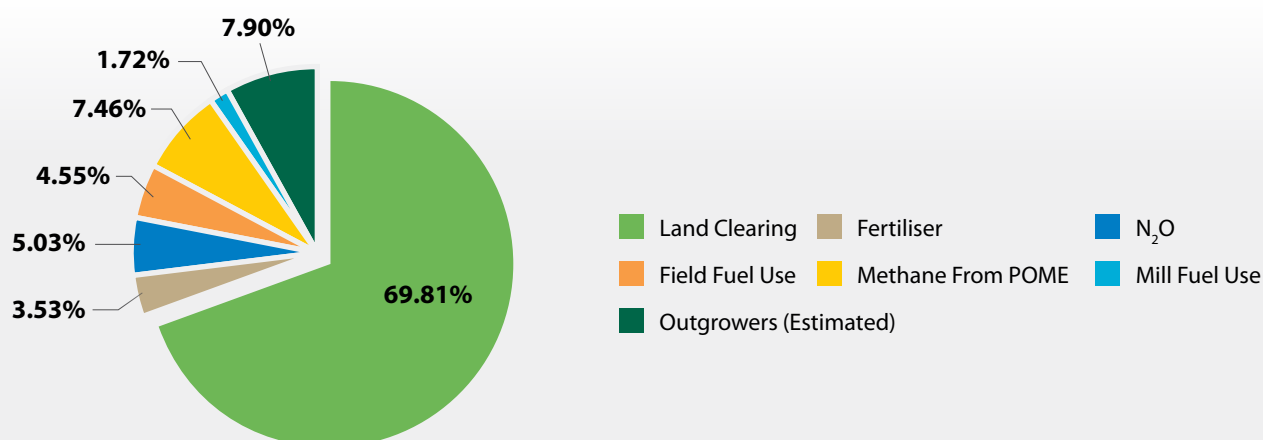
Note: Emissions were based on the output of the RSPO PalmGHG calculator and mapped into scope 1 and scope 2 categories. Scope 2 emissions for Plantations only involve grid electricity consumption, with an emission factor of 0.425 Kg CO₂-e/kWh (Source: Malaysia Energy Information Hub, Suruhanjaya Tenaga).

EMISSION SOURCES AND SINKS (MT CO₂-e)

Note: Peat and POME electricity credits have been omitted, as there are no emissions or offsets in these categories. Net GHG emissions do not include estimated emissions from outgrowers.

ENVIRONMENT

GROSS EMISSION BY SOURCE



To gain a comprehensive understanding of our potential emissions reduction throughout our value chain, we have been quantifying scope 3 emissions. We recognise that full quantification of scope 3 emissions can be a complex and time-consuming process. Therefore, we plan to disclose our data progressively as we continue to develop our internal capacity to improve data accuracy and reliability. In FY2023, we have quantified emissions from business travel for employees as added category of our scope 3 GHG emissions, which are described below.

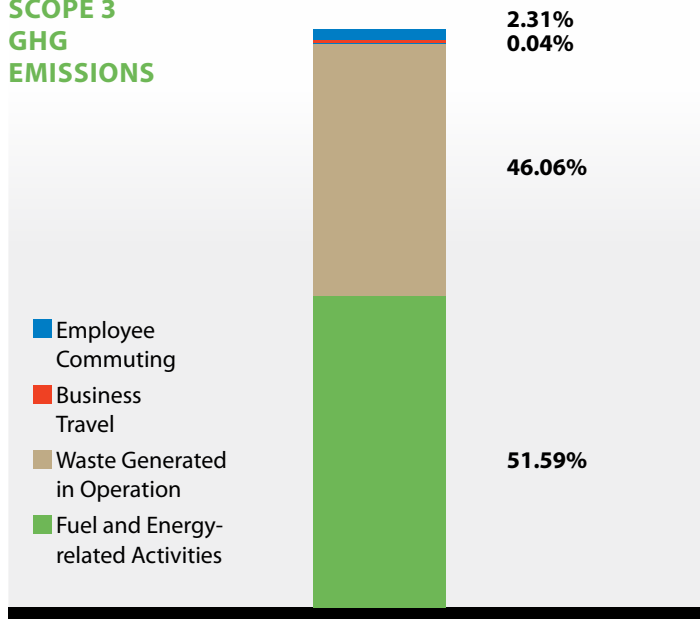
Following describes the four categories of scope 3 emissions that we have quantified in FY2023.

Scope 3 Emissions Category	Description	Data quality
Fuel and Energy-related Activities	Emissions from fuel usage encompassed emissions associated with extraction, refining and transportation of the raw fuel sources prior to combustion.	Fair
	Emissions from electricity usage is associated with transmission and distribution losses with purchased electricity.	
Waste Generated in Operations	Emissions from waste generated is calculated based on the disposal methods (either recycling, reuse or disposal to landfill) of various type of wastes generated from our operations.	Fair
Employee Commuting	Emissions from employee commuting is calculated based on a group-wide survey sent to all the employees for their feedback on mode of transport and their distance workplace commuting distance. The calculation is based on the data from 647 employees surveyed. The survey did not include the field workers from as they are staying within the walking distance from their workplace and general transportation is usually provided by the plantation when necessary.	Fair
Business Travel	Business travel data was extracted from the internal business travel application system, which has been customised to capture distances travelled via different modes of transport requirement for the trip.	Fair

* Subjective evaluation of the data quality of the direct emissions data, activity data, and emission factors. The type of evaluation according to the criteria (Technology, Time, Geography, Completeness, and Reliability) is based on the GHG Protocol Scope 3 standard.

ENVIRONMENT

Our quantification of scope 3 emissions has revealed that majority of the emissions were attributed to indirect fuel and energy-related activities utilised by our operations. A progressive transition plan towards utilisation of renewable fuel sources will help to reduce reliance on non-renewable energy, thereby lowering indirect emissions resulting from production of energy.

SCOPE 3
GHG
EMISSIONS

Indirect emissions from waste generation contributed about 46% to the quantified scope 3 emission. Our current recycling efforts have partially mitigated the emissions from generated waste by reducing the amount of waste sent to landfills. In FY2023, the operations avoided 209,461 MT CO₂-e by recycling and reusing about 331,084 tonnes of waste. Majority of the waste was generated from oil palm biomass, which include oil palm fibre, empty fruit bunches, decanter solids and boiler ash. Oil palm fibre was utilised to generate renewable energy in the boiler for milling process, while the empty fruit bunches, decanter solids and boiler ash were reused for composting as part of soil management and improve the soil nutrient content in the oil palm estates.

Both business travel and employee commuting contributed about 2.4% of the overall measured scope 3 emission. Emissions resulting from employee commuting to work are fully attributable to the consumption of petrol and biodiesel by internal combustion vehicles. However, the emissions contribution from employee commuting is insignificant in plantation compared to other quantified scope 3 emission categories, as most employees reside nearby or within the estate community.

Summary of Scope 3 GHG Emissions

Scope 3 Emission Categories	Unit	Plantations	%
Fuel and Energy-related Activities	T CO ₂ -e	5,267.76	51.59%
Waste Generated in Operations		4,702.50	46.06%
Business Travel		3.87	0.04%
Employee Commuting		235.84	2.31%
Total		10,209.97	

Fire & Haze Management

Though transboundary haze did not occur in FY2023, Hap Seng Plantations continued to strictly abide by the regulations stipulated under the Environmental Quality Act 1974.

In line with our Zero Burning Policy, we established a monitoring team to patrol the perimeter adjacent to the forest reserve on a monthly basis. These patrols aim to identify and report signs of fire, as well as illegal encroachment and illegal hunting in the area.

We monitor fires and fire hotspots of our own and suppliers' estates using the Global Forest Watch Fire Portal. The reports are available on our company website at <https://www.hapsengplantations.com.my/environmental-sustainability.html>. We have recorded zero fire incident since we started the monthly monitoring in 2014.

ENVIRONMENT

ENERGY MANAGEMENT

We use direct energy from fossil fuels, such as diesel and petrol, to operate mechanised equipment and for vehicles to transport FFB from our estates to the mills. Additionally, we use fossil fuels for FFB processing in the mills, as well as for vehicles to transport CPO from the mills to ports or our customers. We also use fossil fuels to provide power to our employees' housing. In FY2023, our estates used a total of 12,374 litres of petrol, for transportation purposes.

We have reduced our reliance of fossil fuel for FFB processing and employee housing through the energy generated by our two biogas plants. We are now focusing on building another biogas facility at TPOM which should further reduce our fossil fuel consumption.

