

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## ABOUT THIS SUSTAINABILITY STATEMENT

This sustainability statement describes the sustainability strategy, initiative and value created from our sustainability journey at Hap Seng Consolidated Berhad (the Group or Hap Seng), aligning with our corporate vision of “Creating Value Together, To a Better Future”. We endeavour to ensure our sustainability disclosure addresses all the environmental, social and governance (ESG) issues material to our businesses and our stakeholders.

### Reporting Period and Scope

This sustainability statement encompasses our ESG performance for financial year (FY) 2023, commencing 1 January 2023 to 31 December 2023, from across our corporate headquarter in Kuala Lumpur to our six business divisions operating within Malaysia: Plantation, Property, Credit Financing, Automotive, Trading and Building Materials. The hospitality business segment, which is a new segment operating under the Property division has been included as part of the reporting scope. There was no restatement of information in this report.

Our Plantation division, Hap Seng Plantations Holdings Berhad (Hap Seng Plantations), a public listed entity, publishes a standalone Sustainability Report. The report and its full ESG disclosures can be found at: <https://www.hapsengplantations.com.my/sustainability-report.html>. Within this sustainability statement, only key ESG performance of Hap Seng Plantations will be disclosed to provide the overall ESG performance as a Group. Additionally, sustainability performance for Hafary Holdings Limited, a subsidiary of the Group listed on the Singapore Exchange Limited (SGX), can be found in its Annual Report, which is available at: [https://www.hafary.com.sg/investor\\_relations/annual\\_reports](https://www.hafary.com.sg/investor_relations/annual_reports).

This sustainability statement excludes operations outside of Malaysia. We are committed to incorporating operating units from all geographical areas in which we operate within the next three years.

### Reporting Framework

We have prepared our sustainability statement in accordance with Bursa Malaysia Securities Berhad’s (Bursa Malaysia) Main Market Listing Requirements, with the guidance from Bursa Malaysia’s Sustainability Reporting Guide and Toolkits (3<sup>rd</sup> Edition), Global Reporting Initiative (GRI) Universal Standards 2021, the recently published sector standards, GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022 and FTSE Russell’s ESG requirements. Carbon emissions disclosure is aligned to the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and Roundtable on Sustainable Palm Oil (RSPO) PalmGHG methodology.

### Assurance

The data and information presented in this sustainability statement 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 the sustainability statement internally reviewed within the next three years, with the goal of conducting qualified third-party assurance in the future.

This sustainability statement 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 sustainability statement. If you would like to submit feedback or request further clarification, kindly contact:

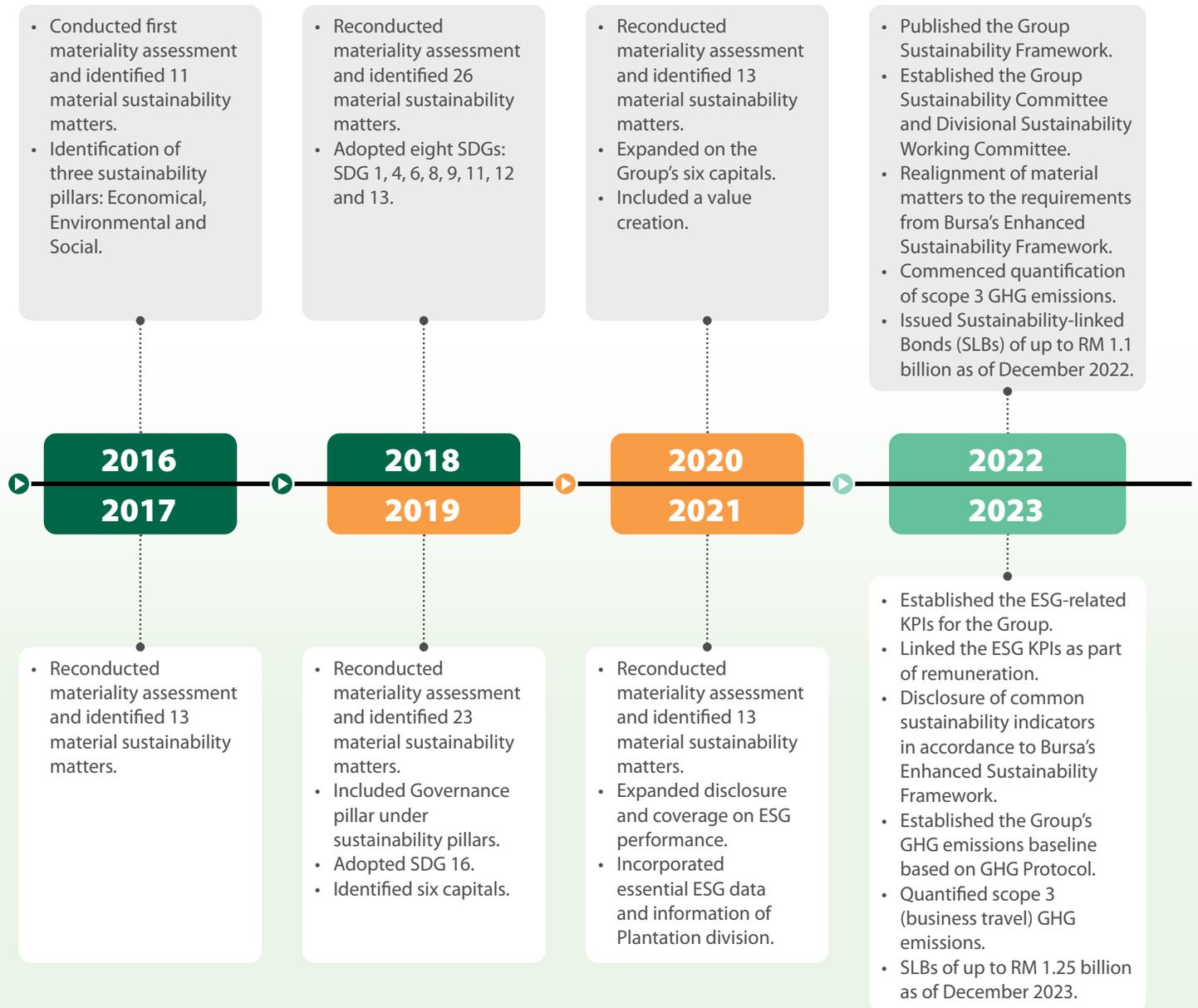
**Name** : Andrew Kuan  
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Further information can also be found on our website here.



# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## HAP SENG'S SUSTAINABILITY JOURNEY



# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## Key Sustainability Highlights in FY2023

### Governance

- Reporting **ESG-related KPIs** and linked the KPIs as part of remuneration.
- Alignment to Bursa’s Enhanced Sustainability Framework and disclosure of common sustainability matters and indicators.



### Economy

- Improved to **67.2%** average procurement and services spending on local suppliers.
- Supported 11 FFB suppliers in their sustainability certification journey.



### ESG Ratings

- FTSE4Good ESG Score improved to **2.8** out of 5.0.
- SPOTT ESG Policy Transparency Assessments score improved to **83%**.



### Energy

- Derived **75.9%** of energy requirement from renewable energy sources.
- Biogas plants generated **16.5 million kWh** of renewable electricity for plantation operations.
- Derived **1.4 million kWh** from solar energy for Autohaus operations and excess electricity sold to the grid.



### Greenhouse Gas Emissions

- **235,943 t CO<sub>2</sub>-e** GHG emissions were sequestered from existing oil palm trees and conservation efforts.
- Quantification of additional **scope 3 GHG emission category – Business travel**.
- Installed **26 units of electric vehicle charger** at 11 of the Hap Seng Star’s Autohaus throughout Malaysia.



### Waste

- Established waste management system within all business divisions.
- **333,931 MT** of generated non-scheduled waste was recycled and reused.
- Avoided **209,488 t CO<sub>2</sub>-e** of emission by diverting recyclable waste from landfill.



### Health & Safety

- Recorded **zero** work-related fatality and high-consequence injury case.



### Corporate Social Responsibilities

- Contributed more than **RM2.4 million** for education and community programmes that benefited more than 27,000 participants.



## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### ACHIEVEMENTS & RECOGNITIONS

Business Division	Achievement/ Recognition	Operating Unit
Plantation	Roundtable on Sustainable Palm Oil (RSPO) Certification	100% of oil mills 11 out of 14 estates
	Malaysian Sustainable Palm Oil (MSPO) Certification	100% of oil mills and estates
	International Sustainability & Carbon Certification (ISCC EU)	100% of oil mills
	Hazard Analysis and Critical Control Points (HACCP) Certification	100% of oil mills
	Makanan Selamat Tanggungjawab Industri (MeSTI) Certification	100% of oil mills
	HALAL Certification	100% of oil mills
	Zero Off Spec CPO by IOI Edible Oils	Bukit Mas Palm Oil Mill
	Highest Quantity CPO Supplier by IOI Edible Oils	Tomanggung Palm Oil Mill
Property	Leadership in Energy and Environmental Design (LEED) Certified	Menara Hap Seng 3 Plaza Shell
	Green Building Index (GBI) Certified	Menara Hap Seng 2
	Green Real Estate (GreenRE) Certified	Mercedes-Benz Setia Alam Autohaus Mercedes-Benz Bukit Tinggi Autohaus
	Asia Pacific Space Designer Association Award (APSDA)	Menara Hap Seng 3
	Sabah Housing and Real Estate Developers Association (SHAREDA) Excellence Award 2023	Bandar Sri Indah Township
	FIABCI World Prix D'Excellence Award (Gold - Office Category)	Menara Hap Seng 3
Automotive	Environmental Management System (ISO 14001) Certified	Hap Seng Star Jalan Sultan Ismail
	Quality Management Systems (ISO 9001) Certified	Hap Seng Star Kinrara Hap Seng Star Jalan Sultan Ismail
	<b>Mercedes-Benz Retail Partner of The Year Award 2023</b>	
	Retail Partner of The Year – Champion	Hap Seng Star Bukit Tinggi
	Retail Partner of The Year – 1 <sup>st</sup> Runner-up	Hap Seng Star Kinrara
	Best in Customer Service – Champion	Hap Seng Star Setia Alam
	Best in Customer Service – 2 <sup>nd</sup> Runner-up	Hap Seng Star Bukit Tinggi
	Best in CSI (5 Star Rater) – Champion	Hap Seng Star Bukit Tinggi
	Best in Financial Services – Champion	Hap Seng Star Bukit Tinggi
	Best in Financial Services – 1 <sup>st</sup> Runner-up	Hap Seng Star Kinrara
Best in Business Excellence – 2 <sup>nd</sup> Runner-up	Hap Seng Star Kinrara	

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Business Division	Achievement/Recognition	Operating Unit
<b>Automotive</b>	<b>Service Excellence Award</b>	
	Service Excellence Award 2023 (Champion League) – Champion	Hap Seng Star Bukit Tinggi
	Service Excellence Award 2023 (Champion League) – 1 <sup>st</sup> Runner-up	Hap Seng Star Kinrara
	Service Excellence Award 2023 (Champion League) – 2 <sup>nd</sup> Runner-up	Hap Seng Star Jalan Ipoh
<b>Building Materials</b>	Service Excellence Award 2023 (Super League) – Champion	Hap Seng Star Kota Kinabalu
	Brick certified by SIRIM and BOMBA for Integrity, Insulation, Strength and Hose Stream Test	Sin On Tiku Bricks Factory

Hap Seng's ESG performance was independently assessed by internationally recognised ESG rating bodies. These external assessments enabled us to identify potential gaps for continuous improvement and assures that our performance is aligned to the industry's expectation.

	FY2023	FY2022	FY2021
 FTSE4Good	2.8 out of 5.0	2.3 out of 5.0	2.3 out of 5.0
 SPOTT	83.0%	81.8%	79.6%

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### MEMBERSHIP OF ASSOCIATIONS

Hap Seng is a member of various industry associations and trade groups. Through these associations, we regularly engage with key industry players, keeping us abreast with the latest industry developments and best practices.

As a member, Hap Seng regularly uses the opportunity to influence the value of good sustainability practices within the respective industry.

Division	Entity	Association
Corporate	Hap Seng Consolidated Berhad	Malaysian-German Chamber of Commerce (MGCC)
		Malaysian Collective Impact Initiative (MCII)
		Public Listed Companies Transformation (PLCT) Programme
Plantation	Hap Seng Plantations Holdings Berhad	Roundtable on Sustainable Palm Oil (RSPO)
		Malaysian Palm Oil Association (MPOA)
		Malaysian Palm Oil Board (MPOB)
		Malayan Estate Owners' Association (MEOA)
Property	Hap Seng Land Development (Puchong) Sdn. Bhd.	Real Estate and Housing Developers' Association (REHDA) Malaysia
	Hap Seng Properties Development Sdn. Bhd.	Sabah Housing and Real Estate Developers' Association (SHAREDA)
	Hap Seng Land Sdn. Bhd.	International Real Estate Federation (FIABCI) Malaysia
Credit Financing	Hap Seng Credit Sdn. Bhd.	Asset Financing and Leasing Association of Malaysia (AFLAM)
		Association of Hire Purchase Companies Malaysia (AHPCM)
Automotive	Hap Seng Star Sdn. Bhd.	Malaysian Retail Chain Association (MRCA)
		Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor (KLSCCCI)
		Malaysian Automotive Association (MAA)
Trading	Hap Seng Trucks Sdn. Bhd.	Kuantan Chinese Chamber of Commerce and Industry (KCCCI)
	Hap Seng Fertilizers Sdn. Bhd.	Fertilizer Industry Association of Malaysia (FIAM)
	Hap Seng Trading (M) Sdn. Bhd.	Building Materials Distributors Association of Malaysia (BMDAM)
	Hap Seng Trading (BM) Sdn. Bhd.	Master Builders Association Malaysia (MBAM)

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## OUR RESPONSIBILITY TOWARDS SUSTAINABLE DEVELOPMENT

### Supporting the United Nations Sustainable Development Goals

In line with our dedication to the United Nations Sustainable Development Goals (SDGs), we have identified and embraced nine out of the 17 SDGs set forth by the United Nations. These SDGs have been strategically aligned with our potential for value creation by leveraging our operational nature and extensive network.

### Our contribution in FY2023 under the respective SDGs are: -



- Provided 2,510 new employment opportunities.
- Provided financial services to 2,653 Small and Medium Enterprises (SMEs).



- Contributed RM2.4 million for education and development programmes.
- More than 2,400 students and teachers benefited from our education and development programmes.
- Accepted 34 graduate students for internship programme.
- Sponsored 10 school leavers for the Advanced Modern Apprenticeship programme to develop qualified and competent automotive technicians.



- Utilisation of harvested rainwater as alternative water source at Plantation, Property and Automotive divisions.
- Supplying treated water for the employees and their family members in the plantation.
- Equipped with water-efficient dual flush toilet and automatic faucets to reduce water consumption.



- Supported local economy development by procuring 67.2% of supplies and services locally.
- Exercise non-discriminatory hiring practices.
- All employees are assessed for key performance indicators (KPI).
- Achieved zero workplace-related fatality and high-consequence injury case.
- Averaged 2.18 training hours per employee.



- Incorporated eco-friendly fittings in constructed properties.
- Renewable energy generation from biogas, biomass, biofuel and solar energy.
- Recorded zero data mismanagement within the reporting period.



- Certified for various industry and internationally recognised ESG and green building certifications (refer to Achievements & Recognitions section on page 85 to 86).
- Developed 2.037 million sq. ft. of certified green buildings.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL



- Implemented reuse and recycle measures to optimise resource consumption and waste generation.
- Recovered 333,931 MT of recyclable wastes through recycle and reuse.
- Achieved various industry and international quality certifications (refer to Achievements & Recognitions section on page 85 to 86).
- Continuous improvement through proactive customer satisfaction survey (refer to Quality Products & Services section on page 105).
- Implemented an Integrated Pest Management (IPM) approach to control pests in plantation.



- Derived 75.9% of energy consumption from renewable energy.
- Conserved 1,401.98 hectares as High Conservation Value (HCV) area and 1,056.74 hectares of riparian reserve.
- Quantified scope 1, scope 2 and partial scope 3 greenhouse gas emissions.
- Carbon emissions reduction of 235,943 t CO<sub>2</sub>-e through carbon sequestration from conservation area and oil palm plantings.
- Renewable energy from biogas was utilised in three out of four palm oil mills.
- Solar energy was utilised by two Autohaus and the Body & Paint Competence Centre.
- No reported incident of deforestation and fire within and surrounding the plantation.



- Zero corruption case reported.
- Continuous compliance to ESG requirements.
- Provided channels to report incidents or wrongdoing in the organisation.

