



HAP SENG

Creating
Value
Together

SUSTAINABILITY REPORT 2025

HAP SENG CONSOLIDATED BERHAD



ABOUT US

Hap Seng Consolidated Berhad (Hap Seng or the Group) is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. Hap Seng is a diversified group with six core businesses namely plantation, property, credit financing, automotive, trading and building materials. Progressive and forward-looking, the Group's emphasis on value creation, operational excellence and sustainability has enabled the Group to consistently deliver value to our shareholders.

REPORTING PERIOD AND SCOPE

The sustainability report encompasses our sustainability-related performance for financial year (FY) 2025, commencing 1 January 2025 to 31 December 2025, from across our corporate headquarter in Kuala Lumpur to our six business divisions: Plantation, Property, Credit Financing, Automotive, Trading and Building Materials divisions.

Our Plantation division, Hap Seng Plantations Holdings Berhad (Hap Seng Plantations), a public listed entity, publishes its standalone sustainability report. The report and its full environmental, social and governance (ESG) disclosures can be found at: <https://www.hapsengplantations.com.my/sustainability-report.html>. Sustainability performance for Hafary Holdings Limited (Hafary), 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. For the purpose of this sustainability report, only key sustainability and climate-related performance of Hap Seng Plantations and Hafary will be disclosed to provide the overall Group ESG performance.

REPORTING FRAMEWORK

We have prepared our sustainability report with reference to the following framework and standards:

- 1) Bursa Malaysia Berhad Main Market Listing Requirements
- 2) Bursa Malaysia's Sustainability Reporting Guide and Toolkits (3rd Edition)
- 3) Global Reporting Initiative (GRI) Universal Standards 2021 and the sector standards, GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022
- 4) National Sustainability Reporting Framework (NSRF)
- 5) International Financial Reporting Standards (IFRS) S1 & S2
- 6) Sustainability Accounting Standards Board (SASB) Standards
- 7) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and Roundtable on Sustainable Palm Oil (RSPO) PalmGHG methodology for carbon emissions disclosure

ASSURANCE

Selected sustainability Indicators of this sustainability report has been internally reviewed by our internal auditor. For the statement of assurance, refer to page 55.

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

MISSION STATEMENTS



To provide quality products and excellent services that differentiates us from others.



To be a good corporate citizen in harmony with the environment and the communities we serve.



To be the preferred partner and promote win-win business relationships.



To be the employer of choice.



To achieve sustainable growth and returns for our shareholders over the long term.

OUR SIX BUSINESS DIVISIONS

PLANTATION



PROPERTY



CREDIT FINANCING



AUTOMOTIVE



TRADING



BUILDING MATERIALS



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ABOUT HAP SENG CONSOLIDATED BERHAD

ABOUT THIS SUSTAINABILITY REPORT

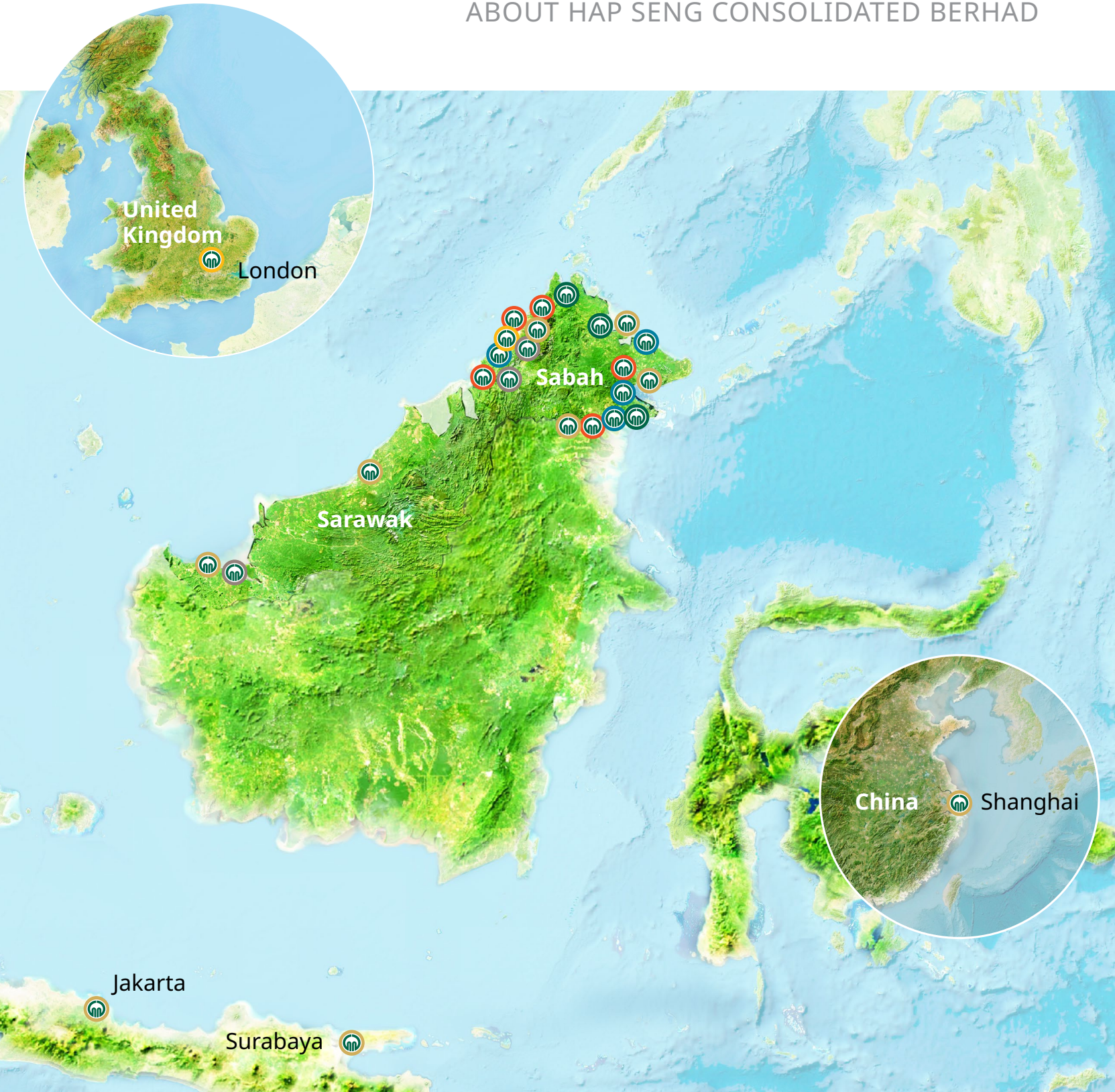
Hap Seng Consolidated Berhad (Hap Seng or the Group) is a diversified conglomerate listed on Bursa Malaysia with six core business segments: plantations, property, credit financing, automotive, trading and building materials. The Group operates primarily in Malaysia with presence in markets such as Singapore, Indonesia, China and The United Kingdom. Its Plantation division focuses on the cultivation of oil palm and processing of fresh fruit bunches into crude palm oil, while the Property division undertakes residential and commercial properties development, property investment activities, as well as hospitality operations.



The Credit Financing division's principal activity is the provision of secured term loans and industrial hire purchase, primarily to small and medium enterprises. The Automotive division is involved in the distribution, retail and after-sales servicing of passenger and commercial vehicles, while the Trading division distributes fertilizers, agrochemicals and construction materials. The Building Materials division engages in quarrying activities, supplying quarry products to the infrastructure and construction industries. The division also manufactures and distributes tiles under Hafary.





-  Plantation Operations
-  Property Division's Operation Network

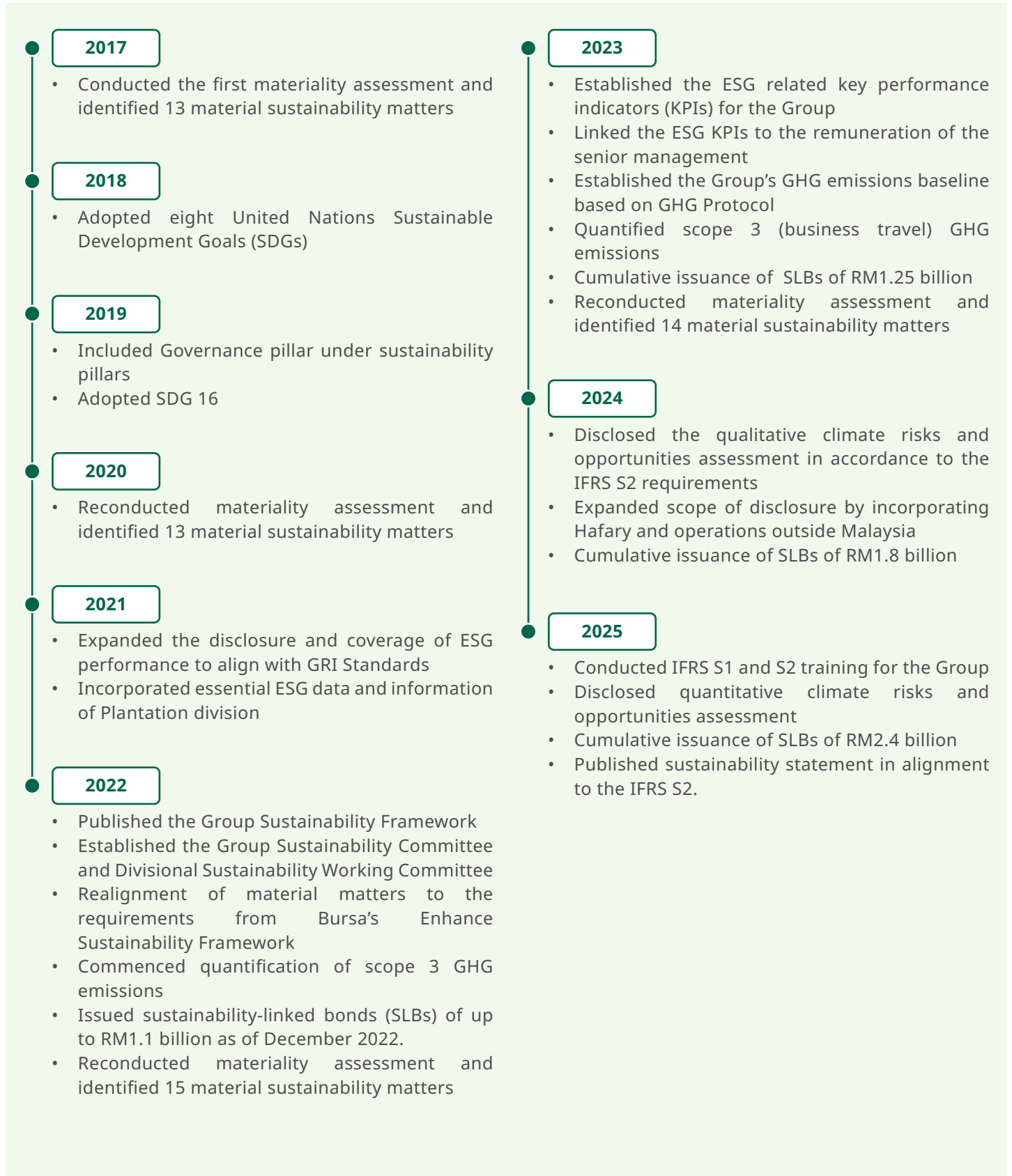
ABOUT HAP SENG CONSOLIDATED BERHAD



-  Credit Financing Division's Operation Network
-  Automotive Division's Operation Network

-  Trading Division's Operation Network
-  Building Material Division's Operation Network

HAP SENG SUSTAINABILITY JOURNEY



KEY SUSTAINABILITY HIGHLIGHTS IN FY2025



RESPONSIBLE GOVERNANCE

- **Zero** reported breaches or disciplinary actions against employees for non-compliance with Anti-Bribery and Corruption Policy (ABC Policy)
- FTSE4Good ESG score increased from 2.8 to **3.2**
- Sustainable Palm Oil of Transparency Toolkit (SPOTT) score improved from 87.5 to **91.2%**
- Maintained a rating of **"A"** in the MSCI ESG Ratings assessment



ECONOMIC RESILIENCE

- **91.8%** spent on local suppliers
- **Supporting 13 third-party fresh fruit bunches (FFB) suppliers** in their sustainability certification
- Achieved **80.0%** average customer satisfaction for property development
- Achieved **86.0%** average tenant satisfaction index score for property investment
- Achieved **98.8%** average customer satisfaction for Automotive (Passenger Vehicles)



ENVIRONMENTAL PROTECTION

- Biogas plants generated **14.6 million kWh** of renewable electricity for plantation operations
- Added **three new solar energy system** in Autohaus and Hafary.
- Derived **5.5 million kWh** from solar energy for Autohaus and Hafary operations with excess electricity sold to the grid
- **256,443 MT** of non-scheduled waste was recycled and reused
- Avoided **163,207 t CO₂e** of emission by diverting recyclable waste from landfill
- **236,408 t CO₂e** of emissions were sequestered from existing oil palm trees and conservation efforts
- Installed **a fibre mat plant** to repurpose empty fruit bunch (EFB)
- Completed construction of a **new biogas plant** in Tomanggong Palm Oil Mill



PEOPLE AND COMMUNITY DEVELOPMENT

- Provided **37,838** of total training hours
- Reported zero workplace fatality case
- Contributed an estimated **RM3.2 million** for community programmes and supported more than **7,000 beneficiaries**

ACHIEVEMENT AND 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
	Amalan Pengeluaran Bersih Kilang Kelapa Sawit Negeri Sabah Tahun 2024 from Department of Environment (DOE)	Bukit Mas Palm Oil Mill
	Best Quality CPO Supplier (Individual Mill Category) by IOI Edible Oils	Tomanggong Palm Oil Mill
	Best Quality CPO Supplier (Grouping Category) by IOI Edible Oils	Hap Seng Plantations Holdings Berhad
	Highest Quantity CPO Supplier (Individual Mill Category) by IOI Edible Oils	Tomanggong Palm Oil Mill
Absolute Scope 1 & 2 GHG Emissions	103,050 t CO ₂ -e	
Property	Leadership in Energy and Environmental Design (LEED) Certified	Menara Hap Seng 3 and Plaza Shell
	Green Building Index (GBI) Certified	Menara Hap Seng 2
	Green Real Estate (GreenRE) Certified	Hap Seng Star Setia Alam
	Provisional GreenRE Certification - Silver	KL Midtown Residential Block E and F
		KL Midtown Residential Block G
	Provisional GreenRE Certification - Platinum	KL Midtown Signature Tower A & B
		KL Midtown Signature Tower C & D
	FIABCI World Prix d'Excellence Awards	Hap Seng Land Sdn Bhd
	FIABCI Malaysia Property Award 2025	
	GreenRE certified – Gold	Wisma Hap Seng @ Kota Kinabalu
CIDB Malaysia Quest 2025 Qlassic Excellence Award	Wisma Hap Seng @ Kota Kinabalu, Jesselton Hill	

ACHIEVEMENT AND RECOGNITIONS

Business Division	Achievement/ Recognition	Operating Unit
Hospitality	5 Star Awards	Hyatt Centric City Centre Kuala Lumpur
	GreenRE Certification	
	Food Safety Management Standards: ISO 22000:2018	
	Hazard Analysis and Critical Point (HACCP) Certification	
	2025 FIABCI World Prix d' Excellence Awards: World Silver Award in the Hotel Development Category	Hyatt Centric Kota Kinabalu
	Travel + Leisure Luxury Awards Asia Pacific 2025: Best City Hotels in Malaysia	
	DestinAsian Readers' Choice Awards 2025: Best Resorts Hotels	
	Dida Travel - Most Recommended Hotel 2025	
	Trip.com – Best Premium Hotel 2025	
Trip.com – Top Producing Hotel 2025		
Automotive	Environmental Management System (ISO 14001: 2015) Certified	Hap Seng Star Jalan Sultan Ismail
	Quality Management System (ISO 9001:2015) Certified	Hap Seng Star Kinrara
		Hap Seng Star Jalan Sultan Ismail
	Mercedes-Benz Retail Partner of the Year 2025	
	- Retail Partner of the year - 2 nd Runner up	Hap Seng Star Bukit Tinggi
	- Best in CSI 5 Star Rater - Champion	Hap Seng Star Melaka
	- Best in CSI 5 Star Rater - 1 st Runner up	Hap Seng Star Setia Alam
	- Best in CSI 5 Star Rater - 2 nd Runner up	Hap Seng Star Bukit Tinggi
	- Best in Business Excellence - 2 nd Runner up	Hap Seng Star Balakong
	Quality Management System (ISO 9001:2015) Certified	Hap Seng Trucks Distribution Sdn Bhd
	Daimler Truck RC SEA Awards 2025	
- Best Year-on-Year Growth Market Customer Service and Part (CSP)		
- Highest Truck Sales Volume in 2024		
Building Materials	Brick certified by SIRIM and BOMBA for Integrity, Insulation, Strength and Hose Stream Test	Sin On Tiku Brick Factory
	Quality Management System (ISO 9001: 2015) Certified	Hafary Pte Ltd
	Occupational Health and Safety (OH&S) Management System (ISO 45001: 2018) Certified	
	Bizsafe Star Certification	

EXTERNAL MEMBERSHIP AND ASSOCIATIONS

Hap Seng is an active member of various industry associations and trade groups. Through these platforms, we regularly engage with key industry stakeholders, enabling us to stay informed on the latest sector developments, regulatory trends and emerging best practices.

As a committed member, Hap Seng also leverages these engagements to advocate for and promote robust sustainability practices within the industry. Our participation helps influence industry standards, encourage responsible business conduct and support the continuous improvement of sustainability performance across the value chain.