No	Diesel Usage for	Estate/Mill	Volume (Litre)
1	Genset	Mill	512,929
		Estate	1,901,189
2	Transport	Mill	1,070,339
		Estate	3,960,957
3	Process	Mill	28,148

Non-renewable Energy	Renewable Energy
Petrol	Oil palm fibre
Grid Electricity	Biogas
	Biodiesel (B7)

FY2023	Unit	
Non-renewable Energy	MJ	279,348,866.86
Renewable Energy		1,576,313,713.65
Excess Electricity Feed to Grid		0.00
Total Energy Consumption		1,855,662,580.51
Energy Intensity	MJ/MT CPO Sales	12,530.47

Our operations consumed 1.856 billion MJ of energy derived from renewable and non-renewable energy. Renewable energy generated from biogas plant, burning of biomass and utilisation of biodiesel constitute 85% of the overall energy consumption. Dependency on grid electricity and petrol usage was significantly mitigated through high utilisation of renewable energy.

Renewable Energy at Hap Seng Plantations

As a responsible producer, we recognise that the production of palm oil generated waste which must be carefully managed to minimise its impact on the environment. The primary waste resulting from the production of crude palm oil is POME.

In line with our goal of reducing both GHG and BOD levels, we have commissioned two biogas plants to capture methane from POME and convert them into electricity. This process will not only reduce the amount of methane released into the environment but also decreases our dependence on fossil fuels for energy generation. Additionally, the nutrient-rich by-products from our biogas plant can be used to replace costly fertilisers, thereby further reducing our carbon footprint and benefitting our company economically.

ENVIRONMENT

The electricity produced by our biogas plant is currently powering our three mills at JGOE (in Kapis Estate, Batangan Estate and SK Jeroco local school) and SSGOE (in Plantations Central Office, Sungai Segama Estate, Bukit Mas Estate and Humana school).

Year Commissioned	Biogas Facility (quantity)	Energy Produced (kW)	Mill	Beneficiary
2017	one	2017 – 5,988,804	JPOM 1	Workers housing at JPOM 1, JPOM 2, Kapis Estate and Batangan Estate. <ul style="list-style-type: none">• SK Jeroco.• Office area.• Mill 1 and 2 operations.
		2018 – 6,930,471		
		2019 – 8,390,010		
		2020 – 8,424,527		
		2021 – 7,500,903	JPOM 2	
		2022 – 8,287,546		
		2023 – 9,014,794		
		Total = 54,537,055		
2020	one	2020 – 5,042,263	BPOM	Office area, BPOM operation and workers housing (BME & SSE).
		2021 – 6,994,370		
		2022 – 6,386,279		
		2023 – 7,520,129		
		Total = 25,943,041		

WATER MANAGEMENT

We understand that water sources are critical to the environment, human health and wildlife. This confers on us a special obligation as our plantations are located in remote parts of Sabah where we do not have access to public utilities such as piped water. All our drinking water is sourced from treated raw water from the catchment ponds. It is therefore our responsibility to ensure that the quality of the raw and treated water is continuously monitored and meets the National Water Quality Standards regulated by the Department of Environment (DOE).

To protect the natural water resources, we routinely monitor our stream and water discharge. By doing so, we have been able to safeguard the water quality and mitigate any potential negative impacts from our operations.

Hap Seng Plantations practice water resource management guided by a water management plan. This plan is revised annually to ensure our water sources are well managed and protected.

The water management plan covers various aspects of water usage and conservation as follows:

- Maintenance of riparian reserves to minimise soil run-off and act as a filter to preserve the quality of water entering the waterways.
- Growing legume 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.

We are utilising water sourced from ponds and rainwater for our operations and domestic consumption. In FY2023, we have withdrawn 8,819 ML of water. Aside from ensuring water security within our operations, we also committed to ensure the generated wastewater is treated and discharged in accordance with the Environmental Quality Act 1974. Most of the 817 ML of wastewater was discharged as treated POME which was eventually utilised for field irrigation purposes within our estates. Analysis using the World Resources Institute's Aqueduct Tool shows that none of our estates and mills are in water-stressed areas. Nevertheless, we continue to utilise rainwater harvesting facilities at our buildings as a cost-saving measure and to mitigate potential future water stress resulting from climate change. Additionally, using rainwater reduces the need of chemicals for water treatment.

ENVIRONMENT



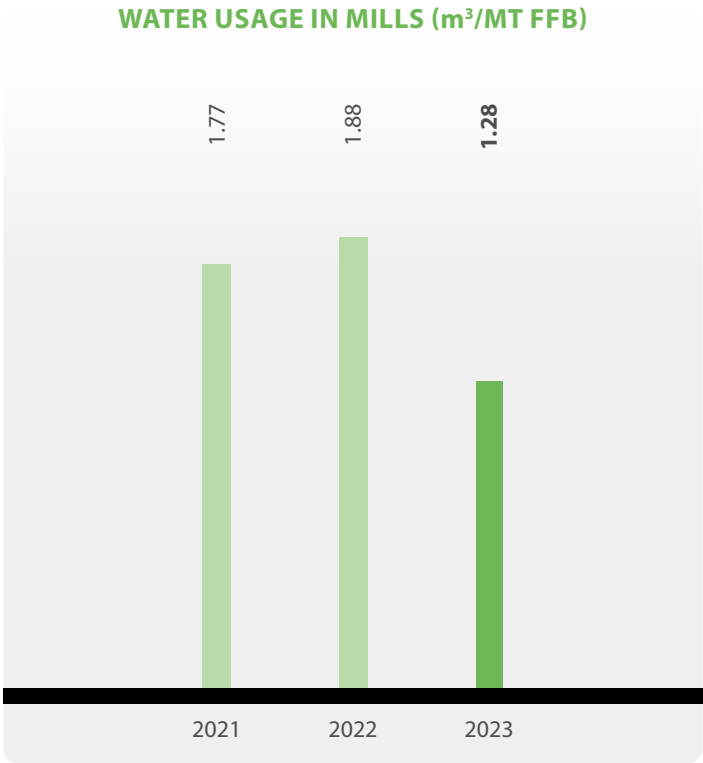
FY2023	Source of Water Withdrawal (ML)	
	Freshwater (≤1,000 mg/l Total Dissolved Solids)	Freshwater (>1,000 mg/l Total Dissolved Solids)
Surface Water	8,819.01	0.00
Groundwater	0.00	0.00
Seawater	0.00	0.00
Third-Party Water	0.00	0.00
Total	8,819.01	0.00

FY2023	Destination of Water Discharge (ML)
Surface Water	817.16
Groundwater	0.00
Seawater	0.00
Third-Party Water	0.00
Total	817.16

Water Consumption (ML)
8,001.86

* ML: Megalitre

Water Efficiency
In FY2023, the total amount of water used for FFB processing in mills has decreased to 1.28 m³/ MT FFB (FY2022: 1.88 m³/ MT FFB).



ENVIRONMENT



Rainwater Harvesting

Hap Seng Plantations began implementing rainwater harvesting system in 2015, in accordance with the Ministry of Health's guidelines and the National Water Quality Standards. The system is designed to help us better manage our water resources, ensuring that our mills have six months reserves of water to maintain a continuous supply throughout the year.

As host to the 8,046 employees and their families, managing water for our domestic consumption is just as important as managing water for our operations. We have therefore supplemented our treated water sources with additional supply from rainwater harvesting to ensure sufficient water resources availability. Almost all our houses were equipped with a rainwater harvesting system, which collected approximately 7,149 ML of rainwater in FY2023.

Managing POME Discharge

We have been continuously striving to reduce BOD levels across all of our mills. The commissioning of a new biogas facility and polishing plant at BPOM has been instrumental in significantly reducing BOD since 2021. However, there has been a slight increase in average BOD recorded in comparison to FY2022. The increase is possibly due to variations in the quantity of FFB processed, weather conditions, and higher BOD level recorded at TPOM, which is not equipped with a biogas facility or CPO polishing plant. However, the BOD level is still within the compliance limit.

To achieve our goal of meeting the 20 ppm BOD target for all mills, we have planned to build a biogas facility at TPOM in 2024 and target to be commissioned in 2025. Additionally, we have established a dedicated committee (the 20 ppm and Biogas Project Committee) to monitor BOD levels on a daily basis and support our efforts towards achieving this goal.