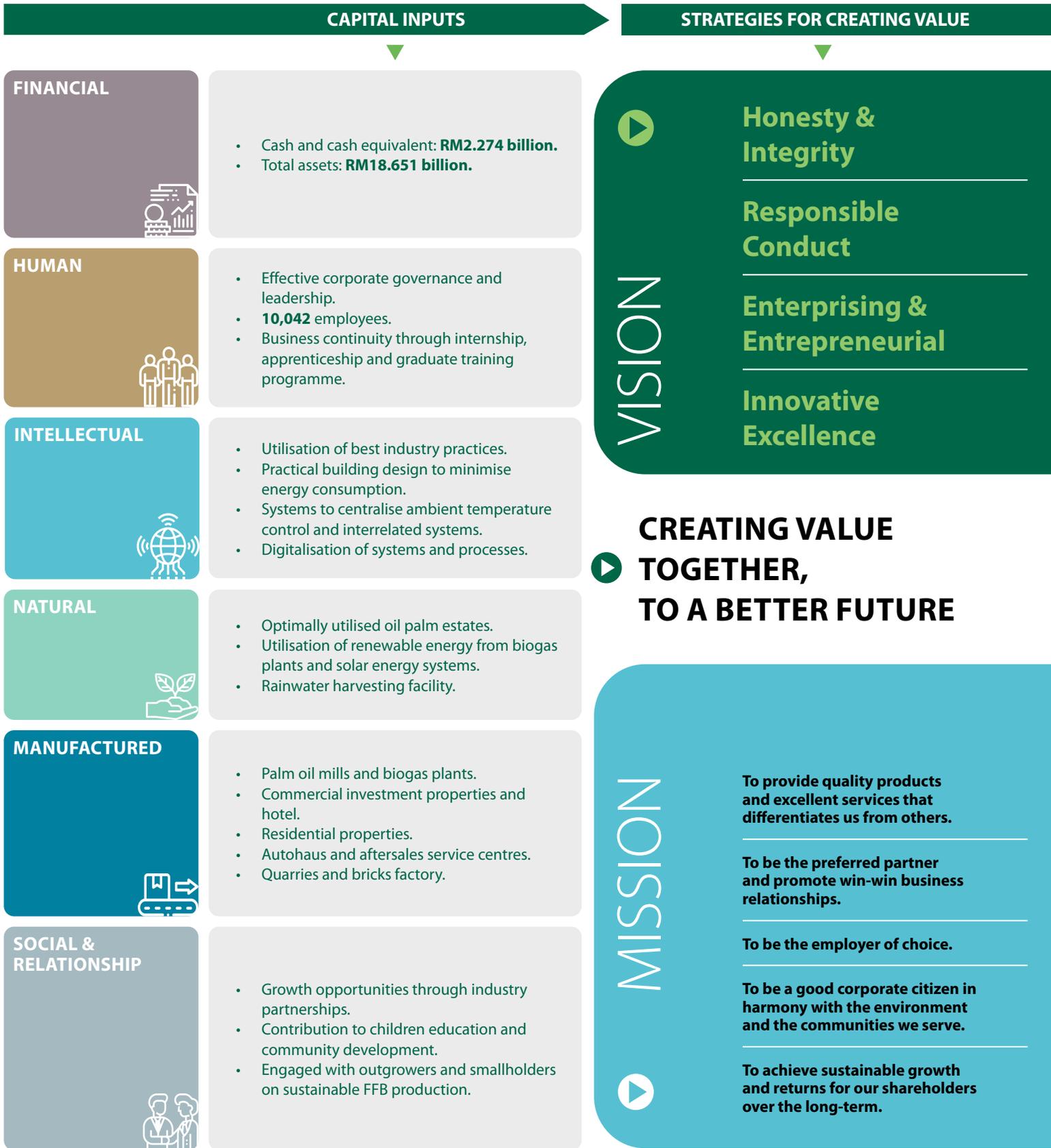
### Our Approach to Sustainability

To ensure alignment between the business priorities and sustainability performance, the Group has integrated ESG performance into the KPIs which is linked to the remuneration of senior management. This approach incentivises management to focus on sustainability initiatives and address areas of improvement that are material to our businesses.

Below are the Group's sustainability pillars, upon which we structure our approach and ESG-related KPIs to build a sustainable business.

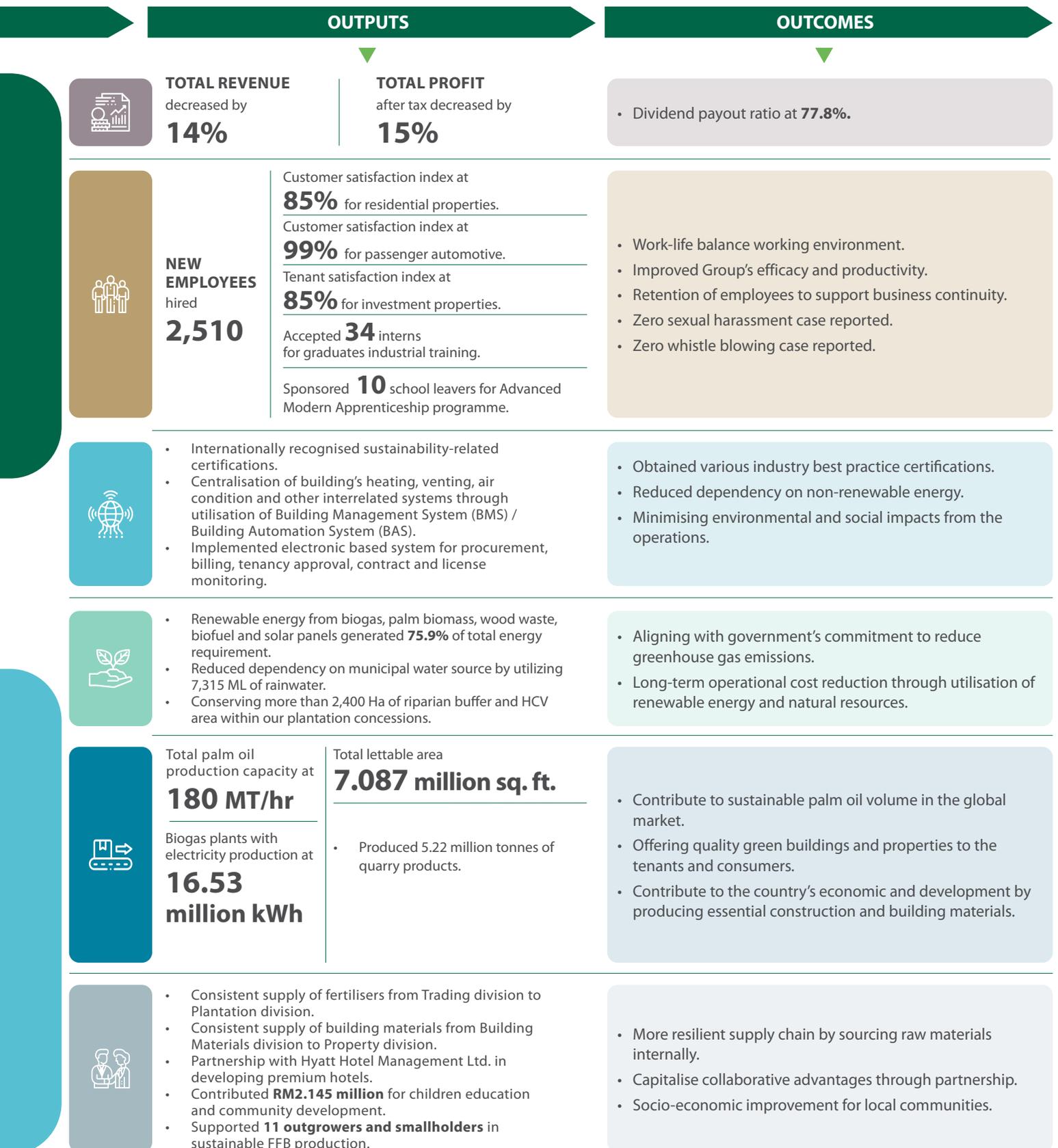
People and Community Development	Environmental Protection	Responsible Governance	Economic Resilience
Safeguarding a conducive workplace which retains and attracts talents that contribute to the achievement of our strategies and goals. We also contribute to the community outside the workplace through development programmes to alleviate socio-economic hardships within our surrounding communities.	Limiting our environmental footprint is crucial for preserving natural resources for future generations and mitigating adverse impacts resulting from climate change.	Strong governance is needed to ensure the Group continues to operate in an ethical manner, thus fostering trust among our stakeholders.	Stable economic growth supports the development of the Group, contributing to long-term value creation for our stakeholders.

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL



## VALUE CREATION MODEL

We look to facilitate long-term value creation by effectively managing and utilising our capitals. Below is the illustration of how we utilise our tangible and non-tangible capitals and transform them into value-added activities for our businesses and stakeholders.



# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## OUR MATERIAL SUSTAINABILITY MATTERS

A list of 14 material matters were identified in FY2023. The material matters were selected upon survey and deliberation with the Sustainability Committee by taking into consideration expectation from regulators, industry, stakeholders and latest local and global ESG requirements. The material matters are aligned to the latest Bursa Malaysia’s Enhanced Sustainability Disclosure requirement on common sustainability matters. Outcome of the materiality assessment was presented to the board of directors.

### Stakeholder Ranking

Key stakeholder group was assigned a ranking based on priority to the Group.

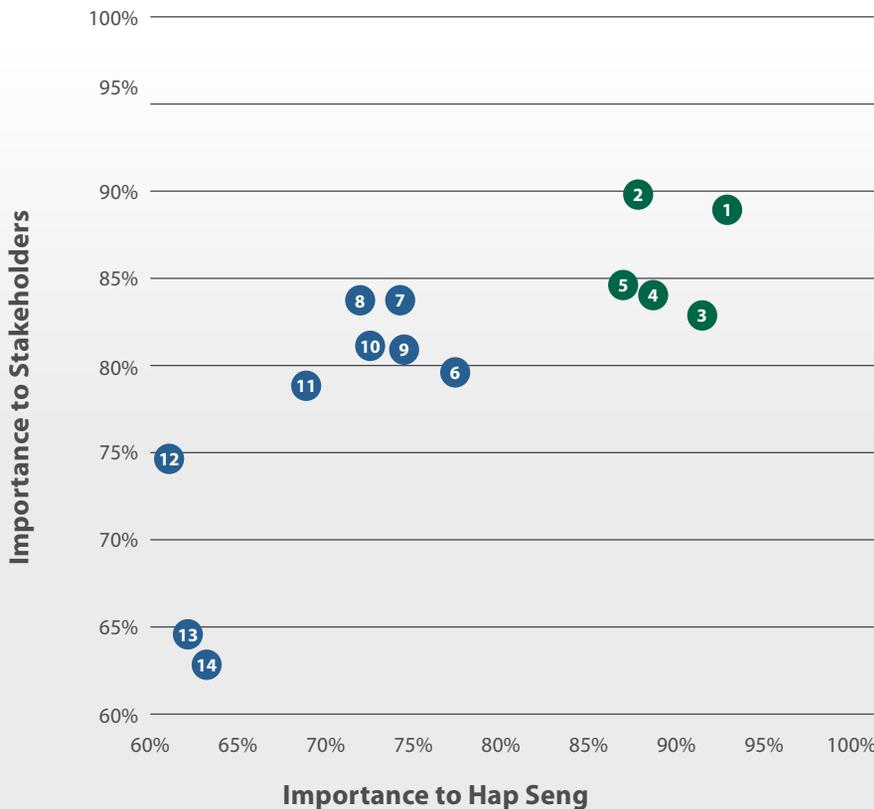
### Importance of Material Matter to Business Operations

A ranking was assigned to each material matter in accordance with its importance for the continuity and strengthening of business performance and operations.

### Importance of Material Matter to Stakeholders

Material matter was ranked based on importance to a selected stakeholder group. Ranking on stakeholders’ material matters are based on our regular correspondence and understanding on them.

**Materiality Matrix**



### Most Important Material Matters

1. Economic Performance
2. Corporate Governance, Transparency and Anti-corruption
3. Data Privacy and Security
4. Quality Products & Services
5. Health and Safety

### Other Important to Moderately Important Material Matters

6. Supply Chain Management
7. Labour Practices and Standards
8. Emissions Management
9. Energy Management
10. Waste Management
11. Water Management
12. Community/ Society
13. Supporting Small & Medium Enterprises
14. Diversity

### Changes in FY2023 materiality assessment:

- Economic performance was rated as the most important material matter, up from third position.
- Other material matters, such as supply chain management, emissions management, water management, and community/society, were repositioned to a higher level of importance compared to last year.
- Affordable housing was excluded as it was deemed immaterial to the Group and stakeholders.

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## Description of Our Material Matters

Material Matter	Why This Is Material to Hap Seng and Our Stakeholders	Potential Risk	Potential Opportunity	Link to Adopted SDG	Link to Our Capital	Link to Our Stakeholders
<b>Economic Performance</b>	Consistent and strong economic growth will create long-term value to the company and stakeholders.	<ul style="list-style-type: none"> <li>Limited local economic development and low employment rate.</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to economic development and provide employment opportunity.</li> </ul>		Financial	<ul style="list-style-type: none"> <li>Employees.</li> <li>Communities.</li> <li>Regulators and government bodies.</li> <li>Shareholders, investors and analysts.</li> </ul>
<b>Corporate Governance, Transparency and Anti-corruption</b>	Robust governance structure and good business ethics will strengthen reputation long-term value creation.	<ul style="list-style-type: none"> <li>Increased cost from non-compliance and losing brand reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Improve stakeholders' confidence by demonstrating ability to meet ESG requirements.</li> </ul>	 	Human, Social and relationship	<ul style="list-style-type: none"> <li>Regulators and government bodies.</li> <li>Shareholders, investors and analysts.</li> <li>Customers.</li> </ul>
<b>Data Privacy and Security</b>	We uphold stringent data protection practices to ensure confidential data is kept securely and not misused in any way.	<ul style="list-style-type: none"> <li>Leaking of confidential and personal data can be reputationally and financially detrimental.</li> </ul>	<ul style="list-style-type: none"> <li>Improved stakeholders' confidence.</li> </ul>		Social and relationship	<ul style="list-style-type: none"> <li>Employees.</li> <li>Regulators and government bodies.</li> <li>Suppliers.</li> <li>Customers.</li> </ul>
<b>Quality Products &amp; Services</b>	Continuous improvement in products quality and services will ensure the business remains relevant to the market.	<ul style="list-style-type: none"> <li>Diminishing brand value and reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Competitive advantage through improved products and services.</li> </ul>	 	Manufactured	<ul style="list-style-type: none"> <li>Employees.</li> <li>Customers.</li> <li>Shareholders, investors and analysts.</li> <li>Media.</li> </ul>
<b>Health &amp; Safety</b>	Ensuring a healthy and safe working environment and optimal productive workforce.	<ul style="list-style-type: none"> <li>Poor health and safety practices would lead to operational inefficiency and legal non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Improved working environment, productivity and regulatory compliance.</li> </ul>		Social and relationship	<ul style="list-style-type: none"> <li>Employees.</li> <li>Regulators and government bodies.</li> <li>Media.</li> </ul>
<b>Supply Chain Management</b>	Reliable and consistent supply chain will ensure seamless raw materials procurement and product distribution.	<ul style="list-style-type: none"> <li>Disruption in supply chain may increase cost of production.</li> </ul>	<ul style="list-style-type: none"> <li>Well managed supply chain ensures sustainable business growth.</li> </ul>		Social and relationship	<ul style="list-style-type: none"> <li>Suppliers.</li> <li>Customers.</li> </ul>
<b>Labour Practices and Standards</b>	Well managed, effective and functional workforce are important for continuous business development.	<ul style="list-style-type: none"> <li>Under motivated and incompetent workforce may limit the organisation's growth.</li> </ul>	<ul style="list-style-type: none"> <li>Effective and skilled workforce increase competitive advantage and continuous innovation.</li> </ul>	 	Human	<ul style="list-style-type: none"> <li>Employees.</li> </ul>

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Material Matter	Why This Is Material to Hap Seng and Our Stakeholders	Potential Risk	Potential Opportunity	Link to Adopted SDG	Link to Our Capital	Link to Our Stakeholders
<b>Emissions Management</b>	Supporting the global climate agenda by mitigating climate change through best operational practices and low carbon operations.	<ul style="list-style-type: none"> <li>Delayed transition to low-carbon operations could result in missed opportunities in the low-carbon economy.</li> </ul>	<ul style="list-style-type: none"> <li>Contributing to the global climate agenda.</li> <li>Improved competitive advantage by capturing opportunities in low-carbon economy.</li> </ul>		Natural	<ul style="list-style-type: none"> <li>Employees.</li> <li>Communities.</li> <li>Regulators and government bodies.</li> <li>Suppliers.</li> <li>Customers.</li> <li>Shareholders, investors and analysts.</li> <li>Media.</li> </ul>
<b>Energy Management</b>	Adoption of renewable energy and efficient energy management enable businesses to operate at higher capacity while minimising the operational and environmental costs.	<ul style="list-style-type: none"> <li>Increasing stakeholder's requirements on energy efficient products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Enable businesses to operate at higher efficiency, reducing cost of operation and minimising impacts to environment.</li> </ul>	  	Intellectual, Natural	<ul style="list-style-type: none"> <li>Employees.</li> <li>Customers.</li> <li>Shareholders, investors and analysts.</li> </ul>
<b>Waste Management</b>	Efficient waste management leads to long-term sustainable growth and maximising resources use efficiency.	<ul style="list-style-type: none"> <li>Irresponsible production may lead to negative environmental impact and potential legal non-compliances.</li> </ul>	<ul style="list-style-type: none"> <li>Minimising direct environmental impact and expenses on waste management.</li> </ul>	  	Natural	<ul style="list-style-type: none"> <li>Employees.</li> <li>Communities.</li> <li>Regulators and government bodies.</li> <li>Media.</li> </ul>
<b>Water Management</b>	Proper water management reduces operational costs, mitigates risks, and protects the environment.	<ul style="list-style-type: none"> <li>Inefficient water management may lead to scarcity, higher costs, fines, and negative environmental impacts.</li> </ul>	<ul style="list-style-type: none"> <li>Efficient water resources management can reduce operating costs.</li> </ul>	 	Natural	<ul style="list-style-type: none"> <li>Communities.</li> <li>Regulators and government bodies.</li> <li>Media.</li> </ul>
<b>Community/Society</b>	Value creation to local communities through our Corporate Social Responsibility (CSR) and educational programmes.	<ul style="list-style-type: none"> <li>Deprived local community may negatively impact the overall economic development.</li> </ul>	<ul style="list-style-type: none"> <li>Empowered community will directly elevate socio-economy and business opportunities.</li> </ul>	   	Social and Relationship	<ul style="list-style-type: none"> <li>Communities.</li> <li>Media.</li> </ul>

