

OUR SUSTAINABILITY JOURNEY



ABOUT THIS SUSTAINABILITY STATEMENT

The purpose of this Statement is to communicate to all stakeholders on our commitment and management of sustainability risks across Economic, Environmental and Social ("EES") themes.

Our operations consist of three strategic business units, namely oil palm plantations, forestry (harvesting of latex and rubber wood) and management services. The scope of this Statement covers our operations in oil palm plantations in West and East Malaysia, which include the activities of cultivating palm oil, processing fresh fruit bunches ("FFB") and marketing crude palm oil ("CPO") and palm kernel ("PK"), unless otherwise stated. We emphasise palm oil activities as this is our core business that has contributed almost 100% of our revenue since 2018.

The reporting period of our Statement is from 1 January 2023 to 31 December 2023, unless otherwise stated. The content of our Statement is underlined by our commitment to achieving full Malaysian Sustainable Palm Oil ("MSPO") and MSPO Supply Chain Certification Standard ("SCCS") compliance in day-to-day operations for estates and mills. Our main objectives are to ensure business sustainability and mitigate and review environmental challenges, such as complying with the No Deforestation, No Peat and No Exploitation ("NDPE") policy, which is determined by major industry players.

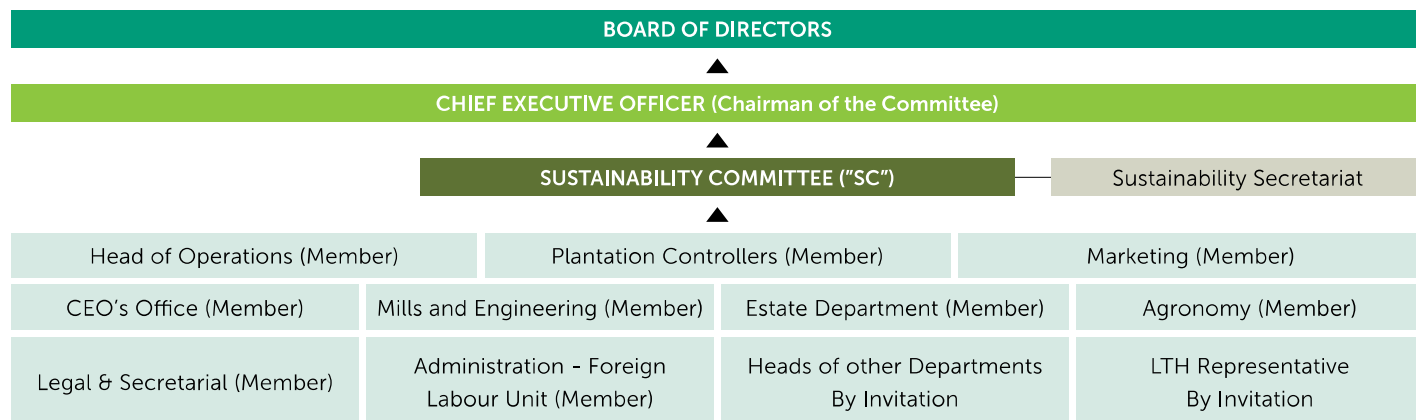
We have referenced Bursa Malaysia's Sustainability Reporting Guide and Toolkits, internationally recognised Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), relevant industry standards and benchmarks, as well as guidance from external consultants in previous years when preparing this Statement.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

Our 'tone at the top' is set by the THP Group's Board of Directors ("the Board"), with whom the ultimate responsibility of setting the THP Group's sustainability strategic direction rests. The Board is supported by the Chief Executive Officer ("CEO") and the Sustainability Committee ("SC" or "the Committee"). Our CEO is tasked with reporting to the Board on the THP Group's sustainability performance, as well as reviewing updates from the Committee on THP's sustainability management and preparation of the annual Sustainability Statement.

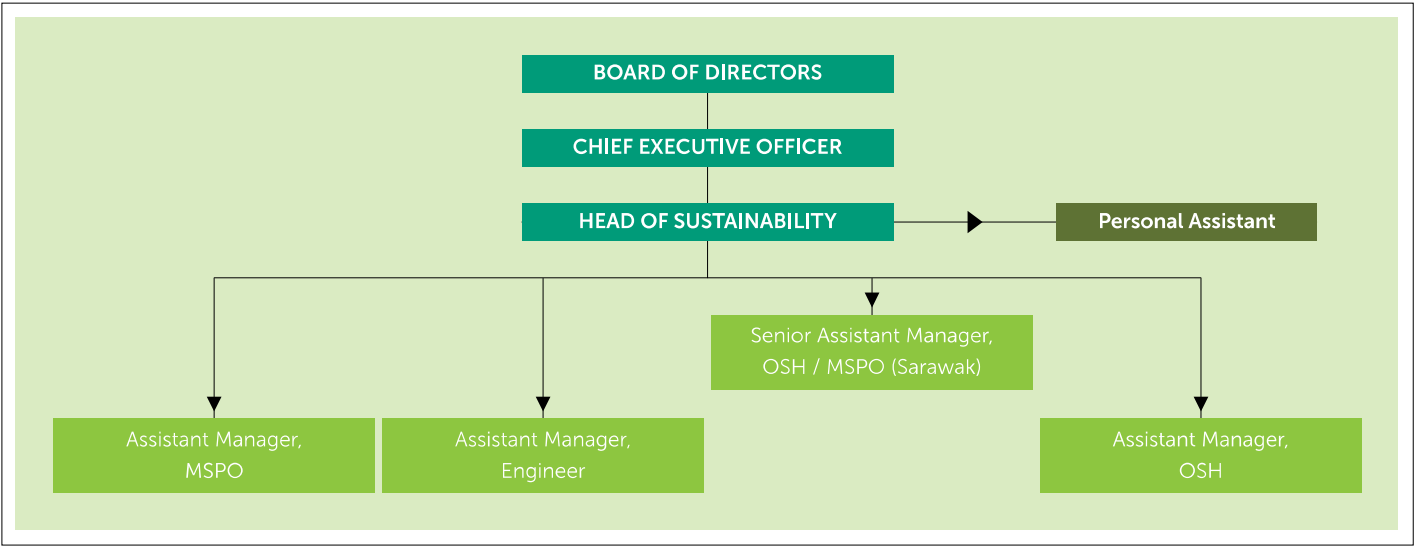
The Committee, which was reformed on 26 November 2020, comprises various Heads of Departments and chaired by the CEO. Vibrant, competent and effective Committee members are required to steer THP Group into the mainstream supply chain of palm oil products. In addition, the Committee is responsible for monitoring the execution of the Board's strategic sustainability direction and overseeing the preparation of the Sustainability Statement. All suggestions regarding sustainability-related matters are deliberated on in the Committee meetings, based on the direction and recommendations of the Chairman.



OUR SUSTAINABILITY JOURNEY

In recognition of the ever-changing sustainability agenda, we have made incremental improvements to strengthen our sustainability commitment. A dedicated Sustainability Department (“SD”) was formed in November 2020 and reports directly to the CEO. The SD comprises two units, the MSPO Certification/Sustainability Unit and the Occupational Safety and Health (“OSH”) Unit. The CEO oversees the overall implementation of the THP Group’s sustainability efforts, while the Head of Sustainability directs and monitors the implementation of sustainability initiatives within THP Group.

Meanwhile, the Sustainability Unit ensures our operations are in compliance with MSPO standards, whereas the OSH Unit is responsible for the implementation of OSH management systems that are aligned with policies, acts and regulations.



THP Group also has in place a comprehensive Group Sustainability Policy, which was revised and implemented by the Board since 26 November 2020 in compliance with the buyers’ NDPE Policy. Our Group Sustainability Policy is available for public viewing on our corporate website at <http://www.thplantations.my/sustainability.php>.

We are committed to ensuring our updated Sustainability Policy is fully implemented to make sure that there are no violations that may affect the future of THP Group. Additionally, our policy is in line with MSPO standards and is based on the following three major components:

Human Rights and Social Commitments	Environmental Responsibility Commitments	Ethic Business Commitments
<ul style="list-style-type: none">Upholding Human RightsA Safe and Healthy WorkplaceEmployee Welfare and Promoting Career DevelopmentRespecting and Upholding Land RightsCreating Shared Value for Local and National Growth	<ul style="list-style-type: none">No Deforestation, No Peat & No ExploitationEfficient Use of ResourcesWaste, Effluent and Air Emissions ManagementNeighbouring Water ResourcesZero-burningBiodiversity and Conservation	<ul style="list-style-type: none">Procurement PracticesSupply Chain TraceabilityCorporate Integrity Practices

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY MILESTONES

100%

MSPO Certification for
Peninsular Malaysia

**2018**

Sustainable Policy
Ver1 adopted
by the BOD

100%

MSPO Certification for
Sabah & Sarawak

2019**100%**

MSPO SCCS
Certification

Establishment of
Sustainability Department
& Committee

Updated Sustainable
Policy adopted
by the BOD

2020

OUR SUSTAINABILITY JOURNEY

Solar Rooftop
Guard House at
Ladang Gedong



Blueprint of
Mechanisation &
Automation

2021

Restoration Project
(4,300 Ha)
at Hutan Simpan
Gunung Arong,
Mersing, Johor

Establishment of JVC
with Cenergi SEA Berhad
for Biogas Plant

100%
Electrostatic Precipitators
("ESP") Installation
at THP Mills

Listed on Bursa Malaysia's
FTSE4GOOD Bursa Index &
FTSE4GOOD Bursa Malaysia
Syariah Index

2022



ESG Plan
Strategic Business Plan:
AL-Falah approved on
21st November 2023

2023

OUR SUSTAINABILITY JOURNEY

STAKEHOLDER ENGAGEMENT

THP Group has a broad range of stakeholder groups that have an effect on, or are affected by THP Group and our activities. Our key stakeholder groups include Shareholders, Directors, Management, Employees, Customers, Local Communities as well as Local Authorities.

We recognise our stakeholders as being key enablers who support our business activities, contribute to our success, and to whom we owe a duty to care for and to share the value created. Our approach to sustainability takes into consideration the long-term impact of our activities for both THP Group and our stakeholders. As such, we proactively engaged with our stakeholders through our approach summarised below, which highlights their main concerns as well as THP Group's response:

STAKEHOLDER GROUPS & ENGAGEMENT PLATFORMS	STAKEHOLDER CONCERNS
Shareholders <ul style="list-style-type: none"> • Annual General Meetings • Quarterly announcements • Special meetings 	<ul style="list-style-type: none"> • Management Discussion & Analysis from pages 12 to 25 • Product Quality and Operational Efficiency on page 35 • Audited Financial Statements from pages 136 to 253
Directors <ul style="list-style-type: none"> • Quarterly and special Board meetings • Quarterly and special Board Committee meetings 	<ul style="list-style-type: none"> • Governance and Ethics on page 39 • Corporate Governance Overview Statement from pages 97 to 117 • Statement of Risk Management and Internal Control from pages 118 to 125
Management <ul style="list-style-type: none"> • Operational meetings and ad hoc meetings 	<ul style="list-style-type: none"> • Product Quality and Operational Efficiency on page 35 • Traceability and Supply Chain Management on page 38 • Effluent and Water Discharge on page 50 • Waste Management on page 45 • Water Management on page 52 • Human Rights on page 57 • Safety and Health on page 54 • Employee Welfare and Development on page 58
Employees <ul style="list-style-type: none"> • 'Open-door' policy • Company intranet, special briefings and bulletins • Training 	<ul style="list-style-type: none"> • Governance and Ethics on page 39 • Human Rights on page 57 • Safety and Health on page 54 • Employee Welfare and Development on page 58
Customers <ul style="list-style-type: none"> • Regular emails and in-person correspondence to discuss issues raised 	<ul style="list-style-type: none"> • Product Quality and Operational Efficiency from page 35 • Traceability and Supply Chain Management on page 38 • Governance and Ethics on page 39 • Biodiversity and Conservation from pages 41 to 45 • NDPE Commitment on page 42 • Local Communities / Community Investment on page 64
Local Communities (i.e. towns, villages) <ul style="list-style-type: none"> • Informal grievance channels • Community programmes • Land management schemes 	<ul style="list-style-type: none"> • Effluent and Water Discharge on page 50 • Biodiversity and Conservation from pages 41 to 45 • Local Communities / Community Investment on page 64
Local Authorities (i.e. Malaysian Palm Oil Board ("MPOB"), DOSH, DOE, municipal councils, etc.) <ul style="list-style-type: none"> • Monthly, annual and special reporting • Forums 	<ul style="list-style-type: none"> • Governance and Ethics on page 39 • Effluent and Water Discharge on page 50 • Waste Management on page 45 • Water Management on page 52 • Human Rights on page 57 • Safety and Health on page 54

OUR SUSTAINABILITY JOURNEY

Throughout the process, we recognised the limitations of our current stakeholder engagement scope. Nevertheless, as part of the process for MSPO certification, we have expanded and formalised additional platforms for engagement with our stakeholders, including formal stakeholder meetings at each complex level as well as the provision of grievance channels for our stakeholders to submit their concerns regarding our operations.