Discharged POME BOD Level

Mills	BOD level in		
	2023	2022	2021
BPOM	13 ppm	11 ppm	7 ppm
JPOM 1	17 ppm	15 ppm	15 ppm
JPOM 2	12 ppm	16 ppm	16 ppm
TPOM	26 ppm	22 ppm	17 ppm
Average	17 ppm	16 ppm	14 ppm

Even though there is no legal requirement by the DOE to report Chemical Oxygen Demand (COD), Hap Seng Plantations took the initiative to monitor the COD discharge level from our mills. Hap Seng Plantations aimed to achieve a 70% reduction in COD level at the POME discharge point compared to the POME in the anaerobic pond which typically ranges from 3,500 ppm to 5,500 ppm. The target has been achieved in all our mills since 2020.

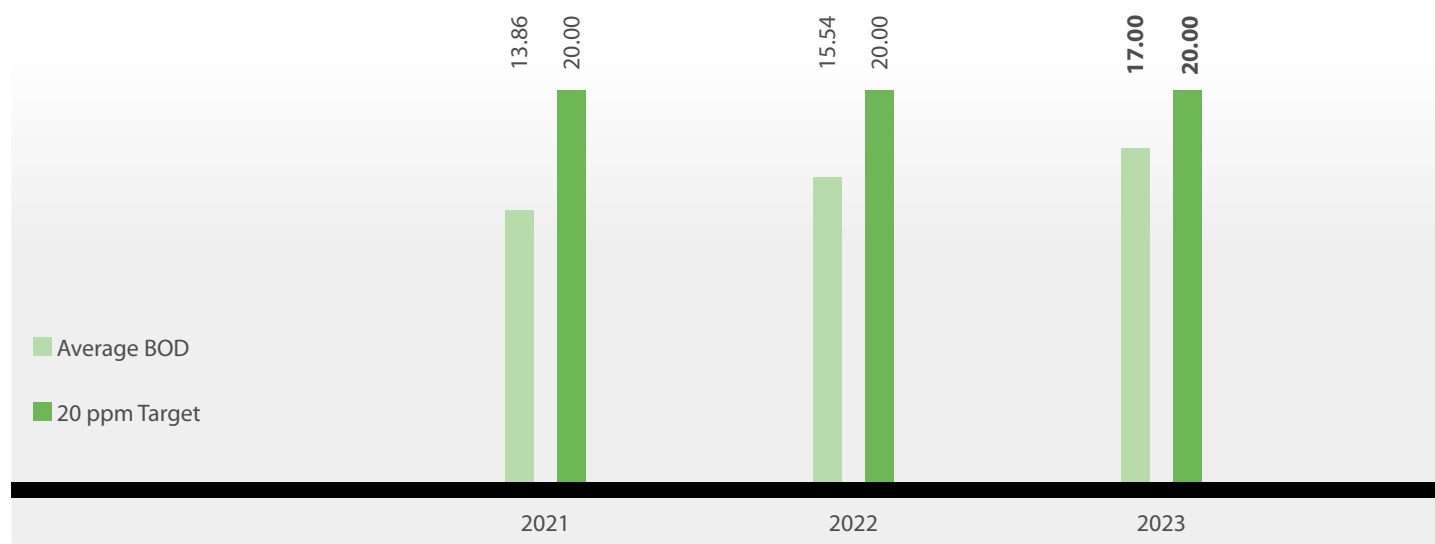
The level of COD from our discharged POME are as follow:

Discharged POME COD Level

Mills	COD level in		
	2023	2022	2021
BPOM	401 ppm	450 ppm	391 ppm
JPOM 1	277 ppm	278 ppm	327 ppm
JPOM 2	277 ppm	285 ppm	364 ppm
TPOM	348 ppm	311 ppm	290 ppm
Average	325 ppm	331 ppm	343 ppm

ENVIRONMENT

AVERAGE BOD DISCHARGED (PPM)



Throughout FY2023, all Hap Seng Plantations' operations met or exceeded the relevant local thresholds for compliance with environmental regulations in relation to aquatic ecosystem and groundwater.

WASTE MANAGEMENT

Waste Management Programme

In FY2023, we generated 331,243 MT of waste and managed to recycle 331,084 MT of recyclable wastes. Most of the recycled wastes consist of oil palm biomass recycled for energy generation and soil nutrient enhancement purposed. Other recycled wastes consist of paper, metal, plastics, boiler ash and other recyclable waste that were collected by waste collector for recycling.

Waste Management	Unit	Scheduled Waste	Non- Scheduled Waste	Total
Waste Generated	MT	78.17	331,164.43	331,242.60
Waste Recycled & Reused		0.00	331,083.58	331,083.58
Waste Disposed		78.17	80.85	159.02

Hap Seng Plantations understands that poor waste management is detrimental to the environment and poses risks for societal health and wellbeing. It also increases the cost of doing business. As a responsible producer and in line with our goal for better waste management, Hap Seng Plantations has introduced a waste management programme to collect plastic bottles, paper and aluminium. Storage facilities for recycling waste were built at JGOE, SSGOE, TMGOE, Kawa and Pelipikan estates. To support the initiative, workers have been educated on the importance of waste recycling as part of their environmental sustainability training.

These efforts are in accordance with Environmental Quality Act 1974. In 2019, two representatives from our mills and Plantations Central Office (PCO) attended a scheduled waste management course organised by the DOE in Labuan. Both representatives have passed their competent person certificate after their Field Training Report accepted by the Environmental Institute of Malaysia (EiMAS), DOE.

ENVIRONMENT

The competent person is responsible for providing training on scheduled waste management to all operating units. They are also responsible for controlling and monitor scheduled waste management monthly. All scheduled waste is disposed through licensed contractors on half yearly basis, or when the waste reached 20 tonnes as stipulated under Regulation 9, Environmental Quality (Scheduled Wastes) Regulation 2005.

BIODIVERSITY MANAGEMENT

Protecting Our Rivers and Riverbanks

Hap Seng Plantations has developed and implemented a comprehensive water management plan to maintain the quality and availability of surface and ground water in ensuring future water security.

The Segama and Kretam rivers that flow through our estates are well managed, with established riparian reserves (natural riverside vegetation) along both riverbanks. The riparian reserves effectively intercept non-point sources of pollution such as heavy metals and nutrients, trap suspended sediments from surface runoff, and support beneficial microorganisms that assist in the breakdown of pollutants. Riparian reserves also create prime habitats for other wildlife, forming a unique topography where terrestrial and aquatic ecosystems meet.

Palms planted along streams within our estates are marked with a red circle. The markings indicate that the area shall be free from chemical spraying and manuring activities. Workers are also regularly educated on the importance of maintaining riparian reserves.

Oil palms that were planted within the riparian reserves in the 1980s have been left in situ in accordance to the guidelines issued by the Department of Irrigation and Drainage.

Hap Seng Plantations has introduced monthly riparian monitoring to comply with the requirements of the Sabah Water Resources Enactment 1998. For FY2023, we continue to maintain the riparian buffer distance requirement as per the Enactment.

To date, Hap Seng Plantations has maintained 1,056.74 hectares of riparian buffer area. We have also engaged an authorised consultant registered with the Environment Protection Department of Sabah to monitor and inspect river quality on quarterly basis. There has been no significant issue raised by the consultant during the reporting period.

Conserving Biodiversity

Most of our plantings were on land that was previously used for other agricultural purposes. Furthermore, a large part of our land borders other plantations rather than forest. Nevertheless, we have allocated approximately 1,400 hectares or about 3.5% of our total land bank for conservation.

An assessment and a comprehensive management plan have been completed for our HCV area at Bukit Kibos Hill, a 75-hectare area located near to our headquarters. The management plan is monitored and reviewed annually by our internal assessment team.

Although a formal HCV assessment was never required by the RSPO for our HCV area, as there has been no land clearing and no conversion of all natural ecosystem since November 2015, we took the initiative to appoint an RSPO-approved HCV assessor to conduct a supplementary assessment. This assessment found that the area is home to diverse species of fauna.

We have also worked to conserve the Jelutong tree, a protected species in parts of Malaysia and Thailand, when overharvesting led to the species becoming threatened in many areas. The Jelutong trees at our estates were originally propagated in vacant and HCV areas from seedlings we collected.

Supported by our comprehensive replanting efforts, the Jelutong's quick growth and hardy nature meant that its extinction is now unlikely. Today, Jelutong covers around 86 hectares of our estates. These trees were originally propagated in vacant and HCV areas from seedlings we collected. Another area comprising 60 hectares which was no longer suitable for oil palm cultivation due to repeated flooding has also been set aside for planting of Sepat, a species of wetland timber tree.