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Material Matter	Why This Is Material to Hap Seng and Our Stakeholders	Potential Risk	Potential Opportunity	Link to Adopted SDG	Link to Our Capital	Link to Our Stakeholders
<b>Supporting Small &amp; Medium Enterprises</b>	Provide opportunity for SMEs to grow their businesses through financing products and services, consequently supporting the local economy.	<ul style="list-style-type: none"> <li>Inadequate support to SMEs may limit businesses growth opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>SME contributing significantly to the Malaysia's Gross Domestic Product (GDP).</li> </ul>		Social and Relationship	<ul style="list-style-type: none"> <li>Regulators and government bodies.</li> <li>Customers.</li> </ul>
<b>Diversity</b>	Diversity brings together people from different backgrounds, experiences and perspectives, leading to innovation, better problem-solving and a stronger company culture.	<ul style="list-style-type: none"> <li>Lack of diversity may result in reduced innovation, discrimination, and affect company reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Ability to foster a more inclusive culture and customer loyalty through better understanding of diverse customer needs.</li> </ul>		Human	<ul style="list-style-type: none"> <li>Employees.</li> </ul>

### STAKEHOLDER ENGAGEMENT

At Hap Seng, we engage with our key stakeholders to ensure that our approach in addressing relevant sustainability matters takes into account their concerns and expectations. The table below covers the list of stakeholder groups, our engagement methods, and the way we respond to the identified material matters.

Stakeholder Groups	Channels of Engagement	Frequency of Engagement	Material Matters	Our Response
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employees' intranet</li> <li>Internal emails</li> <li>Annual performance appraisal</li> <li>Training</li> <li>Internal meetings</li> <li>Interviews</li> </ul>	Ongoing, Annually	<ul style="list-style-type: none"> <li>Corporate governance and transparency</li> <li>Occupational health and safety</li> <li>Talent management</li> </ul>	<ul style="list-style-type: none"> <li>Continuous feedback and rectification through grievance and whistleblowing channels.</li> <li>Regularly provide updates on health and safety preventive measures.</li> <li>Career development, attractive remuneration and benefits package.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Community engagement sessions and community programmes</li> <li>Corporate website and social media</li> </ul>	Ongoing, Annually	<ul style="list-style-type: none"> <li>Climate change</li> <li>Environmental stewardship</li> <li>Empowering local communities</li> </ul>	<ul style="list-style-type: none"> <li>Organising programmes to uplift socio-economy of communities.</li> <li>Minimising potential impact to the communities through resources use efficiency and pollution prevention measures.</li> <li>Regular engagement and socialisation with local communities.</li> <li>Respecting Free, Prior and Informed Consent (FPIC) on new development involving community land rights.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Regular compliance reporting</li> <li>Participating in government led initiatives</li> <li>Continuous engagement</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Corporate governance and transparency</li> <li>Occupational health and safety</li> <li>Environmental stewardship</li> </ul>	<ul style="list-style-type: none"> <li>Establishing and implementing robust corporate governance across the Group.</li> <li>Adhering to the Anti-bribery &amp; Corruption Policy.</li> <li>Adopting health and safety management system and preventive measures to minimise potential workplace accident.</li> <li>Regular monitoring on environmental and social compliance.</li> </ul>

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Stakeholder Groups	Channels of Engagement	Frequency of Engagement	Material Matters	Our Response
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Tender process and supplier feedback mechanism</li> <li>Regular communication</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Supporting SMEs</li> </ul>	<ul style="list-style-type: none"> <li>Practised equal business opportunity through tendering process.</li> <li>Procure from responsible and sustainable suppliers to minimise supply chain disruption.</li> <li>Supporting SMEs' growth by providing optimal financial solutions.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer networking event</li> <li>Customer satisfaction survey</li> <li>Online feedback</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Data protection</li> <li>Products quality and services</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Proactively request feedback from customers through customer satisfaction survey.</li> <li>Strengthening internal cybersecurity and data management system to safeguard customer's data.</li> <li>Timely product and service delivery to customer.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Investor engagement sessions</li> <li>Regular communication</li> </ul>	Ongoing, Quarterly	<ul style="list-style-type: none"> <li>Corporate governance and transparency</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting is organised every year to update shareholders, investors and analysts on the Group's performance and strategy.</li> <li>Analyst briefings are conducted quarterly or as and when required to discuss financial performance of the Group.</li> <li>Press release is published as and when required to communicate latest business developments.</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Press release</li> <li>Information on the company's websites</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Corporate governance and transparency</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Direct engagement to communicate latest and upcoming developments from the Group.</li> </ul>

### OUR ACHIEVEMENTS AND TARGETS

Our ESG-related KPIs were developed based on industry priorities and identification of our internal strength and potential value creation with the business divisions. The ESG-related KPIs were deliberated in the Group Sustainability Committee and approved by the Board in February 2023. Effective 2023, the Group has linked the identified ESG-related KPIs to the overall remuneration of the senior management.

Material Matter	ESG-related KPI	Performance	Remarks
<b>Responsible Governance</b>			
<b>Data Privacy and Security</b>	Zero substantiated breach of customer privacy and losses of customer data	<b>Achieved</b> No breach was reported	To maintain.
<b>Economic Resilience</b>			
<b>Economic Performance</b>	Providing returns to shareholders with not less than 50% dividend payout rate	<b>Achieved</b> Dividend payout rate = 77.8%	To maintain.
<b>Supply Chain Management</b>	Supporting local economy by maintaining more than 60% procurement and services from local suppliers	<b>Achieved</b> Local Suppliers: 67.2% Foreign Suppliers: 32.8%	To maintain.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Material Matter	ESG-related KPI	Performance	Remarks
<b>Economic Resilience</b>			
<b>Supply Chain Management</b>	Performing ESG due diligence on all new and existing suppliers by 2024	<b>Future commitment</b>	To develop sourcing procedure and supplier's due-diligence process in FY2024.
	Maintaining 100% traceability to the oil palm supply chain	<b>Achieved</b> FFB sources are fully traceable to the 11 supplying smallholders.	To maintain.
<b>Quality Products &amp; Services</b>	Maintaining Customer Satisfaction Index scoring of more than 75% for Property Development (West Malaysia) and Automotive (Passenger Vehicles)	<b>Partially achieved</b> 72.0%: Property Development 98.8%: Passenger Vehicles	Lower property development satisfaction scores were partly affected by the lack of survey responses.  Potential improvement: - To improve customer service. - Engage with buyers on the survey feedback.
	Maintaining Tenant Satisfaction Index scoring of more than 80%	<b>Achieved</b> Averaged score of 85% (Menara Hap Seng 1, 2, 3 and Plaza Shell)	To maintain.
	All new investment properties developed from 2025 onwards are certified with recognised green building certification	<b>Future commitment</b>	To disclose performance in 2025.
<b>Supporting Small &amp; Medium Enterprises</b>	Supporting the growth of SMEs by providing more than 70% of our credit financing services to SME customers	<b>Achieved</b> 77.5% customers are operating SME businesses.	To maintain.
<b>Environmental Management</b>			
<b>Emissions Management</b>	Continuous reduction of scope 1 and scope 2 GHG emissions intensity from baseline year 2022	<b>Not Achieved</b> Emission Intensity (t CO <sub>2</sub> -e/ RM'million Revenue): +64.4% Absolute Emission (t CO <sub>2</sub> -e): +30.6%	Refer to page 106 for details on GHG emissions.
<b>Energy Management</b>	Continuous reduction in energy use intensity through efficient energy management	<b>Not Achieved</b> Energy Intensity (MJ/ RM'million Revenue): +30.7% Absolute Energy (MJ): +4.5%	Refer to page 110 for details on energy consumption.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Material Matter	ESG-related KPI	Performance	Remarks
<b>Environmental Management</b>			
<b>Energy Management</b>	Maintaining more than 31% share of renewable energy by 2025 as per Malaysia's target	<b>Achieved</b>  Overall, 75.9% energy consumption derived from renewable energy.	To maintain.
<b>Water Management</b>	Continuous reduction of water usage intensity from baseline year 2022	<b>Not Achieved</b>  Water Consumption Intensity (m <sup>3</sup> /RM'million Revenue): +2.6%  Absolute Water Consumption (m <sup>3</sup> ): -18.0%	Refer to page 114 for details on water consumption.
<b>Waste Management</b>	Establishing a recycling system in every business division by 2023	<b>Achieved</b>	Potential improvement:  - Effectiveness of the system will be monitored from the record of recycled waste.
<b>People and Community Development</b>			
<b>Health &amp; Safety</b>	Maintaining zero workplace-related fatality and high-consequence injury	<b>Achieved</b>  No workplace fatality and high consequence injury recorded.	To maintain.
<b>Labour Practices and Standards</b>	Zero substantiated discrimination and harassment case at workplace	<b>Achieved</b>  No case reported.	To maintain.

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## RESPONSIBLE GOVERNANCE

Align to SDG:



### Our Approach

The Board leads the Group, overseeing its management, objectives, and initiatives, including those of the Group Sustainability Committee. Both the Board and Hap Seng's management are dedicated to upholding robust corporate governance and business ethics. Details regarding the Board's duties and responsibilities are outlined in the Board Charter which is accessible on our corporate website, the Annual Report (page 64) and the Corporate Governance Report.

## CORPORATE GOVERNANCE, TRANSPARENCY AND ANTI-CORRUPTION

### Sustainability Governance

Our Sustainability Framework builds upon the existing Sustainability Pillars by providing holistic overview of the Group's sustainability governance structure, commitments, implementation strategy, as performance measurement for continuous improvement.

Within the Sustainability Framework, a set of Sustainability Focus Areas consisting of environmental, social and governance were identified to create additional value to our businesses. Refer to the published Sustainability Framework for more information<sup>1</sup>.

The sustainability governance structure is laid out in the diagram on the right.

The Corporate Planning & Investor Relations Department (CPIR) manages and coordinates the sustainability activities within the Group and continuously engages with relevant internal and external stakeholders on the Group's sustainability matters.

The Group Sustainability Committee has held one meeting in FY2023.

### Board of Directors

- Oversight of the Group's overall sustainability implementation and progress.
- To provide guidance on the alignment of Sustainability Focus Areas into the Group's business strategy.



### Group Managing Director

- Heads the Sustainability Committee.
- Oversees the Group's sustainability implementation and update its progress at the Board level.



### Sustainability Committee

- To conduct meeting(s) chaired by the Group Managing Director (GMD) with participation from Heads of Business Division.
- To discuss sustainability performance, initiatives, and risks from respective business division.
- To align Board's expectation and business strategy to the Sustainability Focus Areas.



### Divisional Sustainability Working Committee

#### Plantation – Property – Credit Financing – Automotive – Trading – Building Materials

- To conduct working group meeting(s) at business division level to review the sustainability performance and brainstorm on continuous improvement.
- To set targets and track performance of Sustainability Focus Areas at the business division level.
- To compile the Sustainability Performance Matrix on a bi-annual basis.

*Group Sustainability Committee Structure and Responsibilities*

<sup>1</sup> [https://www.hapseng.com.my/en/download/termsreference/HSCB\\_Sustainability\\_Framework.pdf](https://www.hapseng.com.my/en/download/termsreference/HSCB_Sustainability_Framework.pdf)

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Full list of training programme in which the Board of Directors engaged during FY2023 is available on page 68 of this Annual Report.

	Total Training Hours	ESG-related Topics
Training attended by the Board of Directors in FY2023	416	- ESG governance
	Training Hours per Director	- Climate risks & opportunities
	46.2	- International Sustainability Standards Board (ISSB) requirements
		- Cybersecurity

As the Group transitions to a more structured approach in sustainability management, it has implemented the following improvements recommended by the Sustainability Committee in FY2023:

- Incorporated ESG performance as part of employees' KPI
- Aligning sustainability disclosures to the Bursa Malaysia reporting requirements
- Disclosure of scope 3 emissions from employees business travel
- Establishing GHG emissions baseline in accordance to the GHG Protocol methodology

### Business Ethics and Policies

Hap Seng emphasizes business ethics and integrity through five core principles, integral to all employees' expected conduct. These principles are communicated during induction training and documented in the Employee Handbook and the Group's Code of Conduct, accessible via the employee intranet portal.

Hap Seng has a zero-tolerance policy towards bribery and corruption, as outlined in its Anti-Bribery and Corruption Policy (ABC Policy). Established in June 2020 and updated in November 2021, the policy aligns with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. All employees, business associates, and external providers are required to sign an integrity declaration form affirming their adherence to the policy. External providers and business associates must also disclose any conflicts of interest.



## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

To ensure the effectiveness of ABC Policy, Hap Seng established an Integrity Management Committee (IMC), which conducts annual corruption risk assessments. Assessment in FY2023 revealed low corruption risk, with no reported breaches or disciplinary actions against employees for non-compliance with the ABC Policy.

In FY2019, the Group conducted a comprehensive anti-bribery and anti-corruption training for all the employees as part of its anti-corruption program. Subsequently, an Integrity Declaration process was implemented, mandating all the employees to make annual declaration to reaffirm their commitment to the ABC policy. New employees are also required to acknowledge their understanding of the ABC policy as part of the onboarding process. The policy is accessible on the Group's website for reference by employees and stakeholders. For further details on the anti-corruption and bribery training received by our employees in FY2023, please refer to the capacity building section on page 122.

### Whistleblowing and Grievance Management

Hap Seng has established a whistleblowing channel for employees and third parties to report suspected ABC Policy violations. Incidents involving employees are reported to the Industry Relations or Employee Relations Manager, while those involving Board members and management are reported to a designated Senior Independent Director.

Employees are also encouraged to report any other unethical behaviour via the grievance procedure. They can report incidents to their immediate superiors for prompt resolution, with escalation to the Group's Human Resources Department if necessary. The procedure is outlined in the Employee Handbook.

The identity of the whistleblower and grievance raiser will be protected throughout the investigation process to prevent potential threats and retaliation. There were no reported cases through either the whistleblowing or grievance channels in FY2023.

Potential future land dispute issue at the Plantation division will be addressed using the Land Dispute Management<sup>1</sup> document which is publicly accessible. The document covers negotiation, investigation and compensation processes in accordance to free, prior and informed consent principles.

### Regulatory Compliance

Hap Seng is committed to full compliance with relevant laws and regulations. We have an in-house Legal and Compliance Department that closely monitors changes in applicable laws and regulations and implements necessary actions to meet those changes.

#### The main laws and regulations that we are adhering:

- Companies Act 2016
- Employment Act 1955 (Amendment) 2022
- Personal Data Protection Act 2010 (PDPA)
- Capital Markets and Service Act 2007
- Environmental Quality Act 1974
- Occupational Safety and Health Act 1994
- Factories and Machinery Act 1967
- Children and Young Persons (Employment) Act 1966
- Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
- Malaysian Anti-Corruption Commission (Amendment) Act 2018

<sup>1</sup> <https://www.hapsengplantations.com.my/download/sustainabilitypolicies/land-dispute-management.pdf>

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

The risk of legal non-compliance has been adequately identified and mitigated through our internal controls and risk management process. In FY2023, there were no reported incidents of non-compliance with environmental, social, and governance-related laws.

The Group does not engage in any lobbying practices or make political contributions.

### Risk Management

The Risk Management Committee of Hap Seng is responsible for conducting annual risk assessment and ensuring that mitigation measures are effectively implemented for identified risks.

Risks are categorised based on low, moderate, significant, and high net risk ratings. After the risk assessment is completed, the Group implements additional controls and procedures to effectively manage identified risks within acceptable risk tolerance levels. More information on Hap Seng's approach to risk management can be found on page 77 of this Annual Report.

### 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 Group 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 Group IT Department to maintain security standards. Additionally, each 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 Group 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.