MATERIAL MATTERS

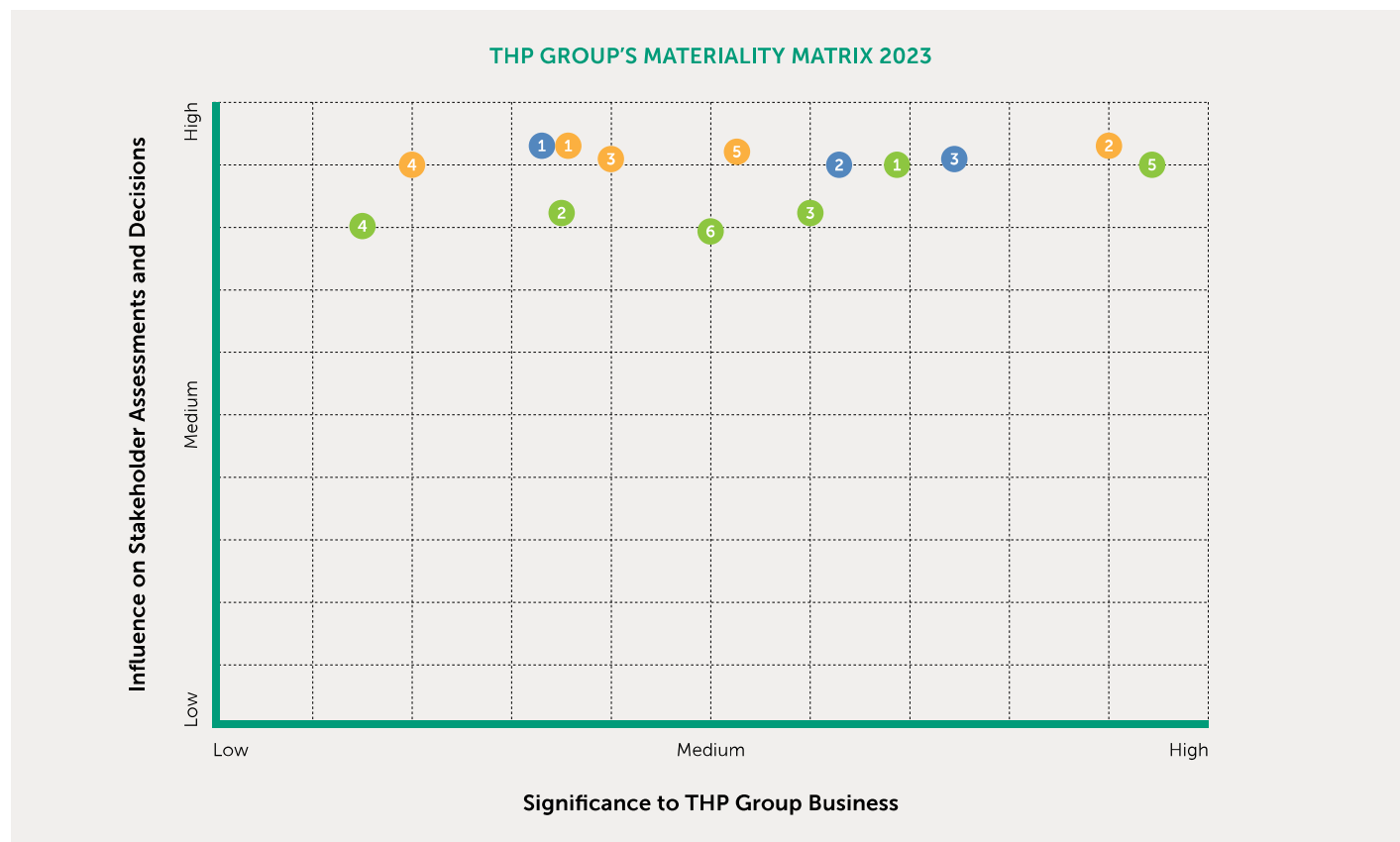
As an organisation, we are cognisant of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. A full scale materiality assessment was conducted in 2017 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed.

Our material matters influence our business strategy and decision on allocation of resources to material sustainability issues. While we aim to conduct a comprehensive materiality assessment once every three years or when necessary, we undertake an annual review of the relevance of our previously prioritised economic, environment, social impacts arising from our day-to-day activities.

2017	2020	2021
<ul style="list-style-type: none">Conducted a full materiality assessment with internal stakeholders (i.e., the Board of Directors, management and employees) and all key external stakeholder groups (i.e., shareholders, customers, local community and local authorities).Our materiality process referenced Bursa Malaysia's Sustainability Reporting Guide & GRI Standards.Resulted in identifying 7 key stakeholders and 11 relevant material matters being prioritised. The outcome of the process was reviewed by our Sustainability Steering Committee and endorsed by the Board.	<ul style="list-style-type: none">Reviewed 2020 materiality matrix and list of key stakeholders. This was done via focus group sessions with one external stakeholder group (i.e., customer).Resulted in one new material matter (i.e., NDPE Commitment) being identified and to be added to the existing 11 key material matters which remain relevant.	<ul style="list-style-type: none">Reviewed 2021 materiality matrix and list of key stakeholders. This was done via focus groups sessions with two external stakeholder groups (i.e., management and local communities).Resulted in two new material matters, Greenhouse Gases ("GHG") and Land Rights being identified and to be added to the existing 12 key material matters which remain relevant.

This year through our limited-scale materiality review, we concluded that all our existing 14 material matters are aligned with the THP Group's strategic priorities and stakeholder expectations. Furthermore, there are no major changes to THP Group's Business model and operation. These were also benchmarked against our local and regional peers as well as considered emerging risks and relevant frameworks which are Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and GRI Standards.

OUR SUSTAINABILITY JOURNEY



The next section provides details on how we manage our identified material sustainability matters, including key practices we undertake and performance indicators that we monitor.

Significance of Sustainability Matters to the THP Group's Business

All relevant matters identified above were material to our operations and were managed with prudent planning and execution. We grouped our matters under the following themes:

 Economic	 Environmental	 Social
<ul style="list-style-type: none"> 1 Governance and Ethics 2 Traceability and Supply Chain Management 3 Product Quality & Operational Efficiency 	<ul style="list-style-type: none"> 1 Biodiversity and Conservation 2 Waste Management 3 Effluent and Water Discharge 4 Water Management 5 NDPE 6 GHG 	<ul style="list-style-type: none"> 1 Human Rights 2 Occupational Safety & Health 3 Local Communities 4 Land Rights 5 Employee Welfare and Development

OUR SUSTAINABILITY JOURNEY

RISK MANAGEMENT

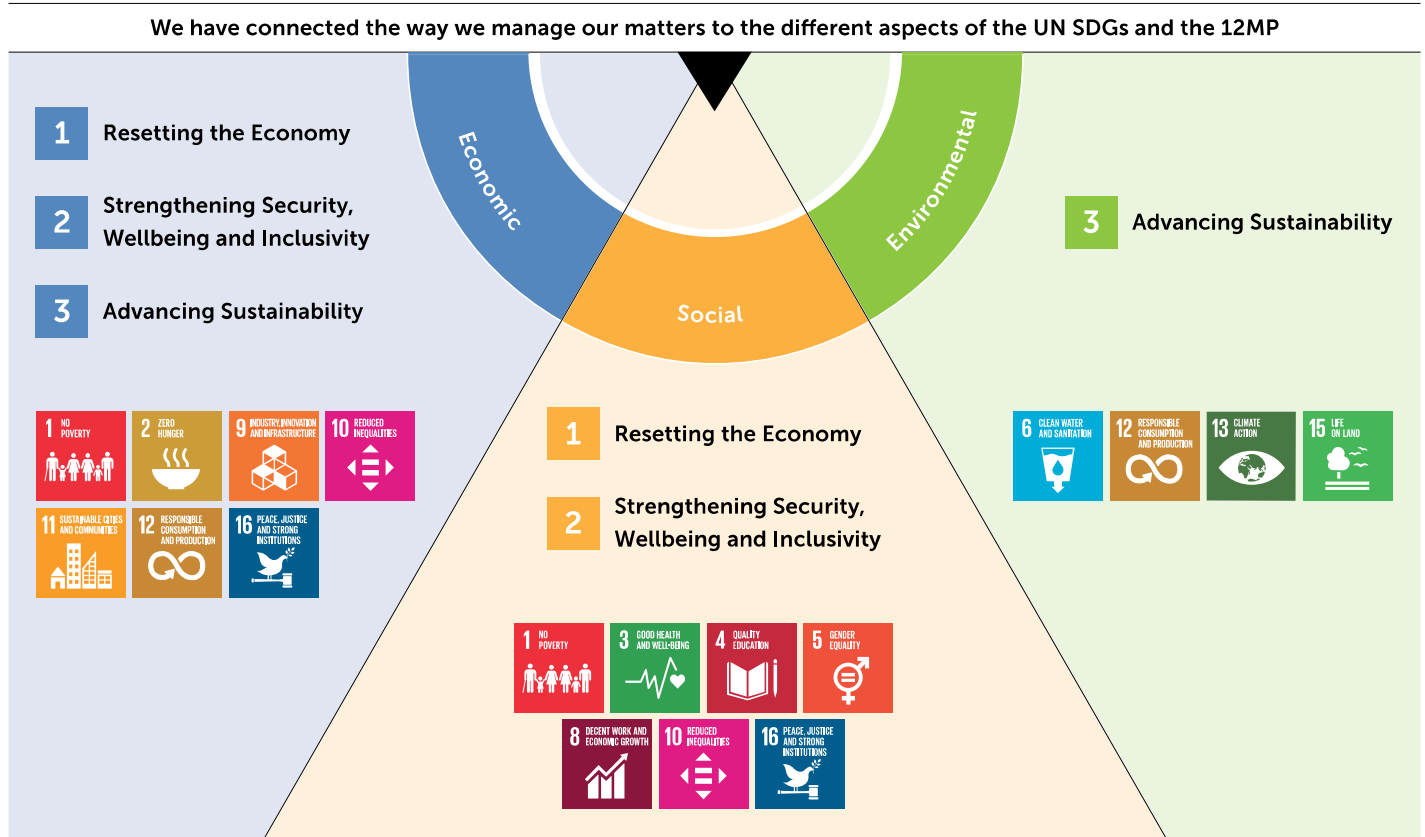
THP Group aligns its risk management process, which was prepared in accordance with the Malaysian Code on Corporate Governance ("MCCG"), to build readiness and resilience through the identification and management of potential risks encountered by our organisation. Our Enterprise Risk Management ("ERM") framework has integrated sustainability under the risk categories of environment, strategy and compliance, in addition to our corporate, financial and operational risks. We ensure all identified risks stay within our risk appetite through revision and monitoring by designated risk owners and the Risk and Compliance Department, as well as further deliberation by the Board Audit Risk and Governance Committee and Sustainability Committee.

 For further information on our risk management, please refer to the Statement on Risk Management and Internal Control ("SORMIC") section in our Annual Report 2023 pages 118 to 125.