ENVIRONMENT

Area	Hectares
* Reserve - plantable	36.80
Sepat	60.00
Bukit Kibos	75.50
Jelutong	86.00
Reserve – unplantable	1,143.68
Total area	1,401.98

* Area designated for future planting is 0 Ha from this Reserve - plantable 36.80 Ha

In FY2023, nine out of 11 independent local outgrowers and smallholders who have committed to implementing RSPO and MSPO certifications have also made commitment to HCV assessment and conduct Social and Environmental Impact Assessments (SEIA) in their plantations.

Tabin Wildlife Reserve

The Tabin Wildlife Reserve, which borders our estate, was designated as a protected area in 1984. Covering approximately 122,539 hectares, this lowland dipterocarp forest is home to three of the largest mammals in Sabah – the Borneo pygmy elephant, the Sumatran rhinoceros, and the Tembadau.

Eight primate species are also found at Tabin, including Orangutans and Proboscis monkey, as well as three protected cat species and Sunda clouded leopard. Over 42 families of birds representing some 220 species have also been recorded in the reserve. Many additional types of wildlife are attracted to the reserve by the presence of active and mineral rich mud volcanoes.

Our close proximity to such rich biodiversity area gives us a responsibility to support its ongoing protection. Continuous monitoring of RTE species is carried out across our estates as well as in bordering areas, to protect wildlife identified by the Sabah Wildlife Enactments and the International Union for Conservation of Nature (IUCN) Red List.

Hap Seng Plantations enforces a strict No Hunting Policy (also applied to all suppliers). All workers are made aware of all animals (including RTE species) that have been identified in the area, and reminders not to disturb, hunt or kill these animals are communicated during morning muster. We take appropriate action against individuals that ignore these instructions. CCTVs have been installed for the surveillance of illegal hunting and boundary encroachment.

We also work to pre-empt and prevent human-wildlife conflict. While our operations are not located within the migratory paths of elephants, and while incidents involving elephant encroachment are rare, we have nevertheless set up electric fences along our estate’s boundary as prevention. Moreover, our plan is to set up camera traps along the boundary area in the near future.

This project would help minimise potential human-wildlife conflict.

Protecting Our Environment

Our operations in Sabah are located close to some of Southeast Asia’s most striking biodiversity, including flagship species and flora endemic to the area. We have developed an evolving set of systems to ensure that our operations do not endanger wildlife habitats or ecosystem.

As environmental stewards, our focus is on forest preservation and conservation with a long-term plan to enrich the flora and fauna biodiversity within the vacant areas in Hap Seng Plantations with both protected plant and animal species.

Hap Seng Plantations strictly adhere to all relevant laws, as well as to RSPO, MSPO and ISCC EU certification principles and criteria. These commitments have been defined in our Sustainable Agriculture Policy where our journey towards a sustainable oil palm estate is set out. The policy is publicly available from our company website at hapsengplantations.com.my.

As climate change would be a major threat to the environment, we believe that urgent actions must be taken to avoid or limit some of the worst effects of climate change. In this regard, we have established the Environmental Protection Mechanism to ensure implementation of responsible land use.

Environmental Protection Mechanism

- 1

Environmental, Health and Safety Committee meeting – conduct quarterly meetings
- 2

Estates' administrative managers to execute decisions from the meeting (monitor, prevent & implement)
- 3

Proper management of waste
- 4

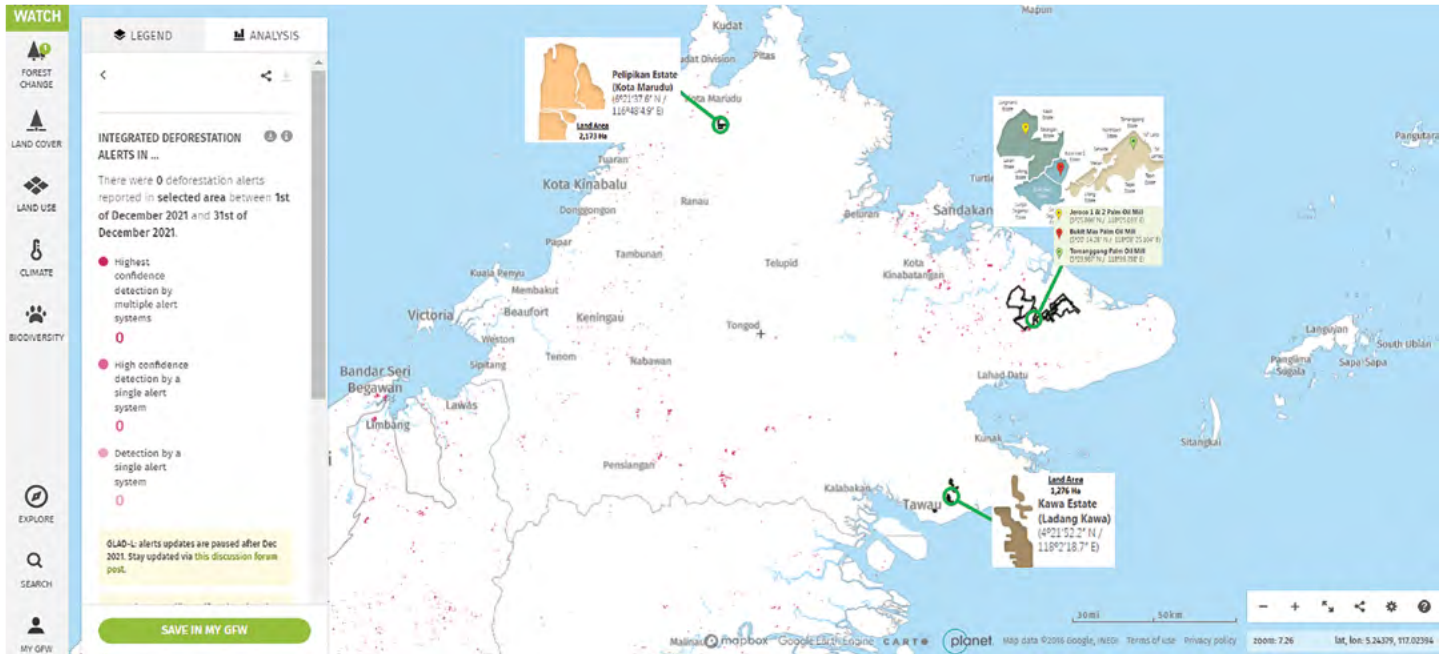
No violation of local regulations on pollution



ENVIRONMENT

Monitoring of Deforestation

Global Forest Watch (GFW) provides an open access tool for sustainability practitioners to create a deforestation free supply chain. It provides information about potential deforestation activities to users.



We continued to monitor potential deforestation activity of our own and suppliers' estates on monthly basis. This is part of our commitment to our Sustainable Agriculture Policy. The monitoring covers the buffer zone boundary along the forest reserve area. Since 2015, we have not detected any evidence of deforestation taking place within our boundaries. There was also no deforestation activity reported on our FFB suppliers. The monitoring report is published on our website.

Compensation Case Update

We continue to seek resolution to a compensation case which was first raised from a RSPO certification audit at TPOM in FY2013. The case was raised due to an area totaling 1,406 hectares on our Northbank and Tabin estates had been cleared without undergoing the required HCV assessment.

Our concept proposal to compensate the total liability of 579.48 hectares with hectare-for-hectare reparations combined with monetary compensation was rejected by the RSPO Biodiversity and HCV Compensation Panel (BHCV-CP) in FY2018. We revised the concept note and resubmitted to the BHCV-CP in October 2018 proposing an increase in the riparian reserve by six metres, or an additional allocation of 334.48 hectares (instead of the 167.24 hectares originally proposed), with the remaining 245 hectares compensated through plantings within the set aside area was rejected as well.

In FY2019, we engaged the RSPO Compensation Team to discuss the improvement of the Concept Note before resubmission. During the reporting period, we were able to produce the latest revision of concept note with improvement by RSPO and we have submitted the revised Concept Note (proposal) as per advice by RSPO Compensation. We are currently awaiting the status of our resubmission.

COMMUNITY



COMMUNITY AND SOCIETY



In FY2023, Hap Seng Plantations has an estimated 2,651 hectares of land for development of buildings and infrastructure, including residential buildings, medical clinics, sundry shops and recreational facilities.