Cybersecurity Training	FY2022	FY2023
Employees Participated	305	297
Total Training Hours	763	740

In cases of data breach, the Group 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 provided to the Chief Information Officer, outlining findings, causes, impact, and recommendations for strengthening the security system to prevent future incidents.

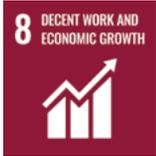
Throughout the year under review, the Group did not receive any substantiated complaints concerning breaches in customer privacy or data loss.

Customer Complaints on Privacy Breaches or Data Loss	FY2021	FY2022	FY2023
	0	0	0

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## ECONOMIC RESILIENCE

Align to SDG:



### Our Approach

As a leading conglomerate, our Group's economic stability hinges on the success of our business partners and stakeholders. Leveraging our size and reach, we aim to create positive impacts and opportunities throughout our value chain. Through long-term strategic planning, we enhance operational resilience while ensuring fair business opportunities and delivering top-quality products and services to meet stakeholder expectations.

## CORPORATE GOVERNANCE, TRANSPARENCY AND ANTI-CORRUPTION

### Economic Performance

Economic resilience forms the bedrock of our business culture and practice. Our commitment to economic resilience enables us to create value and make a positive impact through dividend distributions, community service, and employment opportunities. By focusing on economic resilience, we are poised to drive sustainable growth for the Group and all our stakeholders.

Investments in sustainability are an integral part of our Group's business strategy and value creation. To this end, we have issued Sustainability-linked Bonds (SLBs) of up to RM1.25 billion as of December 2023. These SLBs are aligned with the International Capital Market Association's Sustainability-linked Bond Principles, with a variable interest rate linked to the achievement of predetermined sustainability performance targets, such as reducing water and electricity consumption, increasing the use of solar energy, and implementing rainwater harvesting initiatives.

### Supply Chain Management

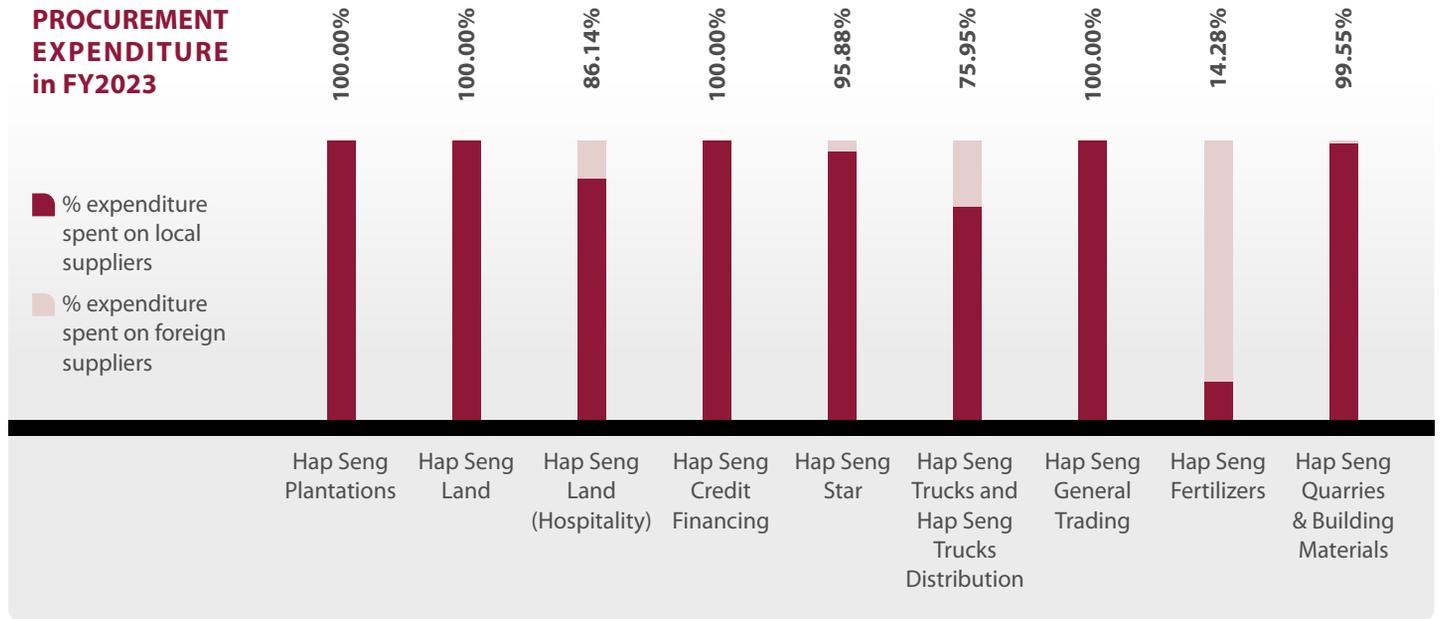
The challenges posed by geopolitical and pandemic issues have underscored the significance of robust supply chain management and the importance of local sourcing. To an extent, Hap Seng mitigated the impact of global supply chain disruptions through its diverse range of businesses which strategically support one another by supplying essential services and raw materials internally between the different business divisions.

In Hap Seng, supplier selection is done through a transparent and impartial tendering process. Potential suppliers are evaluated based on a set of criteria to ensure they can deliver top-quality products and services that meet the demands of our customers. We hold our suppliers accountable to our ethical principles, as outlined in the Sustainability Framework, ABC Policy, relevant industry standards, and legal requirements. Going forward, we are also planning to perform ESG due diligence on all new and existing suppliers.

In FY2023, 67.2% of the Group's procurement expenditure was allocated to local companies. Hap Seng Trucks Distribution and Hap Seng Fertilizers had a significant proportion of their procurement expenditure go towards overseas suppliers due to the nature of their businesses and limited local suppliers.

	FY2021	FY2022	FY2023
<b>Procurement Expenditure Allocated to Local Companies (%)</b>	60.4	62.9	<b>67.2</b>

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL



As a company committed to sustainable development, we are actively sourcing sustainable raw materials within our supply chain. Some of the raw materials we sourced for our development projects are certified with recognised ecolabels such as MyHijau Mark and Global GreenTag. The ecolabels are certification programmes that aim to promote environmentally friendly products and services by assessing them against specific environmental criteria.

### Supporting Small, Medium-sized Enterprises and Smallholders

Our success in maintaining a high proportion of SME customers is a result of our commitment to providing tailored financing solutions that drive their business growth.

Proportion of SME Customer (%)	FY2021	FY2022	FY2023
		76.0	77.5

Our Plantation division supports the 11 outgrowers and smallholders by facilitating the adoption of sustainable practices through training and certification. We are actively assisting the outgrowers and smallholders in their certification journey to ensure a supply of sustainable Fresh Fruit Bunches (FFB) for our mills. Close engagement with the outgrowers and smallholders also ensures we are maintaining full traceability of our FFB to legal and sustainable sources. In FY2023, we conducted two internal audits on seven smallholders supplying FFB to us. To expedite RSPO certification, we have also partnered with our key palm oil buyer to support four smallholders in their preparation for their RSPO certification journey.

Certification Status of Outgrowers and Smallholders	
RSPO and MSPO certified	5
MSPO certified only	3
<b>Total certified outgrowers and smallholders</b>	<b>8</b>

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### Quality Products & Services

In our Plantation division, we ensure compliance with palm oil buyers' ESG requirements by sourcing responsibly and sustainably. All our produced palm oil is traceable, with 79.5% also RSPO certified. Our palm oil holds various food quality certifications like HACCP, MeSTI, and HALAL. It consistently meets or exceeds the industry's vital quality parameters, resulting in our Plantation division being awarded Zero Off Spec CPO and Highest Quantity CPO Supplier by one of our major buyers, IOI Edible Oils in FY2023. Two of our palm oil mills have been equipped with a chloride washing plant as part of our proactive effort to reduce potential traces of 3-monochloro-propanediol esters (3-MCPDE) in our palm oil, a type of contaminant commonly formed in heat-processed oil. Compliance with food safety requirements and certifications enables us to cater to the stringent requirements of global buyers.

We regulate the quality of our property developments through an internal Quality Management System (QMS) guided by standard operating procedures. Our division conducts purchaser satisfaction surveys assessing property quality, cleanliness, purchase experience, and overall service. Complaints or feedback from customers are handled by assigned sales consultants or customer service officers according to QMS timelines. In FY2023, quality of the property developed by us was recognised in the SHAREDADA Excellence Award 2023, where Bandar Sri Indah Township won the award under the Best Mixed – Used Development. For our investment properties, we actively engage with tenants, offering ongoing customer management support and conducting Tenant Satisfaction Surveys to gather feedback. In FY2023, Menara Hap Seng 3 received the gold award (office category) from the esteemed FIABCI World Prix D'Excellence Award.

Property (Development)			
	FY2021	FY2022	FY2023
Customer Satisfaction Index (%)	79	83	85

Property (Investment)			
	FY2021	FY2022	FY2023
Tenant Satisfaction Index (%)	83	86	85

Our Automotive division continues to focus on providing customers with end-to-end premium service experience, in both sales and aftersales. Several of our Autohaus also emerged as champion and runners-up in the Retail Partner of The Year Award by Mercedes-Benz Malaysia, recognising the end-to-end premium service experience provided by Hap Seng Star. Please refer to the Achievements & Recognitions section on page 85 to 86 for more information.

Automotive (Passenger Vehicle)			
	FY2021	FY2022	FY2023
Customer Satisfaction Index (%)	92.8 to 100*	97 to 100*	98.8

\* A score range was reported in FY2021 and FY2022

# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## ENVIRONMENTAL PROTECTION

Align to SDG:



### Our Approach

As a natural resource-dependent Group, we prioritize environmental preservation and minimizing operational impact for sustainable growth. We aspire to transition to low environmental footprint operation through utilization of renewable energy, recycle and reuse. As a certified sustainable producer, our Plantation division commits to no deforestation and protects areas with high carbon stock (HCS) and high conservation value (HCV).

### Emissions Management

Our carbon footprint is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard to ensure consistent reporting and future comparability across different business divisions. Data for emissions generated was based on internationally recognised calculation tools i.e. 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines and local emission factors (where applicable). Emission from the grid electricity was based on the Grid Emission Factor published by the Energy Commission of Malaysia. Global warming potential from CH<sub>4</sub>, N<sub>2</sub>O, and HFCs were converted into CO<sub>2</sub> equivalents from the IPCC Sixth Assessment Report (AR6).

The control approach is used to consolidate the GHG emissions where we fully account the GHG emissions from operations over which we have control. The reporting coverage includes business divisions in Peninsular Malaysia, Sabah and Sarawak. This involves mills, plantations, Autohaus, service centres, warehouses, quarry, brick, asphalt plants and offices at the operating unit.

We measure our emissions in three scopes:

- Scope 1: Direct GHG emissions from sources that are owned, such as company-owned vehicles, machineries and generators.
- Scope 2: Indirect CO<sub>2</sub>-e emissions from the generation of purchased electricity.
- Scope 3: Indirect CO<sub>2</sub>-e emissions that occur outside the organization, such as business travel, employee commuting, waste generation and emission from downstream leased assets.

Emission from land use change is based on RSPO PalmGHG calculation. A recalculation of land use change emissions will be conducted according to the GHG Protocol's land sector guidance and removal guidance once it is published.

Biogenic emissions are reported separately from the scopes according to GHG Protocol which cover CO<sub>2</sub> emissions from biomass combustion, biofuel consumption and application of biomass as organic manure.

Following are the key changes to the emissions disclosure for this reporting period:

- Calculation method for the Plantation division has been updated to adhere to the GHG Protocol standards. Previously, it relied on the output of RSPO PalmGHG and subsequently categorized into scope 1 and scope 2 classifications.
- Company's car used by the employees was quantified under scope 1 instead of scope 3.
- Fugitive emission calculation was based on average annual leakage rate instead of record from refilling of refrigerant.
- Emission from consumption of biomass was calculated instead of considered as carbon neutral.
- Overall improvement in data completeness.

As a result of different methodology and emission factors used, the emission in FY2023 is not entirely comparable to the previous years.

Our focus was on quantifying and exploring opportunity to reduce emissions through renewable or environmentally friendly energy options. We have established ESG-related KPIs to continuously reduce our scope 1 and scope 2 GHG emission intensity while enhancing the completeness and accuracy of our scope 3 emissions. In this reporting period, we have disclosed one more category of scope 3 GHG emissions (business travel) to improve our completeness in scope 3 quantification.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

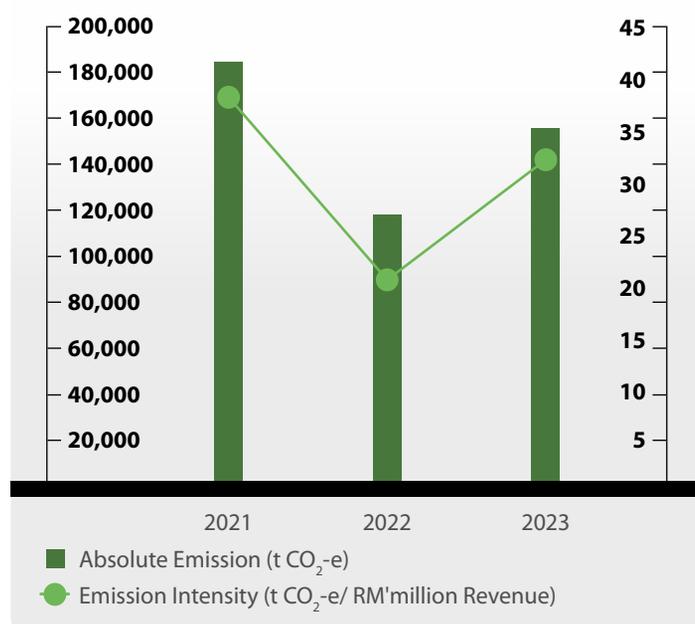
Table below describes Hap Seng's preliminary approach in managing climate-related risks and opportunities based on the requirements in accordance with the International Financial Reporting Standards (IFRS) S2 climate-related disclosures with the aim of progressively achieving full disclosure in subsequent years.

IFRS S2 Climate-related Disclosures	Our Approach
<b>Governance</b>	<ul style="list-style-type: none"> <li>We have established our Sustainability Framework and formed the Sustainability Committee to create value and address sustainability matters including climate change. Refer to page 99 for details on Hap Seng's sustainability governance structure.</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>KPI on continuous reduction on GHG emissions intensity has been incorporated as part of the group's KPI from FY2023 onwards. Sustainability Working Committee from each business division to drive the identified initiatives and continuous improvement through change of practices and adoption of practical renewable energy technology in minimizing GHG emissions.</li> <li>Business divisions are exploring renewable energy options such as solar and biogas to replace non-renewable energy where practical. Energy sources with lower GHG emission are also being explored to reduce emission and operating cost.</li> </ul>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>Transition and physical risk assessments in alignment to IFRS S2 requirements will be conducted in near future.</li> <li>Climate-related risks and measures to mitigate the risks will be assessed and discussed by the Sustainability Committee after the assessment has been conducted.</li> </ul>
<b>Metrics and Targets</b>	<ul style="list-style-type: none"> <li>Combined scope 1 and 2 GHG emissions in FY2023 valued at 155,165 t CO<sub>2</sub>-e.</li> <li>Carbon emission from land use change was at 204,562 t CO<sub>2</sub>-e (based on RSPO PalmGHG).</li> <li>Carbon sequestered from conservation areas and oil palms was at -235,943 t CO<sub>2</sub>-e.</li> <li>Biogenic emissions were at 210,627 t CO<sub>2</sub>-e.</li> <li>Quantified scope 3 emissions were at 26,093 t CO<sub>2</sub>-e.</li> </ul>

Emissions Source	t CO <sub>2</sub> -e
<b>Scope 1 - Direct emissions</b>	<b>135,413.44</b>
<b>Scope 1: Mechanical</b>	<b>31,413.39</b>
Fossil Fuel Combustion	30,824.69
Fugitive Emissions (Refrigerants)	588.70
<b>Scope 1: Non-Mechanical</b>	<b>104,000.05</b>
Fertiliser	42,376.50
POME Treatment	47,337.77
Land Application	10,812.21
Biogenic Emissions (CH <sub>4</sub> and N <sub>2</sub> O)	3,473.57
<b>Scope 2 - Indirect emissions</b>	<b>19,249.31</b>
Purchased electricity	19,249.31
<b>Scope 1 &amp; Scope 2 Emissions (Business Divisions)</b>	<b>154,662.75</b>
<b>Scope 1 &amp; Scope 2 Emissions (Corporate Office)</b>	<b>502.67</b>
<b>Total Scope 1 &amp; Scope 2 Emissions</b>	<b>155,165.42</b>
<b>Land Use Change (based on RSPO PalmGHG)</b>	<b>204,562.00</b>
<b>Carbon Sequestration</b>	<b>(235,942.53)</b>
<b>Biogenic Emissions (CO<sub>2</sub>)</b>	<b>210,627.48</b>