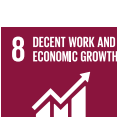



Division	Business Segments	Association/Membership
Corporate	-	Malaysian-German Chamber of Commerce (MGCC)
		The Japanese Chamber of Trade & Industry, Malaysia
Plantation		Roundtable on Sustainable Palm Oil (RSPO)
		Malaysian Palm Oil Association (MPOA)
		Malaysian Palm Oil Board (MPOB)
		Malayan Agricultural Producers Association (MAPA)
		Jurisdictional Certification Steering Committee (JCSC) Sabah
Property	Property Development	Real Estate and Housing Developers' Association (REDHA)
		Sabah Housing and Real Estate Developers' Association (SHAREDA)
		International Real Estate Federation (FIABCI) Malaysia
	Property Investment	Malaysian Palm Oil Board (MPOB)
		Construction Industry Development Board (CIDB)
	Hospitality	Sabah Timber Industries Association
		Malaysian Association of Hotels Owner (MAHO)
Credit Financing (Malaysia)	-	Malaysian Association of Hotels KL Chapter
		Malaysian Employer Federation
Trading	Fertilizer Trading	Asset Financing and Leasing Association of Malaysia (AFLAM)
		Association of Hire Purchase Companies Malaysia (AHPCM)
Automotive	Commercial Vehicles	Fertilizer Industry Association of Malaysia (FIAM)
	Quarry	Malaysian Automotive Association (MAA)
Building Materials	Hafary	Sabah Quarry Association
		Singapore Business Federation
		Singapore Renovation Contractors and Materials Supplier Association

OUR RESPONSIBILITY TOWARDS SUSTAINABLE DEVELOPMENT

Supporting the United Nations Sustainable Development Goals

In support of the United Nations Sustainable Development Goals, we have identified and adopted nine of the 17 goals most relevant to our business. These priority SDGs have been strategically aligned with our capacity for long-term value creation, taking into account the nature of our operations and the strength of our extensive network. This alignment ensures that our sustainability efforts contribute meaningfully to global development priorities while driving positive impact across our value chain.

Our contribution in FY2025 under the respective SDGs are:

 <p>1 NO POVERTY</p>	<ul style="list-style-type: none">• Provided 2,526 new employment opportunities• Provided financial services to 1,759 Small and Medium Enterprises (SMEs)
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none">• Contributed an estimated RM3.2 million for education and community development programmes, benefiting more than 7,000 beneficiaries• Provided internship programmes for 20 students
 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none">• Use 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 division• Equipped toilet with water-efficient dual flush and automatic faucets to reduce water consumption
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none">• Prioritized local development by procuring 91.8% of services and supplies from local suppliers.• Exercise non-discriminatory hiring practices• All employees undergo evaluation based on KPIs or an equivalent performance-based assessment• Average 9.9 training hours per employee, excluding general workers from Plantation division.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none">• Eco-friendly fittings incorporated wherever possible in constructed properties• Renewable energy generation from biogas, biomass, biofuel and solar energy• Commissioning of EFB fibre mat plant
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none">• Certified for various industry and internationally recognised ESG and green building certifications (refer to Achievement & Recognitions section on page 6 to 7)• Six buildings have obtained green building certifications as of FY2025
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none">• Implemented reuse and recycle measures to optimise resource consumption and waste generation• Recovered 256,443 MT of recyclable wastes through recycle and reuse• Achieved various industry and international quality certifications (refer to Achievement & Recognitions section on page 6 to 7)• Continuous improvement through proactive customer satisfaction survey (refer to Quality Products & Services section on page 25 to 27)• Implemented an Integrated Pest Management (IPM) approach to control pests in plantation

OUR RESPONSIBILITY TOWARDS SUSTAINABLE DEVELOPMENT



- Derived 46.5% of energy consumption from renewable energy
- Conserved 1,402 hectares as conservation area and 1,057 hectares of riparian reserve as of FY2025
- Quantified scope 1, scope 2 and partial scope 3 greenhouse gas emissions
- Carbon emissions reduction of 236,408 t CO₂-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 at ten locations under the Automotive division and Hafary
- No reported incident of deforestation and fire within and surrounding the plantation



- Zero corruption case reported
- 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 business divisional KPIs which is linked to the remuneration of employees. This approach incentivised management to focus on sustainability initiatives and address areas of improvement that are material to our business.

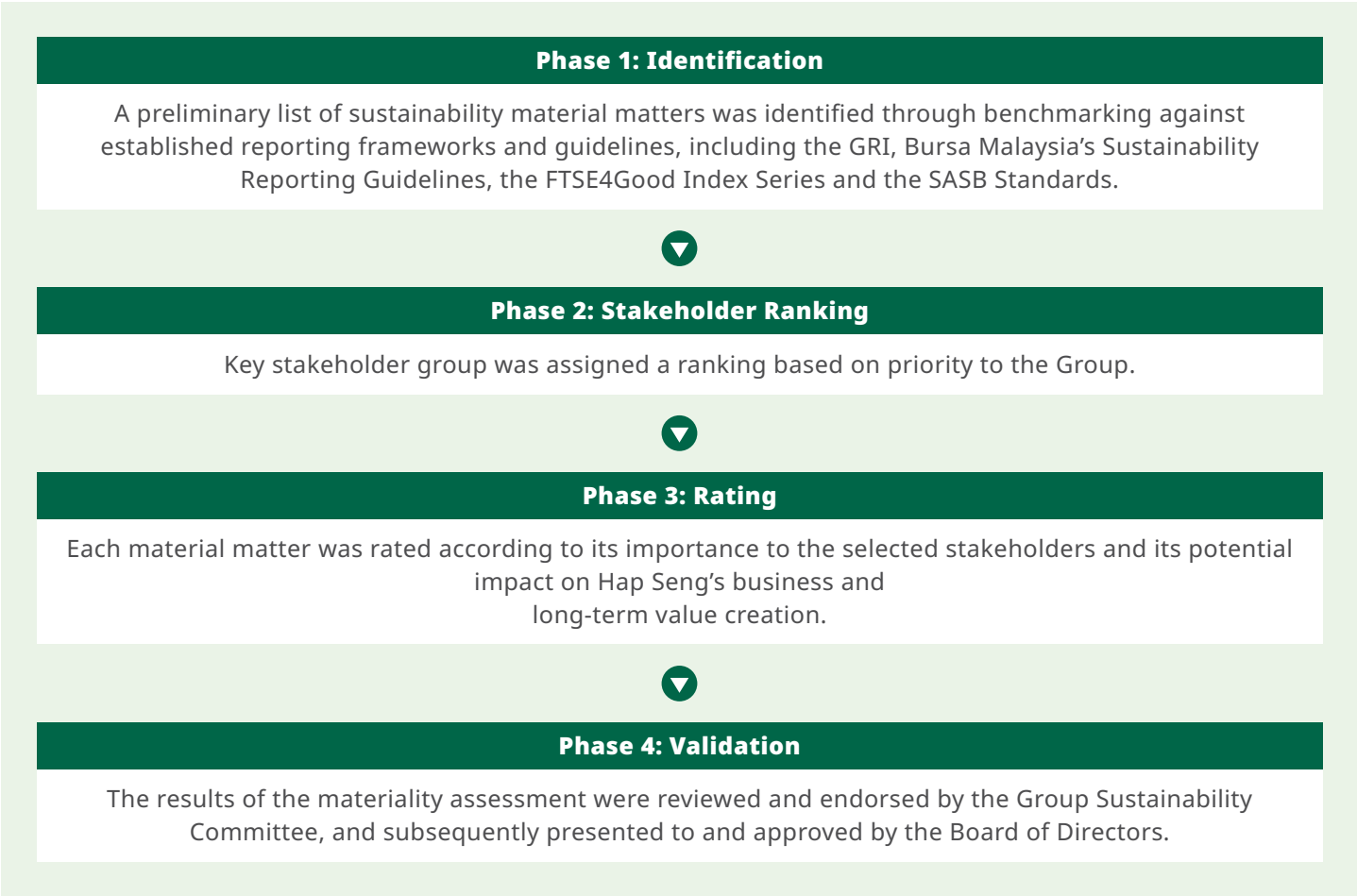
Responsible Governance	Economic Resilience	Environmental Protection	People & Community Development
<p>Strong governance is needed to ensure the Group continues to operate in an ethical manner, thus fostering trust among our stakeholders</p>	<p>Stable economic growth supports the development of the Group, contributing to long-term value creation for our stakeholders</p>	<p>Limiting our environmental footprint is crucial for preserving natural resources for future generations and mitigating adverse impacts resulting from climate change</p>	<p>Safeguarding a conducive workplace which retains and attracts talent that contribute to the achievements 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</p>

DETERMINING OUR MATERIAL MATTERS

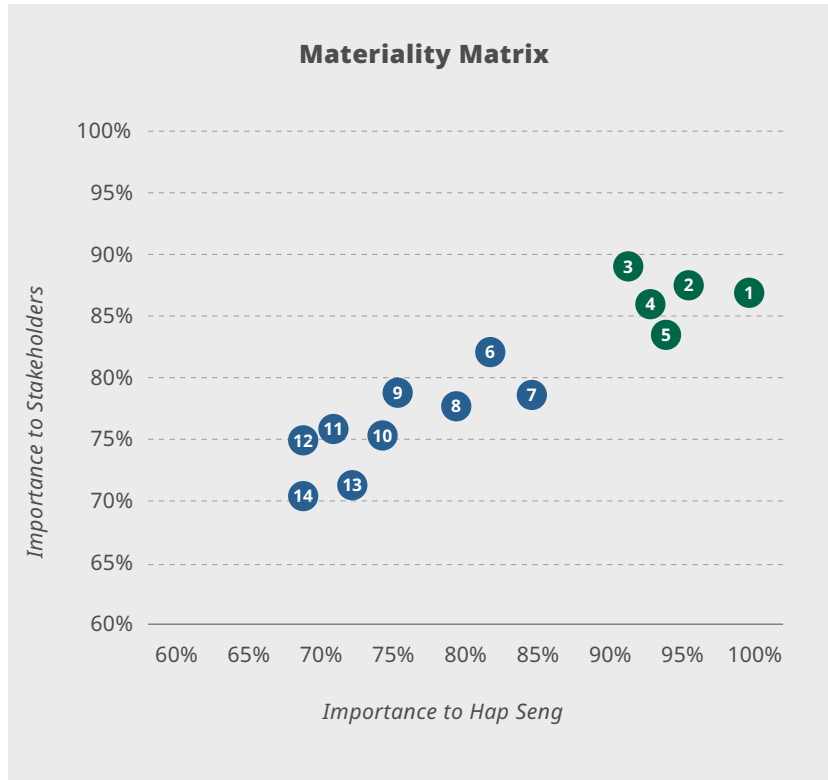
The Group performed an annual materiality matrix assessment to identify sustainability matters that are significant to both of our business and stakeholders. The assessment was conducted based on the internal stakeholder of the Group, taking into consideration expectations from regulators, industry, external stakeholders and latest sustainability requirements.

14 sustainability material matters were identified based on the materiality assessment undertaken in November 2025. We have aligned the material matters with the latest sustainability standards such as the SASB Standards.

Materiality Assessment Approach:



DETERMINING OUR MATERIAL MATTERS



Ranking of Importance	
1	Economic Performance ◀▶
2	Corporate Governance, Transparency and Anti-corruption ◀▶
3	Data Privacy and Security ◀▶
4	Workforce Health and Safety ◀▶
5	Climate Change and Greenhouse Gas Emissions ▲ 2
6	Quality Products & Services ▼ 1
7	Labour Practices and Standards ▼ 1
8	Supply Chain Management ◀▶
9	Community/Society ▲ 4
10	Energy Management ▼ 1
11	Waste Management ▼ 1
12	Water Management ▼ 1
13	Biodiversity NEW
14	Diversity ◀▶

Changes to the material matters:





Previous Material Matters	Revised Material Matters
Emission Management	Climate Change and Greenhouse Gas Emissions
Health and Safety	Workforce Health and Safety
-	Biodiversity (New Identified Material Matter)

The material topic of Supporting Small and Medium Enterprises identified in FY2024 has been integrated into Supply Chain Management, as its key considerations are addressed within this broader material matter.






Comparison Against FY2024 Materiality Matrix

- In this year's assessment, the relative importance of Climate Change and Greenhouse Gas Emissions as well as Community and Society increased, while the significance of Quality Products and Services, Labour Practices and Standards, Energy Management, Waste Management and Water Management decreased. The importance of all other material matters remained unchanged. In addition, Biodiversity has been introduced as a new material matter.










DESCRIPTION OF THE MATERIAL MATTERS

Material Matter	Why This Is Important	Potential Risk	Potential Opportunity	Link to Adopted SDG	Material to Our Stakeholders
Economic Performance	Consistent and strong economic growth will create long-term value to the company and stakeholders.	Limited local economic development and low employment rate.	Contribute to economic development and provide employment opportunity.		<ul style="list-style-type: none"> • Employees • Communities • Regulators and government bodies • Shareholders, investors and analysts
Corporate Governance, Transparency and Anti-Corruption	Robust governance structure and good business ethics will strengthen reputation long-term value creation.	Increased costs arising from non-compliance, together with potential adverse impacts on brand reputation.	Strengthen stakeholder confidence by demonstrating the ability to meet ESG requirements.	 	<ul style="list-style-type: none"> • Regulators and government bodies • Shareholders, investors and analysts • Customers
Data Privacy and Security	Maintain robust data protection practices to ensure confidential information is securely safeguarded and not misused.	Unauthorized disclosure of confidential or personal data can have significant reputational and financial consequences.	Enhance stakeholder trust.		<ul style="list-style-type: none"> • Employees • Regulators and government bodies • Suppliers • Customers

DESCRIPTION OF THE MATERIAL MATTERS

Material Matter	Why This Is Important	Potential Risk	Potential Opportunity	Link to Adopted SDG	Material to Our Stakeholders
Workforce Health and Safety	Maintaining a safe and healthy workplace to enable a productive and engaged workforce.	Inadequate health and safety practices can result in operational inefficiencies and regulatory non-compliance.	Effective health and safety measures maintain a productive workforce and meet regulatory standards.		<ul style="list-style-type: none"> • Employees • Customers • Shareholders, investors and analysts • Media
Quality Products & Services	Continuous enhancement of product quality and services ensures the business remains competitive in the market.	Poor product quality and service may lead to reputational damage, financial losses, regulatory non-compliance, and reduced market competitiveness.	Enhances customer satisfaction and business competitiveness.	 	<ul style="list-style-type: none"> • Employees • Customers • Shareholders, investors and analysts • Media
Labour Practices and Standards	Upholding labor standards ensures ethical practices and supports sustainable growth.	Non-compliance with labor standards may result in reputational harm, legal risk, and increased employee turnover.	Enhances employee retention, boosts productivity, strengthens reputation, and supports sustainable business growth.		<ul style="list-style-type: none"> • Employees
Supply Chain Management	Effective supply chain management supports responsible sourcing, reduces environmental impact, mitigates risks, and strengthens long-term business sustainability.	Leads to operational disruptions, increased costs, quality or compliance issues, and reputational or ESG-related impacts.	Robust supply chain practices drive operational efficiency and sustainable growth.		<ul style="list-style-type: none"> • Suppliers • Customers

DESCRIPTION OF THE MATERIAL MATTERS

Material Matter	Why This Is Important	Potential Risk	Potential Opportunity	Link to Adopted SDG	Material to Our Stakeholders
Energy Management	Renewable energy adoption and efficient energy management enhance operational capacity while reducing operating costs and environmental impacts.	Leads to regulatory and compliance exposure, higher implementation costs, operational challenges, and potential reputational or ESG impacts.	Enables businesses to operate more efficiently, reducing operational costs and minimizing environmental impacts.	  	<ul style="list-style-type: none"> • Employees • Customers • Shareholders, investors and analysts
Climate Change and Greenhouse Gas Emissions	Addressing climate change and managing greenhouse gas emissions ensures regulatory compliance, operational resilience, cost efficiency, and long-term sustainable growth.	Leads to regulatory penalties, increased costs, operational disruptions, reputational damage, and reduced competitiveness.	Climate action drives efficiency, innovation, and sustainable growth.		<ul style="list-style-type: none"> • Employees • Regulators and government bodies • Customers • Suppliers
Waste Management	Proper waste management enhances sustainability and promotes efficient use of resources.	Inefficient or non-compliant waste management may lead to regulatory penalties, environmental harm, reputational damage, and higher operational costs.	Enhances resource efficiency, reduces costs, supports regulatory compliance, and strengthens sustainable business practices.	  	<ul style="list-style-type: none"> • Employees • Communities • Regulators and government bodies • Media
Water Management	Proper water management reduces operational cost, mitigates.	Inefficient water management may lead to scarcity, higher costs, fines, and negative environmental impacts.	Efficient water resources management can reduce operating costs.	 	<ul style="list-style-type: none"> • Communities • Regulators and government bodies • Media

DESCRIPTION OF THE MATERIAL MATTERS

Material Matter	Why This Is Important	Potential Risk	Potential Opportunity	Link to Adopted SDG	Material to Our Stakeholders
Biodiversity	Supports sustainable operations and responsible growth.	Leads to operational disruptions, regulatory penalties, and reputational harm.	Strengthens resilience, reputation, and compliance while supporting long-term sustainable growth.	 	<ul style="list-style-type: none"> Regulators and government bodies Communities
Diversity	Promoting diversity enhances innovation, talent retention, social cohesion, and sustainable business performance in Malaysia's multi-ethnic context.	Lack of diversity may result in reduced innovation, discrimination, and affect company reputation.	A diversified workplace cultivates inclusion, talent development, and operational excellence.		<ul style="list-style-type: none"> Employees
Community/ Society	Value creation to local communities through our Corporate Social Responsibility (CSR) and educational programmes.	Deprived local community may negatively impact the overall economic development.	Empowered community will directly elevate socio-economy and business opportunities.	  	<ul style="list-style-type: none"> Communities Media



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 stakeholder groups, our engagement methods, and the way we respond to the identified matters.

Stakeholder Groups	Channels of Engagement	Frequency of Engagement	Material Matters	Our Response
Employees	<ul style="list-style-type: none"> • Employees' intranet • Internal emails • Annual performance appraisal • Training • Internal meetings • Interviews 	Ongoing, Annually	<ul style="list-style-type: none"> • Corporate Governance, Transparency and Anti-corruption • Labour Practices and Standards • Diversity • Workforce Health and Safety 	<ul style="list-style-type: none"> • Ongoing feedback and issue resolution via grievance and whistleblowing channels. • Regular updates on health and safety measures. • Career development opportunities supported by training and competitive remuneration. • Organised sports and wellness activities.
Communities	<ul style="list-style-type: none"> • Corporate Social Responsibility activities • Corporate website 	Ongoing, Annually	<ul style="list-style-type: none"> • Community/Society 	<ul style="list-style-type: none"> • Respect for Free, Prior and Informed Consent (FPIC) in new developments involving community land rights. • Programmes to enhance the socio-economic well-being of local communities.
Regulators/ Government Agencies	<ul style="list-style-type: none"> • Report submission • Site inspection/visit • Meeting 	Ongoing	<ul style="list-style-type: none"> • Corporate Governance, Transparency and Anti-corruption • Workforce Health and Safety • Waste Management 	<ul style="list-style-type: none"> • Conducted anti-corruption training for employees. • Annual Integrity Declaration by all employees. • Established the Group Health and Safety Policy.
Suppliers	<ul style="list-style-type: none"> • Tender process and supplier feedback mechanism • Regular communication 	Ongoing	<ul style="list-style-type: none"> • Supply Chain Management 	<ul style="list-style-type: none"> • Promoted equal business opportunities through a transparent tendering process. • Prioritised procurement from responsible and sustainable suppliers to minimise social and environmental impacts. • Supported SME growth by providing accessible and appropriate financial solutions.

STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Channels of Engagement	Frequency of Engagement	Material Matters	Our Response
Customers/ Tenants	<ul style="list-style-type: none"> • Customer networking event • Customer satisfaction survey • Online feedback 	Annually, Ongoing	<ul style="list-style-type: none"> • Data Privacy and Security • Quality Products & Services • Climate change and Greenhouse Gas Emissions • Energy Management • Waste Management • Water Management 	<ul style="list-style-type: none"> • Conducted annual tenant satisfaction surveys and proactively collected feedback through customer surveys. • Enhanced cybersecurity and data management systems to safeguard customer information. • Organised tenant engagement activities. • Ensured timely delivery of products and services to customers.
Investors	<ul style="list-style-type: none"> • Annual General Meeting • Investor engagement sessions • Regular communication 	Ongoing, Quarterly, Annually	<ul style="list-style-type: none"> • Economic Performance • Corporate Governance, Transparency and Anti-corruption 	<ul style="list-style-type: none"> • Held the Annual General Meeting to update shareholders, investors, and analysts on the Group's performance and strategies. • Conducted quarterly or ad-hoc analyst briefings to discuss financial performance. • Issued press releases as needed to communicate key business developments.
Media	<ul style="list-style-type: none"> • Press release • Information on the company's websites 	Ongoing	<ul style="list-style-type: none"> • Economic Performance • Corporate Governance, Transparency and Anti-corruption 	<ul style="list-style-type: none"> • Direct engagement to communicate latest and upcoming developments from the Group.

OUR ACHIEVEMENTS AND TARGETS

Our sustainability targets were established by aligning industry priorities with the Group's internal strengths and potential value creation across business divisions. Sustainability-related KPIs were reviewed by the Group Sustainability Committee and approved by the Board. These KPIs are integrated into the performance framework of senior management to drive accountability and progress.

Material Matters	Sustainability-related KPI	Progress	Remarks
Responsible Governance			
Data Privacy and Security	Zero substantiated breach of customer privacy and losses of customer data	Not achieved One incident was recorded.	The case was resolved and re-training was conducted.
Economic Resilience			
Economic Performance	Providing returns to shareholders with no less than 50% dividend payout rate	Achieved Dividend payout rate: 99.5%	To maintain.
Quality Products & Services	Maintaining Customer Satisfaction Index scoring of more than 75% for Property Development and Automotive (Passenger Vehicles)	Achieved Property Development: 80.0% Passenger Vehicles: 98.8%	To maintain.
	Maintaining Tenant Satisfaction Index scoring of more than 80% (Property Investment)	Achieved Averaged score of 86.0% (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	Achieved One investment property project completed in 2025 was green building certified.	Hyatt Regency Kuala Lumpur.
Supply Chain Management	Supporting local economy by maintaining more than 60% procurement and services from local suppliers	Achieved Procurement from local suppliers: 91.8%	To maintain.
	Performing ESG due diligence on new and existing suppliers by 2024	Not achieved	A more effective approach will be explored to enhance the value of supplier engagement.
	Maintaining 100% traceability to the oil palm supply chain	Achieved FFB sourced are fully traceable to the 13 supplying smallholders.	To maintain.
	Supporting the growth of SMEs by providing more than 70% of our credit financing services to SME customer	Achieved 79.0% of the credit financing customers operating SME business.	To maintain.

OUR ACHIEVEMENTS AND TARGETS

Material Matters	Sustainability-related KPI	Progress	Remarks
Environmental Management			
Climate Change and Greenhouse Gas Emissions	Continuous reduction of scope 1 and scope 2 GHG emissions (intensity or absolute) from baseline year 2024	Achieved Emission Intensity (t CO ₂ -e/ RM'million Revenue): +4.4% Absolute Emission (t CO ₂ -e): -1.3%	Refer to page 31 for details on GHG emissions.
Energy Management	Continuous reduction in energy use (intensity or absolute) through efficient energy management	Achieved Energy Intensity (MJ/ RM'million Revenue): +0.1% Absolute Energy (MJ): -3.9%	Refer to page 37 for details on energy consumption.
	Maintaining more than 31% share of renewable energy by 2025 as per Malaysia's target	Achieved 46.5% energy consumption derived from renewable energy.	To maintain.
Water Management	Continuous reduction of water usage (intensity or absolute) from baseline year 2024	Not achieved Water Consumption Intensity (m ³ / RM'million Revenue): +3.9% Absolute Water Consumption (m ³): +1.5%	Refer to page 41 for details on water consumption.
People and Community Development			
Workforce Health and Safety	Maintaining zero workplace-related fatality and high-consequence injury	Not achieved One high consequence injury case was recorded.	Refer to page 50 for details on immediate actions taken to improve.
Labour Practices and Standards	Zero substantiated discrimination and harassment case at workplace	Not achieved Two cases were reported.	Initiated a formal investigation and completed all required remedial actions.

RESPONSIBLE GOVERNANCE

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 to 65) and the Corporate Governance Report.

Corporate Governance, Transparency and Anti-Corruption

Sustainability Governance

The Group has established a Group Sustainability Framework¹ that articulates its governance structure, commitments, and strategic approach, providing guidance to all business divisions in managing sustainability matters, including climate-related risks and opportunities. The sustainability governance structure is illustrated in the diagram below.

The Corporate Planning & Investor Relations Department (CPIR) oversees and coordinates sustainability initiatives across the Group, while maintaining ongoing engagement with relevant internal and, where possible external stakeholders on sustainability and climate-related matters.

The Group Sustainability Committee and the Divisional Sustainability Working Committees convene at least once annually, with updates presented to the Board on a biannual basis.



¹ https://www.hapseng.com.my/en/download/termsofreference/HSCB_Sustainability_Framework.pdf

RESPONSIBLE GOVERNANCE

Business Ethics and Policies

Hap Seng upholds high standards of business ethics and integrity, guided by five core principles that define the expected conduct of all employees. These principles are communicated during induction programmes and formalised in the Employee Handbook and the Group's Code of Conduct, which are accessible via the employee intranet portal.

The Group adopts a zero-tolerance approach to bribery and corruption, as set out in its ABC Policy. Established in June 2020 and revised 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 annual integrity declaration affirming compliance with the policy, while external parties must also declare any potential conflicts of interest.

To support effective implementation, the Group established an Integrity Management Committee (IMC) to oversee the Integrity Programme, which encompasses policy and procedure development, employee training and communication, as well as ongoing monitoring and enforcement. The IMC has strengthened the ABC training refresher process and will continue ensuring that all employees are fully briefed on the ABC Policy. Annual corruption risk assessments are conducted to evaluate adherence to the ABC Policy. The FY2025 assessment indicated a low corruption risk, with no reported breach or disciplinary action.

As part of its ongoing anti-corruption initiatives, the Group delivers comprehensive anti-bribery and anti-corruption (ABC) training to employees. In FY2025, the Group conducted a refresher ABC training for all its employees based in Malaysia, excluding employees within its hospitality operations and general workers within its plantation division. During the year, 70% of these employees participated in the training, representing 46% of the Group's total workforce.

The IMC will continue to develop, update and disseminate communication materials relevant to the ABC Policy, and to conduct training and workshop for the Employees as and when necessary. An annual Integrity Declaration process further reinforces employees' commitment to the ABC Policy, while new hires are required to acknowledge the policy as part of the onboarding process. The ABC Policy is publicly accessible on the Group's website to promote transparency with internal and external stakeholders.

	FY2023	FY2024	FY2025
*Percentage of employees who have received training on anti-corruption (%)	70.00	67.00	46.00
Percentage of operations assessed for anti-corruption-related risks (%)	100.00	100.00	100.00
Confirmed incidents of corruption and action taken	0	0	0

**Remarks:*

1. Data excluded employees within its hospitality operations and general workers within its plantation division.
2. Data on anti-corruption training prior to FY2025 was based on the annual integrity declaration.

Whistleblowing Channel

Hap Seng has established a whistleblowing channel to enable employees and third parties to report suspected violations of the ABC Policy or other forms of serious misconduct within or involving the Group.

Reports concerning employees are directed to the Industrial and Employee Relations Manager, while matters involving Board members or senior management are escalated to the Senior Independent Director. The Group ensures that the identity of whistleblowers is protected throughout the investigation process to safeguard against potential threats or retaliation. There were no substantiated cases reported in FY2025.

Regulatory Compliance

Hap Seng is committed to full compliance with all applicable laws and regulations. The Group's in-house Legal and Compliance department monitors regulatory changes and implements the necessary measures to ensure ongoing compliance.

The main laws and regulations that we are adhering to:

- Companies Act 2016
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Income Tax Act 1967
- Employment Act 1955 (Amendment) 2023
- Personal Data Protection (Amendment) Act 2024 (PDPA)
- Capital Markets and Service Act 2007
- Environmental Quality Act 1974
- Occupational Safety and Health (Amendment) Act 2022
- Factories and Machinery Act 1967
- Children and Young Persons (Employment) Act 1966
- Employee's Minimum Standards of Housing, Accommodations and Amenities Act 1990
- Malaysian Anti-Corruption Commission (Amendment) Act 2018

The risk of legal non-compliance is proactively managed through the Group's internal controls and risk management processes. In FY2025, fines totalling RM1,400 were incurred in relation to non-compliance incidents.

The Group does not engage in any lobbying practice and make any political contribution.

Risk Management

The Risk Management Committee of Hap Seng oversees the annual risk assessment process and ensures that mitigation measures are effectively implemented for all identified risks, including sustainability and climate-related risks.

Risks are classified according to net risk ratings—low, moderate, significant, and high. Following the assessment, the Group implements additional controls and procedures to manage identified risks within acceptable tolerance levels. Further details on Hap Seng's risk management approach can be found on page 78 to 79 of the Annual Report.

In FY2025, the Group updated its climate risk assessment to include potential physical and transition risks across the business. The processes for identifying, assessing, and managing sustainability and climate-related risks have been embedded within the Group's Enterprise Risk Management (ERM) framework. Sustainability and climate-related risks are prioritized alongside other key risks as part of the Group's overall risk management strategy.

RESPONSIBLE GOVERNANCE

Data Privacy and Security

Hap Seng strictly adheres to the requirements of the Personal Data Protection Act (Amendment) Act 2024 in managing customer data, guided by a clear policy on its collection, storage, and usage. The Group has established a Personal Data Protection Committee as the highest governance body responsible for overseeing PDPA compliance, with a Data Protection Officer (DPO) appointed to manage related matters.

The Group IT Department mitigates cybersecurity risk through regular group-wide security assessments and simulated phishing tests to identify risks and vulnerabilities. Working with a trusted security service provider, the Group implements comprehensive monitoring and protection measures. Access to customer personal data is restricted to authorized personnel, with annual reviews of user access across divisions conducted to maintain security standards. The Computer Access and Usage Policy further reinforces proper management of employee data.

Recognizing the growing reliance on technology and the rise of cyber threats, the Group has developed a cybersecurity protection plan. Initial measures include simulated phishing tests, cybersecurity awareness programmes, and annual training sessions to enhance employee vigilance.

In FY2025, cybersecurity training was primarily focused on new employees, resulting in lower total training hours compared to FY2024.

Cybersecurity Training	FY2023	FY2024	FY2025
Employee Participated	297	1,376	448
Total Training Hours	740	2,064	652

In the event of a data breach, the Group IT Department conducts a prompt and thorough investigation. Within 24 hours of a breach report, a risk assessment is initiated to evaluate potential impacts on individuals and the Group. Remedial measures are then implemented to contain the breach and prevent further damage. A detailed report is submitted to the Chief Information Officer, outlining findings, causes, impact, and recommendations for strengthening the security system.

If a breach involves personal data loss, misuse, or unauthorised access, the incident is to be immediately reported to the division’s liaison person, the respective division’s Chief Executive/Chief Operating Officer, and the DPO. The DPO, in consultation with the Personal Data Protection (PDP) Committee and Group IT, will advise the liaison person on necessary containment steps. A written report must be submitted by the division’s liaison person to the PDP Committee within 24 hours of the breach notification.

The PDP Committee will conduct a comprehensive investigation and evaluate potential impacts on individuals and the Hap Seng Group. Necessary action will be taken in accordance to Data Breach Notification Protocol in alignment to the PDPA.

In FY2025, the Group addressed one substantiated complaint regarding a customer data leak. Following a thorough investigation, the matter was successfully resolved. To prevent recurrence, comprehensive retraining on customer data management and privacy protocols was conducted to strengthen future compliance.

Customer Complaints on Privacy Breaches or Data Loss	FY2023	FY2024	FY2025
	0	0	1

ECONOMIC RESILIENCE

Our Approach

Our Group's economic stability hinges not only on our operational success but also that of 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 stakeholders' expectations.

ECONOMIC PERFORMANCE, QUALITY PRODUCTS & SERVICES, SUPPLY CHAIN MANAGEMENT

Economic Performance

Economic resilience is a fundamental pillar of our business culture and operations. It enables us to create long-term value and deliver meaningful contributions to our stakeholders through dividend distributions, community initiatives, and the creation of employment opportunities. By strengthening our economic resilience, we are well positioned to support the Group's sustainable growth while generating shared value for all stakeholders.

In FY2025, a total dividend of 20 sen per share was declared and paid, representing a payout rate of approximately 100% for the financial year.

Investments in sustainability remain integral to the Group's business strategy and long-term value creation. In support of this commitment, the Group has issued SLBs of RM600 million in FY2025. These SLBs are aligned with the International Capital Market Association's Sustainability-linked Bond Principles. The bonds feature a variable interest rate mechanism linked to the achievement of predefined sustainability performance targets, including reductions in water and electricity consumption, increased adoption of solar energy, and the implementation of rainwater harvesting initiatives.

Quality Products & Services

In our Plantation division, we ensure compliance with buyers' requirements by sourcing and producing palm oil responsibly and sustainably. Our palm oil is fully traceable to its source, and certified with multiple sustainability-related certifications. In addition, our palm oil production complies with internationally recognised food safety and quality certifications, such as HACCP, MeSTI, and Halal Certification. Our products consistently meet or exceed key industry quality parameters. In recognition of our product quality, our Plantation division was awarded the Best Quality CPO Supplier for both Individual Mill and Grouping Category, as well as the Highest Quantity CPO Supplier in FY2025 by IOI Edible Oils, one of our major buyers.

As part of our proactive approach to food safety, two additional palm oil mills have been equipped with chloride washing plants to reduce potential traces of 3 Monochloropropane 1,2 diol esters (3-MCPDE), a contaminant that can form during high-temperature oil processing. With this addition, all four of our palm oil mills are now equipped with this washing plant. Compliance with stringent food safety standards and certifications enables us to meet the demanding requirements of global buyers.

ECONOMIC RESILIENCE



Our Property division is guided by a Quality Policy aimed at achieving and enhancing customer and tenant satisfaction. The policy provides a framework for maintaining consistent and efficient operations while upholding high standards of quality and service across all property management activities. To assess satisfaction levels, we conduct customer satisfaction surveys using a five-point rating scale. The surveys cover a range of aspects, including cleanliness, landscaping, security, customer service, quality of project delivery, and property features. Complaints or feedback from customers are addressed by assigned sales consultants or customer service officers in accordance with timelines specified in our standard operating procedures.

Property Development			
Customer Satisfaction Score (%)	FY2023	FY2024	FY2025
	79.0	79.0	80.0

For our investment properties, we actively engage with tenants through both in-person interactions and digital communication platforms, providing ongoing customer management support. Annual Tenant Satisfaction Surveys are conducted to gather feedback and ensure that tenants' needs continue to be met. In addition, tenants are provided with a fit-out guide that includes specific green clauses requiring compliance with our sustainability practices during renovation works.

Property Investment			
Tenant Satisfaction Score (%)	FY2023	FY2024	FY2025
	84.8	85.3	86.0

ECONOMIC RESILIENCE

Within our hospitality operations, standard operating procedures guide staff in addressing guest feedback promptly and effectively, with the objective of resolving issues within an appropriate timeframe to ensure a positive guest experience. At Hyatt properties, guest satisfaction is measured using the brand's proprietary survey system. Monthly review meetings are held to analyse feedback and identify opportunities for improving guest satisfaction scores. Each hotel has an annual target of 70%, supporting continuous improvement in service quality and overall guest experience. In FY2025, the three hotels achieved an average score of 73%.

Our Automotive division continues to focus on delivering an end-to-end premium customer experience across both sales and aftersales services. Several of our Autohaus locations were recognised as champions and runners-up at the Mercedes-Benz Retail Partner of The Year Award, reflecting Hap Seng Star's commitment to providing exceptional sales and service experiences for its customers. Further details can be found in the Achievement & Recognitions section on page 7. Hap Seng Trucks Distribution was recognised at the Daimler Truck RC SEA Awards 2025 for its exceptional performance, receiving the Best Year-on-Year Growth Market CSP Award and the Highest Truck Sales Volume Award for 2024. These accolades underscore the division's strong market execution, customer-centric approach, and the sustained demand for its commercial vehicles.

Automotive - Passenger Vehicle			
Customer Satisfaction Score (%)	FY2023	FY2024	FY2025
	98.8	98.0	98.8

Supply Chain Management

The evolving geopolitical landscape, including rising global trade tensions and the recent Middle East conflict, has reinforced the importance of resilient supply chain management and local sourcing. The Group continues to mitigate potential disruptions through its diversified business portfolio, which strengthens internal synergies by supplying essential services and raw materials across various divisions.