Good housing is provided to all of our 8,046 employees and their families. Workers’ quarters are designed to incorporate a sufficient plot of land for cultivation of food. In addition, each estate has a shop that has been granted permission to operate by the company. The management regularly monitors the prices to ensure that goods remain affordable. At the end of each month, a special two-day bazaar is set up to facilitate the trading and selling of home-grown food.

Facilities for both workers & nearby communities

	All Good housing with garden plots		6 Ambulance*		117km of road for nearby villages*
	4 Clinics with wards*		21 Shops*		2 24-hour ferry – accessible to nearby villages*
	16 Full-time nurses*		2 X-ray equipment (SSGOE & JGOE)*		1 Audiometric room facility (JGOE)
	4 Visiting doctors*	Education		Recreational facilities	
	4 Medical assistants*		9 Humana schools		4 Clubhouse
					7 Other facilities (e.g. hall)

* Accessible to local communities

COMMUNITY

On top of these infrastructural provisions, we also support social interaction and community wellbeing by organising inter-estate group games, as well as bi-monthly and annual staff gatherings. Our clubhouses are built to incorporate social amenities, such as snooker tables, dartboards and digital karaoke machines, for the enjoyment and relaxation of our workers.

Hap Seng Plantations continue to enjoy a very positive and mutually beneficial relationship with our local communities. Our community-focused activities take into account that many of these communities are isolated and have limited access to basic facilities. Our local interactions therefore include:

- Engaging with community leaders
- Providing assistance to local communities, particularly for celebrations and festivals
- Providing job opportunities to local communities
- Extending access to our health services
- Building, repairing and maintaining local infrastructure (including 117km of roads and 24-hour ferry services).

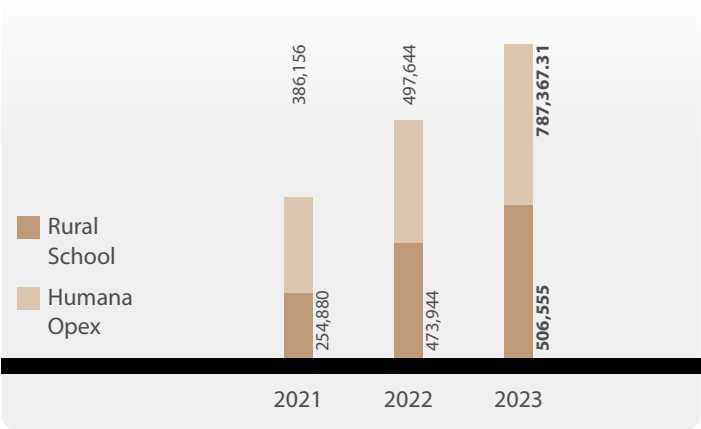
Hap Seng Plantations has contributed considerable amount of monetary commitment towards providing a better quality of life for its workers and the community. This comes in the form of quality housing, social and religious amenities, recreational and medical facilities as well as transportation and infrastructural facilities.

		2023	2022	2021
	Items	Amount Per Year (RM)		
Workers Welfare	Housing	3,390,746.94	1,296,360.78	638,317.75
	Utilities - electricity	8,508,872.17	9,070,977.93	5,287,685.77
	Utilities - water	1,226,461.65	1,508,505.23	824,150.56
	Training & development	55,675.40	41,640.41	15,588.80
	Transport for workers (work purpose)	1,429,330.45	1,312,632.99	921,987.80
	Clinic - medical for employees & dependents	195,512.10	183,032.74	99,243.51
	Upkeep of religious buildings, recreational facilities and amenities	395,821.67	455,416.17	387,685.68
	Provision of social amenities	-	-	-
	Social contributions	799,717.53	461,098.86	325,682.24
Community	Ferry service	339,558.69	240,830.74	123,334.91
	Road maintenance	2,659,816.72	1,698,613.49	1,016,320.83
	Clinic - medical for employees & dependents	136,604.97	165,534.07	111,412.91
	Upkeep of religious buildings, recreational facilities and amenities	-	2,495.64	331.80
	Provision of social amenities	-	-	-
	Utilities - free electricity	-	-	-
	Social contribution	228,847.35	174,555.05	51,434.10
Retailers in Estates	Subsidies rental	-	-	-

COMMUNITY

Investing in Education for Our Community

HAP SENG PLANTATIONS EDUCATION INITIATIVE (RM)



Hap Seng Plantations believes in the role of education in poverty eradication. As a result, we invest significantly in education for our community. Due to our remote location and the presence of children of foreign workers, one of our key initiatives is to provide these children with access to schools. To achieve this, we collaborate with Humana Child Aid Society, a social non-governmental organisation that provides education to thousands of children living in plantations and other remote areas of Sabah, where schools are inaccessible.

In FY2023, we contributed RM787,367 to the Humana Child Aid Society to support its mission to provide education for children in plantations and other remote areas of Borneo. Moreover, we have also reached out to other plantation companies in the area to raise awareness of the right to basic education and to encourage them to adopt similar initiatives.

Main Capacity Building Programmes in FY2023

HSG Giving Back Together: Education Roundtable

HSG Giving Back Together is a flagship CSR initiative by Hap Seng Group to foster collaboration and drive positive change in Malaysia's education landscape. As a follow-up to our inaugural Education Roundtable in 2017, this programme consists of a series of Education Roundtables, including the Sabah and KL Editions. The primary purpose is to gather corporate partners, foundations, social enterprises, NGOs, and other stakeholders to facilitate collaborative discussions and knowledge-sharing within the education sector. The programme aims to foster dynamic exchanges of insights among industry leaders, discussions on innovative educational strategies, and exploring potential collaborations to enhance education outcomes nationwide

HSG EXPLORE! 2.0

HSG Explore 2.0 is a flagship CSR programme of Hap Seng Group, now in its 7th year, aimed at nurturing leadership and fostering personal development among youth in Sabah. This year, the programme extends its reach to Tawau, Semporna, and Kota Kinabalu. Through monthly sessions focused on collaboration, communication, creativity, and critical thinking, students engage in group-based life simulation programmes and career readiness activities. Teachers serve as coaches, facilitating a safe and open environment for students to thrive and stay motivated. The programme culminates in Explore Camps and Conventions, providing a platform for students to showcase their projects and achievements, while acknowledging the contributions of students, parents, and teachers.



COMMUNITY



HSG Ignite Digital Maker 4.0

The Digital Maker programme was introduced in Lahad Datu District schools following its success in various districts throughout Sabah. The programme is part of a larger strategy aimed at promoting STEM (science, technology, engineering and mathematics) education and increasing digital literacy in Sabah. Recognising the benefits of this programme to the students and teachers, Hap Seng Plantations contributed RM149,971 to this programme in FY2023.

The programme offers a comprehensive training consisting of bootcamps and workshops designed to teach 40 primary school teachers from different schools about digital conceptualisation, creativity, and innovation. These skills will then be imparted to students through collaborative team projects. By training teachers and empowering students with digital skills, the programme aims to make a lasting impact on the education landscape in Sabah and increase access to digital literacy for all members of the community.

Through this programme, students from Tawau, Lahad Datu, and Papar districts learned to code using Scratch (programming language) and Arduino (microcontroller). They create innovative projects to solve real-world problems within their communities. The programme also includes a Maker Fair competition featuring Junior Innovate for primary school students and Young Innovators Challenge for secondary school students. Additionally, teachers undergo comprehensive training in BootCamp sessions to enhance their facilitation skills in guiding students through design thinking, self-learning, and creative learning processes.

Respecting Land Rights

We acknowledge the legal and customary land rights of local communities. This is clearly stated in our Sustainable Agriculture Policy, which also sets out robust Free, Prior and Informed Consent (FPIC) process for all new developments.

Hap Seng Plantations has one outstanding complaint undergoing the RSPO Complaints Process. The case involves a legal land dispute with an individual claiming rights to around 2,600 hectares of our planted area. The complaints panel has put the case on-hold pending the outcome of legal decision. The case does not involve customary or indigenous land rights. Further information can be found in our Annual Report, and from the latest update by RSPO at https://rspo.org/wp-content/uploads/Minutes_of_the_Complaints_Panel_meeting_No-6-2021.pdf.

As part of the requirements in obtaining RSPO and MSPO certifications, nine out of 11 independent local outgrowers and smallholders who are supported by Hap Seng Plantations have made commitment to respect legal and customary land rights as well as the indigenous and local communities' rights.

ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2021	2022	2023
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	550,796.00	1,283,196.19	1,293,922.31
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,166	1,724	2,269
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	3.00	100.00	100.00
Executive	Percentage	0.00	100.00	100.00
Non-executive/Technical Staff	Percentage	0.00	100.00	100.00
General Workers	Percentage	0.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	1.40	0.00	0.00
Management Between 30-50	Percentage	49.30	52.10	53.50
Management Above 50	Percentage	49.30	47.90	46.50
Executive Under 30	Percentage	13.50	20.40	17.40
Executive Between 30-50	Percentage	65.20	57.00	60.90
Executive Above 50	Percentage	21.30	22.60	21.70
Non-executive/Technical Staff Under 30	Percentage	13.00	6.50	6.90
Non-executive/Technical Staff Between 30-50	Percentage	78.30	80.60	72.40
Non-executive/Technical Staff Above 50	Percentage	8.70	12.90	20.70
General Workers Under 30	Percentage	32.80	36.90	35.40
General Workers Between 30-50	Percentage	58.10	54.80	54.80
General Workers Above 50	Percentage	9.10	8.30	9.80
Gender Group by Employee Category				
Management Male	Percentage	93.30	89.30	90.00
Management Female	Percentage	6.70	10.70	10.00
Executive Male	Percentage	75.20	68.90	72.70
Executive Female	Percentage	24.80	31.10	27.30
Non-executive/Technical Staff Male	Percentage	63.10	61.70	62.90
Non-executive/Technical Staff Female	Percentage	36.90	38.30	37.10
General Workers Male	Percentage	64.40	66.90	67.30
General Workers Female	Percentage	35.60	33.10	32.70
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	84.60	83.30	80.00
Female	Percentage	15.40	16.70	20.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	145,280.72	488,386.44	515,461.83

Internal assurance

External assurance

No assurance

(*) Restated

ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2021	2022	2023
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.56	0.69	0.48
Bursa C5(c) Number of employees trained on health and safety standards	Number	12	202	171
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	125	113	214
Executive	Hours	200	326	452
Non-executive/Technical Staff	Hours	395	355	621
General Workers	Hours	No Data Provided	No Data Provided	No Data Provided
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	3	6	12
Executive	Number	10	17	30
Non-executive/Technical Staff	Number	53	51	75
General Workers	Number	1,652	2,037	1,701
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	2,518.250000	20,899.280000	8,001.860000

Internal assurance

External assurance

No assurance

(*) Restated

Note: The training hour data for General Workers was combined into the data for Non-executive/Technical Staff

GRI CONTENT INDEX

Statement of use	Hap Seng Plantations Holdings Berhad has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organisational details	20 to 22	
	2-2 Entities included in the organisation's sustainability reporting	1	
	2-3 Reporting period, frequency and contact point	1	
	2-4 Restatements of information	1	
	2-5 External assurance An internal assurance was performed for this report	1	
	2-6 Activities, value chain and other business relationships	20 to 22	
	2-7 Employees	42 to 43	
	2-9 Governance structure and composition	25, 29 to 30	
	2-10 Nomination and selection of the highest governance body	29 to 30	
	2-11 Chair of the highest governance body Governance and management	29 to 30	
	2-12 Role of the highest governance body in overseeing the management of impacts	29 to 30	
	2-13 Delegation of responsibility for managing impacts	29 to 30	
	2-14 Role of the highest governance body in sustainability reporting	25	
	2-15 Conflicts of interest	Annual Report, 11 to 20	
	2-17 Collective knowledge of the highest governance body	Annual Report, 25	
	2-18 Evaluation of the performance of the highest governance body	Annual Report, 26	
	2-19 Remuneration policies	Annual Report, 26	
	2-20 Process to determine remuneration	Annual Report, 26	
	2-21 Annual total compensation ratio	44	
	2-22 Statement on sustainable development strategy	2 to 4	
	2-23 Policy commitments	30	
	2-24 Embedding policy commitments	30	
	2-25 Processes to remediate negative impacts	27 to 28	
	2-26 Mechanisms for seeking advice and raising concerns	44	
	2-27 Compliance with laws and regulations	9 to 10	
	2-28 Membership associations	26	
	2-29 Approach to stakeholder engagement	16 to 17	
	2-30 Collective bargaining agreements	44	

GRI CONTENT INDEX

GRI Standard	Disclosure		Location	GRI Sector Standard Ref. No.
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	14	
	3-2	List of material topics	15	
Corporate Governance, Transparency and Anti- corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	29 to 31	13.24.1 13.26.1
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	27	13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	30 to 31	13.26.3
	205-3	Confirmed incidents of corruption and actions taken	31	13.26.4
Data Privacy and Security				
GRI 3: Material Topics 2021	3-3	Management of material topics	31	13.24.2
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	31	
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	32 to 35	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	32 to 35	13.22.2
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	44	
Supply Chain Management				
Supporting Small & Medium Enterprises				
GRI 3: Material Topics 2021	3-3	Management of material topics	39 to 41	13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	39 to 41	13.22.3
	203-2	Significant indirect economic impacts	39 to 41	13.22.4
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	41	
GRI 308: Supplier Environmental Assessment	308-1	New Suppliers that were Screened Using Environmental Criteria	39, 61	
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	39	
GRI 414: Supplier Social Assessment	414-1	New Suppliers that were Screened Using Social Criteria	39 to 40	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	39 to 40	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Quality Products & Services			
GRI 3: Material Topics 2021	3-3 Management of material topics	36 to 37	13.10.1
GRI 13.10 Food safety	13.10.4 Percentage of production volume from sites certified to internationally recognized food safety standards, and list these standards	36 to 37	
Emissions Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	50 to 51	13.1.1 13.2.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50 to 51	13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	50 to 51	13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	52 to 53	13.1.4
	305-4 GHG emissions intensity	50	13.1.5
	305-5 Reduction of GHG emissions	51	13.1.6
Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	54 to 55	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	54 to 55	
	302-3 Energy intensity	54	
	302-4 Reduction of energy consumption	54 to 55	
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	58 to 59	13.5.1 13.8.1
GRI 301: Materials 2016	301-2 Recycled input materials used	58 to 59	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	58 to 59	13.8.2
	306-2 Management of significant waste-related impacts	58 to 59	13.8.3
	306-3 Waste generated	58	13.8.4
	306-4 Waste diverted from disposal	58	13.8.5
	306-5 Waste directed to disposal	58	13.8.6
Water Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	55	13.6.1 13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55 to 58	13.7.2
	303-2 Management of water discharge-related impacts	57	13.7.3
	303-3 Water withdrawal	56	13.7.4
	303-4 Water discharge	56	13.7.5
	303-5 Water consumption	56	13.7.6
GRI 13.6: Pesticides Use	13.6.1 Pest management plan and actions taken to prevent, minimise and remediate negative impacts, and plans to switch to less hazardous pesticides	38 to 39	
	13.6.2 Volume and intensity of pesticide use by toxicity hazard levels	39	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	59 to 61	13.3.1 13.4.1 13.23.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	59 to 61	13.3.2
	304-2 Significant impacts of activities, products, and services on biodiversity	59 to 61	13.3.3
	304-3 Habitats protected or restored		13.3.4
GRI 13.4: Natural Ecosystem Conversion	13.4.3 Assessment method and percentage of production volume sourced from own land determined to be deforestation-free	61	
Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	47 to 49	13.19.1
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	47 to 49	13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	49	13.19.3
	403-4 Worker participation, consultation, and communication on occupational health and safety	47 to 49	13.19.5
	403-5 Worker Training on Occupational Health and Safety	46	13.19.6
	403-9 Work-related injuries	48	13.19.10
Diversity and Inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	42 to 46	13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42 to 43	13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	44	13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	44	13.15.4
Labour Practices and Standards			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition aid programs	46	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	44	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Community/ Society			
GRI 3: Material Topics 2021	3-3 Management of material topics	62 to 65	13.12.1 13.14.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	62 to 65	
	203-2 Significant indirect economic impacts	62 to 65	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	45	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62 to 65	13.12.2
GRI 13.13: Land and Resource Rights	13.13.1 Commitments to respect land and natural resource rights	65	
	13.13.2 Locations of operations where land and natural resource rights may be affected	65	
	13.13.3 Size and location of operations where violations of land and natural resource rights occurred and the groups of rights holders affected	65	
GRI 13.14: Rights of Indigenous Peoples	13.14.1 Approach to engaging with Indigenous peoples	65	
	13.14.2 Identified incidents of violations involving the rights of Indigenous peoples	65	
	13.14.4 Report if the organisation has been involved in the process of seeking FPIC	65	