### GHG Emissions by Emission Sources in FY2023

### ABSOLUTE EMISSION AND INTENSITY (FY2021 TO FY2023)



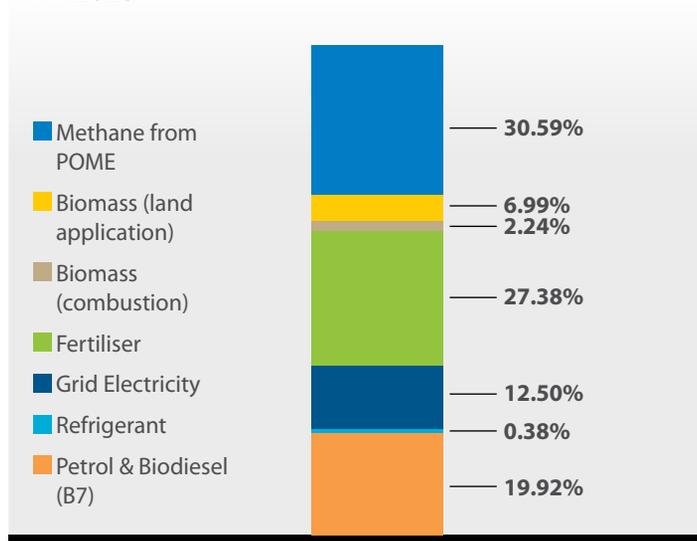
The increase in Group GHG intensity is mainly due to changes in calculation methodology. Apart from that, lower revenue recorded in FY2023 also contributed to the higher emission intensity.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

GHG emission intensity and absolute GHG emission by operating divisions are as follows:

Business Division	GHG Consumption Intensity		Difference (%)	Intensity Unit	Absolute GHG Emission (t CO <sub>2</sub> -e)		Difference (%)
	FY2022	FY2023			FY2022	FY2023	
Plantation	0.70	0.83	19.3	t CO <sub>2</sub> -e/ MT Sales	88,721.48	123,618.77	39.33
Property Investment	17.24	20.18	17.0	t CO <sub>2</sub> -e/ RM' million Revenue	8,594.21	10,277.28	19.58
Credit Financing	0.67	1.25	85.3	t CO <sub>2</sub> -e/ RM' million Revenue	150.67	277.55	84.22
Automotive	2.09	2.85	36.1	t CO <sub>2</sub> -e/ RM' million Revenue	3,700.21	3,967.26	7.22
Trading (Fertilizer Trading)	0.00041	0.00039	-4.4	t CO <sub>2</sub> -e/ MT Sales	406.45	363.34	-10.61
Trading (General Trading)	0.51	0.29	-43.7	t CO <sub>2</sub> -e/ RM' million Revenue	242.05	141.04	-41.73
Building Materials	110.20	94.02	-14.7	t CO <sub>2</sub> -e/ RM' million Revenue	16,640.74	16,017.51	-3.75
	19.62	32.26	64.4	t CO <sub>2</sub> -e/ RM' million Revenue	118,455.81	154,662.75	30.57

### GHG EMISSIONS BY EMISSION SOURCES IN FY2023



Emissions from fuel consumption and methane from POME are anticipated to decrease significantly once the biogas plant at Tomanggong Palm Oil Mill is operational. Additionally, investments in the palm fibre mat technology which is currently in construction will allow estates to repurpose empty fruit bunches, and minimising natural methane leakages from EFB. The Group has also allocated substantial land for conservation which enables carbon offset through sequestration from both conservation areas and existing oil palm trees.

Carbon Sequestration (t CO <sub>2</sub> -e)	FY2021	FY2022	FY2023
	184,977*	190,915*	235,943

\* Carbon offset from sequestration for FY2021 and FY2022 was based on RSPO PalmGHG.

Reducing emissions in other business divisions relies on gradual transitioning to energy-efficient machinery and vehicles. We are actively exploring opportunities to install more solar panels at our properties and export surplus energy to reduce our grid electricity grid consumption. We are set to commission an additional solar facility in FY2024. Hap Seng Star has also installed 26 electric vehicle chargers nationwide, offering complimentary charging to customers and promoting the transition to electric vehicles in the community.

We have been quantifying four categories of scope 3 emissions since FY2022. In this reporting cycle, we have included the employee's business travel data as an additional disclosure category for scope 3 emission. Given our diversified businesses, full quantification of scope 3 emissions is complex and time-consuming. Thus, we aim to disclose this data gradually as we enhance our internal capacity and improve data completeness and accuracy.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

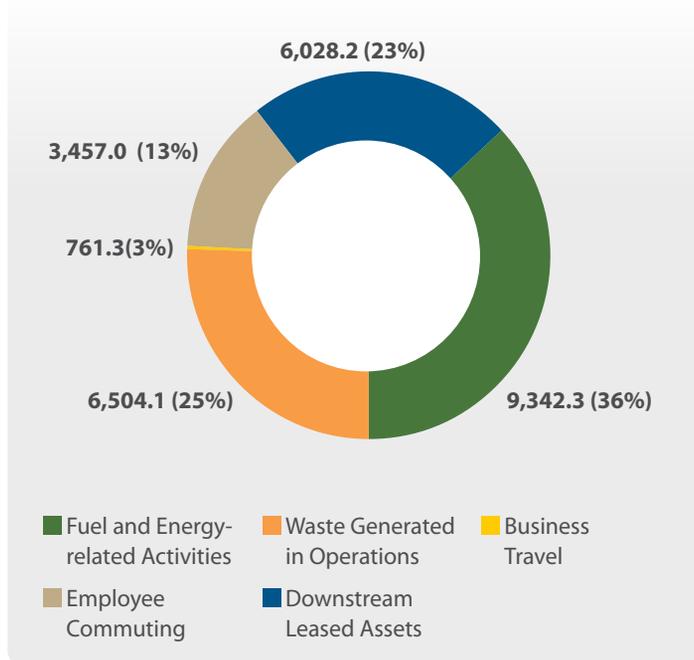
Scope 3 Emissions Category	Description	Data Quality
<b>Fuel and Energy-related Activities</b>	<ul style="list-style-type: none"> <li>Emissions from fuel usage encompassed emissions associated with extraction, refining and transportation of the raw fuel sources prior to combustion.</li> <li>Emissions from electricity usage is associated with transmission and distribution losses with purchased electricity.</li> </ul>	Fair
<b>Waste Generated in Operations</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	Fair
<b>Employee Commuting</b>	<ul style="list-style-type: none"> <li>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 (round trip) in FY2022.</li> <li>The calculation is based on the data from 59.6% of the 2,883 employees (graded level and above) surveyed. The resulting emissions were subsequently extrapolated to the number of employees ending FY2023.</li> <li>The survey did not include the field workers from Plantation division as they are staying in the plantation and transportation is usually provided to them when necessary.</li> <li>Survey on employee commuting will be conducted in every two years interval.</li> </ul>	Fair
<b>Business Travel</b>	<ul style="list-style-type: none"> <li>Business travel data was extracted from the group's internal business travel application system, which has been customized to capture distances travelled via different modes of transport requirement for the trip.</li> </ul>	Fair
<b>Downstream Leased Assets</b>	<ul style="list-style-type: none"> <li>Emissions from indirect electricity usage from assets not operating by the Group.</li> </ul>	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.



## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### PROPORTION OF SCOPE 3 GHG EMISSIONS IN FY2023



Total Scope 3 Emission (t CO <sub>2</sub> -e)	FY2022	FY2023
	25,478	26,093

Analysis of scope 3 emissions has revealed that 36% of the emissions were attributed to indirect fuel and energy-related activities utilised by our operations. A long-term transition plan towards increasing utilisation of renewable fuel is essential to lowering indirect emissions resulting from the production of energy.

Indirect emissions from waste generation contributed 25% to the quantified scope 3 emission. Our recycling efforts have helped mitigate emissions from waste generation by diverting it from landfills. In FY2023, we avoided an estimated 209,488 t CO<sub>2</sub>-e by diverting 333,931 tonnes of waste through recycling and reusing. Most recycled waste came from oil palm biomass, such as oil palm fibre, empty fruit bunches, decanter solids, and boiler ash. Oil palm fibre was reused for renewable energy generation, while empty fruit bunches, decanter solids, and boiler ash were composted to improve soil nutrient content in oil palm estates.

Electricity usage by downstream leased assets was found to be the third largest source of emissions among the measured scope 3 emissions. In addition to our ongoing group-wide conversion to energy-efficient equipment,

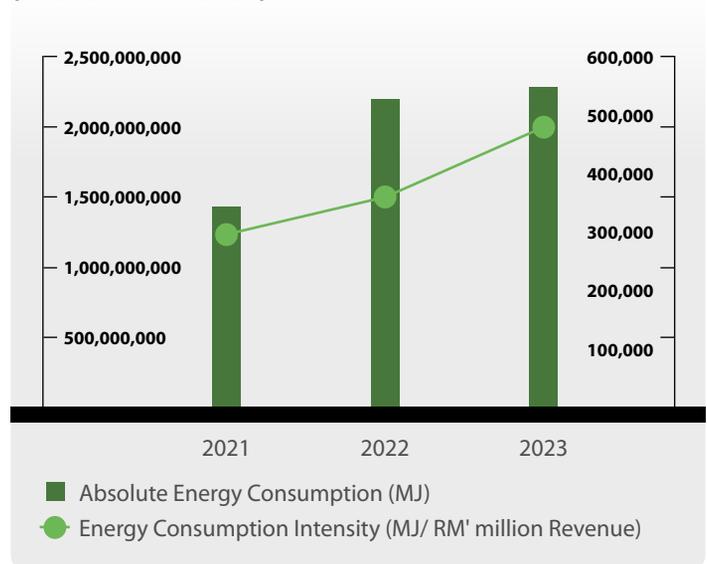
we plan to gradually raise awareness of energy-saving measures and collaborate with the tenants of our buildings to promote best practices in energy management.

Emissions from both business travel and employee commuting contributed about 16% of the overall measured scope 3 emission. Emission for business travel and employee commuting is expected to reduce gradually in line with the global vehicle electrification plan.

### Energy Management

In FY2023, the Group consumed a total of 2.31 billion MJ of energy. The Group's energy consumption is sourced from both renewable and non-renewable sources.

### ABSOLUTE EMISSION AND INTENSITY (FY2021 TO FY2023)



Most divisions recorded reduction in energy use intensity, except for Credit Financing, Automotive and Fertilizer Trading divisions. Energy intensity reduction in the Building Materials division was attributed to transitioning from diesel gensets to grid electricity at the Jesselton quarry, coupled with a 13% increase in revenue.

The increase in the absolute energy consumption in the Plantation division was primarily attributed to a 17% rise in CPO sales volume.

Increase in energy intensity and absolute energy in the Credit Financing division was due to incorporation of fuel consumption from company cars which was not accounted in previous year.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

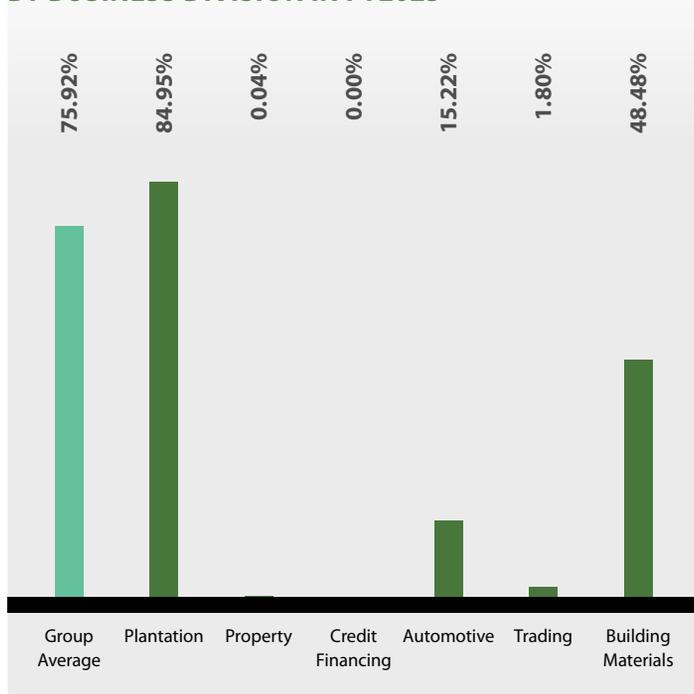
The increased energy intensity and consumption in the Automotive division resulted from higher electricity consumption associated with the launch of a new Autohaus in Bukit Tinggi, compounded by a decrease in revenue compared to FY2022.

Similarly, the Trading (Fertilizer) division experienced higher energy intensity primarily due to a reduction in fertilizer sales volume.

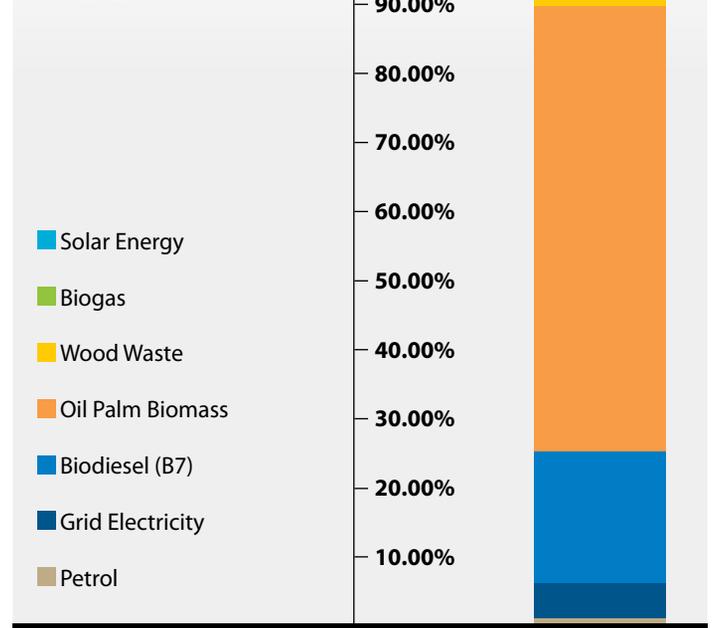
Energy consumption intensity and absolute energy consumption by operating divisions are as follows:

Business Division	Energy Consumption Intensity		Difference (%)	Intensity Unit	Absolute Energy Consumption (MJ)		Difference (%)
	FY2022	FY2023			FY2022	FY2023	
Plantation	13,860.83	12,530.47	-9.6	MJ/ MT Sales	1,758,191,185.53	1,855,662,580.51	5.5
Property Investment	108,140.10	105,958.33	-2.0	MJ/ RM' million Revenue	53,892,914.76	53,974,961.94	0.2
Property (Hospitality)	-	310,700.12	-	MJ/ RM' million Revenue	-	10,291,009.23	-
Credit Financing	4,398.63	10,881.34	147.4	MJ/ RM' million Revenue	986,173.20	2,425,558.76	146.0
Automotive	13,833.50	19,885.13	43.7	MJ/ RM' million Revenue	24,491,666.67	27,724,535.59	13.2
Trading (Fertilizer Trading)	3.35	4.33	29.0	MJ/ MT Sales	3,300,000.18	3,982,197.73	20.7
Trading (General Trading)	5,500.27	2,692.07	-51.1	MJ/ RM' million Revenue	2,605,699.00	1,319,802.60	-49.3
Building Materials	2,403,348.39	2,057,382.15	-14.4	MJ/ RM' million Revenue	362,929,639.99	350,483,562.80	-3.4
	365,413.24	477,625.56	30.7	MJ/ RM' million Revenue	2,206,397,279.33	2,305,864,209.16	4.5

### RENEWABLE ENERGY CONSUMPTION BY BUSINESS DIVISION IN FY2023



### ENERGY CONSUMPTION BY SOURCES IN FY2023



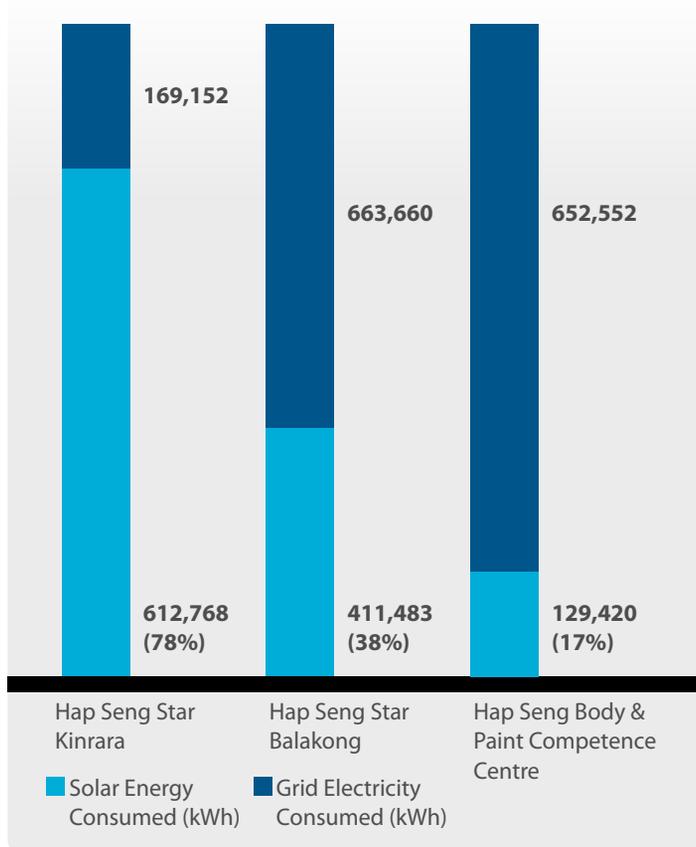
## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

In 2024, the Group utilises 76% of its energy consumption from renewable sources. The Plantation division utilised 85% of its total energy demand from renewable sources, primarily derived from oil palm fibre, biodiesel, and biogas. Construction of a biogas plant at Tomanggong Palm Oil Mill is scheduled for completion by FY2024. Upon commissioning, all of the palm oil mills will be fully equipped with biogas plants and is expected to further reduce the consumption of fossil fuel for energy generation.