SUSTAINABILITY FRAMEWORK

Governments, organisations and people of all backgrounds are unified in their agreement that the United Nations Sustainable Development Goals ("UN SDGs") will help attain the future and quality of life we want for our communities, our businesses and our nations. In Malaysia, the Twelfth Malaysia Plan ("12MP"), which spans from 2021 to 2025, sets the direction to improve the country's Prosperity, Inclusivity and Sustainability.











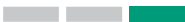

Against the backdrop of the above-mentioned agendas, we want to communicate how our matters create value on these global platforms. Therefore, we have connected the way we manage our matters to the various aspects of the UN SDGs and the 12MP, as shown below:



OUR SUSTAINABILITY JOURNEY

PERFORMANCE SCORECARD

Below are our key targets and our progress to date:

Material Matters	Targets	Current progress against targets
ECONOMIC		
Governance and Ethics (Anti-Corruption Practices)	Zero incidents of corruption annually	 <p>Zero incidents of corruption across THP's business operations in 2023.</p> <p> Refer to page 39</p>
SOCIAL		
Human Rights	Zero substantiated complaints concerning human rights violations annually	 <p>Zero complaints concerning human rights violations in 2023.</p> <p> Refer to page 57</p>
Safety & Health	Zero fatalities annually	 <p>Zero fatalities recorded in 2023.</p> <p>A thorough investigation was conducted, and prevention measures were defined to avoid recurrence.</p> <p> Refer to page 54</p>
ENVIRONMENTAL		
Waste Management	Reutilise biomass residue up to 90% annually	 <p>Reutilised 99% of biomass residue in our operations in 2023.</p> <p> Refer to page 45</p>
Water Management	To maintain water consumption rate below 1.5 m ³ /Mt FFB	 <p>Water consumption rate of 1.46m³/Mt FFB in 2023.</p> <p> Refer to page 52</p>
GHG (Emissions from the Boilers)	To maintain smoke opacity reading below 20% in Johor and Sabah, 40% in Pahang and 40% & 50% in Sarawak.	 <p>Smoke opacity readings for all THP mills achieved the targets for 2023.</p> <p> Refer to page 49</p>

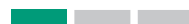
Legend: Progress tracking



On track to meeting set target.



Falling short on meeting target for one year; review current practices.



Falling short on meeting target for more than two years; review and revise target (if necessary).

OUR SUSTAINABILITY JOURNEY

MANAGEMENT APPROACH FOR TO MATERIAL MATTERS



ECONOMIC

PRODUCT QUALITY & OPERATIONAL EFFICIENCY

As an upstream oil plantation business, we understand the importance of quality to meet our customers' requirements and our internal business targets. In doing so, we focus on several areas to manage product quality and uphold a high rate of operational efficiency. In the MD&A section of our Annual Report from pages 12 to 25, we further discuss our operational performance, efforts and significant achievements during the year.

In 2023, we will continuously improve the operational efficiency of our estates by increasing the use of mechanisation in our processes to reduce our dependency on manual labour and increase efficiency and productivity.



Customer Satisfaction

Our customers are important stakeholders in the sustainable development of our operations. It is our responsibility to produce quality products that are responsibly sourced and produced, which will benefit our customers and drive our business growth. We regularly engage with our customers to understand their needs and develop collaborative relationships to overcome common industrial challenges.

We strive to maintain the quality of our CPO and PK to meet customer requirements. Each batch is measured and monitored against our internal targets, which have been prepared alongside the Standard Quality Grade of the Malaysian Standards, MS814:2007 and MS236:2007, for CPO and PK respectively. The following table highlights our average performance against the targets:

Average quality indicators	Internal target	2021	2022	2023
Free Fatty Acid ("FFA") (%)	≤5.00	3.91	3.95	3.79
Deterioration of Bleachability Index ("DOBI")	≥2.30	2.53	2.52	2.52
Moisture & Impurities ("M&I") (%)	<0.25	0.16	0.15	0.16
Moisture (%)	<7.00	6.06	6.19	6.33
Dirt & Shell (%)	<6.00	4.92	4.86	4.80

OUR SUSTAINABILITY JOURNEY



ECONOMIC

Economic Performance

THP Group's approach to achieving and sustaining good economic performance is by executing our business strategy, which includes staying abreast of market trends, maintaining a healthy balance sheet, strong cash flow and pursuing technological advancement, as well as mitigating identified risks relevant to our business.

This year, THP Group recorded a total revenue of RM752.0 million, which was derived from our principal activities, such as investment holdings, cultivation of oil palm, processing of FFB and marketing of CPO, PK and FFB in Malaysia. THP Group continuously generates wealth for our stakeholders, as shown in the table below:

Item	2021 (RM)	2022 (RM)	2023 (RM)
Economic value generated (i.e. revenue and other income)	771,808,000.00	891,550,000.00	773,285,000.00
Economic value distributed:			
- Operating cost	430,133,000.00	569,719,000.00	484,971,000.00
- Employee wages and benefits	119,695,000.00	127,551,000.00	158,582,000.00
- Payment to providers of capital (i.e. dividends and financing cost)	79,014,000.00	84,317,000.00	88,120,000.00
- Payment to government (i.e. tax)	39,234,000.00	57,229,000.00	33,470,000.00
- Community Investment	142,000.00	-	119,600.00
Economic value retained	103,610,000.00	52,734,000.00	8,022,400.00

Good Agricultural Practices

Our plantation operations are guided by our Standard Operating Procedure ("SOP") on Good Agricultural Practices ("GAP"). Key focus areas of GAP include managing optimum water levels, implementation of site-specific fertiliser programmes, application of integrated pest management ("IPM"), selection of suitable herbicides for effective weed control and a stringent culling exercise to ensure no unproductive palms exist on the field.



OUR SUSTAINABILITY JOURNEY

Research and Development

Research and Development ("R&D") is an integral component of the Agronomy Department. The team consists of four talented professionals who are focused on improving elements of operations such as increasing the quality and quantity of yield. Key areas covered by the team include fertiliser recommendations and plantation research. During the year under review, we carried out the following significant projects:

- 1

Utilisation of oil palm mill by-products, such as application of empty fruit bunches ("EFB") to fields to improve soil structure, retain soil moisture & organic matter, and as an additional source of nutrients.
- 2

Collaborative research with product producers on utilisation of specifically formulated bait for suppressing rat populations through an integrated comprehensive approach.
- 3

Providing technical support services to estate operations in areas of planting material selection and acquisition of seed requirements to cater for the THP Group's current year replanting programme.
- 4

Realignment and establishment of the use of Tyto alba, commonly referred to as barn owls, to control rat populations, which is in line with ESG.
- 5

Updating SOPs on the use of arbuscular mycorrhizal fungi ("AMF") in the nursery by adopting the new practice of Enriched with Effective Microbes Organic Fertiliser ("EEMOF") application prior to transplanting of seedlings from the pre-nursery to the main nursery.
- 6

Providing technical training to estate operations by collaborating with relevant industry players in the area of weed control.

Annual budgets are allocated for R&D expenditures to support the team. The table below highlights our R&D expenditure over the years.

RM 'million	2021	2022	2023
Budget for R&D:			
Annual Expenditure	1.5	1.3	2.0

MSPO & MSPO SCCS Certification

Given our position as a supplier of CPO and PK, it is essential that we improve sustainability along the supply chain of the palm oil industry.

Under MSPO Standards, we address seven key areas:

- 1) Management commitment and responsibility
- 2) Transparency
- 3) Compliance with legal requirements
- 4) Social responsibility, safety and employment conditions
- 5) Environment, natural resources, biodiversity and ecosystem services
- 6) Best practices
- 7) Development and new plantings.



As of December 2023, THP Group estates and mills in the peninsula have undergone the MSPO recertification process for the next five years, while estates and mills in the Sabah and Sarawak region will undergo the recertification process in 2024.

Apart from that, we have also increased our engagement with stakeholders, especially FFB suppliers, to provide them with support in their MSPO certification process. This will further strengthen the relationships we have with our suppliers, as we work towards common goals and the generation of opportunities for future collaborations.

In line with our goal of becoming an integrated and sustainable plantation company, we will continue to invest in R&D and maintain our internal quality controls, as we explore new areas of agricultural practice to improve yields and produce high-quality products.

OUR SUSTAINABILITY JOURNEY



ECONOMIC

TRACEABILITY AND SUPPLY CHAIN MANAGEMENT

The production of sustainable palm oil is guided by responsible practices along the supply chain. We acknowledge our role in delivering quality products that are made through ethical and sustainable operations. Hence, we pay close attention to the management of our supply chain to ensure that responsible and transparent end-to-end processes and procedures are practised. Our actions enable traceability, which we define below.

As part of our efforts to manage our supply chain, we underline the importance of traceability in our internal procurement and supplier management processes. We are committed to supplying traceable products to our customers. Our efforts are aimed at ensuring:



In ensuring that FFB produced at estates, as well as the CPO and PK produced as part of mill operations, are traceable, we have established procedures under the purview of our Estate and Mill Departments. These operations are closely monitored to enable us to manage the sustainable production of our FFB, CPO and PK. In 2023, 99% of FFB was sourced in accordance with MSPO certification.

Fair Procurement Practices

All potential suppliers are treated equally, including potential participants of our Vendor Development Initiative. Our Procurement Department guides our procurement process by selecting suppliers based on specified criteria, including the extent of vendors' resources & skills and the quality & composition of requested resources. Furthermore, our procurement process is governed by internal controls, such as limits of authority and approval by the Tender Committee, to ensure fair practices.

Our procurement process embeds sustainability elements throughout, starting from the registration stage up to the annual supplier performance assessment. In 2023, we introduced a sustainability assessment as part of our pre-qualification process to drive sustainability awareness across our supply chain. All new and existing suppliers are expected to address our set of sustainability requirements, which focuses on suppliers' practices relating to ethical dealings, health and safety, environmental management and human rights principles.



OUR SUSTAINABILITY JOURNEY

Post-assessment, we categorise our suppliers based on their maturity, conduct annual performance reviews, develop internal risk mitigation considerations and aim to implement targeted intervention programmes to support our suppliers in embracing sustainable sourcing principles over a stipulated time frame.

With 2023 being the first year that THP Group rolled out the supplier sustainability assessment, we managed to sample 3% of our major suppliers.

Item	2021	2022	2023
Suppliers that were screened using environmental criteria (%)	Nil	Nil	3
Number of suppliers assessed for environmental impacts	Nil	Nil	51
Suppliers that were screened using social criteria (%)	Nil	Nil	3
Number of suppliers assessed for social impacts	Nil	Nil	51

In 2023, out of RM221 million spent on procurement, 29% was awarded to local Bumiputera suppliers.

Bumiputera Suppliers	2021	2022	2023
Proportion of spending (%)	39	38	29

The involvement of Bumiputera contractors or suppliers was observed to have decreased since 2021 due to current economic factors, both domestically and globally, including high inflation rates, rising foreign exchange rates, and the recovery phase of the COVID-19 pandemic outbreak. This resulted in the majority of them having to reduce the size of their operations or switching to other business areas unrelated to THP Group operations.

GOVERNANCE AND ETHICS

Good Governance

We are committed to good corporate governance and ethical practices in our workplace. Our governance practices are guided by the recommendations of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") and Bursa Malaysia's Listing Requirements.

Anti-Corruption Practices

At THP Group, we avoid all forms of corruption in the workplace. We have in place mitigation measures such as operational limits of authority and procedures for all Directors and employees to declare any conflicts of interest. In addition, our 'open-door' policy promotes open channels of communication in the workplace. As of 31 December 2023, we have recorded zero incidents of corruption across the THP Group's business operations.

	2021	2022	2023
Number of confirmed corruption incidents	0	0	0

As we recognise the importance of formalising our values and workplace practices, our Whistleblowing Policy has been formalised and enforced to further endorse a safe and secure platform to report any incidents. THP Group has made our Whistleblowing Policy available on our corporate website to ensure it is accessible to all stakeholders.

In 2023, a dedicated unit was established, known as the Integrity and Governance Unit ("IGU"), which was part of the Company's move to strengthen integrity and anti-corruption practices among all levels of THP Group employees.