BASE DATA AND NOTES

Category / Indicator	Measurement Unit / Breakdown	31.12. 2023	31.12. 2022	31.12. 2021	31.12. 2020	31.12. 2019	31.12. 2018	31.12. 2017	31.12. 2016	31.12. 2015	31.12. 2014
ECONOMIC											
Revenue	RM million	667.8	814.6	670.9	467.6	418.6	390.8	555.1	503.4	434.9	495.6
Profit before taxation	RM million	120	264	290.3	108.4	36.6	37.2	146.9*	167.1	120.2	176.1
Profit after taxation attributable to owners of the Company	RM million	91.4	210.3	224	90.3	31.4	29.1	109.2*	124.1	96.4	128.3
LAND / PLANTATION											
Total Area											
Group	Ha	39,103	39,103	39,727	39,726	40,279	40,279	40,279	40,279	39,803	39,803
Jeroco group of estates (JGOE)	Ha	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117	14,117
Tomanggong group of estates (TMGOE)	Ha	12,806	12,806	12,806	12,806	12,806	12,806	12,806	12,806	12,331	12,331
Sungai Segama group of estates (SSGOE)	Ha	9,907	9,907	9,907	9,907	9,907	9,907	9,907	9,907	9,906	9,906
Ladang Kawa	Ha	100	100	724	723	1,276	1,276	1,276	1,276	1,276	1,276
Pelipikan	Ha	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365	1,365
Kota Marudu	Ha	808	808	808	808	808	808	808	808	808	808
Total Planted Areas (Oil Palm)											
Group	Ha	34,856	34,856	35,434	35,434	35,957	35,957	36,103	36,145	35,678	35,685
Jeroco Group of Estates (JGOE)	Ha	12,722	12,722	12,722	12,722	12,722	12,722	12,808	12,808	12,808	12,808
Tomanggong Group of Estates (TMGOE)	Ha	11,803	11,803	11,803	11,803	11,803	11,803	11,864	11,893	11,426	11,426
Sungai Segama Group of Estates (SSGOE)	Ha	8,743	8,743	8,743	8,743	8,743	8,743	8,742	8,755	8,761	8,761
Ladang Kawa	Ha	100	100	678	678	1,201	1,201	1,201	1,201	1,201	1,201
Pelipikan	Ha	903	903	903	903	903	903	903	903	903	903
Kota Marudu	Ha	585	585	585	585	585	585	585	585	585	585
Planted Areas – Mature											
Group	Ha	32,367	32,136	32,436	32,286	32,458	32,139	32,023	32,374	32,440	31,373
Jeroco group of estates (JGOE)	Ha	11,943	11,590	12,048	11,863	11,645	10,957	10,731	10,589	10,565	10,693
Tomanggong group of estates (TMGOE)	Ha	11,211	11,221	10,606	11,009	10,807	11,070	10,705	10,727	10,431	9,552
Sungai Segama group of estates (SSGOE)	Ha	7,625	7,737	7,616	7,248	7,317	7,423	7,899	8,368	8,755	8,761
Ladang Kawa	Ha	100	100	678	678	1,201	1,201	1,201	1,201	1,201	1,201
Pelipikan	Ha	903	903	903	903	903	903	903	903	903	581
Kota Marudu	Ha	585	585	585	585	585	585	585	585	585	585
Planted Areas – Immature											
Oil palm	Ha	2,489	2,721	2,998	3,148	3,499	3,819	3,934	3,625	3,092	4,165
Other crops	Ha	146	146	146	146	146	146	146	146	146	146
Plantation Average Age	Years	16.9	17.7	16.3	15.9	15.8	15.6	15.3	15.3	15.5	15.4

* The figures for financial year ended 31 December 2017 have been restated to reflect the application of the Malaysian Financial Reporting Standards Framework.

BASE DATA AND NOTES

Category / Indicator	Measurement Unit / Breakdown	31.12. 2023	31.12. 2022	31.12. 2021	31.12. 2020	31.12. 2019	31.12. 2018	31.12. 2017	31.12. 2016	31.12. 2015	31.12. 2014
LAND / PLANTATION											
Planted Areas – Immature											
30 months to 7 years	Ha	4,577	4,941	4,933	5,040	4,340	4,491	5,615	5,626	5,599	4,089
> 7 years to 17 years	Ha	11,395	11,164	10,279	10,196	9,794	8,522	6,839	7,245	8,480	10,122
> 17 years	Ha	16,395	16,030	17,224	17,050	18,324	19,125	19,569	19,503	18,361	17,162
Area Set Aside for Conservation	Ha	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,402	1,401	1,401
Peat Developed	Ha	0	0	0	0	0	0	0	0	0	0
PRODUCTION											
FFB	MT	637,719	583,943	593,279	637,131	675,587	657,259	655,957	662,774	709,984	727,937
FFB Processed											
FFB - Own	MT	619,914	566,026	575,440	630,697	662,069	643,842	640,507	643,731	667,504	680,741
FFB - Purchased (Local Outgrowers and Smallholders)	MT	89,950	75,225	76,465	71,578	63,715	77,641	85,006	91,707	107,829	121,673
Palm Oil	MT	147,318	130,510	133,284	144,977	152,017	148,651	150,695	154,682	170,546	172,980
Palm Kernel	MT	33,788	29,450	30,286	33,594	35,402	34,802	35,183	35,872	38,087	38,778
Palm Oil OER	Percentage	20.75	20.35	20.45	20.64	20.95	20.60	20.77	21.03	22.00	21.56
Palm Kernel OER	Percentage	4.76	4.59	4.65	4.78	4.88	4.82	4.85	4.88	4.91	4.83
FFB Yield per Mature Hectare	MT/Ha	19.70	18.17	18.29	19.73	20.81	20.45	20.48	20.47	21.89	23.20
Oil per Mature Hectare	MT/Ha	4.09	3.70	3.74	4.07	4.36	4.21	4.25	4.31	4.81	5.00
EMPLOYEES											
Number of Employees		8,046	7,747	6,861	7,137	7,479	7,100	7,192	6,993	7,331	7,257
Employee Categories	Management	188	189	177	177	171	175	166	161	145	138
	Non-executive Staff	426	444	439	436	430	442	425	381	364	336
	Workers	7,432	7,114	6,245	6,524	6,878	6,483	6,601	6,451	6,822	6,783
Female Employees		2,628	2,563	2,422	2,575	2,881	2,485	2,599	2,387	2,613	2,644
Male Employees		5,418	5,184	4,439	4,562	4,598	4,615	4,593	4,606	4,718	4,613
Number of Foreign Workers	Indonesian	6,247	6,159	5,284	5,550	5,699	5,570	5,761	5,585	5,952	5,663
	Filipino	904	672	683	614	628	578	553	511	563	661
Male Non-executive Staff		296	274	277	272	269	279	263	228	217	211
Female Non-executive Staff		130	170	162	164	161	163	162	153	147	135
Female Workers		2,460	2,355	2,225	2,378	2,690	2,290	2,413	2,214	2,449	2,502
Male Workers		4,972	4,759	4,020	4,146	4,188	4,193	4,188	4,237	4,373	4,275
Female Management		38	38	35	33	30	32	24	20	17	18
Male Management		150	151	142	144	141	143	142	141	128	116
Ethnic / Racial Breakdown	Malaysian - Bumiputra	335	330	319	353	364	377	396	429	387	465
	Malaysian -Chinese	30	30	31	26	33	35	32	35	34	34
	Malaysian - Indian	0	0	0	0	0	0	0	0	2	2
	Others - Malaysian	530	556	544	594	755	540	450	433	393	432
	Other non-Malaysian	7,151	6,831	5,967	6,164	6,327	6,148	6,314	6,096	6,515	6,324