Supplier selection within the Group is guided by a transparent and impartial tendering process. All potential suppliers are assessed against clearly defined criteria to ensure their ability to deliver high quality products and services that meet customer expectations. We uphold strict ethical standards and expect our suppliers to align with the principles outlined in our Group Sustainability Framework, ABC Policy, relevant industry standards, and applicable legal requirements. The implementation of the Responsible Sourcing Policy has been temporarily deferred as we assess opportunities to adopt a more effective and value-driven approach to supplier engagement.

In FY2025, 91.8% of the Group's procurement expenditure was directed to local suppliers. Expenditures from Hap Seng Fertilizers and Hap Seng Trucks Distribution were excluded from this calculation to ensure a more accurate representation of the indicator. Hap Seng Trucks Distribution, as the exclusive general distributor of Mercedes Benz and FUSO commercial vehicles in Malaysia, imports Completely Knocked Down (CKD) kits from its overseas principal for local assembly and distribution. Similarly, Hap Seng Fertilizers which primarily supplies fertilizers to oil palm plantations in Malaysia and Indonesia, sources these products from international producers.

Procurement Expenditure Allocated to Local Companies (%)	FY2023	FY2024	FY2025
	67.2*	86.5	91.8

* Included expenditure data from Hap Seng Trucks Distribution and Hap Seng Fertilizer.

ECONOMIC RESILIENCE

Supporting Small, Medium-sized Enterprises and Smallholders

Our strong performance in maintaining a high proportion of SME customers in the Credit Financing division reflects our commitment to providing tailored financing solutions that supports growth in the SME sector.

Proportion of SME Customer (%)	FY2023	FY2024	FY2025
	77.5	78.0	79.0

In our Plantation division, we work closely with 13 outgrowers and smallholders to promote the adoption of sustainable practices through comprehensive training and technical assistance. This includes guidance on sustainability certification and audit processes. Targeted training programs are provided to enhance the skills of outgrowers and smallholders, equipping them with the knowledge required to achieve and maintain sustainability certification. By actively supporting them throughout their certification journey, we ensure a consistent supply of sustainably sourced FFB for our mills.

Close engagement with outgrowers and smallholders also guarantees that our FFB are fully traceable to legal and sustainable sources. In FY2025, 11 of the 13 outgrowers and smallholders hold either MSPO or MSPO and RSPO certification. We remain committed to engaging with the remaining outgrowers and smallholders and providing the necessary support to expedite their sustainability certification process.

Certification Status of Outgrowers and Smallholders	FY2023	FY2024	FY2025
RSPO and MSPO certified	5	6	7
MSPO certified only	3	4	4
Total certified outgrowers and smallholders	8	10	11

ENVIRONMENT PROTECTION

Our Approach

As a Group that relies on natural resources, we prioritize environmental protection and the minimisation of operational impacts to support long-term sustainable growth. We have identified and assess both physical and transition climate-related risks and opportunities to guide our transition towards operations with a lower environmental footprint, while ensuring the long-term resilience and sustainability of our businesses.

Climate Change and Greenhouse Gas Emissions

Our carbon footprint is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard to ensure consistent reporting and comparability across our business divisions over time. Emissions data are calculated using internationally recognised methodologies, including the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines, and relevant local emission factors where applicable. Emissions from grid electricity consumption are calculated based on emission factors published by the respective local Energy Commission or other credible published sources. Global warming potentials (GWPs) for CO₂, CH₄, N₂O and hydrofluorocarbons are applied based on values from the IPCC Sixth Assessment Report (AR6) and converted into carbon dioxide equivalent (CO₂-e).

To effectively manage the emission within our operations, the control approach is adopted to consolidate the GHG emissions where we account the GHG emissions from operations over which we have operational control. The scope of emission disclosure includes business divisions operating in Malaysia, Singapore, China, Indonesia and the United Kingdom.

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 GHG emissions from the generation of purchased electricity.

Scope 3

Indirect GHG emissions that occur outside the organization covering the following scope 3 emission categories:

- i) Category 3 – Fuel and energy-related activities
- ii) Category 5 – Waste generated in operations
- iii) Category 6 – Business travel
- iv) Category 7 – Employee commuting
- v) Category 13 – Downstream leased assets

ENVIRONMENT PROTECTION

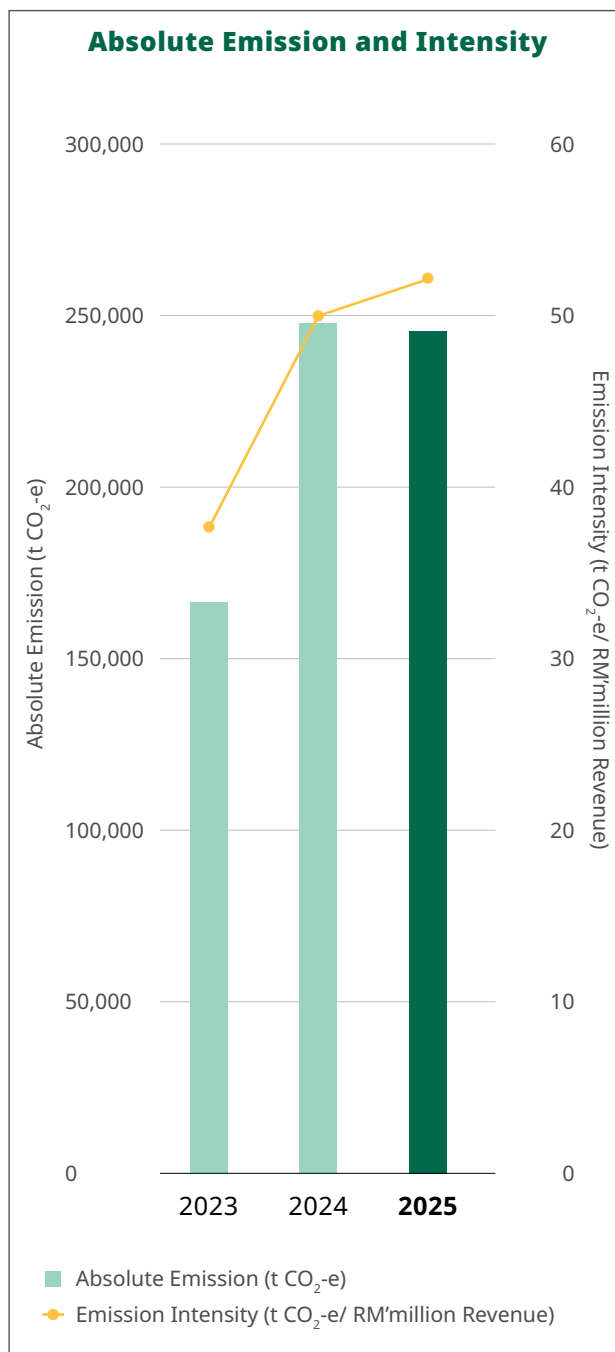
Biogenic emissions are reported separately from the scopes according to GHG Protocol requirement which cover CO₂ emissions from biomass combustion, biofuel consumption and application of biomass as organic manure. Land use change emissions are derived from the RSPO PalmGHG calculation.

We continue to improve the data quality and explore opportunity to reduce emissions through renewable or environmentally friendly energy options. We continue to monitor our emissions through ESG-related KPIs and build our capacity in other relevant categories of scope 3 emission quantification.

Emission Sources	t CO ₂ -e		
	FY2023	FY2024*	FY2025
Scope 1 - Direct emissions	145,113	189,794	181,706
Scope 1: Mechanical	31,675	95,739	97,697
Fossil Fuel Combustion	31,086	95,147	97,249
Fugitive Emissions (Refrigerants)	589	592	448
Scope 1: Non-Mechanical	113,438	94,055	84,009
Fertiliser	42,376	28,671	25,486
POME Treatment	67,588	61,967	55,431
Land Application	0.00	0.00	0.00
Domestic Water Treatment	0.00	734	736
Biogenic Emissions (CH ₄ and N ₂ O)	3,474	2,683	2,356
Scope 2 - Indirect emissions	19,694	57,082	62,033
Purchased Electricity	19,694	57,082	62,033
Absolute Scope 1 & Scope 2 Emissions	164,807	246,876	243,739
Land Use Change (based on RSPO Palm GHG)	204,562	201,894	234,345
Carbon Sequestration	-235,943	-236,408	-236,408
Biogenic Emissions (CO₂)	210,627	163,973	141,531

Note:

* Restated data. Refer to page 54 for details.



ENVIRONMENT PROTECTION

GHG Emissions

The reduction in the Group's absolute scope 1 and 2 GHG emissions was primarily driven by lower emissions across most business divisions, resulting from reduced operational activity, operational rationalisation, and increased use of renewable energy. However, overall emission intensity for the Group increased, largely due to a decline in revenue contribution from the business divisions.

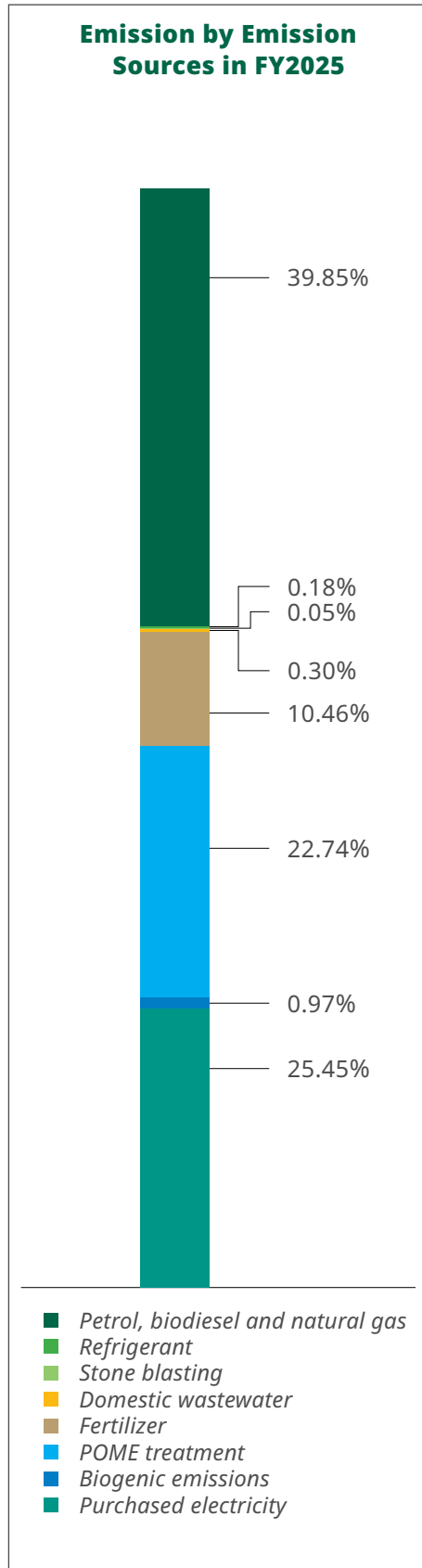
GHG emission intensity and absolute GHG emission by business divisions are as follows:

Business Division	GHG Emission Intensity			FY'25 vs FY'24 (%)	Intensity Unit	Absolute GHG Emission (t CO ₂ -e)			FY'25 vs FY'24 (%)
	FY2023	FY2024	FY2025			FY2023	FY2024	FY2025	
Corporate Head Office	-	-	-	-	-	503	498	462	-7.23
Plantation	0.90	0.76	0.78	2.87	t CO ₂ -e/ Sales Volume	133,057	113,776	103,050	-9.43
Property Development & Investment	0.011	0.011	0.012	9.13	t CO ₂ -e/ Occupied Area	10,277	10,707	11,660	8.90
Credit Financing	1.25	1.46	1.58	8.19	t CO ₂ -e/ RM' million Revenue	278	261	247	-5.36
Automotive - Passenger	1.09	1.37	1.37	0.04	t CO ₂ -e/ Sales Volume	3,806	3,581	3,056	-14.66
Automotive - Commercial	1.16	1.60	1.30	-18.81	t CO ₂ -e/ RM' million Revenue	364	323	245	-24.15
Trading - Fertilizer Trading	0.00039	0.00036	0.00039	6.63	t CO ₂ -e/ Sales Volume	363	577	625	8.32
Trading - General Trading	0.29	0.66	0.42	-35.84	t CO ₂ -e/ RM' million Revenue	141	292	105	-64.04
Building Materials - Quarry	94.02	63.88	45.72	-28.43	t CO ₂ -e/ RM' million Revenue	16,018	8,430	5,011	-40.56
Building Materials - Hafary	-	121.33	127.16	4.80	t CO ₂ -e/ RM' million Revenue	-	108,432	119,278	10.00
Group Overall	37.81	49.83*	52.02	4.39	t CO ₂ -e/ RM' million Revenue	164,807	246,877*	243,739	-1.27

* Restated data. Refer to page 54 for details.

The reduction in emissions in the Plantation division compared to the previous year was primarily driven by lower operational activity, reflected in a reduced volume of processed FFB and lower application of nitrogen-based fertilisers. The lower volume of FFB processed also resulted in reduced emissions from key emission sources within the division, particularly diesel consumption from company vehicles and palm oil mill effluent (POME). In addition, the lower FFB volume resulted in lower biogenic emissions due to reduced renewable energy generation from biomass combustion and biogas.

ENVIRONMENT PROTECTION



Emissions from the Property division increased primarily due to improved data completeness, following the inclusion of consumption data from The Weld, project development site offices and sales galleries. As electricity consumption represents the main source of emissions for the division, an energy manager has been engaged to identify opportunities to optimise energy consumption across the properties. In addition, lighting across the properties is being progressively replaced with energy-efficient alternatives as part of efforts to reduce scope 2 emissions from electricity consumption.

Emissions from the Credit Financing division continued to decline in FY2025. This was driven by strategic business consolidation and the closure of three branches, which significantly reduced electricity consumption from the grid.

The reduction in GHG emissions in the Automotive division was primarily driven by lower grid electricity consumption and reduced mobile combustion. The installation of additional solar energy systems at two Autohaus, on top of the existing systems at two Autohaus and the Body & Paint Competence Centre, contributed to reduction in scope 2 emissions from grid electricity in the passenger vehicle segment. Lower emissions from mobile combustion were also supported by the transition of some company vehicles to electric vehicles.

Emissions from the fertiliser trading segment increased slightly due to higher grid electricity consumption associated with the commissioning of a new fertiliser mixing line. In contrast, the general trading segment recorded a reduction in emissions across all sources, primarily due to operational consolidation.

The reduction in emissions from quarry operations was primarily driven by the ongoing business rationalisation. In contrast, higher emissions recorded from Hafary were mainly due to year-on-year comparatively higher consumption from ICMH 2, which Hafary took over its operations in Q2 2024. Emissions from Hafary were partially mitigated by the installation of an additional solar energy system in Q2 2025, complementing the four existing solar systems.

Location-based Scope 2 Emission

Location	FY2025	
	Amount of Energy (kWh)	Emission (t CO ₂ -e)
Malaysia Facilities	82,335,076	60,835
Singapore Facilities	2,286,229	919
China Facilities	349,025	271
Indonesia Facilities	9,310	7
United Kingdom Facilities	4,542	1
	84,984,182	62,033

In FY2025, the Group's location-based scope 2 emissions, which reflect the average carbon intensity of the electricity grids at each location, amounted to 62,033 t CO₂-e from a total energy consumption of 84,984,182 kWh. Vast majority of emissions were from our Malaysia operations, followed by Singapore and China.

ENVIRONMENT PROTECTION

Renewable Electricity

Source	Location	Amount of Energy (kWh)	Emission Savings (t CO ₂ -e)	Contribution (%)
Biogas	Sabah	14,596,238	7,663	77%
Solar	Peninsular Malaysia	2,374,685	1,838	19%
	Singapore	1,074,303	432	4%
		18,045,226	9,933	

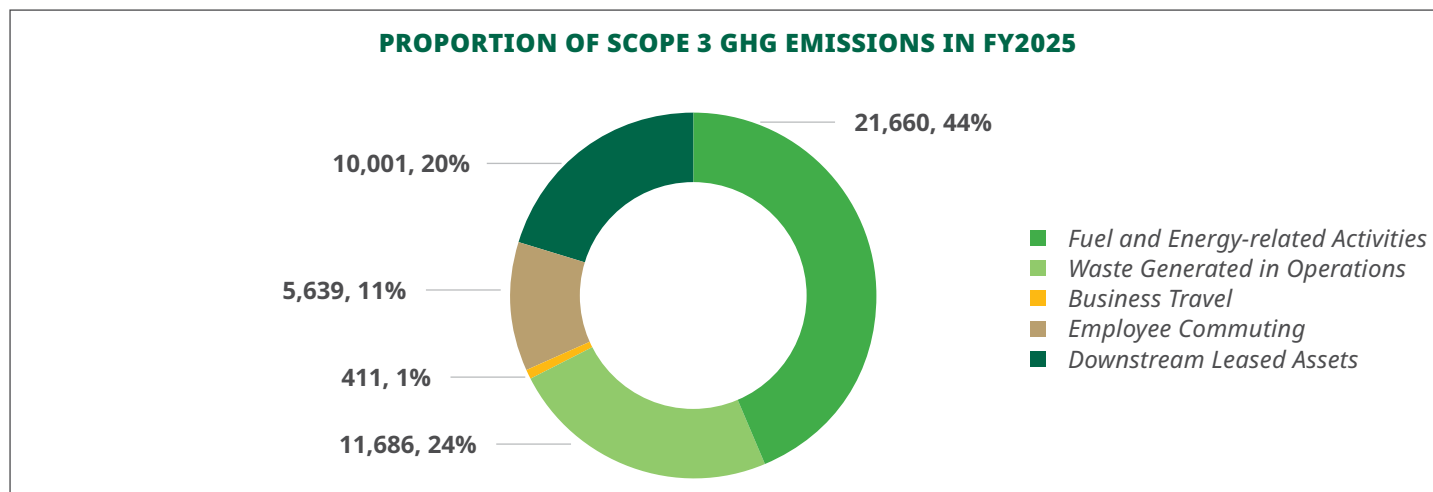
The Group sourced approximately 18 million kWh of renewable electricity generated from biogas and solar energy systems during the year. The utilisation of renewable electricity resulted in emission savings of 9,933 t CO₂-e compared with the equivalent use of grid electricity. Biogas remained the largest contributor to these emission reductions, accounting for 77% of the total emission savings from renewable electricity. Emission savings from biogas are expected to increase in FY2026, following the planned commissioning of an additional biogas plant which will further enhance the Group's renewable energy generation and emissions reduction efforts.