The Building Materials division exhibited high energy consumption primarily due to substantial fuel requirements for transportation, electricity usage for machineries, and the energy-intensive bricks heating process. Nevertheless, 48% of its energy demand was met through renewable sources, mainly wood waste utilization in the bricks heating process.

In FY2023, the Automotive division expanded its use of solar energy by commissioning a new solar energy facility at the Body & Paint Competence Centre, marking the third facility equipped with renewable energy. This addition increased Hap Seng Star's solar energy harvesting, reducing its reliance on grid electricity. In addition, surplus energy generated by the solar panels was fed back into the national grid as electricity offset.

### ELECTRICITY CONTRIBUTION FROM SOLAR ENERGY IN FY2023



Note: Solar energy system at Body & Paint Competence Centre was commissioned in June 2023.

Energy Surplus Fed to National Grid (MJ)	FY2021	FY2022	FY2023
	1.33 million	0.94 million	1.06 million

Recognising the importance of incorporating sustainable design in the buildings, the Group has committed to ensuring all new investment properties developed from 2025 onwards are certified with recognised green building certification. The Group currently has five buildings with the total built-up area of 2.037 million sq. ft. were certified with green building certification: -

Property	Green Building Certificate
Menara Hap Seng 2	Green Building Index
Menara Hap Seng 3	Leadership in Energy and Environmental Design (Gold)
Plaza Shell	Leadership in Energy and Environmental Design (Silver)
Mercedes-Benz Setia Alam Autohaus	Green Real Estate (Bronze)
Mercedes-Benz Bukit Tinggi Autohaus	Green Real Estate (Bronze)

The Property division ensures that efficient lighting is considered during project design to allow more natural daylight to illuminate the buildings and maximising the natural cooling effects.

General groupwide implementation of energy management practices:

- Auto-adjusted air conditioning system.
- Lights-off during non-office hours and vacant sections.
- Timer and motion sensor-controlled lighting system.
- Progressive replacement of existing conventional lighting to energy saving light-emitting diode (LED) lighting.
- Utilisation of solar energy.
- Utilisation of biomass to generate renewable energy.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### Waste Management

The Group strives to manage resources in a responsible manner, reducing waste generation through efficient utilisation of resources, reuse, and recycling.

### WASTE GENERATED (FY2021 TO FY2023)



Waste Management	Unit	Scheduled Waste	Non-scheduled Waste	Total
Waste Generated		275.63	337,244.51	337,520.14
Waste Diverted from Disposal	MT	0.00	333,931.37	333,931.37
Waste Disposed		275.63	3,313.14	3,588.77

Each business division has developed waste management systems focusing on waste reduction, segregation, recycling and continuous improvement. In FY2023, we recorded 337,520 MT of waste, mainly from oil palm biomass which was reused as renewable fuel and mulch in our operations. Metal and wood waste from construction and machinery disposal were recycled through licensed collectors. In the hospitality segment, various practices were adopted to reduce waste such as providing refillable drinking water, eco-friendly amenities like large-format soap dispensers and recycling of cooking oil.

We are working to raise awareness of the importance of monitoring non-scheduled waste, which has resulted in more comprehensive reporting of recycled waste in the year under review.

Collaborations on waste recycling in FY2023: -

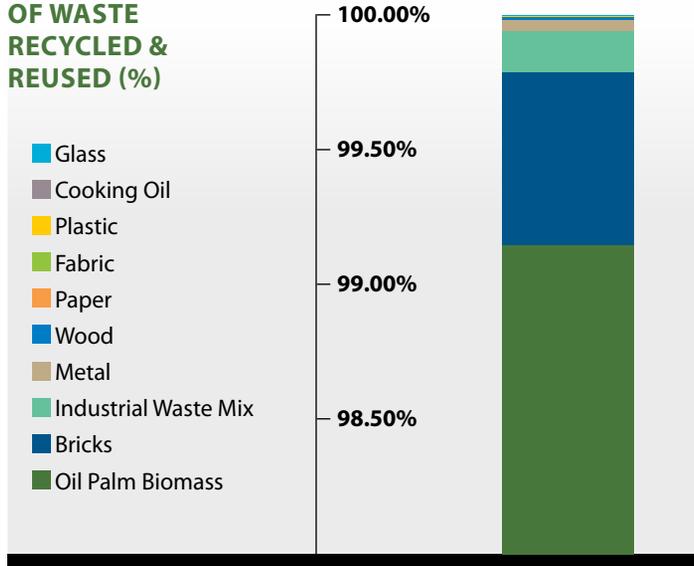
Partnership	Type of Waste	Quantity (Kg)
Pertubuhan Amal Seri Sinar (P.A.S.S.)	Paper and plastics	290
McDermott Asia Pacific Sdn Bhd Kloth Cares	Fabric	2,884

In our other business divisions operating in an office environment, the majority of generated waste consists of general waste and office paper. We have implemented initiatives to raise employee awareness, including waste segregation and promoting paperless documents through digitalization. We encourage electronic document sharing and advocate for printing only when necessary, emphasizing double-sided printing practices.



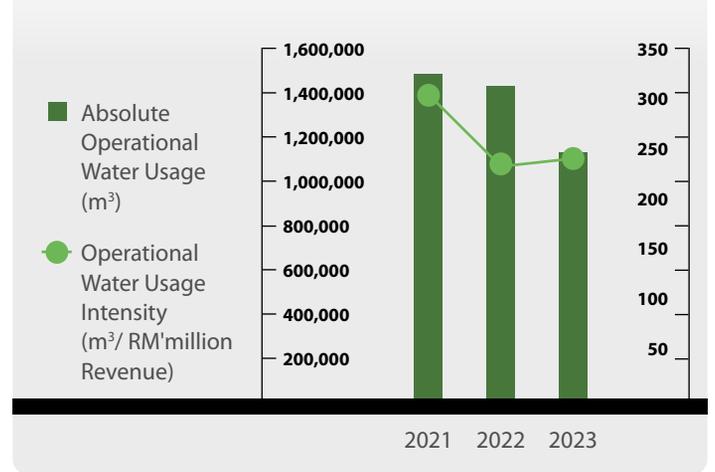
## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### PROPORTION OF WASTE RECYCLED & REUSED (%)



### Water Management

#### ABSOLUTE OPERATIONAL WATER USAGE AND INTENSITY (FY2021 TO FY2023)



The slight increase in operational water consumption intensity is primarily due to lower revenue. However, the reduction in absolute water consumption is primarily due to lower consumption by our Plantation division for processing of FFB.

Operational water consumption intensity and absolute water consumption by operating divisions are as follows:

Business Division	Operational Water Usage Intensity		Difference (%)	Intensity Unit	Absolute Operational Water Usage (m³)		Difference (%)
	FY2022	FY2023			FY2022	FY2023	
Plantation	1.88	1.28	-31.9	m³/ MT FFB Processed	1,205,366.00	909,259.00	-24.6
Property Investment	259.00	266.47	2.9	m³/ RM' million Revenue	129,075.82	135,741.57	5.2
Property (Hospitality)	-	1,322.75	-	m³/ RM' million Revenue	-	43,812.00	-
Credit Financing	2.83	2.79	-1.5	m³/ RM' million Revenue	634.00	621.00	-2.1
Automotive	32.68	35.06	7.3	m³/ RM' million Revenue	57,861.96	48,877.00	-15.5
Trading (Fertilizer Trading)	0.012	0.016	38.0	m³/ MT Sales	11,737.00	15,147.00	29.1
Trading (General Trading)	7.39	7.98	8.0	m³/ RM' million Revenue	3,500.00	3,911.00	11.7
Building Materials	210.27	136.80	-34.9	m³/ RM' million Revenue	31,753.00	23,300.88	-26.6
	238.47	244.56	2.6	m³/ RM' million Revenue	1,439,927.78	1,180,669.46	-18.0

Water consumption intensity at Fertilizer Trading operations increased due to the result of reduced sales volume in comparison to FY2022. Plantation division achieved significantly lower water usage due to implementation of water management initiatives such as rainwater harvesting and recycling of turbine cooling water. Building Material division was more water efficient after streamlining of operations by ceasing its asphalt plant production in Bukit Mor and Ulu Choh.

In FY2023, 97% of the overall water withdrawal came from surface water sources. Rainwater harvesting system is available at the Plantation, Property, Automotive and Trading divisions. Rainwater harvesting systems are usually installed during the construction of our buildings and serve as a permanent facility to collect rainwater. Rainwater harvesting system was also installed at our landed house development in Bandar Sri Indah, Sabah.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Source of Water Withdrawal	Unit	Freshwater (≤1,000 mg/l Total Dissolved Solids)		
		FY2021	FY2022	FY2023
		Surface Water	2,661.55	21,952.78
Groundwater	0.00	0.00	0.00	
Seawater	0.00	0.00	0.00	
Third-party Water	350.50	483.70	271.41	
<b>Total</b>		<b>3,012.05</b>	<b>22,436.48</b>	<b>9,416.47</b>

\* ML: Megalitre

Destination of Water Discharge	Volume (ML)		
	FY2021	FY2022	FY2023
Surface Water	767.98	979.15	817.16
Groundwater	0.00	0.00	0.00
Seawater	0.00	0.00	0.00
Third-party Water	0.00	0.00	0.00
<b>Total</b>	<b>767.98</b>	<b>979.15</b>	<b>817.16</b>

Water Consumption (ML)	FY2021	FY2022	FY2023
	3,011.28	21,457.33	8,599.32

Currently, the Group faces minimal risk of operational disruption from water stress. Our Plantation and Building Materials divisions, which rely on natural water sources, have installed permanent water reservoirs in the form of ponds to store excess surface water. Planting of leguminous cover crops, stacking of oil palm fronds, application of EFB as mulch to enhance soil moisture retention and carry out land irrigation with palm oil mill effluent (POME) are some of the practices implemented to alleviate the impact of water stress within our plantation operations.

Water stress analysis conducted using the World Resources Institute's Aqueduct Tool shows that none of the operating units are located in water-stressed areas. Nevertheless, we continue to install rainwater harvesting facilities at our buildings as a cost-saving measure. Rainwater uses also reduces the need for water treatment, especially in areas without access to treated water.



**Description:**

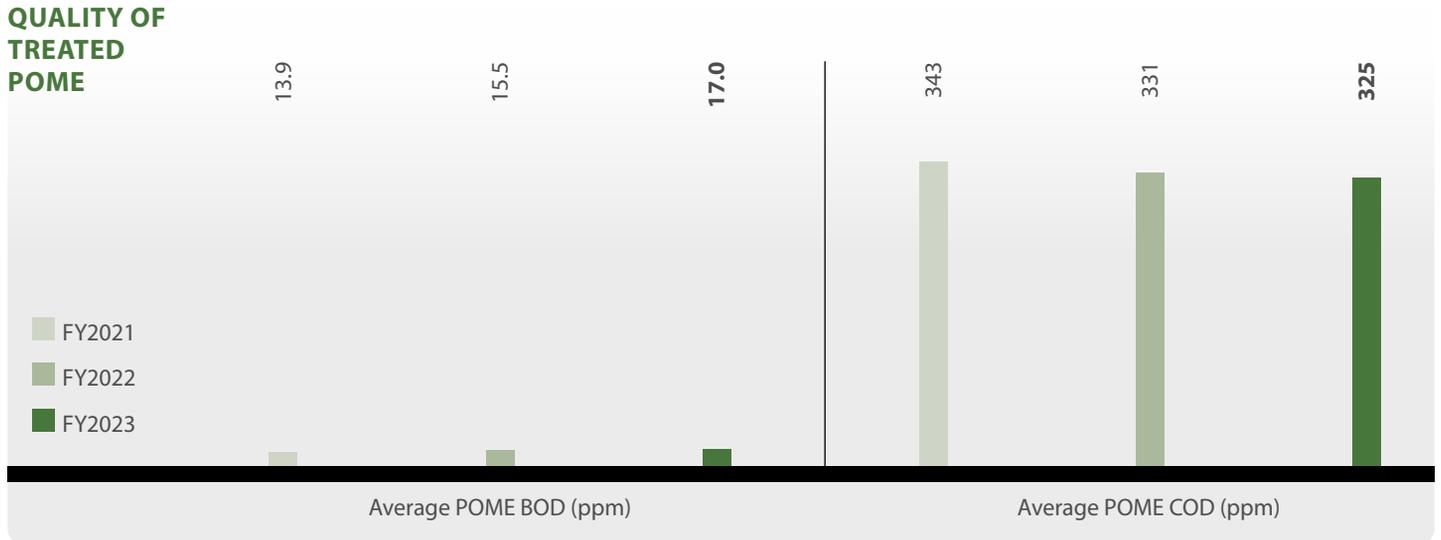
Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. Higher values indicate more competition among users.

Source: WRI Aqueduct 2019

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Aside from improving water security within our operations, we are committed to ensuring that the generated wastewater is treated and discharged in accordance with the Environmental Quality (Industrial Effluent) Regulations 2009. Plantation division generated 817.16 ML wastewater in the form of palm oil mill effluent (POME) in FY2023. The generated wastewater was eventually diverted to the treatment pond.

### QUALITY OF TREATED POME



Management of POME is governed by strict environmental regulations, such as ensuring that the Biological Oxygen Demand (BOD) does not surpass 20 ppm prior to its release. Treated POME is channeled to the adjacent estate for land irrigation to enhance the soil's nutrient and moisture content for the oil palms.

We do not use pesticides and chemicals that are categorized by the World Health Organization (WHO) as Class 1A and 1B and committed to reducing and phasing out pesticides and 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 to minimise chemical runoff. Regular monitoring of stream water quality is also conducted to ensure compliance with the requirements set forth by the Department of Environment of Malaysia.

Pesticide Hazard Level	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 hazardous (Class IV)	Kg or Litre	25,183.53
	Volume per Ha	7.78

### Air Quality Management

We are taking steps to mitigate the impact of air pollutants by adhering to the Environmental Quality (Clean Air) Regulations 2014 and the Malaysian Ambient Air Quality Standards 2020. Dust and chemical vapors are identified as potential air pollutants in our Plantation, Automotive, and Building Materials divisions.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

The following initiatives are taken to manage air quality within our operation: -

Division	Initiatives
<b>Plantation</b>	<ul style="list-style-type: none"> <li>Installation of Electrostatic Precipitator System in all four palm oil mills to reduce dust emission to less than the permissible emission level of 150 mg/m<sup>3</sup>.</li> </ul>
<b>Automotive</b>	<ul style="list-style-type: none"> <li>Use fully enclosed vehicle painting booths.</li> <li>Air filters to ensure air pollutants such as sulphur dioxide and paint particles are confined and filtered within the booths.</li> </ul>
<b>Building Material – Quarry Operations</b>	<ul style="list-style-type: none"> <li>Water sprinklers installed at strategic locations to minimise particulate matter in the air.</li> <li>Retention ponds to capture the dust-water mixture.</li> <li>Quarry operations achieved an averaged air particulate matter of 38.4 µg/m<sup>3</sup>, significantly lower than the permissible limit of 260 µg/m<sup>3</sup>.</li> </ul>

### Biodiversity Management

We place a high priority on allocating resources towards managing biodiversity in our Plantation division, as some of our estates are located near areas with HCV. Due to the nature of our businesses, Credit Financing, Automotive, and Trading divisions have negligible impact on biodiversity.

Commitments by the Plantation division in biodiversity management: -

- No deforestation and no new planting on peatland.
- Legality screening of external FFB sources.
- Full traceability to FFB sources.
- Monthly deforestation monitoring via Global Forest Watch's deforestation alerts to ensure all of the FFB sources are deforestation free.
- Maintaining HCV and riparian buffer.
- Prohibition of hunting, logging, possession, and trafficking of wildlife, including species categorised as rare, threatened, and endangered on the International Union for Conservation of Nature (IUCN) Red List.
- Monitoring of illegal boundary encroachment.
- Boundary patrolling.
- Collaboration with Wildlife Department and Forestry Department.

Type of Conservation Area	Area (Hectares)
<b>HCV</b>	1,401.98
<b>Riparian Buffer</b>	1,056.74

We employed satellite imaging technologies such as the Global Forest Watch Fire Portal to detect fires within and surrounding of our estates. Report on fire hotspot detection will be disclosed at monthly basis on our Plantation division's website<sup>1</sup> and our internal Emergency Response Team is prepared to respond promptly in the event of a fire.