In the first year, activities such as awareness and understanding programmes on integrity and anti-corruption were carried out in the headquarters, estates and mills. Employees at various levels underwent corruption-related training in 2023.

OUR SUSTAINABILITY JOURNEY



ECONOMIC



Employee Category (2023)	Completion Rate (%)
Management level	79
Executive level	75
Non-executive/Technical	29

The IGU aims to implement the Corruption Risk Assessment ("CRA") in the third quarter of 2024 with initiatives such as workshops and briefings on the CRA framework conducted as early as the first quarter of 2024.

Code of Ethics

We have in place the Code of Ethics and Conduct ("the Code") to ensure that we maintain the highest standards of conduct, integrity and professionalism in all our activities and transactions. We strive to ensure that we conduct ourselves ethically, in accordance with applicable laws, rules and regulations, at all times. The Code guides our employees on ethical behaviour, business conduct and includes disciplinary procedures that require the compliance of Management and employees.

Cybersecurity & Data Protection

THP Group continues to strengthen its cybersecurity measures through strict adherence to our data privacy policy. Our policy, known as the IT Disaster Recovery Plan ("IT DRP"), which was approved by the Board of Directors on 16 December 2020. It was developed in accordance with the Personal Data Protection Act 2010 ("PDPA") and aligned with the General Data Protection Regulation ("GDPR") and Asia Pacific Economic Cooperation ("APEC") Privacy Framework. We maintain a robust cybersecurity framework that is embedded within our operations and processes, adhering to all regulatory requirements in the different regions where we operate.

At THP Group, managing data and security is an integral part of our ERM framework. We conduct regular reviews to ensure that our data privacy and security controls & processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used and secured.

We have also obtained the necessary consent when handling our contractors' and suppliers' data, which is stored on our Contractor Management System ("CMS"), with only authorised personnel being granted access. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority. Additionally, our data retention and destruction policy guides us in keeping data for as long as is necessary and then securely disposing of it when it is no longer needed.

Throughout 2023, we implemented a range of cybersecurity measures, including network penetration tests conducted by external specialists to identify and address any vulnerabilities in our systems and processes. Furthermore, we continue to educate our employees on data protection and privacy. They are required to complete annual mandatory online training that comprehensively covers their responsibility to safeguard data. Additionally, we regularly conduct phishing email simulation exercises to enhance their ability in identifying and responding to such emails.

As of 31 December 2023, there have been zero substantiated complaints concerning breaches in customer privacy or data loss.

	2021	2022	2023
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

OUR SUSTAINABILITY JOURNEY



ENVIRONMENT



BIODIVERSITY AND CONSERVATION

We recognise that our operations are surrounded by local ecosystems and biodiversity. As a member of the agricultural industry, we understand our role and responsibility in respecting these habitats and supporting the sustainability of surrounding ecosystems. We have therefore implemented practices and controls to minimise our impact on the environment.

Riparian Reserves

Riparian reserves are areas of conservation between land and rivers teeming with life from the habitats of flora and fauna. The importance of identifying these areas for conservation lies in their role of supporting local ecosystems as well as maintaining water and soil quality. As part of our efforts, we have identified and incorporated buffer zones and riparian reserves within our plantations. Since 2019, we have established 335.16 Ha of riparian reserves and buffer zones.

In managing and preserving our riparian reserves, we planted legume cover crops (“LCCs”) to prevent soil erosion. In addition, LCCs help to manage the health of our crops by preventing weed growth and increasing the fertility of the soil by supplying organic matters.

Environmental Impact Assessments

Prior to every replanting exercise, we perform extensive Environmental Impact Assessments (“EIAs”) via third-party consultants with the aim of minimising adverse environmental impacts. For this reason, criteria considered in an EIA report include:

- 1. Soil erosion/slope stability and soil conditions
- 2. Water and noise pollution
- 3. Potential loss of flora and fauna and their habitats
- 4. Waste disposal
- 5. Impact of replanting and abandonment
- 6. Socioeconomic and ecological impact
- 7. Safety and health
- 8. Peat soil subsidence.

The results of the EIAs are then reported to the Department of Environment (“DOE”). Several considerations are taken into account before a replanting exercise is carried out, including the age of the oil palms (palms above 25 years of age would see their yields fall below 15 Mt/Ha), height of palms (palms exceeding 45 feet would prove a challenge to harvest), and areas where soil quality has eroded due to flood or palm root diseases.

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ENVIRONMENT

NDPE COMMITMENT

We work closely with the widest possible range of industry stakeholders to implement our commitments related to the protection of:

1	2	3
No Deforestation	No New Development on Peat	No Exploitation of People and Local Communities
<p>a) We identify areas with High Conservation Value ("HCV") and High Carbon Stock ("HCS") and implement relevant national, industry and international best practices to protect these areas.</p> <p>b) Any plantation development activity must identify HCV areas and HCS forests for protection utilising international best practice guidance.</p> <p>c) Where feasible, we will explore options for natural forest restoration by working with expert stakeholders and communities.</p>	<p>a) No new development on peat land regardless of depth.</p> <p>b) Best Management Practices in existing plantations for peat will be stringent and aligned with national, industry and international best practices, which include guidelines provided by the Malaysian Palm Oil Board ("MPOB"). Additionally, peatland management shall follow good agricultural practices laid out in our policies, codes and SOPs.</p> <p>c) Where feasible, we will explore options for peat restoration by working with expert stakeholders and communities.</p>	<p>To ensure no exploitation issues, we concern ourselves with:</p> <p>a) Upholding human rights.</p> <p>b) A safe and healthy workplace.</p> <p>c) Employee welfare and promoting career development.</p> <p>d) Respecting and upholding land rights.</p> <p>e) Creating shared value for local and national growth.</p>



Peatland Management

At THP Group, we only plant on peat that has been set aside by the Malaysian government for agricultural development. We understand the nature of peatland and over the years, we have managed our peatland via extensive efforts and strict internal processes. Our Agronomy team provides technical and advisory support for the continuous management and care of the peatland.

These include maintaining water at optimum levels and draining excess water to prevent peat degradation. At the end of 2023, THP Group owned 44,749.27 Ha of peatland, of which 14,924.84 Ha was left unplanted and contributed to biodiversity and conservation areas.

OUR SUSTAINABILITY JOURNEY

Integrated Pest Management

Pest management is an unavoidable practice in cultivating oil palms to ensure healthy yields and to avoid damaging the plantations. As part of our conservation efforts and to reduce use of chemicals, we adopt the practice of integrated pest management, which encourages the use of bio-pesticides and bio-control agents at our estates based on the most suitable pest management plan. Our efforts include:

- Using *Tyto alba*, commonly referred to as barn owls, to control rat populations;
- Shredding felled trunks into chips of acceptable size to suppress the breeding of rhinoceros beetles;
- Planting beneficial plants that provide shelter and food for predators and parasitoids of the pest; and
- Using *Bacillus thuringiensis* ("Bt."), a soil-dwelling bacterium, against insect pests such as *Tirathaba rufivena* and bagworm larvae.

Towards Biodiversity Conservation

We have additional efforts in place to conserve the areas of natural flora and fauna around us. Our key efforts include:

- 1

Canopy cover

We ensure that we do not disrupt jungle canopies. Suitable spacing and density of trees are integral in supporting a range of wildlife, especially arboreal species such as orangutans and gibbons that seldom venture on the ground.
- 2

Allowing natural decomposition of dead vegetation

Decomposition of dead vegetation feeds the soil with nutrients and supports a natural ecosystem. We do not apply weed killers and pesticides to these areas as this would disrupt the process.
- 3

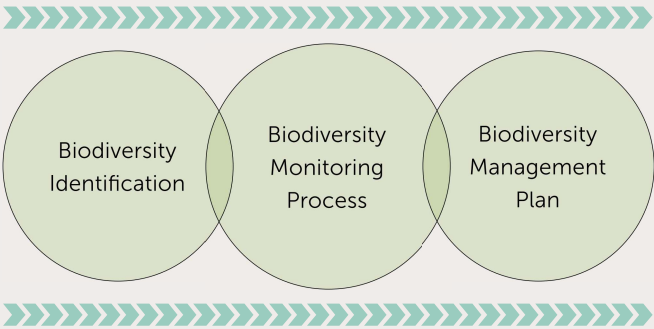
Reducing human-wildlife conflicts

To manage our impact on the environment, we ensure a minimum width of up to 50m between habitats and our operations. Where larger animals are concerned, we collaborate with experts in the field to develop and maintain green fences.
- 4

Zero-burning policy

We understand the environmental and health risks associated with open burning practices, which is why we observe a strict zero-burning policy across our operations, as stipulated in our SOPs and Environmental Policy. When performing land clearing for plantation development or replanting, trees are felled, chipped and stacked. To date, there have not been any cases of open burning at plantations owned and operated by us.

As of December 2023, all estates have been assessed internally for biodiversity risk, which is a part of MSPO compliance. The operations team in-charge at each estate would carry out the process of identifying, monitoring and planning of biodiversity risk assessment. This assessment is conducted on a yearly basis.



Based on the assessment, more than 1,500 Ha of the areas, are protected area for habitats of around 40 species of flora and fauna, which were identified and categorised in accordance with the International Union for Conservation of Nature ("IUCN") Red List of Threatened Species. The protected areas within THP Group estates operation, have been classified as wildlife areas and Natural Forest Management areas.

OUR SUSTAINABILITY JOURNEY



ENVIRONMENT

Identified Species	NE (Not Evaluated)	DD (Deficient Deficient)	LC (Least Concern	NT (Near Threatened)	VU (Vulnerable)	EN (Endangered)	CR (Critically Endangered)	CO (Collapsed)
Fauna								
1 Sumatran Rhinoceros							/	
2 Banteng						/		
3 Asian Elephant						/		
4 Orang Utan						/		
5 Sambar Deer					/			
6 Sun Bear					/			
7 Clouded Leopard					/			
8 Bearded Pig					/			
9 Crocodylus porosus						/		
10 Dogania sublpna						/		
11 Macacafascicularis						/		
12 Amauornis phoenicurus						/		
13 Copsychus malabaricus						/		
14 Pythyhton reticulatus						/		
15 Varanus salvator						/		
16 Ayuthia spectabile						/		
17 Ceyxazureus						/		
18 Acridotheres tristis						/		
19 Cuculidae						/		
20 Paradoxurus hermaphroditus						/		
21 Limnonectes Malesianus						/		
22 Hylarana Erythraea						/		
23 Pomponia adusta						/		
24 Hymenopus coronatus						/		
25 Phaenopharos struthioneus						/		
26 Coturnix						/		
27 Tragulus javanicus						/		
28 Ophiophagus						/		
29 Malayemys macrocephala						/		
Flora								
30 Caryota no			/					
31 Cycas				/				
32 Zingiberaceae				/				
33 Nenga spp				/				
34 Nepenthaceae				/				
35 Cymbidium Orchid				/				
36 Bird's nest fern				/				
37 Shores teysmanniana						/		
38 Cengal						/		
39 Belian					/			
40 Keruing					/			
41 Senduduk						/		

OUR SUSTAINABILITY JOURNEY

In raising awareness on the significance of methodical management of biodiversity, we conducted HCV training in collaboration with subject matter experts for our employees and smallholders to provide them with the knowledge necessary to identify and analyse HCV areas and manage biodiversity ecosystems. Furthermore, we sent our employees for external HCV training sessions arranged by industry leaders.



WASTE MANAGEMENT

The way we manage our waste influences our environmental footprint and our social licence to operate. Hence, we observe strict internal controls in waste management to prevent mishandling and to ensure adherence to relevant laws and regulations.

Hazardous and Non-Hazardous Waste Management

We constantly monitor and manage our waste, focusing on appropriate disposal method and reducing its waste output. Waste generated on our sites includes scheduled (hazardous) and non-hazardous waste, which constitutes less than 10 Mt/month on average. Third-party contractors are hired to assist in disposing of our waste. Disposal of our scheduled waste is performed as required by the environmental regulations of the DOE, which includes working with third-party contractors who have been endorsed by the DOE. We monitor our collected scheduled waste via collection records provided by our waste contractors upon completion of waste collection from our sites. These are reported to the DOE every month.