BASE DATA AND NOTES

Category / Indicator	Measurement Unit / Breakdown	31.12. 2023	31.12. 2022	31.12. 2021	31.12. 2020	31.12. 2019	31.12. 2018	31.12. 2017	31.12. 2016	31.12. 2015	31.12. 2014
TRAINING											
Number of Employees who have Received Formal Qualifications Funded by Hap Seng		0	0	0	0	0	0	0	0	0	8
LABOUR STANDARD											
Minimum Starting Wage	RM per Month	1,500	1,500	1,100 & 1,200 (Kawa)	1,100 & 1,200 (Kawa)	1,100	920	920	920	800	800
Number of Employees who are Members of a Trade Union		No Trade Union for Plantation Workers in Sabah									
Number of Women Left on Maternity Leave		43	21	64	55	57	74	50	18	22	32
% Returned After Maternity Leave		100	67	85	76	92	87	76	67	75	81
COMMUNITY AND HOUSING											
Breakdown of Charitable Contributions (MYR)	Humana (CAPEX)	0	0	0	0	0	0	0	420,140	43,150	0
	Humana (Expenses)	787,367	497,644	386,156	209,225	293,241	347,963	277,000	235,000	304,000	320,000
	Misc Donations	74,564	13,328	6,738	75,000	6,880	0	917,500	36,000	306,390	5,790
	CSR	445,879	298,280	164,640	1,964,274	191,189	538,161	1,698,015	576,000	0	0
	Total	1,307,810	809,252	557,534	2,248,499	491,310	886,124	2,892,515	1,267,140	653,540	325,790
Number of Employees and Dependants Housed		7,440	11,583	11,379	11,356	11,224*	9,901	6,479	4,160	4,242	3,934
HEALTH AND SAFETY											
Fatalities		0	0	0	1	0	0	1	0	1	0
Number of Lost Time Accidents		19	24	19	34	48	58	44	74	66	164
Number of Lost Days (not including fatalities)		95	116	74	98	185	240	101	200	197	460
Lost Time Accident Rate per 200,000 hours worked	Incidents per 200,000 Hours Worked	0.48	0.69	0.56	0.98	1.37	1.51	0.10	1.60	2.70	2.80
Severity Rate (total lost work days/number of recordable injuries)	Average Number of Lost Time per Incident	2.50	4.80	3.40	2.90	3.85	4.10	2.30	2.70	3.30	2.80
ENVIRONMENT											
BOD Level	Ppm	17	16	14	20	20	23	25	27	38	34
Total Fertiliser Usage	MT / /Ha	1.03	1.12	1.30	1.16	0.79	1.07	0.83	0.96	1.05	0.88
Total Water Usage (mills only)	MT / MT FFB	1.28	1.88	1.77	1.46	1.42	1.40	1.52	1.33	1.53	1.52
Total Number and Volume of Significant Spills		0	0	0	0	0	0	0	0	0	0
Toxicity per Hectare		720	527	418	333	262	348	414	449	398	486

GLOSSARY

Annual Communication on Progress (ACOP)	ACOP is an annual reporting to show transparency to the RSPO secretariat to access RSPO compliance within the operating unit. RSPO membership will be terminated if a member fails to submit the ACOP for three consecutive years while RSPO membership will be suspended if the report is not submitted for two consecutive years.
Biodiversity	The diversity (number and variety of species) of plant and animal life within a region.
Biological Oxygen Demand (BOD)	The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.
Chumbaka	Chumbaka is an educational programme utilising technology to teach life skills.
Carbon Dioxide Equivalent (CO₂-e)	CO ₂ -e provides a universal standard of measurement against which the impacts of releasing (or avoiding the release of) different greenhouse gases can be evaluated.
Effluents	Water discharged from one source into a separate body of water, such as mill process water.
Extraction Rate	The amount of oil extracted from oil palm fruit at a mill.
Free, Prior and Informed Consent (FPIC)	The principle that a community has the right to give or withhold its consent to proposed project that may affect the lands they customarily own, occupy or otherwise use.
Fresh Fruit Bunch (FFB)	Bunch harvested from the oil palm tree. Each bunch can weigh from 5 to 50 kg and can contain up to 1,500 or more individual fruits.
Global Forest Watch (GFW)	GFW is an online platform that provides data and tools for monitoring forests. By harnessing cutting-edge technology, GFW allows anyone to access near real-time information about where and how forests are changing around the world.
High Carbon Stock (HCS) Approach	The HSC Approach is a universally agreed methodology to prevent deforestation through the classification of forest and vegetation types. The methodology is governed by a multistakeholder steering group.
High Conservation Values (HCV)	The concept of HCV Forests was first developed by the Forest Stewardship Council (FSC) in 1999 as their ninth principle. The FSC defined HCV Forests as forests of outstanding and critical importance due to their environmental, socio-economic and cultural biodiversity and landscape value.
Identity Preserved	Sustainable palm oil from a single identifiable certified source which is kept separately from ordinary palm oil throughout the supply chain.
International Labour Organization (ILO)	ILO is a tripartite world body representative of labour, management and government, and is an agency of the United Nations. It disseminates labour information and sets minimum international labour standards called “conventions”, offered to member nations for adoption.
Independent Director	According to Bursa Malaysia, an independent director means a director who is independent of management and free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interests of an applicant or a listed issuer.
Integrated Pest Management (IPM)	IPM is a pest control strategy that uses an array of complementary methods. These include mechanical and physical devices; genetic, biological, legal and cultural controls; and chemical management. These methods are undertaken in three stages: prevention, observation, and intervention. IPM is an ecological approach aimed at significantly reducing or eliminating the use of pesticides.
International Sustainability & Carbon Certification (ISCC)	ISCC is an internationally-oriented, practical and transparent system for the certification of biomass and bioenergy.
Leaderonomics	Leaderonomics.com is a leadership portal social enterprise focused on transforming nations through leadership programmes.

GLOSSARY

Malaysian Sustainable Palm Oil (MSPO) Certification	MSPO Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organised smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.
Muster Ground	In plantations, the muster ground is a location that workers have to attend every morning at 5.15, Monday to Saturday. It is also known as roll call. Field Conductors I record worker's attendance, check their appropriate PPE and make important briefings and announcements.
Non-executive Director	A board director who does not currently hold other employment with the company. Unlike an independent director, a non-executive can have significant financial interests or close personal ties to the company.
Outgrowers	Outgrowers are local farmers with more than 50 hectares of planted oil palm on their land.
Palm Oil Mill Effluent (POME)	POME is the by-product of processed FFB.
Peat	Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests.
Pre-emergent Herbicide	Pre-emergent herbicides prevent the germination of seeds by inhibiting a key enzyme.
Roundtable on Sustainable Palm Oil (RSPO)	A multi-stakeholder organisation based in Kuala Lumpur, Malaysia. The organisation has developed a certification scheme for sustainable palm oil.
Shapefile Data	Shapefile data is a geospatial vector data format for geographical information system (GIS) software. The shapefile format can spatially describe vector features – points, lines and polygons – representing, rivers, oil palms fields, etc. This data, which may exhibit changes in land use (i.e. deforestation activities and land clearance), is analysed and submitted to RSPO for review.
Stakeholders	Any group or individual who is affected by or can affect a company's operations.
Sustainability	A term expressing a long-term balance between social, economic and environmental objectives. The concept is often linked to sustainable development, which is defined as "development that meets the needs of current generations without compromising the needs of future generations".
Traceability	Traceability is the capability to track sustainable palm oil along the entire supply chain.
Toxicity per Hectare	A toxicity index for each herbicide used was calculated by multiplying the amount of active ingredient per litre or kg of product applied (in grammes) by the inverse of the Lethal Dose for 50% of the rats tested when the active ingredient is administered orally (LD50 rats, oral). The toxicity per hectare is calculated by multiplying the total amount of each product applied by its toxicity index and dividing this by the total planted area in each estate.
UN Sustainable Development Goals	A United Nations blueprint to achieve a better and more sustainable future for all by addressing the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
UN Guiding Principles on Human Rights	The guiding principles, also known as the Ruggie Principles, are a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. Its three pillars outline how states and businesses should implement the framework: the state's duty to protect human rights, corporate responsibility to respect human rights, and access to remedy for victims of business-related abuses.
The Zoological Society of London Sustainable Palm Oil Transparency Toolkit (ZSL SPOTT)	ZSL SPOTT was designed to score commodity-producing companies on the public availability of corporate information relating to environmental, social and governance (ESG) based issues. ZSL SPOTT's main aim is to benchmark and measure company best practices outside any certification standards including that of the RSPO.

www.hapsengplantations.com.my

HAP SENG PLANTATIONS HOLDINGS BERHAD

Registration No. 200701011957 (769962-K)

21st Floor, Menara Hap Seng
Jalan P. Ramlee, 50250 Kuala Lumpur
Malaysia

Tel : (603) 2172 5228

Fax : (603) 2172 5286

Email:

keekc@hapseng.com
(on matters relating to sustainability)

makwm@hapseng.com
(on matters relating to products & services)