<sup>1</sup> <https://www.hapsengplantations.com.my/environmental-sustainability.html>

No. of Detected Fire Hotspot	FY2021	FY2022	FY2023
	0	0	0

The Property division's development projects have minimal impact on biodiversity, as they are located in urban areas. Potential biodiversity risks were assessed during planning, with measures integrated to enhance surrounding biodiversity through greenery. Additionally, Hyatt Centric Kota Kinabalu emphasises responsible sourcing of food and beverages, complying with Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certifications.

Potential environmental risks at the quarries were thoroughly assessed through Environmental Impact Assessment (EIA) prior to development. We periodically submit environmental quality monitoring reports to the DOE to ensure ongoing compliance. We are required to rehabilitate any decommissioned quarry site to expedite regeneration of natural vegetation and restore ecological functions to support biodiversity. As at FY2023, none of our quarry was decommissioned.



# SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

## PEOPLE AND COMMUNITY DEVELOPMENT

Align to SDG:



### Our Approach

Our priority in sustainability is creating value for employees and local communities. At Hap Seng, we recognize their vital role in fostering a sustainable business that contributes to socio-economic development. We uphold the fundamental rights outlined in International Labour Organization conventions and promote fair labor practices across all operations.

### Health and Safety

Creating a healthy and safe working environment across all our businesses has always been our priority, with the aim of ensuring zero fatality and zero lost time incident in our workplace. We have established Safety and Health Committees within the business divisions. These committees involve participation from both management and employee representatives to collaboratively minimise health and safety risks from the operations.

Health and Safety Performance	Unit	FY2021	FY2022	FY2023
<b>Work-related Injury</b>				
Fatality case	No. of case	0	0	0
High-consequence injury	No. of case	0	0	0
Other work-related injury	No. of case	32	28	20
Fatality rate	No. of case/ Million hours worked	0.00	0.00	0.00
High-consequence injury rate	No. of case/ Million hours worked	0.00	0.00	0.00
Lost time injury frequency rate	No. of case/ Million hours worked	1.49	1.21	1.65
<b>Work-related Ill Health</b>				
Fatality case	No. of case	0	0	0
Work-related ill health	No. of case	0	0	0

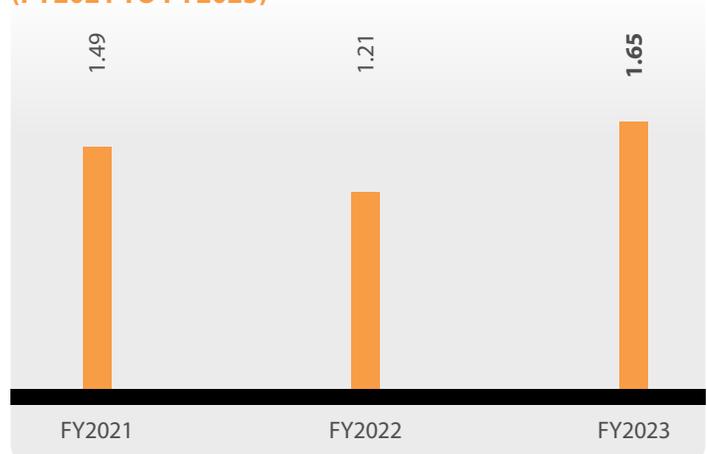
Potential health and safety related risks from operations are reviewed through Hazard Identification, Risk Assessment and Risk Control (HIRARC). Review is conducted when there are changes in process or activities which may affect the risk level at the workplace. Chemical Health Risk Assessment (CHRA) is also conducted if chemical handling is required in the operation. Preventive measures and controls to

mitigate potential identified risks will be communicated, implemented and monitored by each business division. Regular health and safety practices training based on training needs analysis are provided to the employees and contractors to improve their awareness of relevant best practices.

Health & Safety Training	FY2021	FY2022	FY2023
No. of Employees Trained	Not Recorded	Not Recorded	794
Total Training Hours	Not Recorded	2,583	3,270

In order to ensure that our health and safety measures extends to our contractors, we require our contractors to commit to the health and safety requirements as stipulated in their contract agreement which adhere to the similar health and safety standards as practiced by our employees.

### LOST TIME INJURY FREQUENCY RATE (FY2021 TO FY2023)



## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

Reported workplace injury cases generally involved incidents such as cuts, falls from height, fractures, vehicle accidents and minor burns which required medical attention and resulted in one or more loss of workday. No injury cases were recorded at the Property, Credit Financing, Automotive and Trading divisions during the year under review. Furthermore, no work-related ill health case was reported.

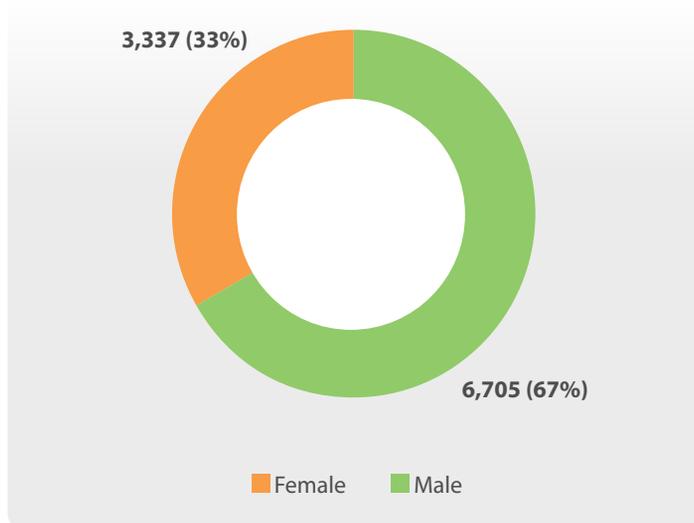
### Diversity

At Hap Seng, we are dedicated to promoting diversity and inclusivity in the workplace by offering equal opportunities and fair compensation, regardless of personal characteristics such as race, religion, gender, age, sexual orientation, disability, and nationality.

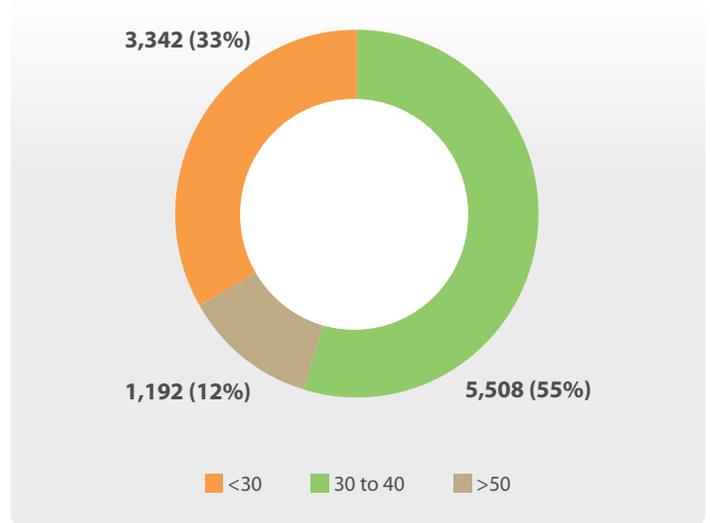
33% of our employees are represented by women. Women also make up 34% of all managerial positions. Lower representation of female employees can be partly attributed to the physically demanding job nature of the plantation industry, which constitute 80% of our total workforce. Gender committee was established in our plantation to promote women empowerment at the workplace and as a platform to discuss on any women related matters.

As at 31 December 2023, our overall workforce consists of 10,042 employees with operations in Sabah and Sarawak accounting for 87.6% of the workforce, mostly from the Plantation division. Our Group values a diverse age range among our employees, with 88% of our workforce are not more than 50 years old.

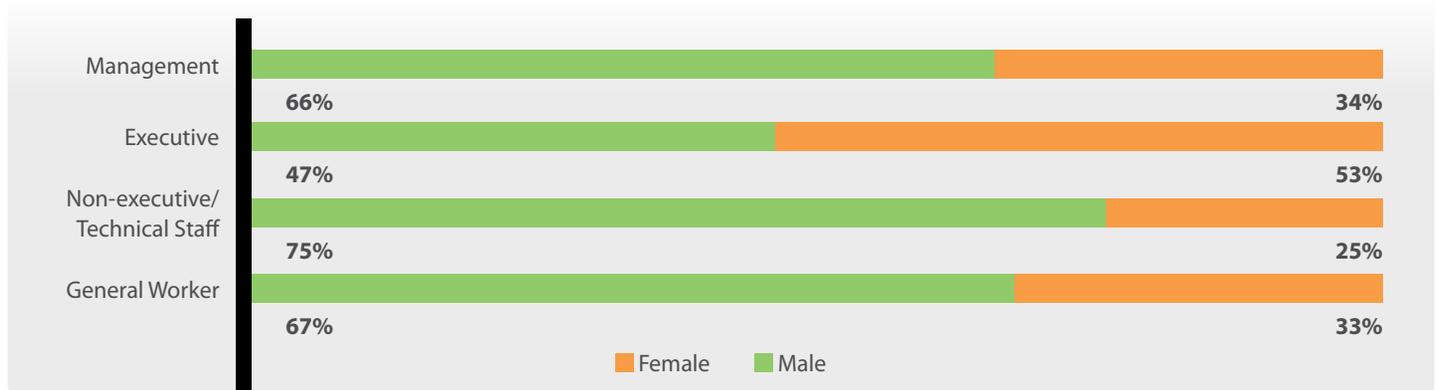
**WORKFORCE DIVERSITY BY GENDER IN FY2023**



**WORKFORCE DIVERSITY BY AGE IN FY2023**

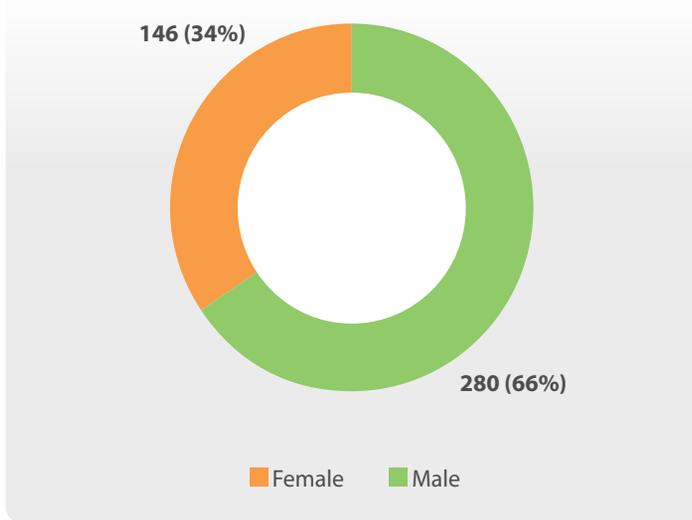


**GENDER DIVERSITY BY EMPLOYEE CATEGORY IN FY 2023**

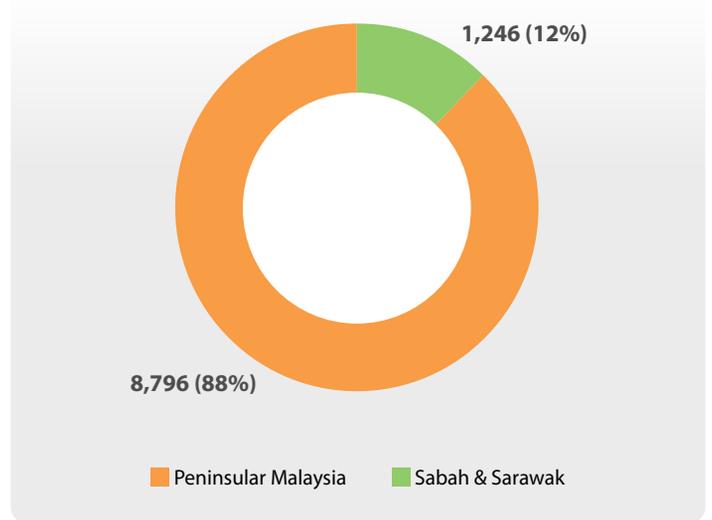


## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### MANAGERIAL POSITION BY GENDER IN FY2023



### REGIONAL DISTRIBUTION OF WORKFORCE IN FY2023

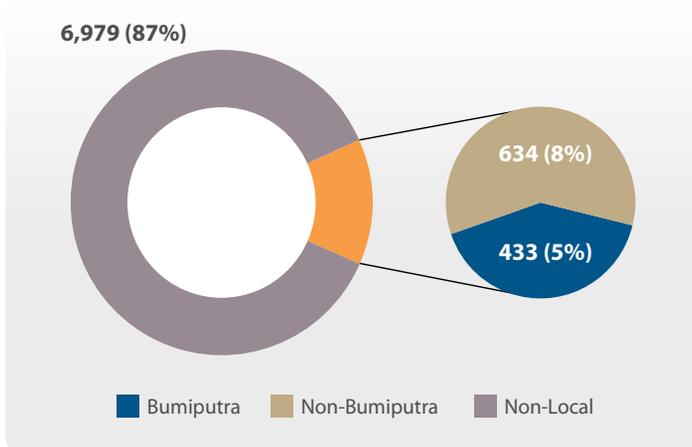


### Labour Practices and Standards

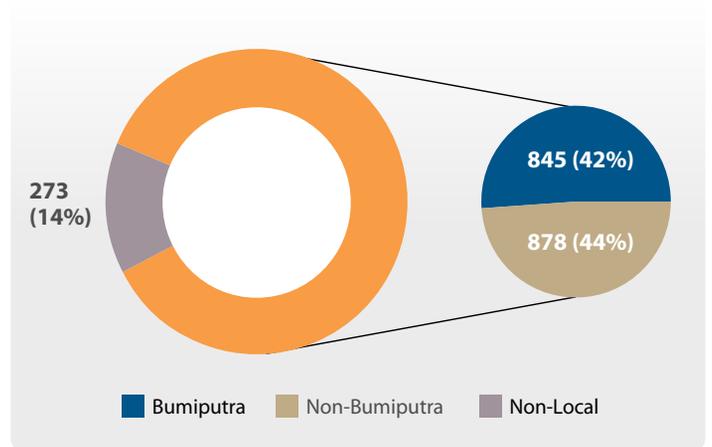
As part of our responsibility to contribute to local socio-economy development, we prioritise attracting and retaining local talents across our businesses. As at 31 December 2023, 86% of our employees (excluding Plantation division) are locals. Only 13% of the employees in the Plantation division consist of locals. Various efforts are being taken by the management to attract more locals to work in the plantation industry. The Plantation division is also implementing automation and mechanisation to reduce reliance on human resources and achieve higher productivity. Drones are utilised in physically demanding and time intensive tasks such as field surveys and large-scale spraying activity.

Non-local workers for our Plantation division are being recruited directly through referral from our existing workers. Direct recruitment eliminates the risk of human trafficking and forced labour, which are the issues of concern affecting non-local workers. Costs incurred from the recruitment process are borne by the company to eliminate the risk of debt bondage by the third-party. Additionally, it is strictly prohibited for management to retain workers' passports.

### EMPLOYEE NATIONALITY IN PLANTATION DIVISION IN FY2023



### EMPLOYEE NATIONALITY IN HAP SENG (EXCLUDING PLANTATION DIVISION) IN FY2023



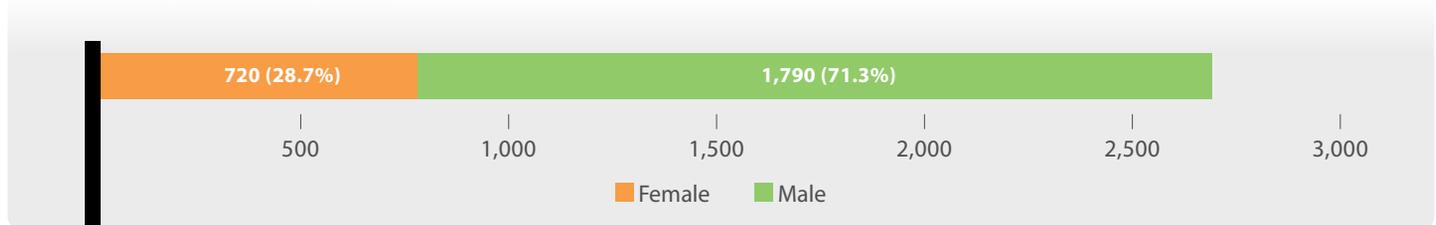
Note: Bumiputra is a term used in Malaysia to describe Malays, the Orang Asli of Peninsular Malaysia, and various indigenous peoples of East Malaysia.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

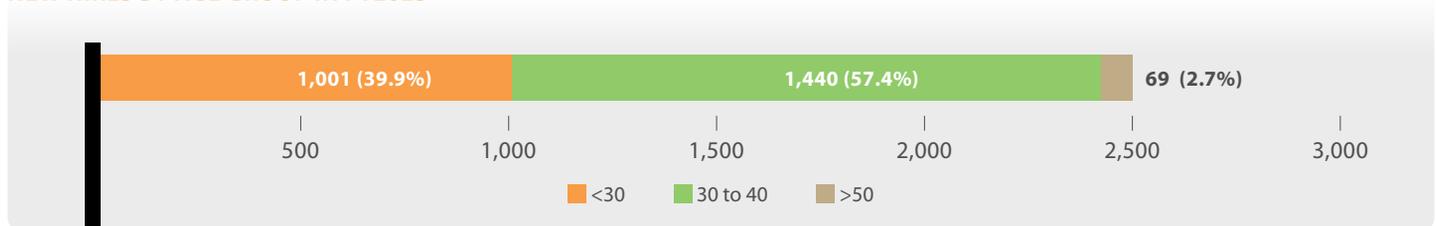
Our recruitment practice is non-discriminatory where the applicant's qualifications, merits and personal characters are the main determining factors in the selection process. Terms and conditions of employment are transparently communicated to potential employees prior to signing the employment agreement. Induction training will be provided to ensure new employees are able to promptly adapt to their new working environment and culture. A copy of the Employment Handbook detailing all the employment fringe benefits is made available within the company's intranet. In FY2023, the Group hired 2,510 new employees. Males constitute major proportion of new hires due to 84.7% of the new hiring happened in the Plantation division.