Waste generated: 354,652.12 Mt

Total waste diverted from disposal (%)	99
Total waste directed to disposal (%)	1

Waste source: EFB, shells, fibre

Our newer mills are equipped with increasingly efficient processing plants, which assist us in moving towards reducing our waste output. In terms of our domestic waste, we dispose it appropriately through waste collectors. Moving forward, we seek to report performance indicators of the total domestic waste collected.

Biomass Residue

Biomass residue is a by-product of FFB processing and is an excellent source of natural energy and fertilisers. Highlighted below is our performance data on biomass residue which we utilised more than 99% in 2023, while the balance was sold.

Types of Biomass Residue	2021		2022		2023	
	Produced (Mt)	Amount Re-utilised (Mt)	Produced (Mt)	Amount Re-utilised (Mt)	Produced (Mt)	Amount Re-utilised (Mt)
EFBs	177,770.85	159,601.61	162,351.38	157,900.54	121,670.53	120,003.68
Shells	91,024.64	91,024.64	69,395.16	67,225.31	110,836.61	110,836.61
Fibres	122,876.52	122,876.52	116,120.37	111,061.22	123,811.83	123,811.83

OUR SUSTAINABILITY JOURNEY



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The production of biomass residue is positively correlated with the production of CPO and PK. At present, we are able to measure some of our biomass residue, as shown in the table. Other forms of biomass residue (trunks and pruned fronds) are reused as organic fertilisers, albeit not measured. As we push forward our sustainability agenda, we will focus on filling the gaps in our reporting disclosures, which will include measurement of other forms of biomass residue.

TYPES OF BIOMASS RESIDUE		
Empty Fruit Bunches	Shells	Fibres
<p>Methods of reutilisation:</p> <ul style="list-style-type: none"> As natural fertilisers in the West Malaysian plantations, also known as mulching Bunch ash created through incineration, which is used to fertilise peatlands 	<p>Methods of reutilisation:</p> <ul style="list-style-type: none"> As a source of fuel for boiler systems Sold to other plantations or industries to be reused as sources of fuel 	<p>Methods of reutilisation:</p> <ul style="list-style-type: none"> As a source of fuel for boiler systems

One of the key uses of our biomass residue is the use of shells and fibres to fuel boilers, which are utilised in processing FFB at our mills. We have practised this over the years, and it has enabled us to save costs and reduce our environmental footprint.

CLIMATE CHANGE

THP Group acknowledges that our energy consumption and GHG emissions may contribute to climate change impacts. We recognise that as an oil palm plantation company, it is our responsibility to reduce our carbon footprint, whilst embracing opportunities that unfold, at the same time making the transition to a low-carbon economy.

THP Group aims to reduce our environmental footprint and establish operational resilience in delivering long-term value to our business, stakeholders and communities. We are guided by our Environmental Policy, which outlines the THP Group's objectives to effectively manage and minimise the impacts arising from our business operations.

As part of our efforts to mitigate climate change, THP Group is committed to supporting the national pledge to be net zero by 2050. We have developed a Climate Transition Strategy that complements our policy to guide us on this journey. Our Climate Transition Strategy largely focuses on three strategic pillars.



OUR SUSTAINABILITY JOURNEY

Pillar 1

Managing our emissions

a) Improving energy efficiency at our premises

Key Initiatives	Description
Biogas On-grid (Strategic Business Plan: AL-Falah)	We have established a joint venture project with a third party to equip our Bukit Lawiang Mill with a biogas plant, which signifies our commitment to reducing GHG emissions in our day-to-day mill operations. A quota of 1.2 megawatts was approved by the Sustainable Energy Development Authority ("SEDA") on 18 January 2024 for the joint venture company.
Solar Panels (Strategic Business Plan: AL-Falah)	The deployment of solar panels at THP Group has expanded to encompass operational units, including estates and mills across Sabah and Sarawak.
Energy Efficiency (Strategic Business Plan: AL-Falah)	Our goal is to reduce fuel consumption by gradually replacing boilers and turbines with more energy-efficient models.
Biomass Waste Utilisation	We reutilised more than 99% of our biomass residue in 2023 as part of our renewable energy programme.

b) Integrating sustainable practices into our developments

We have also adopted the Industrialised Building System ("IBS") in the construction of our projects, where feasible, to minimise the environmental impact of our operations. Environmentally friendly electrical systems and building materials are among the energy-efficient features. This programme contributes to the reduction of energy usage by our buildings.

Pillar 2

Investing in low emissions and green technologies

The solar panel project prioritises guardhouses, nurseries, workplaces, loading ramps, storage facilities for fertilisers and street lighting installations.

Pillar 3

Leveraging partnerships and collaborations

We embarked on a seven-year (2022-2029) conservation and restoration project to rehabilitate the degrading Hutan Simpan Gunung Arong in Mersing, Johor, covering 4,300 Ha, in collaboration with a local non-governmental organisation. Our focus in this project is to conserve the biodiversity and ecosystem of the environment through nature-based solutions that will also increase carbon sinks, allowing us to address climate change issues.

Task Force on Climate-Related Financial Disclosures ("TCFD")

We have begun developing our internal capabilities to address the Recommendations of the TCFD by appointing subject matter experts in order to manage critical climate-related risks and opportunities within our organisation in a more comprehensive and strategic manner.

OUR SUSTAINABILITY JOURNEY



ENVIRONMENT



Energy Management

In 2023, the total energy consumption recorded was 213,233.79 GJ. The sources of energy were:

Energy Consumption	
Indicator	GJ
Non-Renewable Energy Fuel (Purchased & Consumed)	5,601.55
Non-Renewable Energy Electricity (Purchased)	3,744.14
Renewable Energy Fuel (Purchased / Acquired & Consumed)	153,917.28
Total Renewable Energy (Generated)	49,970.81
Total Energy	213,233.79

We have started using renewable energy in recent years by using biofuel in our operations. We are also gradually installing solar panels at estate and mill offices and guardhouses, as well as for street lightings.



OUR SUSTAINABILITY JOURNEY

MANAGING OUR CARBON EMISSIONS

It is our corporate responsibility to reduce our carbon footprint that may contribute to slowing down climate change and preserving our environment. We have in place strategies to reduce our GHG emissions, including implementing nature-based solutions and executing forest rehabilitation and conservation activities, as well as initiatives to minimise our operational emissions.

In minimising our GHG emissions, our efforts encompass various aspects of our operations at mills and estates. In 2023, we explored the feasibility of rooftop solar panels, while continuing to improve the operational efficiency and effectiveness of our processes, including peat management, replacing our boilers and turbines to increase efficiency, enhancing our management of waste, yield enhancement, and strengthening our commitment to zero-burning policy.

In 2022, we completed the installation of Tertiary Effluent Treatment Plants ("TETPs") in our Sabah and Sarawak mills. Going forward, we will install TETPs in peninsular mills to further reduce Biological Oxygen Demand ("BOD") to lower than 20 ppm and equip our mills with biogas plants. In addition, we will utilise palm product waste generated from PK shells, EFB and fibres as fuel for renewable energy and substitute it for fertiliser application where possible.

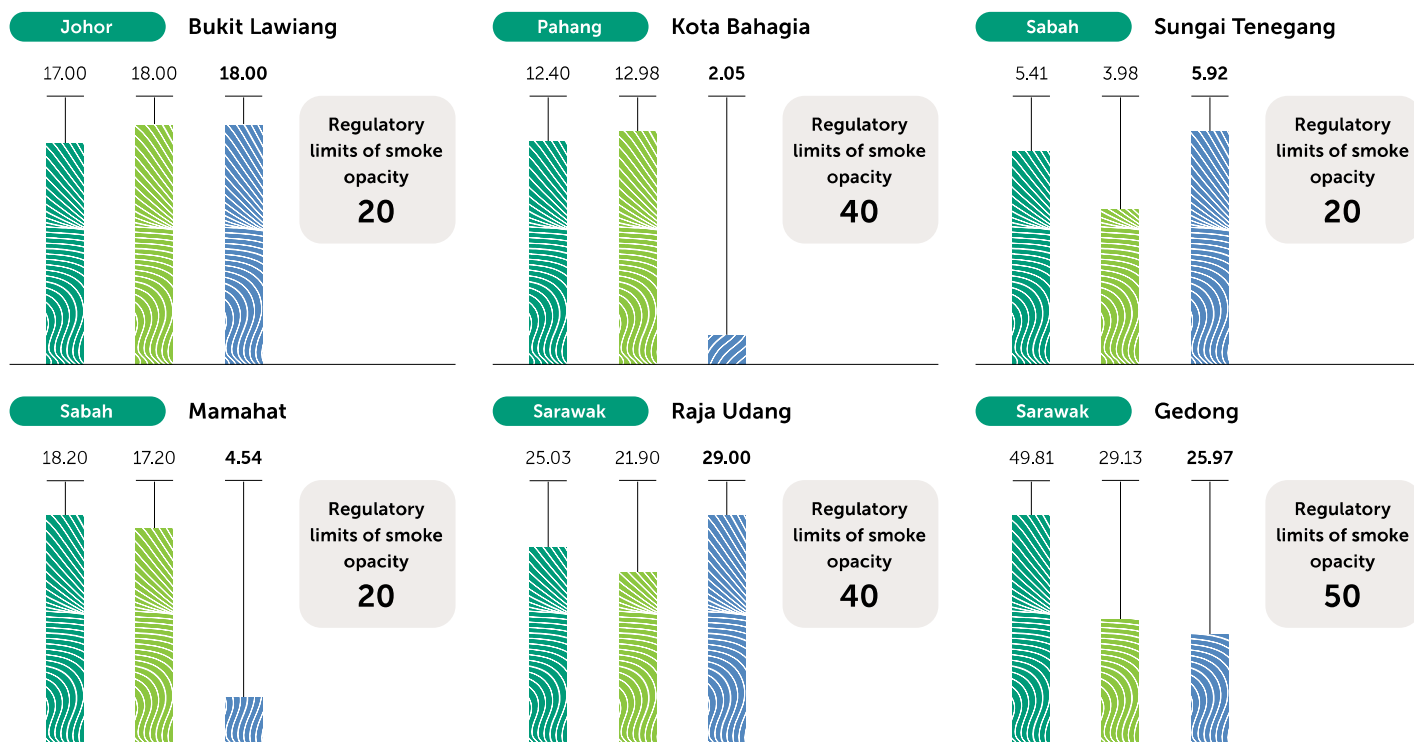
Emissions from the Boilers

We monitor our boiler emissions via the Continuous Emissions Monitoring System ("CEMS"), which was implemented as part of local environmental regulations. The system monitors and concurrently updates the DOE on the contents of our emissions. Over the years, we have maintained our smoke opacity in line with the regulations, as shown below.

Palm Oil Mill

Smoke Opacity Readings (%)

■ 2021 ■ 2022 ■ 2023



OUR SUSTAINABILITY JOURNEY



ENVIRONMENT



In time to come, we believe that DOE regulations will include reporting requirements on emissions of dust particles and smoke opacity. In response to these upcoming requirements, we will implement additional measures, such as installing Electrostatic Precipitator ("ESP") to reduce dust particles and smoke opacity in our emissions.

Capturing and reusing emissions as biofuel would effectively recycle emissions and reduce costs. Therefore, one of our planned measures is to build a biogas plant at each of our sites. The plant will capture methane and produce biogas as a source of natural fuel at all our mills. These methane-capturing facilities are costly to build and as such, long-term planning and considerations will be necessary prior to their implementation.

We acknowledge current reporting gaps in monitoring domestic waste, other forms of biomass residue, and in monitoring GHG emissions. Our mills are in the process of closing these gaps and have begun monitoring and recording the data based on total average emissions from EFB, Palm Oil Mill Effluent ("POME") and fuel consumption.

GHG Emissions

(tCO ₂ e/Mt)	2021	2022	2023
Average Total Emissions	1.93	1.85	0.90

We managed to reduce 0.95 Mt or 51% of total GHG emissions for the year 2023.