We are progressively expanding our scope 3 emissions assessment and currently quantify five categories of scope 3 emissions.

Scope 3 Emissions Category	Description	Data Quality*
Fuel and Energy-related Activities	<ul style="list-style-type: none"> Emissions from fuel usage encompassed emissions associated with extraction, refining and transportation of the raw fuel sources prior to combustion. Emissions from electricity usage is associated with transmission and distribution losses with purchased electricity. 	Fair
Waste Generated in Operations	<ul style="list-style-type: none"> Emissions from waste generated is calculated based on the disposal methods (either recycling, reuse or disposal to landfill) of various type of wastes generated from our operations. 	Fair
Employee Commuting	<ul style="list-style-type: none"> 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). The calculation is based on data from the latest survey conducted in FY2024, whereby 43.5% of the total employees responded. The resulting emissions were subsequently extrapolated to the number of employees ending FY2025. Survey on employee commuting will be conducted biennially. 	Fair
Business Travel	<ul style="list-style-type: none"> 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. 	Fair
Downstream Leased Assets	<ul style="list-style-type: none"> Emissions from indirect electricity usage from assets not operating by the Group. 	Fair

* The assessment of data quality is based on the GHG Protocol Scope 3 standard.

ENVIRONMENT PROTECTION



Scope 3 Emission	Emission (t CO ₂ -e)		
	FY2023	FY2024	FY2025
Fuel and Energy-related Activities	9,342	20,901*	21,660
Downstream Leased Assets	6,028	9,897	10,001
Waste Generated in Operations	6,504	4,902	11,686
Employee Commuting	3,457	5,230	5,639
Business Travel	761	602	411
Total	26,092	41,532	49,397

* Restated data. Refer to page 54 for details.

The scope 3 emissions were higher in FY2025 primarily due to contributions of additional data from Hafary's operations, enhanced data disclosure from the business divisions and additional operating units covered by Property division such as The Weld, property development site offices, and sales galleries.

Emission from fuel and energy-related activities, which covers emissions related to the production of fuels and energy purchased and consumed, is the largest contributor to the quantified scope 3 emission. Higher emissions were primarily driven by year-on-year comparatively higher consumption from ICMH 2, which Hafary took over its operations in Q2 2024 and additional operating units covered by the Property division. Efforts are being taken to progressively reduce dependency on fossil fuel and grid electricity through utilization of renewable energy.

Indirect emissions from waste generation accounted for 24% of the Group's quantified scope 3 emissions. The increase on the emission from waste was mainly due to the additional data contribution from Hafary. To mitigate these emissions, the Group continues to strengthen its waste management and circular resource practices. During the year, waste diverted from landfill through recycling and reuse initiatives resulting in an estimated avoidance of 163,207 t CO₂-e. The majority of recycled materials

originated from oil palm biomass, including oil palm fibre, EFB, decanter solids and boiler ash. Oil palm fibre was reused as a renewable energy source in the boiler, while EFB, decanter solids and boiler ash were returned to the fields as mulch, helping to enhance soil nutrient content and support sustainable agricultural practices. Some of the EFBs were converted into fibre mat to enhance soil nutrients and preserve moisture.

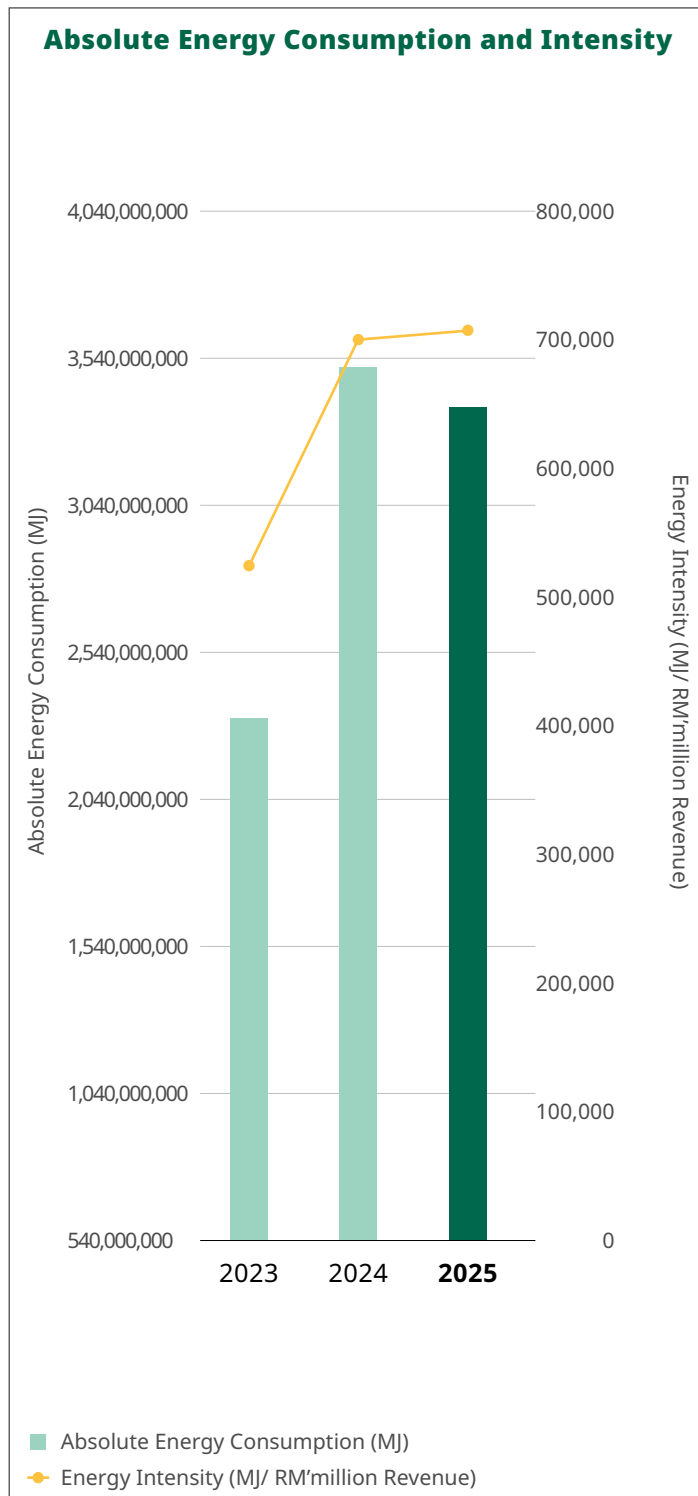
Electricity consumption from downstream leased assets contributed 20% of our quantified scope 3 emissions. Higher emission was recorded in FY2025 due to additional assets leased by Fertilizer Trading and Hafary business segments. In addition to our ongoing conversion to energy-efficient lightings and equipment, we have conducted an energy audit to explore the potential opportunities to optimise electricity consumption for our major property investments.

Emissions from business travel and employee commuting accounted for 12% of our total quantified scope 3 emissions. Emissions from business travel have steadily declined in recent years, driven by business consolidation in some of the business divisions and the growing adoption of online meetings. Increase in the emission from employee commuting was due to the higher number of employees in FY2025.

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Energy Management

In FY2025 the Group consumed 3.37 billion MJ of energy, a 3.9% reduction from the previous year, with 46.5% sourced from renewables.



The Group's overall energy consumption decreased, mainly due to reduced business activities across most divisions, except for the Property division. Energy consumption intensity increased slightly, primarily driven by higher energy use per recorded revenue.

Plantation, which was the most energy reliant division, recorded lower absolute energy consumption compared to FY2024. The reduction was primarily driven by lower consumption of energy generating biomass and biogas, as well as reduction in fuel consumption for transportation and processing activities, associated to the lower volume of FFB processed.

Currently, 85.0% of the Plantation division's energy requirements are met through renewable sources, primarily from biomass and biogas generated during palm oil milling operations. The planned commissioning of an additional biogas plant at Tomanggong Palm Oil Mill in FY2026 is expected to further increase the share of renewable energy in the division's overall energy mix, reducing the division's reliance on non-renewable energy sources. In addition, a pilot programme has been launched to test electric vehicles (EVs) for mini tractors and wheelbarrows, exploring their potential to reduce emissions in plantations.

Grid electricity remained the primary energy source for the Property division, with total consumption increasing compared to FY2024. The increase was mainly attributable to the full year operation of Hyatt Centric City Centre Kuala Lumpur - which opened in December 2024 - and the launch of Hyatt Regency Kuala Lumpur at KL Midtown in August 2025. In addition, the consumption data from The Weld, property development site offices, and sales galleries were added in FY2025.

During the year, an energy audit was conducted under the Energy Commission's Energy Audit Conditional-Grant. The grant provides incentives to companies to implement energy saving initiatives identified by the energy audits.

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Energy saving initiatives have been submitted to the Energy Commission for approval. In addition, the Group continues to prioritise green building certifications for new investment properties to leverage the inherent energy efficiency benefits of sustainable building design. To date, six buildings within the Property division have obtained green building certifications.

Energy consumption by the Credit Financing division recorded a slight decline during the year, primarily as a result of ongoing business consolidation efforts. The rationalisation of operations and closure of three branches contributed to lower electricity consumption to the division.

Total energy consumption in the Passenger Vehicle segment remained largely consistent with FY2024, while the Commercial Vehicle segment recorded a reduction in energy consumption following closure of Hap Seng Trucks retail operation at Seberang Prai, Pulau Pinang. Energy contributed from grid electricity declined during the year, partly due to the increased adoption of solar energy from the additional solar energy system at Hap Seng Star Bukit Tinggi and Hap Seng Star Setia Alam. The Passenger Vehicle segment recorded a 60.2% increase in solar energy consumption following the installation of two additional solar systems at the Autohaus, which has increased the renewable energy mix of the division from 19.2% to 31.3%. The reduction in grid electricity consumption was largely offset by the higher utilisation of solar energy within the division's overall energy mix. The division also recorded a decrease in energy consumption from fuel, mainly driven by the transition to electric vehicle (EV) company cars in the fourth quarter of 2025.

Energy consumption in the fertilizer trading segment declined slightly, driven by the divestment of two vehicles and the outsourcing of forklift operations to a third-party contractor. Strategic business consolidation within the general trading segment led to a significant reduction in the segment's overall energy footprint.

Energy consumption for the quarry operations decreased significantly following operational rationalisation. In addition, the divestment of the brick operations led to the discontinuation of wood waste as a renewable energy source, resulting in a reduction in the division's renewable energy mix. In contrast, Hafary recorded higher energy consumption in FY2025, primarily driven by comparatively higher energy consumption from the full year operation of ICMH 2, which Hafary took over its operations in Q2 2024. High energy consumption demand in Hafary is partially fulfilled by an additional solar energy system installed in FY2025, which currently comprises five rooftop solar systems providing onsite renewable energy to its warehouses.

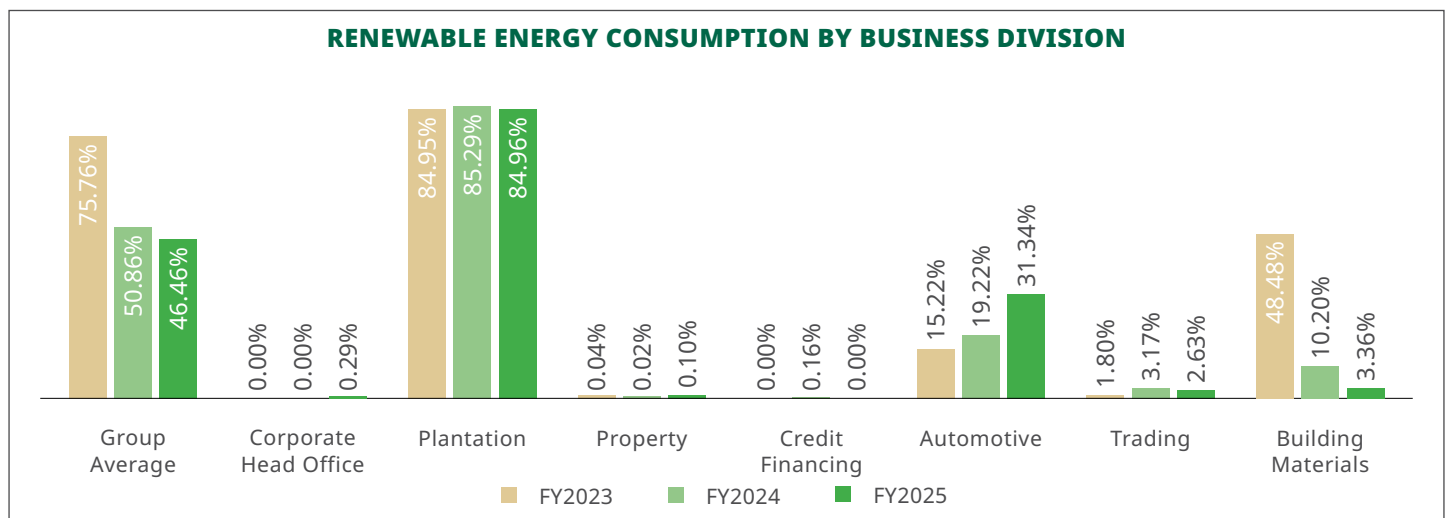


ENVIRONMENT PROTECTION

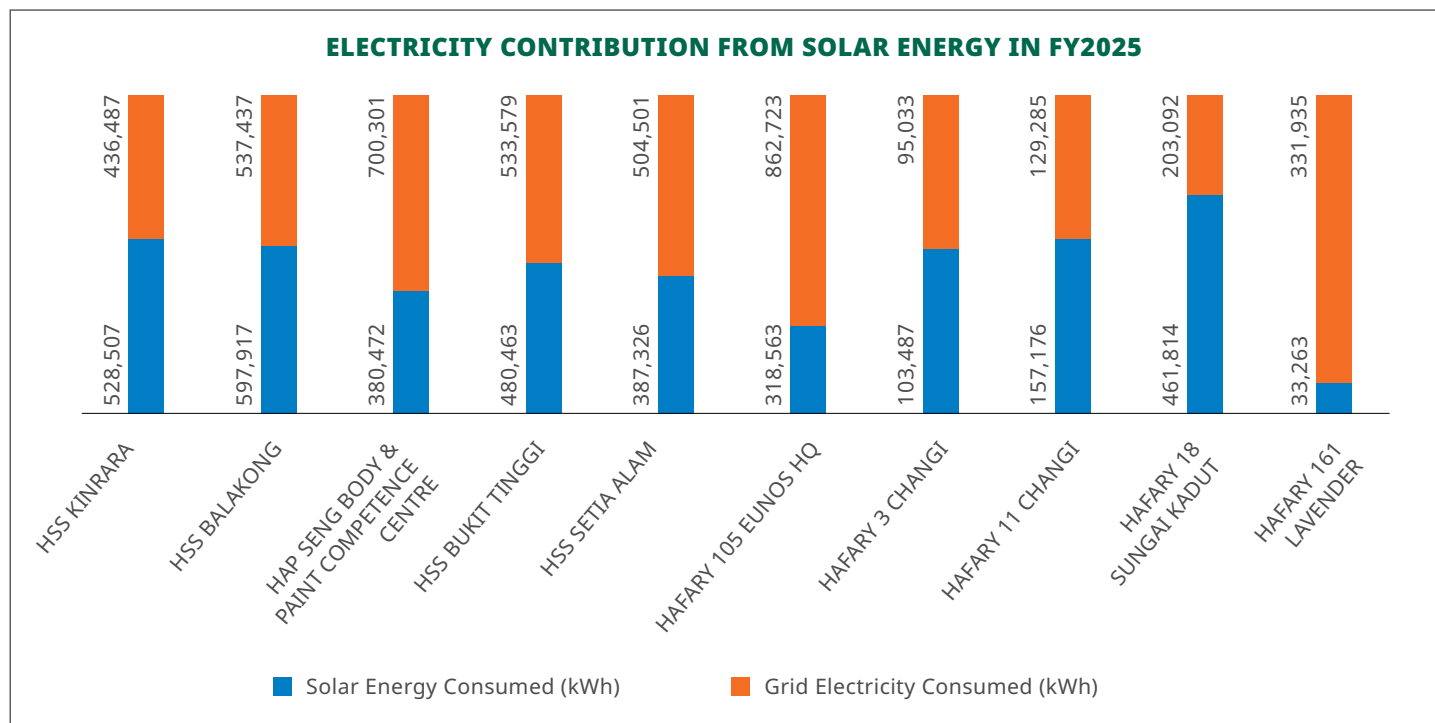
Energy consumption intensity and absolute energy consumption by operating divisions are as follows:

Business Division	Energy Consumption Intensity			FY'25 vs FY'24 (%)	Intensity Unit	Absolute Energy Consumption (MJ)			FY'25 vs FY'24 (%)
	FY2023	FY2024	FY2025			FY2023	FY2024	FY2025	
Corporate Head Office	-	-	-	-	-	4,828,768	4,654,351	4,123,910	-11.40
Plantation	12,530.47	12,669.32	13,390.41	5.69	MJ/ MT Sales	1,855,662,581	1,907,480,889	1,775,126,242	-6.94
Property Development & Investment	57.64	58.25	62.17	6.72	MJ/ Occupied Area	53,974,962	56,365,750	60,024,015	6.49
Property - Hospitality	605,236.79	454,046.42	520,711.07	14.68	MJ/ RM' million Revenue	20,046,653	21,566,297	59,841,965	177.48
Credit Financing	10,881.34	12,884.78	13,806.52	7.15	MJ/ RM' million Revenue	2,425,559	2,298,052	2,156,440	-6.16
Automotive - Passenger	7,208.90	9,618.22	11,358.26	18.09	MJ/ No. of Car Sold	25,180,678	25,180,492	25,362,991	0.72
Automotive - Commercial	11,057.21	14,865.83	11,108.68	-25.27	MJ/ RM' million Revenue	3,477,492	2,993,012	2,092,643	-30.08
Trading - Fertilizer Trading	4.33	4.10	3.76	-8.21	MJ/ MT Sales	3,982,198	6,497,045	6,054,794	-6.81
Trading - General Trading	2,692.07	7,190.01	3,565.61	-50.41	MJ/ RM' million Revenue	1,319,803	3,187,834	889,286	-72.10
Building Materials - Quarry	2,057,382.15	1,795,704.74	825,843.57	-54.01	MJ/ RM' million Revenue	350,483,563	236,989,928	90,530,624	-61.80
Building Materials - Hafary	-	1,385,681.36	1,431,239.41	3.29	MJ/ RM' million Revenue	-	1,238,325,232	1,342,539,776	8.42
Group Overall	528,550.58	700,888.40*	701,772.77	0.13	MJ/ RM' million Revenue	2,321,382,257	3,505,538,882*	3,368,742,686	-3.90

* Restated data. Refer to page 54 for details.