About 40% of our recent hires in FY2023 were under the age of 30 and 57% were between the age of 30 to 50, which aligns with the age profile of our existing employees within the Group.

### NEW HIRES BY GENDER IN FY2023



### NEW HIRES BY AGE GROUP IN FY2023



All employees receive salaries meeting or exceeding local regulatory standards. We ensure equitable salary and compensation based on employees' roles and performance by employing Key Performance Indicators (KPIs) as part of the annual performance appraisals process. Alongside evaluating achievements, the annual performance appraisal also identifies training needs for future career development. All employees underwent the annual performance appraisal process in FY2023.

### Employee Remuneration and Entitlement

#### Leave Entitlement

- Annual leave
- Examination leave
- Medical leave
- Marriage leave
- Compassionate leave
- Maternity leave
- Paternity leave
- Prolonged illness leave

#### Fringe Benefits

- Medical and hospitalisation benefits
- Groups personal accident insurance
- Long service/ retirement awards
- Outstation meal, accommodation and travel allowances
- Education assistance
- Membership in professional association
- Sports facilities & health initiatives

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

To safeguard our employees' interests, we acknowledge their rights to collective bargaining and freedom to join recognized trade unions or associations. Additionally, we have established the Joint Consultative Committee in our plantations, enabling employees to engage with management and address pertinent topics or concerns. For this reporting period, we recorded an average full-time voluntary turnover rate of 24.3%.

Hap Seng is committed to maintaining a secure, healthy, and harassment-free workplace for all its employees. The Group respects and values the dignity of every employee and will not tolerate any form of harassment, including sexual harassment. Guidelines for addressing harassment, including sexual harassment, are provided to employees through the employee handbook and posted on notice boards at each operating unit. There was no harassment case reported throughout the year under review.

Number of Reported Harassment Case	FY2021	FY2022	FY2023
	0	0	0

Our commitment to uphold the rights of our employees is clearly stated in the Sustainability Framework through the following commitments.

- Ensuring a safe and healthy working environment.
- Encouraging healthy work-life balance and well-being.
- Respecting the fundamental rights in the core conventions of the International Labour Organisation.
- Preventing forced and child labour through responsible recruitment.
- Resolving complaints and conflicts through a transparent grievance mechanism.
- Adhering to the statutory minimum wage requirement and overtime compensation.
- Striving to create a work environment that is free from harassment, where employees are treated with respect and dignity.
- According equal opportunity in employment and remuneration regardless of race, religion, gender, age, sexual orientation, disability and nationality.
- Recognising employees' right to collective bargaining and freedom of association.

### Capacity Building

We prioritize the development of our employees' skills and capacities to accelerate their career growth. Training recommendations are personalized during annual performance reviews, and employees are encouraged

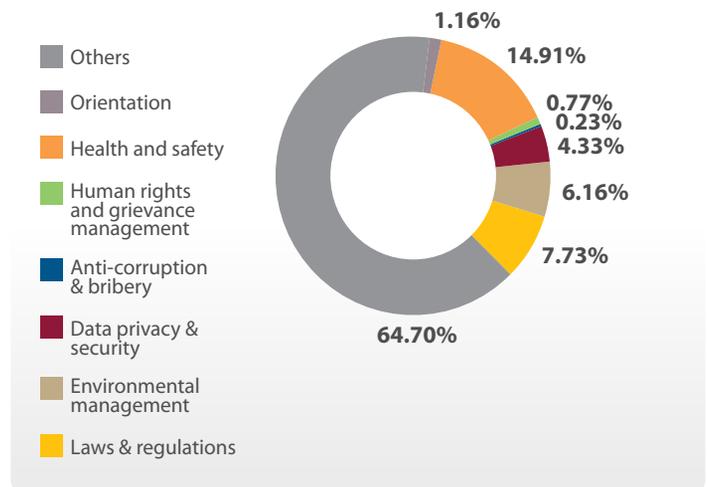
to suggest additional training opportunities. Our Talent Management Team supports employees in acquiring new skills. We provide education assistance covering fees to eligible employees. In FY2023, we recorded 21,924 training hours, averaging 2.18 hours per employee. Scope of training include skill enhancement, health and safety, laws and regulations, environmental management, and data privacy and security.

Total Training Hours	FY2021	FY2022	FY2023
	1,909	24,239	21,924

TOTAL TRAINING HOURS PER TYPE OF TRAINING IN FY2023			
Orientation	Health and Safety	Human Rights and Grievance Management	Anti-Corruption & Bribery
254.00	3,269.85	168.60	50.00
Data Privacy & Security	Environmental Management	Laws & Regulations	Others
949.50	1,351.60	1,695.00	14,185.30

AVERAGE TRAINING HOUR IN FY2023		
Per Employee	Per Female Employee	Per Male Employee
2.18	2.55	2.00
Per Management	Per Executive & Supervisory Employee	Per Graded Employee and Workers
14.83	8.22	1.05

### ALLOCATION OF EMPLOYEES TRAINING HOUR IN FY2023



## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### Community & Society

The Group prioritises social responsibility programmes targeted at children and young people, with over 89% of our contribution allocated towards improving children's education. We also invested in infrastructure that benefits the local communities, including free medical care at our estate clinics, maintenance of roads for accessibility, and development of facilities such as community hall and grocery shops. In addition, the Group also organised various social activities such as social contributions and blood donation campaigns. The Group contributed more than RM257,000 to various society development and engagement programmes.

Year	Total Contribution (RM)	Total Beneficiaries
FY2021	Not Recorded	Not Recorded
FY2022	> 1.9 million	3,563
<b>FY2023</b>	<b>&gt; 2.4 million</b>	<b>&gt; 27,000</b>

We promote employee participation in community programs, recognizing the benefits for both the community and our employees. Involvement in such programs aids in skill development, fosters relationships, and instills a sense of purpose and fulfillment through meaningful contributions. We had recorded 1,717 employees' man-hour spent in various volunteering programmes which involved 125 employees in FY2023.

Category	Programmes	Monetary Contribution (RM)	%	No. of Beneficiaries
Education	<b>Expenditure for HUMANA</b>	787,000	89%	794 students
	<b>HSG EXPLORE 2.0</b>	357,000		700 students and 65 teacher
	<b>HSG Ignite Digital Maker 4.0</b>	343,000		650 students and 60 teacher
	<b>HSG Giving Back Together: Education Roundtable</b>	60,000		150 participants
	<b>Mercedes-Benz Advance Modern Apprenticeship Program</b>	598,000		10 students
Social Responsibility and Community Engagement	<b>CSR and Social Contributions</b>	247,000	11%	24,950 community members and students
	<b>HSPD Caring Developer 2.0</b>	10,000		40 participants
<b>Total</b>		<b>2,402,000</b>		<b>&gt;27,000</b>

We acknowledge and respect both the legal and customary land rights of local communities. This commitment is outlined in our Sustainable Agriculture Policy, which includes a robust Free, Prior, and Informed Consent (FPIC) process for all new developments affecting these communities. We have also influenced nine independent local outgrowers and smallholders who supply FFB to Hap Seng Plantations to make similar commitments to respect legal and customary land rights, as well as the rights of indigenous and local communities.

Following are some of the highlights of CSR programmes conducted in FY2023. Please visit our website for all the activities conducted within this reporting period.

## SUSTAINABILITY AT HAP SENG GROUP CREATING VALUE FOR ALL

### Empowering Humana

Contributed RM787,367 to 9 Humana schools accommodating 794 students and 21 teachers in our plantation.

### HSG EXPLORE 2.0

Collaborated with the M.A.D. (Make a difference) Movement and dedicated RM356,584 to the "EXPLORE!" program to develop leadership skills in 700 students and 65 teachers.

### HSG Ignite Digital Maker 4.0

Contributed RM343,382 to promote science, technology, engineering and mathematics (STEM) education and enhance digital literacy skills of 650 students and 60 teachers.

### HSG Giving Back Together: Education Roundtable

Initiative spearheaded by Hap Seng Group to catalyze collaboration and instigate positive transformations within Malaysia's educational framework.

### Empowering Graduates and School Leavers

Sponsored 10 school leavers into the Mercedes-Benz Advance Modern Apprentice Program.

### Saving Coral Reef

Coral reef protection and conservation initiative involved 21 employees at Sepanggar Bay.

### Donation Campaign with Salvation Army Malaysia

Collaborated with Salvation Army Malaysia for the "Donate Goods" campaign and successfully gathered a total of 1,553kg pre-loved items.

### Blood Donation Campaigns

Collaborated with tenants in 5 blood donation campaigns organized at Menara Hap Seng and Plaza Shell. Successfully collected a total of 410 pints of blood jointly donated by tenants, employees and public throughout FY2023.

### Charity Drive for the Good Samaritan Home

In August 2023, Hap Seng's property division hosted a charitable Succulent Workshop to support the Good Samaritan Home (GSH), in collaboration with CLUB 21. The event featured charity booths offering homemade goods and included a special singing performance by the children of GSH.



# ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	1,940,889.47	2,402,478.61
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	3,563	27,419
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	-	100.00	100.00
Executive	Percentage	-	100.00	100.00
Non-executive/Technical Staff	Percentage	-	100.00	100.00
General Workers	Percentage	-	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
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.20	0.50	0.20
Management Between 30-50	Percentage	54.80	56.00	60.00
Management Above 50	Percentage	45.00	43.60	39.80
Executive Under 30	Percentage	15.90	17.40	15.70
Executive Between 30-50	Percentage	68.10	66.10	68.80
Executive Above 50	Percentage	16.00	16.50	15.50
Non-executive/Technical Staff Under 30	Percentage	12.70	13.40	41.60
Non-executive/Technical Staff Between 30-50	Percentage	69.70	70.70	48.20
Non-executive/Technical Staff Above 50	Percentage	17.60	15.90	10.20
General Workers Under 30	Percentage	32.30	36.70	35.60
General Workers Between 30-50	Percentage	57.80	54.30	54.50
General Workers Above 50	Percentage	9.90	9.00	9.90
Gender Group by Employee Category				
Management Male	Percentage	65.60	67.20	65.70
Management Female	Percentage	34.40	32.80	34.30
Executive Male	Percentage	47.30	44.00	46.70
Executive Female	Percentage	52.70	56.00	53.30
Non-executive/Technical Staff Male	Percentage	48.00	46.40	75.40
Non-executive/Technical Staff Female	Percentage	52.00	53.60	24.60
General Workers Male	Percentage	64.70	67.10	67.30
General Workers Female	Percentage	35.30	32.90	32.70
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	90.00	90.00	88.90
Female	Percentage	10.00	10.00	11.10
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

Internal assurance

External assurance

No assurance

(\*)Restated

## ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	395,255.63	612,978.16	640,517.84
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.49	1.21	1.65
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	350	794
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	-	5,206	6,258
Executive	Hours	-	8,903	6,402
Non-executive/Technical Staff	Hours	-	10,095	9,264
General Workers	Hours	-	No Data Provided	No Data Provided
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	-	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	-	-	76
Executive	Number	-	-	242
Non-executive/Technical Staff	Number	-	-	416
General Workers	Number	-	-	1,701
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	1	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	60.42	62.92	67.19
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	3,011.280000	21,457.330000	8,599.320000

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 Consolidated 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.
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	2-1	Organisational details	9 to 47
	2-2	Entities included in the organisation's sustainability reporting	82
	2-3	Reporting period, frequency and contact point	82
	2-4	Restatements of information	82
	2-5	External assurance	82
	2-6	Activities, value chain and other business relationships	9 to 47
	2-7	Employees	119 to 122
	2-9	Governance structure and composition	64 to 66
	2-10	Nomination and selection of the highest governance body	67
	2-11	Chair of the highest governance body	65 to 66
	2-12	Role of the highest governance body in overseeing the management of impacts	64 to 65, 99
	2-13	Delegation of responsibility for managing impacts	64 to 65, 99
	2-14	Role of the highest governance body in sustainability reporting	99
	2-15	Conflicts of interest	49 to 57
	2-16	Communication of critical concerns	101
	2-17	Collective knowledge of the highest governance body	65 to 66
	2-18	Evaluation of the performance of the highest governance body	96 to 98
	2-19	Remuneration policies	67
	2-20	Process to determine remuneration	64
	2-23	Policy commitments	99
	2-24	Embedding policy commitments	99
	2-25	Processes to remediate negative impacts	101
	2-26	Mechanisms for seeking advice and raising concerns	101
	2-27	Compliance with laws and regulations	101 to 102
	2-28	Membership associations	87
	2-29	Approach to stakeholder engagement	95 to 96

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GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
<b>Material Topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	92
	3-2	List of material topics	92
<b>Corporate Governance, Transparency and Anti- corruption</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	99 13.24.1 13.26.1
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	100 to 101 13.26.2
	205-2	Communication and training about anti- corruption policies and procedures	100 to 101 13.26.3
	205-3	Confirmed incidents of corruption and actions taken	100 to 101 13.26.4
GRI 415: Public Policy 2016	415-1	Political contributions	101 to 102 13.24.2
<b>Data Privacy and Security</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	102 13.24.2
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	102
<b>Economic Performance</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	103
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3 to 5 13.22.2
<b>Supply Chain Management</b>			
<b>Supporting Small &amp; Medium Enterprises</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	103 13.22.1
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	104 13.22.3
	203-2	Significant indirect economic impacts	103 to 104 13.22.4
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	104
<b>Quality Products &amp; Services</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	103 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	85

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GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
<b>Emissions Management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	106	13.1.1 13.2.1
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	106 to 108	13.1.2
	305-2 Energy indirect (scope 2) GHG emissions	106 to 108	13.1.3
	305-3 Other indirect (scope 3) GHG emissions	108 to 110	13.1.4
	305-4 GHG emissions intensity	108 to 110	13.1.5
	305-5 Reduction of GHG emissions	108 to 110	13.1.6
<b>Energy Management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	106	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	110 to 112	
	302-3 Energy intensity	110 to 112	
	302-4 Reduction of energy consumption	110 to 112	
<b>Waste Management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	106	13.5.1 13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	113 to 114	13.8.2
	306-2 Management of significant waste-related impacts	113 to 114	13.8.3
	306-3 Waste generated	113	13.8.4
	306-4 Waste diverted from disposal	113	13.8.5
	306-5 Waste directed to disposal	113	13.8.6
<b>Water Management</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	106	13.6.1 13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	114 to 116	13.7.2
	303-2 Management of water discharge-related impacts	114 to 116	13.7.3
	303-3 Water withdrawal	115	13.7.4
	303-4 Water discharge	115	13.7.5
	303-5 Water consumption	115	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	116	
	13.6.2 Volume and intensity of pesticide use by toxicity hazard levels	116	

## GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
<b>Biodiversity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	106	13.3.1 13.4.1 13.23.1
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	117	13.3.3
	304-3 Habitats protected or restored	117	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	117	
<b>Health and Safety</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	118	13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	118 to 119	13.19.2
<b>Health and Safety</b>			
GRI 3: Material Topics 2021	403-2 Hazard identification, risk assessment, and incident investigation	118 to 119	13.19.3
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	118 to 119	13.19.5
	403-5 Worker Training on Occupational Health and Safety	122	13.19.6
	403-9 Work-related injuries	118 to 119	13.19.10
	403-10 Work-related ill health	118 to 119	13.19.11
<b>Diversity and Inclusion</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	118	13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	119 to 120	13.15.2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	122	13.15.4

## GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
<b>Labour Practices and Standards</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	118	13.16.1 13.18.1 13.20.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	121	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	121	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	122	
	404-2 Programs for upgrading employee skills and transition aid programs	122	
	404-3 Percentage of employees receiving regular performance and career development reviews	121	
<b>Community/ Society</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	118	13.12.1 13.14.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	123 to 124	
	203-2 Significant indirect economic impacts	123 to 124	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	123 to 124	13.12.2
GRI 13.13: Land and Resource Rights	13.13.1 Commitments to respect land and natural resource rights	123	
GRI 13.14: Rights of Indigenous Peoples	13.14.1 Approach to engaging with Indigenous peoples	123	