EFFLUENT AND WATER DISCHARGE

We understand the importance of managing our environmental impact by appropriately handling our effluent and water discharge.

POME and BOD Measurements

POME is a significant by-product of processing FFB and without appropriate treatment, the effluent may be detrimental to the environment. Over years of technological evolution, we have improved our POME processing methods to manage the BOD measurements of our effluent and water discharge. The implementation of TETPs at some of our mills has assisted in maintaining the BOD measurement below the regulatory limit. Meanwhile, our other mills are striving to upgrade effluent treatment plants in anticipation of stricter DOE regulations in time to come.

We have stringent processes and internal controls in place to appropriately treat our effluents and maintain BOD readings within regulatory limits. The primary control is performed by testing a sample of the treated effluent prior to discharge. Existing regulations require a BOD measurement not exceeding 100 mg/L and 20 mg/L in West Malaysia and Sarawak/Sabah's Kinabatangan Basin, respectively. At THP Group, our target is to maintain our BOD measurements below regulatory requirements.

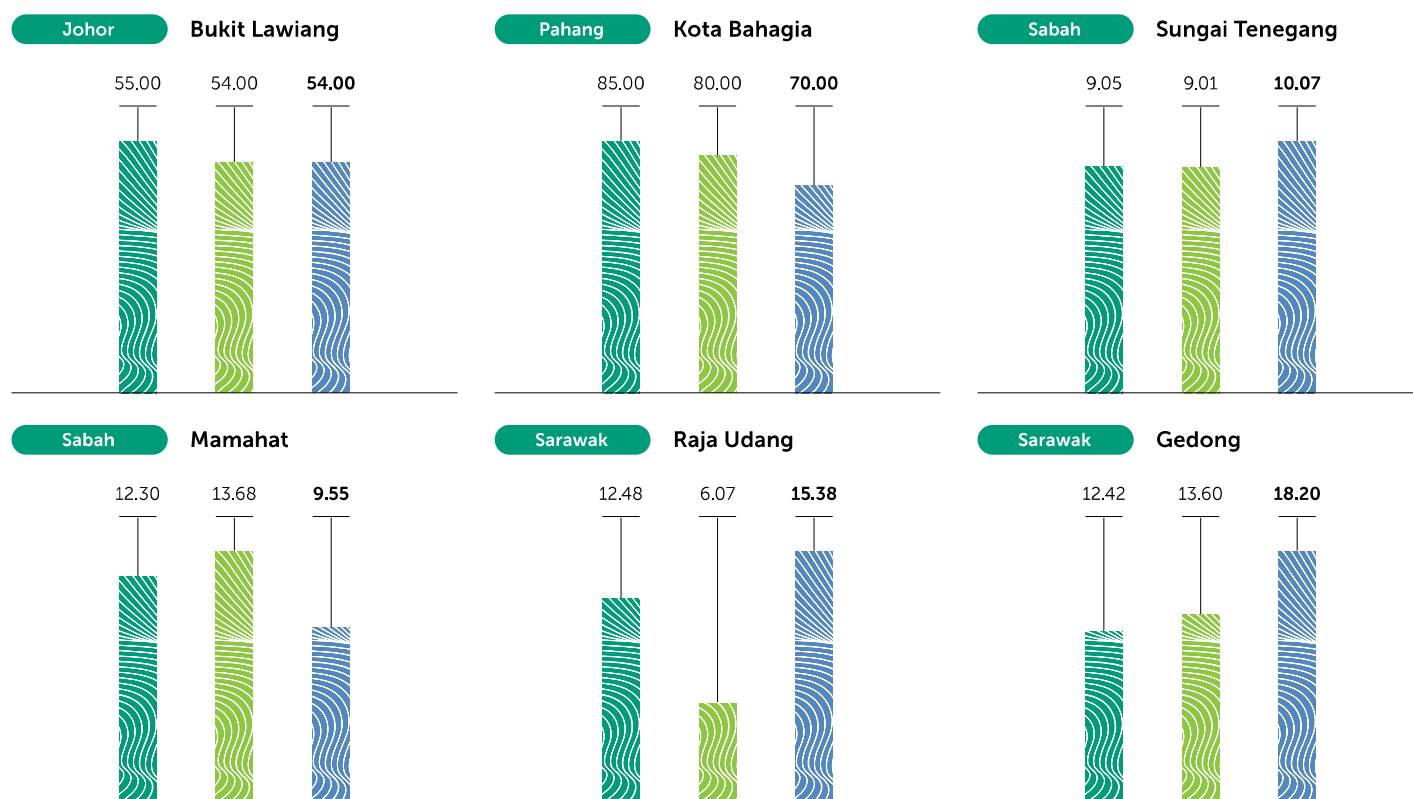
OUR SUSTAINABILITY JOURNEY

The table below demonstrates our performance against regulatory requirements. To date, we have consistently remained within DOE limits.

Palm Oil Mill

BOD Measurement (mg/L)

■ 2021 ■ 2022 ■ 2023



BOD Limits: Peninsular <100 mg/L; Sabah & Sarawak <20 mg/L.

In particular, our Sungai Tenegang palm oil mill achieved the lowest BOD measurement over the last three years. Meanwhile, for the year 2022, the Raja Udang palm oil mill achieved the lowest measurement due to proper scheduled maintenance of the anaerobic pond, which must be desludged approximately once every two to five years.

Year	2021	2022	2023
Total POME generated (metric tonnes)	510,529	510,073	492,034

Our total POME generated depends on the amount of FFB processed.

OUR SUSTAINABILITY JOURNEY



ENVIRONMENT

WATER MANAGEMENT

Our plantations and mills require a significant amount of water. Thus, managing the efficiency of our water consumption is a high priority for us. In doing so, we reduce operational costs and exercise good agricultural practices. Furthermore, our estates and mills are surrounded by natural water streams. It is our responsibility to prevent our operations from damaging these waterways.

Water Consumption

At our plantations, we practise rainwater harvesting by digging weirs and pits to collect rainwater to provide the trees with resources over a longer period of time. Harvested rainwater is also used to manage water tables at peatlands. At the mills, FFB processing requires water of purer quality; hence, our utilisation of natural sources that has been treated. Once treated, the processed water can be reused on site for non-operational purposes such as drip irrigation, washing or gardening around the mills and estates.

At our Raja Udang Palm Oil Mill, we use steam traps to reduce our water consumption. Steam traps filter the condensation, which is then reused for dilution. In addition, we reuse water to cool turbines and conduct continuous sterilisation as a method of reducing water consumption. We managed to reduce our water consumption as per the table below:

Water Consumed at Mill Operations ('000 litres)	
Palm Oil Mill	2023
Bukit Lawiang	267,380.00
Kota Bahagia	159,473.00
Sungai Tenegang	170,959.00
Ladang Mamahat	88,372.00
Ladang Raja Udang	317,708.00
Gedong	172,139.70
Total	1,176,031.70

Significant differences exist in the water usage data presentation between our 2022 and 2023 annual reports, specifically for 2021 and 2022.

Year	2021	2022	2023
Total Water Consumed at Mill Operations ('000 litres)	1,298,980.90	1,274,074.00	1,176,031.70
Water Consumption Rate (m ³ / Mt FFB)	1.62	1.56	1.46

In 2023's report, we have adopted a comprehensive approach by including additional data on mill processing, boiler operations and domestic consumption. These changes better showcase our continuous commitment to responsible water management and align with sustainable development principles, emphasising transparency and accountability in our environmental stewardship initiatives.

Water Sampling

Our mills and estates share rivers with local communities. Hence, it is our responsibility to prevent contamination of the rivers due to effluent and water discharge from our operations. To do so, water sampling is conducted in these areas by external laboratories and the results are reported to the DOE. To date, there have been no instances of water contamination in rivers surrounding our operations.

Managing water consumption during FFB processing is an ongoing challenge in our industry. However, we have significantly reduced our water footprint due to efforts such as rainwater harvesting, reusing water in other areas of operations and investing in newer technology that reduces water consumption. In the future, we will seek to identify more opportunities to reduce our water consumption.

OUR SUSTAINABILITY JOURNEY

OUR ENVIRONMENTAL INITIATIVES IN 2023

We have increased our efforts to conserve the environment and reduce GHG emissions. Our key efforts include:

DATE:
28 Oct
2023

Rehabilitation of Hutan Simpan Gunung Arong in Mersing, Johor



Launching ceremony: Rehabilitation of Hutan Simpan Gunung Arong in Mersing, Johor on 28 October 2023.

- ▶ We embarked on a seven-year (2022-2029) conservation and restoration project to rehabilitate the degrading Hutan Simpan Gunung Arong in Mersing, Johor, covering 4,300 Ha, in collaboration with a local non-governmental organisation. Our focus in this project is to conserve the biodiversity and ecosystem of the environment through nature-based solutions that will also increase carbon sinks, allowing us to address climate change issues.

DATE:
2023

Installation of Solar Panel



- ▶ The deployment of solar panels at THP Group has expanded to encompass 17 operational units, including estates and mills across Peninsular Malaysia, Sabah and Sarawak. This strategic expansion prioritises key areas such as fertiliser storage facilities, workshops, loading ramps, guardhouses, nurseries and street lighting installations.

DATE:
2023

Equipping Our Bukit Lawiang Mill with a Biogas Plant



- ▶ We have initiated a joint venture project with a third party to equip our Bukit Lawiang Mill with a biogas plant, which signifies our commitment to reducing GHG emissions in our day-to-day mill operations.

OUR SUSTAINABILITY JOURNEY



SOCIAL



SAFETY & HEALTH

Our employees' and workers' safety and health are a top priority for us. Our policies and measures underline Management's strict approach to occupational safety and health. It is our duty to provide the best care to our employees. Safe, healthy and conducive environment will benefit all stakeholders and ensure the sustainability of our business. In 2023, our OSH Unit conducted Compliance Visits to ensure that the practices in our estates and mills were in accordance with the OSH Act 1994, as well as to improve existing systems.

Our Policies

In 2023, we maintained our OSH Policy and OSH for Chemical Substances Policy as per year 2020. Some of the key elements of our policies are highlighted below:

- Providing a safe and healthy working environment.
- Communicating information, instruction, training and supervision to all employees.
- Identifying all accidents, diseases, poisoning and dangerous occurrences as well as taking preventive measures.
- Complying with the Osh Act 1994 and factories and Machinery Act 196.
- Ensuring all employees have appropriate work equipment as well as personal protective equipment as required for their jobs.
- Striving to improve knowledge and sense of responsibility of each employee.

	2021		2022		2023	
	Worker	Contractor	Worker	Contractor	Worker	Contractor
Total Hours Worked	12,741,372.70	165,336.00	12,293,348.35	707,217.00	11,814,152.69	753,855.00
Number of Fatalities	0	0	0	0	0	0
Number of Lost Time Injuries	351	0	238	10	377	2
Lost Time Incident Rate ("LTIR")	5.51	0.00	3.87	2.83	6.38	0.53

OUR SUSTAINABILITY JOURNEY

Our unwavering commitment to safety is evident through our zero-fatality record continuing into 2023.

In assessing the key safety metrics, we are concerned about the rise in worker LTIR, which necessitates a detailed analysis. Additionally, the positive trend in contractor LTIR highlights opportunities for best practice dissemination. The LTIR comparison urges proactive measures, reinforcing our commitment to a secure working environment. Based on the possibility that an accident could occur in any activity, THP Group has revised its Hazard Identification, Risk Assessment and Risk Control ("HIRARC") to identify root causes and implement corrective actions. Besides that, we have increased workers' awareness through training and briefings.

Inspection of Mills' Factories & Machinery

According to the Factory & Machinery Act 1967, all of our mills must abide by the Mill's Factory & Machinery Inspection conducted by the Department of Occupational Safety & Health ("DOSH") Malaysia every 15 months. The inspections are conducted on an annual basis as part of our commitment to safety. This includes the Occupational Safety & Health Workplace Assessment ("OSHW") and assessment of machineries that are used in our operations, such as boilers, Unfired Pressure Vessels ("UPVs") and hoisting machines.