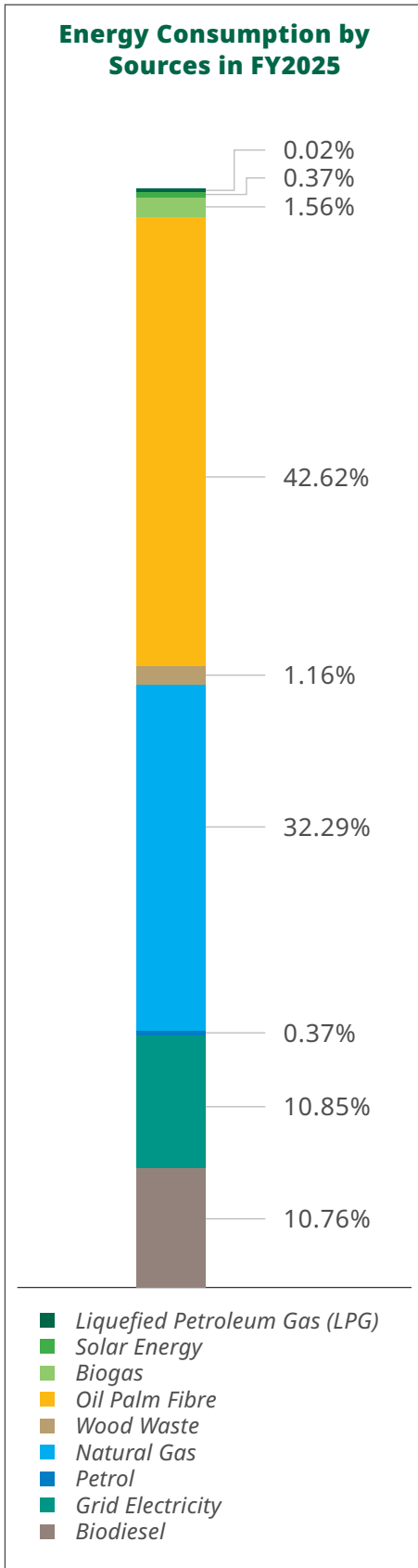
ENVIRONMENT PROTECTION



The Group installed three additional solar energy systems during the year, increasing the total number from seven to ten. For FY2025, five operating units under the Automotive division and five operating units under the Building Materials division were harnessing solar energy. The Group consumed 12.42 million MJ of renewable energy from solar, representing a 41.6% increase from FY2024. In addition to meeting internal energy needs, 7.45 million MJ of surplus solar-generated electricity was exported to the grid, helping to offset grid electricity consumption.

Solar Energy	FY2023	FY2024	FY2025
Consumed Energy from Solar (MJ)	4,153,213	8,770,097	12,416,358
Solar Energy Fed to Grid (MJ)	1,061,842	7,013,861	7,445,582

Property	Green Building Certifications
Menara Hap Seng 2	Green Building Index
Menara Hap Seng 3	LEED (Gold)
Plaza Shell	LEED (Silver)
Hap Seng Star Setia Alam	Green Real Estate (Bronze)
Hap Seng Star Bukit Tinggi	Green Real Estate (Bronze)
Wisma Mercedes-Benz	LEED (Gold)
Eko Perdana & Bandar Sir Perdana	GreenRE (Bronze)
Hyatt Centric Kota Kinabalu	GreenRE (Silver)
Hyatt Centric City Centre Kuala Lumpur	GreenRE (Silver)
Hyatt Regency Kuala Lumpur at KL Midtown	GreenRE (Gold)
Retail Podium @ KL Midtown	Provisional GreenRE (Gold)
KL Midtown Signature Towers	Provisional GreenRE (Platinum)
KL Midtown Residential Block E, F & G	Provisional GreenRE (Silver)

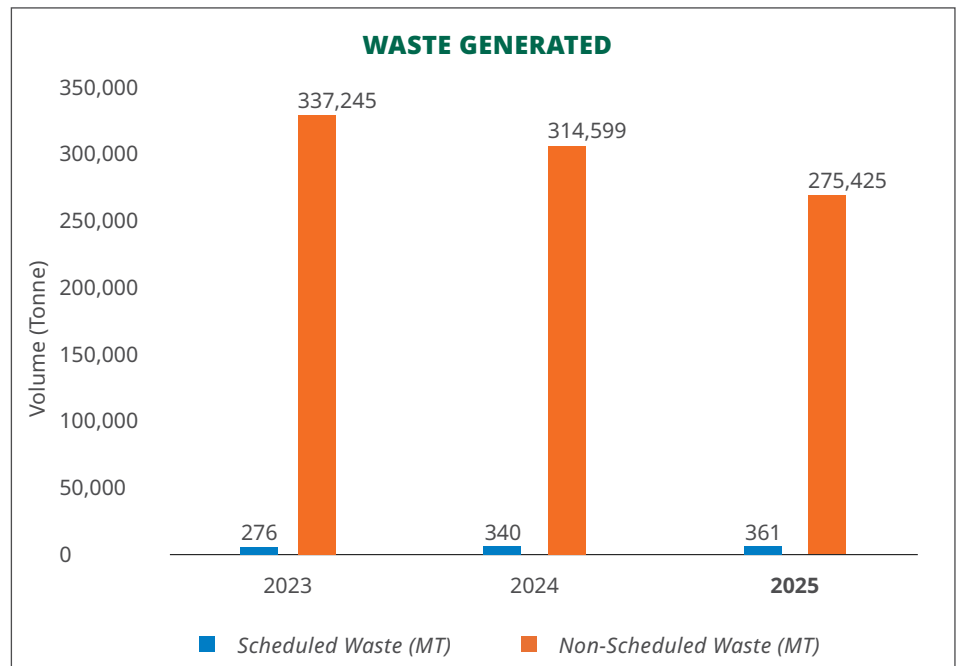


General groupwide implementation of energy management practices:

- 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.
- Utilised LED lighting for office building and carpark area.
- Utilisation of solar energy.
- Utilisation of biomass to generate renewable energy.

Waste Management

The Group strives to manage resources responsibly by promoting efficient resource utilisation and minimising waste generation across its operations. Waste reduction efforts focus on improving operational efficiency, encouraging the reuse of materials where possible, and recycling suitable waste streams. These practices help reduce the amount of waste sent to landfills while supporting more sustainable resource management.



Waste Management	Unit	Scheduled Waste	Non-scheduled Waste	Total
Waste Generated		361	275,425	275,786
Waste Diverted from Disposal	MT	0.00	256,443	256,443
Waste Disposed		361	18,982	19,343

ENVIRONMENT PROTECTION

Each business division manages its waste in accordance with its respective waste management systems. In FY2025, the Group recorded a reduction in non-scheduled waste, mainly due to lower production in the Plantation division as well as the rationalisation of certain business operations. Higher scheduled waste recorded in FY2025 was mainly due to comparatively higher waste generation from ICMH 2, which Hafary took over its operations in Q2 2024

Majority of waste generated comprised biomass from the oil palm milling process, which was reused within plantation operations as renewable fuel and mulch. The volume of discarded bricks from the Building Materials division declined significantly following the divestment of the brick manufacturing operations. Meanwhile, plastic waste was primarily generated by the fertiliser trading segment, whereby used fertiliser bags were collected by licensed contractors for recycling.

Through our Property division, we promote responsible management of non-scheduled waste with our extensive network of tenants across our investment properties. We continued our collaboration with McDermott Asia Pacific Sdn Bhd and Kloth Malaysia on fabric recycling, collecting 1,047 kg of fabric for recycling in FY2025. Our e-waste recycling initiative, launched in FY2024 in partnership with Electronic Recycling Through Heroes (ERTH) Malaysia, continues to promote the responsible disposal of unused electronic items among employees and tenants at Plaza Hap Seng. In FY2025, the campaign collected 68 kg of e-waste.

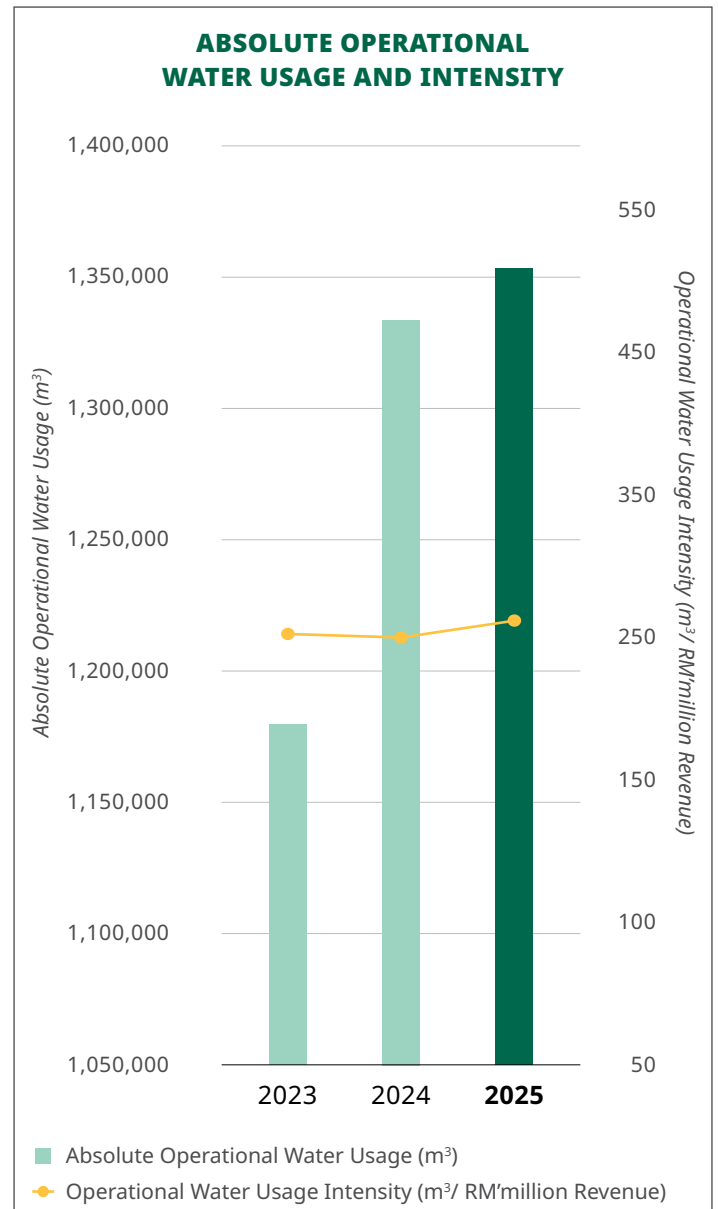
Waste generation from hotels under the Hospitality segment is minimised through the implementation of various practices. Plastic usage is reduced through the adoption of reusable glass bottles for drinking water as well as the transition to large-format soap and shampoo dispensers instead of individually packaged amenities. Food waste is monitored using an AI-assisted food waste analyser, which measures the quantity and type of food waste generated. The data collected provides insights which support more effective food preparation planning and operational adjustments, helping to reduce future food waste. In addition, food waste digester is utilised to convert solid food waste into liquid form, enabling more efficient and cost-effective waste management. Hyatt Centric Kota Kinabalu also donates excess food to Food for the Hungry International, Sabah, helping to channel surplus food to those in need while reducing waste.

In our other business divisions operating in office environments, the majority of waste generated comprises general waste and office paper. We continue to raise

employee awareness by encouraging proper waste segregation and promoting paperless practices through digitalisation. Employees are encouraged to share documents electronically and to print only when necessary, with double-sided printing adopted as a standard practice to reduce paper consumption.

Water Management

The Group recorded an increase in the absolute operational water consumption, which was primarily due higher consumption from Hospitality and Hafary business segments.



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

Business Division	Operational Water Usage Intensity			FY'25 vs FY'24 (%)	Intensity Unit	Absolute Operational Water Usage (m ³)			FY'25 vs FY'24 (%)
	FY2023	FY2024	FY2025			FY2023	FY2024	FY2025	
Plantation	1.28	1.25	1.23	-2.07	m ³ / MT FFB Processed	909,259	892,372	821,070	-7.99
Property Development & Investment	0.18	0.19	0.19	0.13	m ³ / Occupied Area	135,742	148,917	149,473	0.37
Property - Hospitality	1,322.75	1,081.50	1,057.12	-2.25	m ³ / RM' million Revenue	43,812	51,369	121,488	136.50
Credit Financing	2.79	5.74	4.94	-14.08	m ³ / RM' million Revenue	621	1,025	771	-24.78
Automotive - Passenger	13.10	17.44	18.58	6.56	m ³ / No. of cars sold	45,769	45,659	41,500	-9.11
Automotive - Commercial	9.88	13.51	13.76	1.89	m ³ / RM' million Revenue	3,108	2,720	2,593	-4.67
Trading - Fertilizer Trading	0.016	0.011	0.008	-29.32	m ³ / MT Sales	15,147	16,960	12,170	-28.24
Trading - General Trading	7.98	10.38	21.24	104.65	m ³ / RM' million Revenue	3,911	4,601	5,297	15.13
Building Materials - Quarry	136.78	120.56	147.73	22.55	m ³ / RM' million Revenue	23,301	15,910	16,195	1.79
Building Materials - Hafary	-	172.38	194.58	12.88	m ³ / RM' million Revenue	-	154,049	182,519	18.48
Group Overall	268.82	266.63	277.03	3.90	m ³ / RM' million Revenue	1,180,670	1,333,582	1,353,076	1.46

The Plantation division recorded lower water consumption during the year, mainly attributable to reduce production volumes. Water usage within the division is also supplemented by alternative sources, including rainwater harvesting and the recycling of turbine cooling water to ensure a resilient and sustainable water supply. In FY2025, Plantation division collected an estimated 387 ML of rainwater, significantly supplemented the overall water requirement.

Water consumption within the property development increased during the year, primarily reflecting an expanded coverage of The Weld, project development offices, and sales galleries into our reporting boundary. Similarly, the Hospitality segment's consumption rose following the full year operation of Hyatt Centric City Centre Kuala Lumpur – which opened in December 2024 – and the launch of Hyatt Regency Kuala Lumpur at KL Midtown in August 2025. Some of our properties are equipped with a rainwater harvesting system, which collected 5.47 ML of rainwater. Additionally, condensate water is also captured from the cooling system in Hyatt Centric Kota Kinabalu to maximise water resource.

Credit Financing division recorded lower water consumption due to closure of its branches at Sandakan, Kuching and Miri.

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Automotive division recorded lower water consumption due to restoration of rainwater harvesting system at Kinrara Autohaus from maintenance, which enhanced water efficiency at that site. Additionally, closure of Hap Seng Trucks retail operation at Seberang Prai, Pulau Pinang further contributed to the division's decreased water footprint. Rainwater harvesting systems are currently operational at three of our Autohaus locations. This harvested rainwater is primarily utilized for vehicle washing operations.

The Fertilizer Trading segment achieved improved water use efficiency compared to the previous year, following the successful rectification of an underground leakage at the Tawau branch. Conversely, the General Trading segment saw an increase in consumption due to an undetected underground leak at its Tawau branch, despite the segment's operational consolidation.

Building Materials division saw an increased water consumption due to underground water leakage at the Kukusan quarry and comparatively higher consumption from ICMH 2, which Hafary only took over its operations in Q2 2024.

Recognizing that underground water leaks are a key factor of water consumption spikes, business divisions have started to record regular manual meter readings instead of relying on lagging utility bills. This proactive approach allows for the early detection of underground water leakage within the operations.

In FY2025, 92.2% of the Group's total water withdrawal was sourced from surface water, including natural ponds, harvested rainwater and treated water recycled within our operations. Higher surface water withdrawal and discharge in FY2025 were due to contribution from ICMH 2, which Hafary took over its operations in Q2 2024 and water recycled from the internal water treatment system in ICMH 1. Rainwater harvesting systems contributed approximately 5.8% of the Group's total water withdrawal and are utilised across the Plantation, Property, Automotive and Trading divisions. These systems are typically installed during the construction phase of our buildings, providing a long-term solution for rainwater collection and reuse. In addition, certain landed property developments in Sabah incorporate rainwater harvesting systems as an alternative water source to supplement water demand.

Source of Water Withdrawal	Unit	Freshwater ($\leq 1,000$ mg/l Total Dissolved Solids)		
		FY2023	FY2024	FY2025
Surface Water	ML	2,296	2,592	6,299
Groundwater		0.00	0.00	0.00
Seawater		0.00	0.00	0.00
Third-party Water		271	441	532
Total		2,567	3,033	6,831

Destination of Water Discharge	Unit	Freshwater ($\leq 1,000$ mg/l Total Dissolved Solids)		
		FY2023	FY2024	FY2025
Surface Water	ML	817	730	3,891
Groundwater		0.00	0.00	0.00
Seawater		0.00	0.00	0.00
Third-party Water		0.00	0.00	0.00
Total		817	730	3,891

Water Consumption (ML)	FY2023	FY2024	FY2025
		1,750	2,303

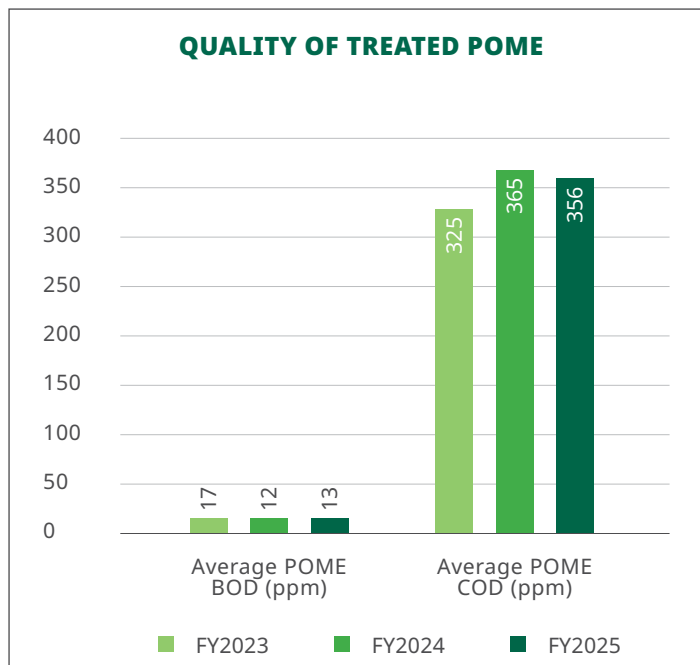
ENVIRONMENT PROTECTION

Our Plantation division, which relies largely on natural water sources, has installed permanent water reservoirs in the form of ponds to store excess surface water for operational use. In addition, several agronomic practices have been implemented to mitigate the potential impacts of water stress, including the planting of leguminous cover crops, stacking of oil palm fronds, the application of EFB as mulch to enhance soil moisture retention, and land irrigation using POME.