Safety and Health Training

Our OSH unit regularly reviews the training plans. Workers and employees are assigned to pertinent training schedules and are obligated to attend them, as agreed. Training participation rates are monitored, and more than 90% of all employees have received training.

Our key annual training programmes for the year 2023 are highlighted below.

Name of Training	Content of Training	Frequency of Training	Attended by
Training on Mechanisation	Safe operating procedures on for mechanical handling	Once/year	Tractor drivers and harvesters/loaders
Emergency Response Action Plan Procedure (Accident, Chemical Spillage, Fire, Flood, Drowning, Animal Attack)	SOPs of Emergency Response Plan ("ERP")	Once/year	All management, employees and workers
Basic First Aider	Basic first aider training sessions	Once/year	OSH Committee
Fire Extinguisher Safety & Fire Drill (Inspection & Training)	Potential sources of fire and fire management procedures	Once/year	All management, employees and workers
Personal Protective Equipment ("PPE") Handling and Replacement Procedure	SOPs of PPE	Five times/year	All management, employees and workers
SOP Training and Best Practices for Estates and Mill Operations	Briefing on THP SOPs based on task/department	Four times/year	All management, employees and workers
Noise Exposure Training	Adequate training, instruction and information regarding noise exposure	Once/year	Employees who are subjected to excessive noise

OUR SUSTAINABILITY JOURNEY



SOCIAL

In 2023, a total of 6,282 participants were given various types of training on health and safety standards.

Number of workers and contractors trained on health and safety standards



Basic First Aider training at the THP Group Headquarters on 17 July 2023 (left) and fire drill at TH Selborn Tower on 22 November 2023.

Safety and Health Audits

Internal safety and health audits are conducted annually by our OSH unit. The audits cover all our estates and mills.

The aims of our audits are to:

- Determine the level of health and safety of our employees in each business unit
- Analyse the risk factors that may negatively affect their health and safety
- Advise on improving the safety and health aspects of the working environment

The main areas inspected during the audits are:

- Reviewing all records related to OSH
- SOPs of all worksites
- Amenities for emergency response
- PPE provided by estates and mills
- Systematic maintenance of equipment and machineries
- Availability of amenities and infrastructure at the worksites

Findings are communicated to the respective managers of mills and estates. Their actions are reviewed in the next audit.

OUR SUSTAINABILITY JOURNEY

Management of Noise Levels

We monitor the levels of noise around the mills to ensure that the levels are below the limits stipulated by the Environmental Quality Act 1974. All our mills operate within the permitted noise levels of 65 dB(A) during the day and 55 dB(A) at night.

Our employees are prohibited from being exposed to:

A daily Noise Exposure Level ("NEL") of more than 85 dB(A) / Daily Personal Noise Dose ("DPND") of more than 100%	A maximum Sound Pressure Level ("SPL") of more than 115 dB(A) at any time	A Peak Sound Pressure Level ("SPL") of more than 140 dB(C)
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If employees are required to work in an environment with a DPND or NEL above 100%, earplugs are provided to protect their hearing, as per regular practice and recommendation by DOSH's Noise Risk Assessment.

HUMAN RIGHTS

Our employees and workers are important stakeholders and the cornerstone of our success. The human rights of our workforce are respected and valued as we uphold our obligations to them. Our practices and internal systems are continuously reviewed and updated to mitigate any negative impacts on our stakeholders. We have not faltered in supporting them and ensuring that their rights are protected.

Our Human Rights Commitment

As part of our commitment to becoming an integrated and sustainable plantation company, we see human rights as an essential component of our sustainability mandate. To this end, we uphold, respect and protect the rights of all individuals, as we understand that this forms the foundation of sustainable business growth.

In 2023, we employed 6,777 employees and workers, of whom 45% were local and 55% were foreign. Our commitment is to uphold their human rights by adhering to our Human Capital ("HC") Policies, which outline the basic principles of human rights, as shown below:

Fair wages	No discrimination	No child labour	No compulsory or forced labour	Equal opportunity
Freedom of association	Safety and health at work	Social protection	Employment security	Work-life balance

As of 2023, there have been no substantiated complaints concerning human rights violations from all levels of employees.

OUR SUSTAINABILITY JOURNEY



SOCIAL

Supporting Our Foreign Workforce

All our workers are treated fairly and equally. The hiring process for foreign workers is especially significant as we need to relocate them from their home countries. For that reason, we want to support their transition to the best of our ability. Our hiring process for foreign workers ensures that the workers are not bound by hidden fees or harmful conditions that will violate their rights. All of the foreign workers employed by us are from Indonesia.

The process begins with obtaining quota approval to hire workers from The Ministry of Home Affairs ("MOHA") and The Ministry of Human Resource ("MOHR"). Upon request, our appointed agents will begin the recruitment and immigration process in Indonesia and will make flight arrangements for the workers. Our representatives will pick them up once they arrive in Malaysia. All costs involved, including levy fees payable to the Malaysian government, visa applications and flight tickets, will be borne by the Company.

Upon arriving at our sites, all foreign workers are provided with safe and secure accommodation close to their worksite. In 2023, we continued the initiative to replace and upgrade our employees' living quarters as part of our ongoing commitment to supporting our workers, which is also in compliance with local laws and regulations. Moreover, we constructed welfare and sports facilities for the benefit of our estate and mill employees in line with International Labour Organisation requirements.

We strictly adhere to the national minimum wage regulations in our areas of operation. Effective April/May 2022, the Malaysian government has specified a minimum wage of RM1,500 per month for the work performed in a place of employment, under the Wage Order 2020. The average monthly earnings of our workers in all our estates are highlighted below.

Earnings (RM)	2021	2022	2023
Average monthly earnings per worker	1,870.00	1,700.00	1,874.00

EMPLOYEE WELFARE AND DEVELOPMENT

We care about our people and we are committed to meeting the requirements of our employees and workers in the areas of career development, competitive remuneration and welfare. Without the commitment and drive of our workforce, we would struggle to grow as a business.

Our People

THP Group's talented and diverse workforce is our strongest resource and the bedrock of our success. We are committed to developing a strong workforce that can drive the THP Group's strategic direction and create a positive impact on our economic, environmental and social dimensions.

Total No. of Employees (%)	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Management (Senior Management)	73	27	83	17	50	50
Employees (Management, Executives and Non-Executives)	70	30	74	26	73	27
Workers (Local)	79	21	80	20	78	22
Workers (Foreign)	74	26	72	28	77	23

OUR SUSTAINABILITY JOURNEY

Diversity, Equity & Inclusion

Diversity and inclusivity at work give us a competitive edge through the accumulation of, and the ability to tap into, a wide range of knowledge, perspectives and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination by actively encouraging diversity in gender, race, religion, age and nationality.

We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. Guided by our Sustainability Policy, which was refreshed in 2020, we promote a culture that respects and values differences, advocates equality, and encourages growth and development to help individuals reach their full potential.

We are dedicated to maintaining fair employment practices and consistently review our recruitment process to ensure equality from the beginning, in alignment with our Recruitment Policy and procedures. At THP Group, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

Total Employees by Gender (including workers) (%)		2021	2022	2023
Male		77	76	77
Female		23	24	23

Total Employees by Age Category (%)		2021	2022	2023
Management (current Senior Management Team)	Age under 30	0	0	0
	Age 30 - 50	13	8	25
	Age above 50	87	92	75
Management (Management, Executives and Non-Executives)	Age under 30	11	10	11
	Age 30 - 50	68	71	70
	Age above 50	20	19	19
Workers	Age under 30	31	30	32
	Age 30 - 50	59	58	58
	Age above 50	9	12	10

Composition of the Board by Gender (%)		2021	2022	2023
Male		100	87	78
Female		0	13	22

Composition of the Board by Age Group (%)		2021	2022	2023
Age under 30		0	0	0
Age 30 - 50		20	37	33
Age above 50		80	63	67

OUR SUSTAINABILITY JOURNEY



SOCIAL

Benefits for Employees and Workers

We strive to compensate our workforce by providing competitive benefits to support them, due to the ever-changing needs of society.

Besides annual leave and life insurance, employees and workers who work at our mills and estates are provided with free lodging, electricity and water supply. For our foreign workers, we absorb their total recruitment cost, including airfare, transportation cost and annual levy fees.

In support of our employees, we provide a number of benefits, such as allowances for accommodation, transportation and travel and medical and life insurance. Furthermore, we support working parents among our employees, providing them with 98 days of maternity leave and rewarding employees' children for their excellent performance at school. We acknowledge parental leave as an important benefit to support work-life balance among our employees. All permanent employees and workers are entitled to parental leave and all employees who took parental leave returned to work, as shown below.

	2021	2022	2023
Total No. of Employees Who Took Parental Leave			
Men	3	2	1
Women	1	3	1
Total No. of Employees Who Returned to Work in the Reporting Year After Parental Leave			
Men	3	2	1
Women	1	3	1

We consider our employees' long-term needs via our contribution to the Employees Provident Fund ("EPF") and Social Security Organisation ("SOCSO") on behalf of our employees. We have also established the Retirement Gratuity Scheme, for which most permanent employees are eligible. The scheme provides our retiring employees with an attractive retirement package.

We believe in a fair and equal workplace. We treat our employees equally and provide competitive remuneration based on their individual performance.

Career Development and Training

We want THP Group to be a platform for career progression and development for our employees. To realise this, we encourage our employees to broaden their knowledge base and provide them with various career development programmes, such as job rotations and mobility and training programmes, to help them advance in their careers.

A budget is allocated annually for employee training and it is administered by our Human Capital Department, which monitors and organises appropriate training programmes based on employees' skills and designations.

OUR SUSTAINABILITY JOURNEY

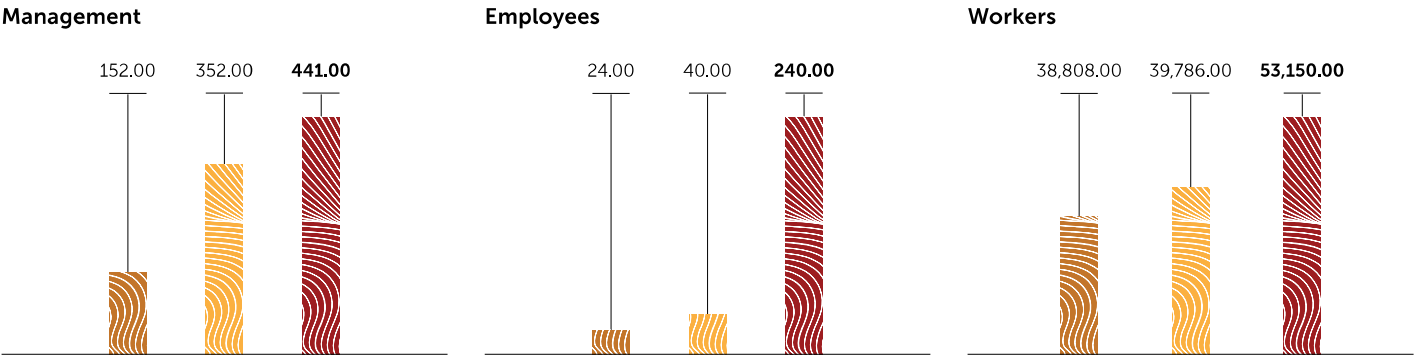
The workers at estates and mills are provided with internal training conducted by management. They are also internally assessed through Training Need Analysis (“TNA”) annually according to their work routine and category.

1	2	3
OSH Training	Environmental Training	Operations Training
<ul style="list-style-type: none">• Fire drill• First aider• PPE• Safe work procedures	<ul style="list-style-type: none">• Waste handling• Pollution control• Recycled waste handling• Scheduled waste handling• Biodiversity	<ul style="list-style-type: none">• Company Policies• MSPO Awareness• Company SOPs• FFB harvesting• FFB grading• Field upkeep & maintenance• Manuring• Store handling• Workshops

In 2023, we also continuously organised a Sustainability Month Programme to embed understanding among employees on the various aspects of sustainability, including topics that were repeated from the previous year, such as GHG Emissions Mitigation, High Carbon Stock Approach, Benefit of Biogas/Biomass, Scheduled Waste Handling, OSH Matters (Stress Management) and Emergency Response Plan (“ERP”), at our Headquarters. Our estates and mills in Kluang, Kota Bahagia, Terengganu, Sabah and Sarawak also had OSH Compliance Visits conducted to ensure that their practices were in accordance with OSH Act 1994.