At our tiles manufacturing plant under Hafary, a wastewater treatment facility is in place to treat and recycle all wastewater generated from production. The treated water is reused in the tiles manufacturing process, thereby reducing reliance on third-party water sources.

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 533 ML wastewater from the oil palm mills in the form of POME in FY2025. The generated wastewater was eventually diverted to the treatment pond, where it was processed in a closed-loop system within the plantation.



Biological Oxygen Demand (BOD) from palm oil mills remained below 20 ppm prior to its release which is in accordance to the environmental regulation. While there is no specific regulation on Chemical Oxygen Demand (COD) level, the level of COD is monitored to ensure effective wastewater management. Treated POME is channeled to the estate for land irrigation, which enhances the soil's nutrient and moisture content for the oil palms.

The Plantation division has prohibited the use of paraquat since 2011, following concerns raised by stakeholders regarding its potential misuse and associated environmental and health risks. We also do not use pesticides and chemicals classified as Class 1A and 1B by the World Health Organization (WHO). In addition, we are committed to reducing the use of pesticides and chemicals listed under the Rotterdam and Stockholm Conventions.

To minimise potential water pollution, several pollution prevention measures are implemented to control surface water runoff from oil palm fields. Riparian buffer zones are maintained along natural waterways, and employees are trained not to apply chemicals within these protected areas to prevent contamination. Regular monitoring of stream water quality is conducted to ensure compliance with requirements set by the Department of Environment Malaysia.

We have also adopted agricultural practices through Integrated Pest Management (IPM) strategies that prioritise cultural, biological and mechanical control methods to reduce reliance on chemical inputs. As part of these efforts, barn owls have been introduced as a natural predator to control rodent populations.

BIODIVERSITY

We prioritise biodiversity management within our Plantation division due to the inherent interaction between plantation operations and the natural environment. Oil palm cultivation takes place across large land areas that are directly connected to surrounding ecosystems, and several of our estates are located in proximity to areas identified as High Conservation Value (HCV). As such, greater resources and management attention are directed towards protecting and maintaining biodiversity within these landscapes. In contrast, other business divisions operate primarily in commercial or urban environments where operational activities have minimal direct interaction with natural habitats. Consequently, these divisions are assessed to have negligible direct impact on biodiversity.

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Biodiversity Management in Plantation Division

The Plantation division is committed to responsible land stewardship and biodiversity conservation through the implementation of its Sustainable Agriculture and Biodiversity policies. These policies emphasise responsible land use, peat protection, restoration of any non-compliant land conversion, and the adoption of best management practices across plantation operations.

The policies enforce a strict zero-burning approach, and safeguard water ecosystems through the protection of riparian buffer zones. The Plantation division also promotes biodiversity conservation, restoration and awareness through collaboration with subject matter experts, local communities and relevant stakeholders.

In addition, the Plantation division adopts a zero-tolerance policy towards the hunting, poaching, harming, possession or killing of rare, threatened and endangered (RTE) species within its plantation areas, particularly in estates located near forest reserves or within HCV areas.

This commitment is implemented through:

- Compliance with applicable wildlife protection laws and regulations
- Awareness programmes and employee training on wildlife protection and conservation
- Collaboration with the Sabah Wildlife and Forestry Departments
- Access control measures to prevent illegal hunting
- Immediate reporting of any wildlife-related violations to the relevant authorities
- Conservation Areas and High Conservation Value Management

To support biodiversity conservation, the Plantation division has allocated approximately 1,400 hectares, representing about 3.5% of its total land bank, for conservation purposes.

In line with its sustainability commitments, the Plantation division utilises Global Forest Watch (GFW) to monitor potential deforestation and fire risks across its estates and those of its suppliers on a monthly basis. This monitoring includes buffer zones adjacent to forest reserves.

During the reporting period, no evidence of deforestation or fire incidents was detected within the Group's plantation boundaries, and no deforestation activities were identified among its FFB suppliers.

Palms planted along streams are marked with a red circle to designate riparian buffer zones, where chemical spraying and fertiliser application are strictly prohibited to safeguard biodiversity. Employees receive regular training on the importance of maintaining these reserves for ecological protection and long-term sustainability. To date, Plantation division has maintained 1,057 hectares of riparian buffer zones.

Type of Conservation Area	Area (Hectares)
Conservation Area	1,402
Riparian Buffer	1,057

	FY2023	FY2024	FY2025
No. of Detected Deforestation	0	0	0
No. of Fire Hotspot	0	0	0

Biodiversity Management in Other Business Divisions

Other business divisions also implement measures to manage biodiversity.

The Property division's development projects are primarily located in urban areas, where biodiversity impacts are relatively limited. Nevertheless, biodiversity considerations are incorporated during the planning stage, with initiatives such as urban greenery and landscaping integrated into developments. These measures also contribute towards criteria assessed under green building certifications.

Within the hospitality segment, responsible sourcing practices are adopted for food and beverage procurement, including sourcing seafood certified under schemes such as the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC).

For the Building Materials division, potential environmental impacts at quarry sites are assessed through Environmental Impact Assessments (EIA) prior to development, with periodic environmental monitoring reports submitted to the Department of Environment to ensure regulatory compliance. Decommissioned quarry sites are required to undergo rehabilitation to facilitate the regeneration of natural vegetation and restore ecological functions that support biodiversity. As at FY2025, none of the Group's quarries were decommissioned and therefore no rehabilitation activities were required.

PEOPLE AND COMMUNITY DEVELOPMENT

Our Approach

The Group is committed to building a sustainable future for its employees, communities, and stakeholders by fostering a business that contributes to socio-economic development. We uphold the fundamental rights outlined in the International Labour Organization conventions and promote fair labour practices across all our operations, in line with our sustainability reporting commitments.

Labour Practices and Standards

At Hap Seng, our employees are recognised as our most valuable assets. We are dedicated to creating a supportive environment that enhances their well being and encourages their personal and professional growth.

Diversity

We are committed to promoting diversity and inclusivity by ensuring equal opportunities and fair compensation, regardless of race, religion, gender, age, sexual orientation, disability, or nationality. Our commitment to diversity, equity and inclusion (DEI) is embedded in our culture and reflected across our policies, practices and leadership expectations.

The Group believes that promoting diversity, equity, and inclusion benefits the workplace in various ways, including fostering an innovative mindset that contributes to more effective decision-making and increased work productivity.

In FY2025, the Group employed 11,105 individuals, of whom 35% were women. Women accounted for 39.3% of our managerial positions. Although men continue to form the majority of our workforce—largely due to the operational nature of our Plantation division—we remain committed to strengthening gender inclusivity and promoting balanced representation across all levels.

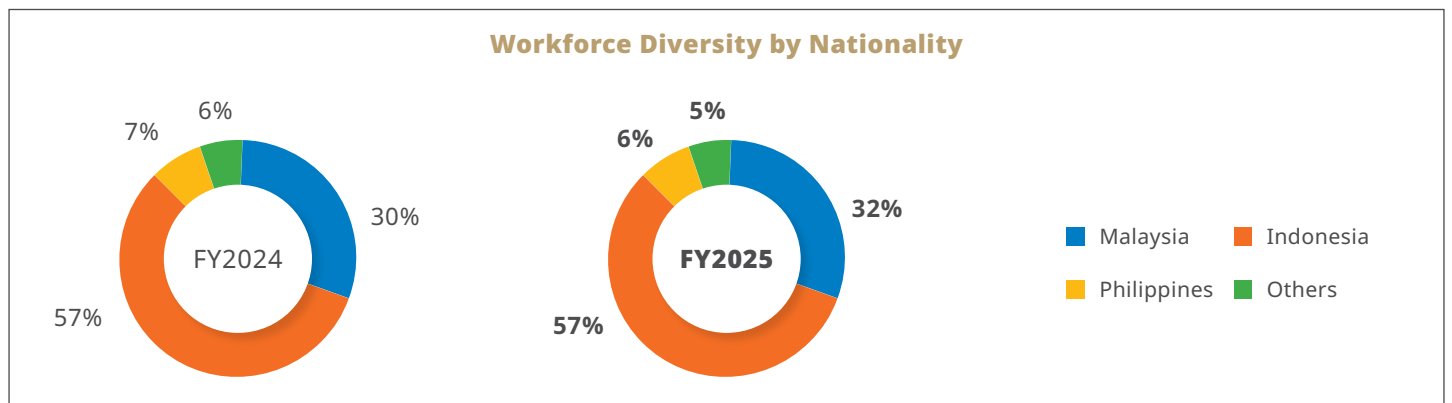
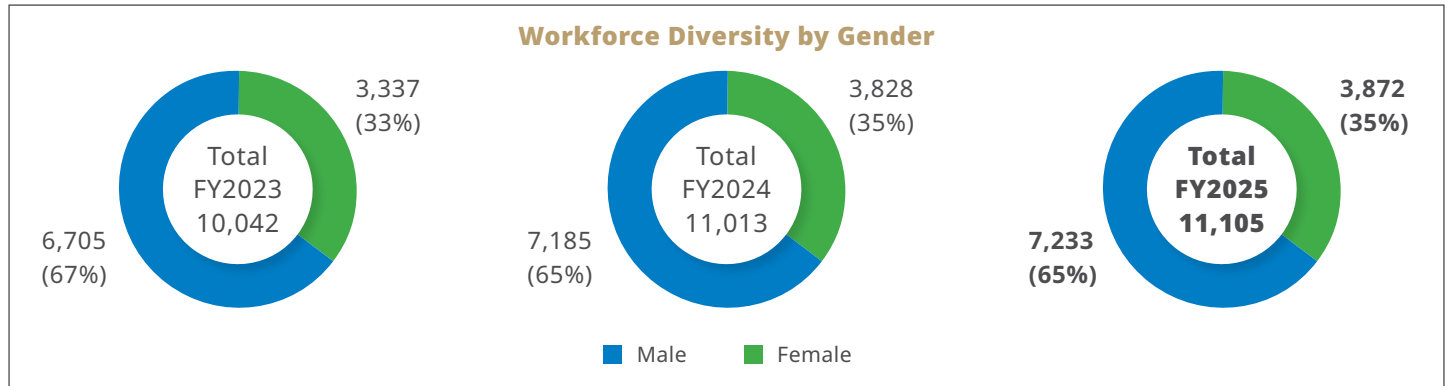
Within the Plantation division, where men represent the majority of our workforce due to the nature of the operations, Hap Seng Plantations remains committed to promoting gender inclusivity. Gender Committees have been established at operating units to provide a safe platform for female employees to raise concerns, share feedback, and participate in workplace discussions.

The Gender Committee address issues such as welfare, harassment, discrimination, and reproductive health, while also promoting awareness and empowerment through training and activities. Participation to the committee is open to all female employees, with appointed representatives facilitating communication and acting as liaisons. Where needed, interpreters are provided to ensure inclusivity. Meetings are held periodically, with matters escalated through formal grievance channels where necessary, and supported by management in an advisory capacity. Through these initiatives, the Company aims to ensure fair treatment, equal opportunities, and a supportive working environment for women employees.

The Group prioritises the recruitment and development of local talent from a variety of ethnic backgrounds. We are committed to merit based hiring and promotion, upholding the rights of all employees regardless of background and education level, and encourage an inclusive work environment. Our Human Resources department ensures that all recruitment and interview processes remain free from discrimination.

In FY2025, the Group hired 2,526 new employees, with male employees constituting a significant proportion of new hires. This trend was driven mainly by the 69% new hires within the Plantation division. The Group's voluntary turnover rate for FY2025 averaged 22.7%.

PEOPLE AND COMMUNITY DEVELOPMENT



Percentage of Male and Female by Employee Category (%)	FY2023	FY2024	FY2025
Management (Male)	65.70	59.40	60.70
Management (Female)	34.30	40.60	39.30
Executive (Male)	46.70	53.50	52.70
Executive (Female)	53.30	46.50	47.30
Non-executive/Technical Staff (Male)	75.40	42.90	60.70
Non-executive/Technical Staff (Female)	24.60	57.10	39.30
General Workers (Male)	67.30	67.70	67.40
General Workers (Female)	32.70	32.30	32.60

Percentage of Employee Category by Age Group (%)	FY2023	FY2024	FY2025
Management Under 30	0.20	1.60	2.00
Management Between 30 – 50	60.00	62.40	62.50
Management Above 50	39.80	36.00	35.50
Executive Under 30	15.70	17.80	17.40
Executive Between 30 – 50	68.80	69.60	69.40
Executive Above 50	15.50	12.60	13.20
Non-Executive/Technical Staff Under 30	41.60	28.80	30.30
Non-Executive/Technical Staff Between 30 - 50	48.20	60.70	59.50
Non-Executive/Technical Staff Above 50	10.20	10.50	10.20
General Workers Under 30	35.60	32.90	35.80
General Workers Between 30 - 50	54.50	56.10	52.30
General Workers Above 50	9.90	11.00	11.90

PEOPLE AND COMMUNITY DEVELOPMENT

Number and Percentage of Temporary and Part-time Employee	FY2024	FY2025
	0.25% (28)	0.90% (105)

New Hires by Gender	FY2023	FY2024	FY2025
Male	1,790	1,682	1,801
Female	720	658	725

New Hires by Age Group	FY2023	FY2024	FY2025
<30	1,001	740	963
30 - 50	1,440	1,194	1,514
>50	69	406	49

Voluntary Turnover Rate (%)	FY2023	FY2024	FY2025
	24.30	21.90	22.70

Total Number of Employee Turnover by Employee Category	FY2023	FY2024	FY2025
Management	76	88	94
Executive	242	106	140
Non-executive/Technical Staff	416	53	176
General Workers	1,701	2,146	2,107

Remuneration and Benefits

The Group remains committed to providing fair, competitive, and responsible compensation and benefits that meet or exceed minimum wage requirements. In line with local regulatory standards, we offer a comprehensive package of monetary and non monetary benefits designed to support employee well being. These include various forms of paid leave, access to healthcare coverage, and other benefits that contribute to a supportive and equitable workplace.

Leave Entitlement	Fringe Benefits
<ul style="list-style-type: none"> • Annual leave • Examination leave • Medical leave • Marriage leave • Compassionate leave • Maternity leave • Paternity leave • Prolonged illness leave 	<ul style="list-style-type: none"> • Medical and hospitalisation benefits • Groups personal accident insurance • Long service/ retirement awards • Outstation meal, accommodation and travel allowance • Education assistance • Membership in professional association • Sports facilities and health initiatives • Dental and optical benefits (selected job grades)

PEOPLE AND COMMUNITY DEVELOPMENT

Employee Engagement

At Hap Seng, we are committed to fostering a supportive and inclusive workplace that promotes the overall well being of our employees. Recognising that a healthy work life balance is essential for sustained productivity, engagement, and job satisfaction, the Group provides a diverse range of weekly activities aimed at supporting physical, mental, and social wellness. These initiatives include Zumba and yoga sessions, badminton activities, and other fitness and recreational programmes that encourage employees to stay active and connected.

The Group also encourages each division to organise team-building events to strengthen collaboration, deepen interpersonal relationships, and cultivate a positive and cohesive work culture. By nurturing a sense of community and belonging, we aim to ensure that employees feel valued, motivated, and supported in their professional and personal development.

Our Property Division further promotes employee engagement through initiatives anchored on five key pillars:

- Safety and Health
- Recreation and Employee Welfare
- Knowledge, Education and Publicity
- Green Technology and Initiative
- Community Service

These programmes are designed not only for internal stakeholders but also engage external stakeholders, including tenants and the wider community. Through these efforts, the Group aims to contribute meaningfully to social sustainability and enhance our positive impact within the communities we serve.

Learning and Development

The Group is committed to fostering a culture of continuous learning to ensure our workforce remains agile and well equipped to respond to evolving market demands. We recognise that investing in employee development strengthens long term organisational resilience while enabling our people to build both leadership capabilities and role-specific functional competencies.

To ensure that learning and development initiatives remain relevant and aligned with the Group's evolving business priorities, employees are encouraged to identify and propose suitable development opportunities during their annual performance reviews. Employees who require


additional competencies to enhance their job performance may also request targeted training throughout the year.

In FY2025, the Group introduced an in-house training programme aimed at strengthening employees' soft skills and technical capabilities, further supporting their professional growth. Moving forward, the Group will continue to broaden the range of training offered, including programmes designed to build leadership competencies across all levels.

Beyond role related training, the Group also offers educational assistance to employees seeking to advance their academic or technical qualifications, reinforcing our commitment to long term career development.

In FY2025, the Group recorded a total of 37,838 training hours, reflecting our ongoing commitment to continuous learning and workforce capability building. The methodology for quantifying training hours in the Plantation division was refined in FY2025, with muster briefings no longer counted as training. This improvement ensures that recorded training hours more accurately reflect formal learning and workforce development activities.

Additionally, employees participated in the annual performance appraisal process, which enables a structured review of performance, identification of development needs, and alignment of career growth pathways. Our focus on employee development also supports the Group's succession planning efforts by identifying and nurturing high potential talent for future leadership roles. This structured approach ensures business continuity and contributes to the sustainable growth of the organisation.



Total Training Hours: 37,838

Average Training Hours Per Employee: *9.9

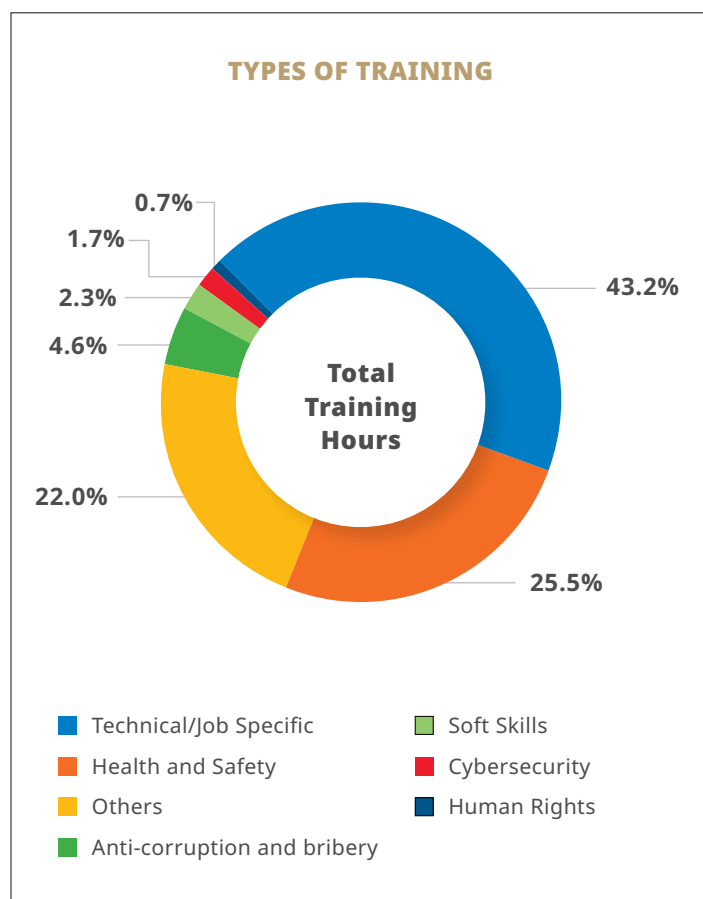
* excluding general workers in the Plantation division.



PEOPLE AND COMMUNITY DEVELOPMENT

Total Training Hours by Employee Category:	FY2023	FY2024	FY2025
Management	6,258	11,919	10,062
Executive	6,402	29,143	9,692
Non-executive/ Technical Staff	9,264	45,279	15,461
General Workers	-	*6,096	*2,623

* The total training hours from General Workers excludes the training hours of General Workers for Plantation Division.



Human Rights

The Group is guided by its Group Sustainability Framework and remains committed to upholding fundamental principles and rights at work. This includes respecting freedom of association, supporting collective bargaining, preventing all forms of forced, compulsory and child labour, promoting equal opportunity, and fostering a safe and discrimination free workplace.

The Group ensures that human rights are safeguarded throughout all stages of recruitment and employment. A formal grievance mechanism is in place to enable employees to raise workplace concerns safely and without fear of retaliation. The procedure is communicated through the employee handbook and is accessible via the company intranet.

Employees are encouraged to submit grievances to their immediate supervisors or the Industrial & Employee Relations Manager. The Group maintains a zero tolerance stance towards all forms of harassment, with expectations clearly communicated to all employees. However, in FY2025, two cases of harassment were reported.

Both cases were investigated through the Group's internal procedures, and appropriate corrective and disciplinary actions were taken by management. The Group continues to provide regular awareness and training programmes to reinforce a safe, respectful, and harassment free working environment.

Number of substantiated Complaints Concerning Human Rights Violations	FY2023	FY2024	FY2025
	0	0	2

Workplace Health and Safety

The Group is committed to cultivating a health and safety-focused workplace across all business divisions. This commitment underscores our responsibility to safeguard our employees while fostering a secure, supportive, and productive working environment.

At Hap Seng, we adhere to all mandatory health and safety legislation and have established procedures to effectively manage related risks. A comprehensive Group-wide Safety and Health Policy guides our efforts and ensures consistent implementation across our operations.

Health and safety committees have been formed in every division, comprising representatives from both management and employees. These committees play a key role in overseeing safety initiatives, monitoring performance, and ensuring adherence to regulatory requirements.

PEOPLE AND COMMUNITY DEVELOPMENT

We provide regular training for employees on essential health and safety topics such as annual fire drills, personal protective equipment (PPE) training, and other relevant programmes. Through these proactive measures, we aim to minimise the occurrence of workplace incidents and enhance overall safety awareness.

The Group also applies the Hazard Identification, Risk Assessment and Risk Control (HIRARC) process to systematically identify, assess, and mitigate potential hazards across our operations. This structured approach enables us to manage risks more effectively and maintain a safe working environment.

To minimise employee exposure to chemicals, the Plantation division has implemented drone technology for spraying activities. This practice enhances workplace safety by minimising direct handling of chemicals, while also improving productivity and optimising workforce deployment.

Additionally, all mills within our Plantation division are certified to ISO 45001:2018, demonstrating our adherence to international occupational health and safety management standards.

In FY2025, the Group recorded zero fatality cases. However, there was one high-consequence injury reported in our Building Materials Division.

Following the incident, the Health and Safety team conducted an investigation and appropriate corrective and preventive measures have been implemented to avoid recurrence and to further strengthen workplace safety practices.



Health and Safety Training	FY2023	FY2024	*FY2025
Number of employees trained	794	1,822	883
Total training hours	3,270	*38,242	9,643

*Remarks:

1. FY2024 shows higher training hours because muster briefings were included that year, while they were not counted in FY2025.
2. FY2025 excludes data for general workers from Plantation division.

Health and Safety Performance	Unit	FY2023	FY2024	FY2025
Work-related Injury				
Fatality case	No. of case	0	1	0
High-consequence injury	No. of case	0	1	1
Other work-related injury	No. of case	20	60	65
Fatality rate	No. of case/Million hours worked	0.00	0.07	0.00
High-consequence injury rate	No. of case/Million hours worked	0.00	0.07	0.06
Lost time injury frequency rate	No. of case/Million hours worked	1.65	4.30	4.00

PEOPLE AND COMMUNITY DEVELOPMENT

Community & Society

At Hap Seng, our corporate responsibility initiatives focus on education and community development, particularly supporting rural and underprivileged communities.

Our CSR efforts align with the Hap Seng Group’s tagline, “Creating Value Together”, by fostering partnerships with local communities, non-governmental organisations (NGOs), schools, and relevant sector agencies. We encourage our employees to participate in community programmes, as such involvement strengthens a culture of responsibility, empathy, and shared value creation. Through meaningful volunteer activities, employees contribute to tangible positive outcomes for society while also gaining personal development and a deeper connection with the communities we serve. In FY2025, a total of 107 employees took part in our community initiatives, collectively contributing 924 volunteer hours.

Through active engagement with these communities, we work to minimise potential negative impacts, implement corrective measures where necessary, and enhance positive outcomes for all stakeholders. Our goal is to strengthen and maintain collaborative, long-term relationships with our stakeholders, ensuring shared growth and mutual benefit.

	FY2023	FY2024	FY2025
Total Contribution (RM)	>2.4 million	>2.8 million	> 3.1 million
Total Beneficiaries	>27,000	>11,000	> 7,000
Total Employee Volunteered	125	83	107
Total Volunteering Hours	1,717	685	924

Following are some of the highlights of the Group’s community programmes organized in FY2025:

Beach Island Clean Up

Hyatt Centric Kota Kinabalu organised a Beach Island Clean Up initiative as part of Hyatt’s World of Care programme. The activity was carried out in collaboration with Sabah Parks, Trash Hero and Borneo Paddle Monkeys at Quarry Bay, Pulau Gaya. A total of 46 employees and partners participated in the clean up, collecting 736 kg of waste from the area.



PEOPLE AND COMMUNITY DEVELOPMENT

International Gibbon Day

In conjunction with International Gibbon Day, the Ministry of Tourism, Culture and Environment organised an awareness event to highlight the importance of wildlife conservation—particularly gibbons—and to promote broader environmental protection efforts. As part of its commitment to community and environmental stewardship, Hyatt Centric Kota Kinabalu sponsored plant based lunch meals for all participants.



Donation Drive to Welfare Organisation

The Property division initiated a donation drive to encourage contributions of essential items and back-to-school supplies for 30 orphans and underprivileged children, aged 5 to 19 years old. The group donated essential items to Pertubuhan Anak Yatim dan Asnaf An-Naafi Selangor to support their needs.



Humana Programme

Our Plantation division collaborates with the Humana Child Aid Society, a non-governmental organisation, to provide access to education for the children of workers residing in plantations and remote areas of Sabah. This partnership helps ensure that geographical barriers do not hinder their opportunity to receive basic education.

HSG Sabah Smart School IoT Hackathon 2025

Our Group CSR organised a state-wide hackathon to foster innovation and digital problem solving among secondary school students. The programme brought together 75 shortlisted teams representing districts across Sabah and encouraged the development of Internet of Things (IoT)-based innovation projects. Centred on three key themes—smart city, smart tourism and smart agriculture. The initiative aimed to nurture creativity, critical thinking and collaborative skills in support of Malaysia's digital economy aspirations.



PEOPLE AND COMMUNITY DEVELOPMENT

HSG PANDAI Digital Learning 2025

This collaborative initiative with Axiata Foundation and Pandai App aims to support B40 Sijil Pelajaran Malaysia (SPM) students by improving digital literacy among underserved communities. Through equitable access to a digital learning platform, the programme provides students with interactive educational tools such as study notes, past year examination papers, quizzes and gamified exercises. The initiative promotes consistent learning habits through reward based engagement and contributes to improving education accessibility and quality for students in need.

HSG Ignite Digital Maker 6.0

This STEM education initiative equips students with essential 21st century digital skills through hands on, experiential learning. The programme introduces coding (Scratch) and microcontroller programming (Arduino) to primary and secondary school students across multiple districts in Sabah, encouraging them to develop real world solutions through innovation, creativity and teamwork.

In addition to student engagement, the initiative empowers teachers through specialised BootCamp sessions that focus on Design Thinking, facilitation skills and creative problem solving. The programme culminates in a Maker Fair competition featuring two categories—Junior Innovate for primary students and the Young Innovators Challenge for secondary students—providing a platform for participants to showcase their projects and celebrate their achievements.



Respecting Land Rights: Managing Land Disputes and Upholding Community Commitments

We recognise and respect the legal and customary land rights of local communities. The Plantation Division has implemented a Land Dispute Management Policy that outlines a structured process for addressing land related grievances involving third parties, including indigenous groups and individuals asserting land interests. We are committed to upholding the customary and native rights of indigenous and local communities and ensuring full compliance with the FPIC process for all new developments.

In line with the requirements of RSPO and MSPO certification standards, 11 out of 13 independent local outgrowers and smallholders supported by Hap Seng Plantations have also committed to respecting legal and customary land rights, as well as the rights of indigenous and local communities.

PEOPLE AND COMMUNITY DEVELOPMENT

RESTATEMENTS

	Disclosed Figure in FY2024	Restated Figure for FY2024
Emissions Management		
Absolute Scope 1 and Scope 2 GHG Emissions (t CO ₂ -e)	179,821	246,877
Scope 1 and Scope 2 GHG Emissions Intensity (t CO ₂ -e/ RM'million Revenue)	36.30	49.83
Absolute Scope 3 GHG Emissions (t CO ₂ -e)	10,319	20,901

- The emission from natural gas consumption in Hafary was undercalculated by 67,055.27 t CO₂e.

	Disclosed Figure in FY2024	Restated Figure for FY2024
Energy Management		
Absolute Energy Consumption (million MJ)	2,495	3,506
Energy Intensity (MJ/ RM'million Revenue)	498,767.69	700,888.40

- The energy generated from natural gas consumption in Hafary was undercalculated by 1,010.92 million MJ.

STATEMENT OF ASSURANCE

To enhance the credibility of the Sustainability Report for FY2025, the following indicators were subjected to an internal review by the company's internal auditors. The review results were approved by the Audit Committee of Hap Seng Consolidated Berhad.

Subject Matter

The subject matters covered by the internal review included the following sustainability matters and indicators:

No	Sustainability Matters	Indicators
1.	Anti-corruption	<ul style="list-style-type: none"> Percentage of employees received training on anti-corruption. Percentage of operations assessed for corruption-related risks. Confirmed incidents of corruption and action taken.
2.	Community/Society	<ul style="list-style-type: none"> Total amount invested in the community where the target beneficiaries are external to the listed issuer. Total no of beneficiaries of investment in communities.
3.	Diversity	<ul style="list-style-type: none"> Percentage of employees by gender & age group, by category. Percentage of directors by gender and age group.
4.	Energy	<ul style="list-style-type: none"> Total energy consumption.
5.	Health & Safety	<ul style="list-style-type: none"> No of work-related fatalities.
6.	Labour Practices & Standard	<ul style="list-style-type: none"> Percentage of employees that are contractors or temporary staff. Total no of employee turnover by employee category. No of substantiated complaints - human rights violations.
7.	Supply Chain Management	<ul style="list-style-type: none"> Proportion of spending on local suppliers.
8.	Data Privacy & Security	<ul style="list-style-type: none"> No of substantiated complaints concerning breaches of customer privacy and losses of customer data.
9.	Emission Management	<ul style="list-style-type: none"> Scope 1 emissions in tonnes of CO₂e. Scope 2 emissions in tonnes of CO₂e.

Scope

The scope of the internal review encompassed six core business divisions of Hap Seng Consolidated Berhad, namely plantation, property, credit financing, automotive, trading, and building materials, across its operations in Malaysia, Singapore, Indonesia, China, and the United Kingdom.

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 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
General Disclosures			
GRI 2: General Disclosures 2021	2-1	Organisational details	About us
	2-2	Entities included in the organisation's sustainability reporting	About us
	2-3	Reporting period, frequency and contact point	About us
	2-4	Restatements of information	Pg 54
	2-5	External assurance	Pg 55
	2-6	Activities, value chain and other business relationships	Pg 2 - 3
	2-7	Employees	Pg 46
	2-9	Governance structure and composition	Pg 21
	2-10	Nomination and selection of the highest governance body	Pg 21
	2-11	Chair of the highest governance body	Pg 21
	2-12	Role of the highest governance body in overseeing the management of impacts	Pg 21
	2-13	Delegation of responsibility for managing impacts	Pg 21
	2-14	Role of the highest governance body in sustainability reporting	Pg 21
	2-15	Conflicts of interest	Annual Report Pg 74
	2-16	Communication of critical concerns	Pg 23
	2-17	Collective knowledge of the highest governance body	Annual Report Pg 51 - 57
	2-18	Evaluation of the performance of the highest governance body	Annual Report Pg 68
	2-19	Remuneration policies	Annual Report Pg 67
	2-20	Process to determine remuneration	Annual Report Pg 67 & 77
	2-23	Policy commitments	Pg 23
	2-24	Embedding policy commitments	Pg 23
	2-25	Processes to remediate negative impacts	Pg 23
	2-26	Mechanisms for seeking advice and raising concerns	Pg 49
	2-27	Compliance with laws and regulations	Pg 23
	2-28	Membership associations	Pg 8
	2-29	Approach to stakeholder engagement	Pg 17 - 18

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pg 11
	3-2	List of material topics	Pg 12
Corporate Governance, Transparency and Anti-corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 21 - 23 13.24.1 13.26.1
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Pg 22 13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	Pg 22 13.26.3
	205-3	Confirmed incidents of corruption and actions taken	Pg 22 13.26.4
GRI 415: Public Policy 2016	415-1	Political contributions	Pg 23 13.24.2
Data Privacy and Security			
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 24 13.24.2
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 24
Economic Performance			
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 25
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report Pg 3 & 133 13.22.2
Quality Products & Services			
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 25 - 27 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	Pg 25
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 27 - 28 13.22.1
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Pg 27

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Climate Change and Greenhouse Gas Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 29	13.1.1 13.2.1
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	Pg 30	13.1.2
	305-2 Energy indirect (scope 2) GHG emissions	Pg 30 & 32	13.1.3
	305-3 Other indirect (scope 3) GHG emissions	Pg 34	13.1.4
	305-4 GHG emissions intensity	Pg 31	13.1.5
	305-5 Reduction of GHG emissions	Pg 31	13.1.6
Energy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 32	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pg 37	
	302-3 Energy intensity	Pg 37	
	302-4 Reduction of energy consumption	Pg 37	
Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 39 - 40	13.5.1 13.8.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pg 39	13.8.2
	306-2 Management of significant waste-related impacts	Pg 40	13.8.3
	306-3 Waste generated	Pg 39	13.8.4
	306-4 Waste diverted from disposal	Pg 39	13.8.5
	306-5 Waste directed to disposal	Pg 39	13.8.6
Water Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 40 - 43	13.6.1 13.7.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pg 40 - 43	13.7.2
	303-2 Management of water discharge-related impacts	Pg 40 - 43	13.7.3
	303-3 Water withdrawal	Pg 42	13.7.4
	303-4 Water discharge	Pg 42	13.7.5
	303-5 Water consumption	Pg 42	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	Pg 43	
	13.6.2 Volume and intensity of pesticide use by toxicity hazard levels	Pg 43	

GRI CONTENT INDEX

GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Biodiversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 43 - 44	13.3.1 13.4.1 13.23.1
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	Pg 43 - 44	13.3.3
	304-3 Habitats protected or restored	Pg 43 - 44	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	Pg 43 - 44	
Labour Practices and Standards			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 45 - 49	13.16.1 13.18.1 13.20.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pg 47	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg 47	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pg 48	
	404-2 Programs for upgrading employee skills and transition aid programs	Pg 48 - 49	
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg 48	
Diversity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 45 - 47	13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg 45 - 47	13.15.2
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pg 49	13.15.4

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GRI Standard	Disclosure	Location	GRI Sector Standard Ref. No.
Workforce Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 49 - 50	13.19.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg 49 - 50	13.19.2
GRI 3: Material Topics 2021	403-2 Hazard identification, risk assessment, and incident investigation	Pg 49 - 50	13.19.3
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg 49 - 50	13.19.5
	403-5 Worker Training on Occupational Health and Safety	Pg 50	13.19.6
	403-9 Work-related injuries	Pg 49	13.19.10
	403-10 Work-related ill health	Pg 49	13.19.11
Community/ Society			
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 51 - 53	13.12.1 13.14.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pg 51 - 53	
	203-2 Significant indirect economic impacts	Pg 51 - 53	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pg 51 - 53	13.12.2
GRI 13.13: Land and Resource Rights	13.13.1 Commitments to respect land and natural resource rights	Pg 53	
GRI 13.14: Rights of Indigenous Peoples	13.14.1 Approach to engaging with Indigenous peoples	Pg 53	



Creating
Value
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