During the year, the Sustainability Department attended the International Palm Oil Congress and Exhibition (“PIPOC”) 2023 and Carbon Forest Seminar organised by the Sarawak Forestry Department to increase their knowledge on sustainability challenges and opportunities in the Malaysian palm oil industry.

Total Hours of Training



OUR SUSTAINABILITY JOURNEY

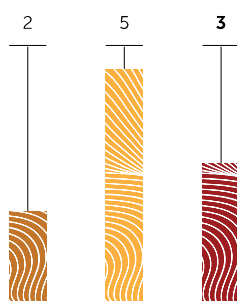


SOCIAL

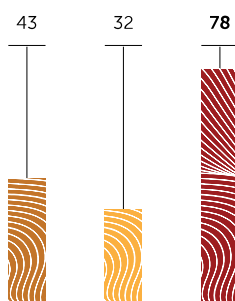
Total Number of Employee Turnover

■ 2021 ■ 2022 ■ 2023

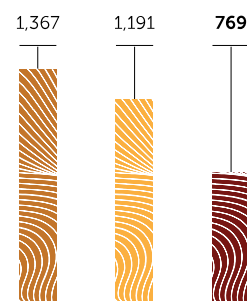
Management



Employees



Workers



Training for Non-Technical Skills

Frequency of Training

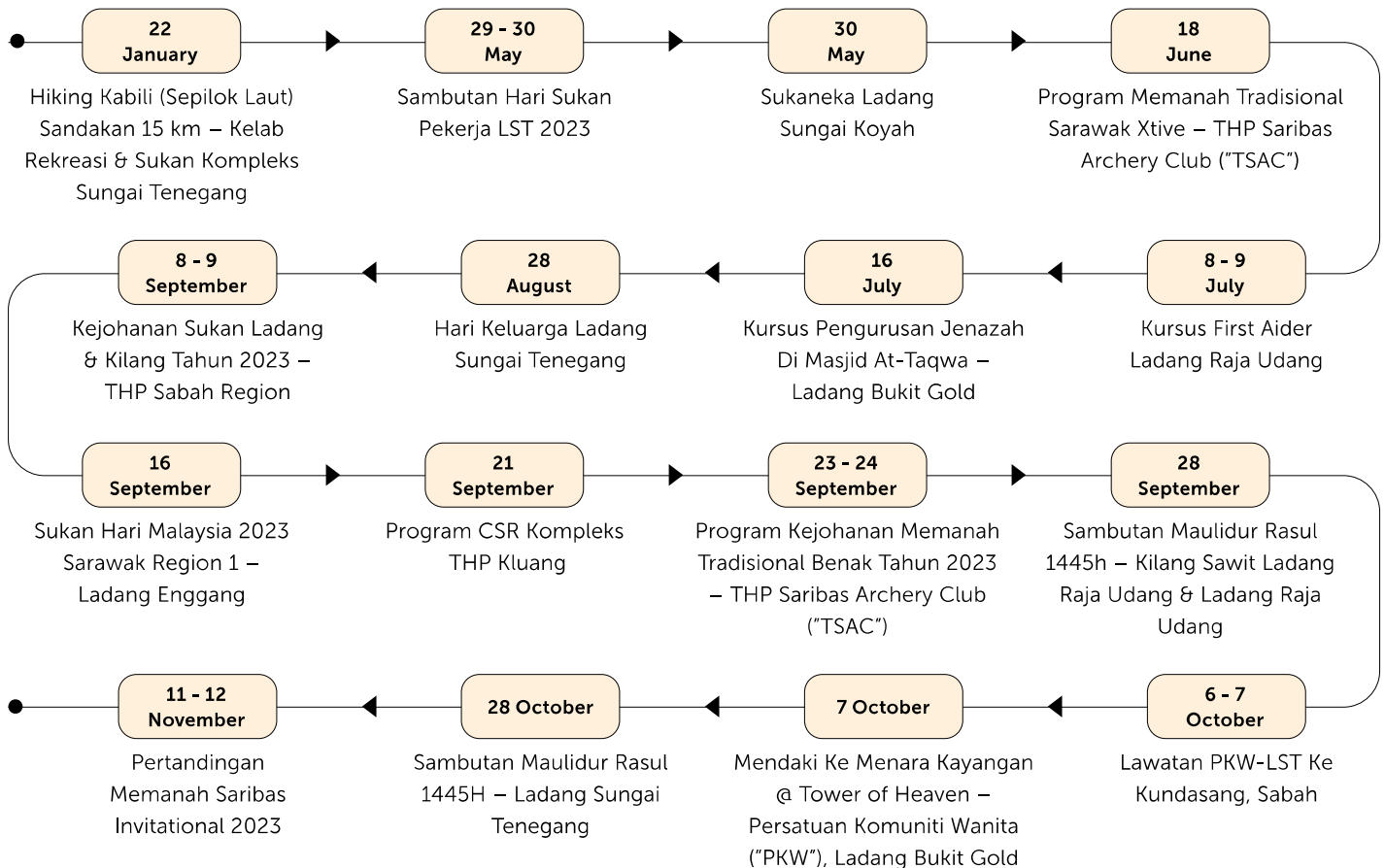
Employees Who Attended the Training

MPOB Seminar & Training	Twice/year	Marketing and Estate Management
QMSPRO Seminar HIRARC	Once/year	Representative Department
MAICSA & SSM	Twice/year	Secretarial Department
MPOC Market Forum 2023	Once/year	Marketing, Sustainability and Management
Basic Occupational First Aid	Once/year	Representative Department
MACA	Twice/year	Internal Audit Department
MAPA & Employment Law	Once/year	IT, HC and Management
MalaysianIA Institute of Accountants	Thrice/year	Finance Department
POC East Malaysia Palm & Lauric Oilsl	Once/year	Marketing Department
MPOB Seminar & Training	Twice/year	Agronomy and Estate Management
MIA Malaysian Institute of Accountants	Once/year	Finance and Management
NIOSH	Once/year	Estate Management
ISP	Once/year	Mechanisation Unit

OUR SUSTAINABILITY JOURNEY

Employee Lifestyle Programmes

Various social and sporting events were held to build teamwork and to encourage employees' work-life balance. Numerous activities were organised both at Headquarters and at estate/mill level throughout 2023, including the following:



OUR SUSTAINABILITY JOURNEY



SOCIAL

LOCAL COMMUNITIES / COMMUNITY INVESTMENT

Our operations are located in numerous areas among diverse communities. Utilising this opportunity, we cultivate significant relationships with surrounding communities and contribute to the national economy by providing jobs and charitable aid. In total, our community investment in 2023 was RM119,600.00 which was directed to 705 beneficiaries.

Serving the Local Communities and Land Rights

A number of our estates, especially estates located in Sarawak, are part of a land management programme with indigenous communities. We respect the rights of these communities; therefore, we establish a collaborative approach to land management with these communities.

To do so, we participate in Sarawak's Native Customary Rights ("NCR") Land Development Programme, which is managed by the Sarawak Land Custody and Development Authority. The programme enables us to work together with native landowners to develop and manage plantation land in certain areas.

In 2023, 18% of the NCR land was part of the incentive payment programme involving 2,052 landowners. In exchange for their participation in the programme, indigenous landowners received income in the form of incentives and leasehold payments. These incentives are paid twice a year, based on the number of hectares under our management.

Furthermore, the close proximity of our plantations to local communities allows us to provide job opportunities to members of these communities.

	2021	2022	2023
Incentives paid to local communities, as part of land management (RM)	4,234,502.00	4,340,961.00	3,408,437.00
Number of beneficiaries	2,346	2,035	2,162

Unlocking Entrepreneurial Capabilities

One of the ways in which we help our communities achieve better future prospects is through the Vendor Development Initiative ("VDI"), which promotes entrepreneurship among the locals. Through the VDI, we encourage individuals from our local communities to start a business that will allow them to become our business partners. By giving them the opportunity to earn contracts from THP, we are not only promoting an entrepreneurial culture among the locals, but also helping them earn a living.

In addition to this, we also encourage the participation of Bumiputera contractors in the VDI programme. In 2023, we signed contracts worth RM221.00 million as part of the VDI initiative, with 29% being with Bumiputera businesses with a total contract value of RM65.00 million. We will continue to respect our relationships with our local and indigenous communities and utilise our resources to provide for local development. Additionally, we will play a role in supporting the nation's agenda to assist youths and develop the national economy of the countries we operate in.

CONCLUSION

Our sustainability aspirations and efforts are now focused on sustaining MSPO Certification Programmes and improving our commitment to the NDPE Policy, in line with our position as a major industry player. These efforts will guide us in formalising the sustainability commitments and systems that are presently in place to manage our sustainability matters. We will continue to monitor and manage our material matters and seek to bridge identified reporting gaps. With shifting tides and global trends in the plantation industry, we need to continuously adapt to internal and external changes while closely collaborating with our stakeholders. Our values will ensure that we do not falter in upholding our sustainability commitments as we move towards becoming a sustainable palm oil player.

OUR SUSTAINABILITY JOURNEY


PERFORMANCE DATA TABLE

Indicator	Unit	2021	2022	2023	Targets
Economic Performance					
Economic value generated (i.e., revenue and other income)	MYR	771,808,000.00	891,550,000.00	773,285,000.00	
Economic value distributed:					
- Operating Cost	MYR	430,113,000.00	569,719,000.00	484,971,000.00	
- Employee wages and benefits	MYR	119,695,000.00	127,551,000.00	158,582,000.00	
- Payment to providers of capital (i.e., dividend and financing cost)	MYR	79,014,000.00	84,317,000.00	88,120,000.00	
- Payment to government (i.e., tax)	MYR	39,234,000.00	57,229,000.00	33,470,000.00	
- Community Investment	MYR	142,000.00	-	119,600.00	
- Economic value retained	MYR	103,610,000.00	52,734,000.00	8,022,400.00	
Customer Satisfaction					
Free Fatty Acid ("FFA")	Percentage	3.91	3.95	3.79	≤5.00
Deterioration of Bleachability Index ("DOBI")	Percentage	2.53	2.52	2.52	≥2.30
Moisture & Impurities ("M&I")	Percentage	0.16	0.15	0.16	<0.25
Moisture	Percentage	6.06	6.19	6.33	<7.00
Dirt & Shell	Percentage	4.92	4.86	4.80	<6.00
Research & Development					
Budget for R&D: Annual Expenditure ('000 000)	MYR	1.5	1.3	2.0	
Fair Procurement Practices					
Suppliers that were screened using environmental criteria	Percentage	Nil	Nil	3%	
Suppliers assessed for environmental impacts	Number	Nil	Nil	51	
Suppliers that were screened using social criteria	Percentage	Nil	Nil	3%	
Suppliers assessed for social impacts	Number	Nil	Nil	51	
Proportion of spending on Bumiputera Suppliers.	Percentage	39	38	29	
Anti-Corruption Practices					
Confirmed Corruption Incidents	Number	0	0	0	
Training completion rate by employee category:					
Management Level	Percentage			79	
Executive	Percentage			75	
Non-executive/Technical	Percentage			29	

Note  External Assurance

OUR SUSTAINABILITY JOURNEY

Indicator	Unit	2021	2022	2023	Targets
Cybersecurity & Data Protection					
Substantiated complaints concerning breaches in customer privacy or data loss	Number	0	0	0	
Biomass Residue					
Produced:					
EFBs	Metric tonnes	177,770.85	162,351.38	121,670.53	
Shells	Metric tonnes	91,024.64	69,395.16	110,836.61	
Fibres	Metric tonnes	122,876.52	116,120.37	123,811.83	
Reutilised:					
EFBs	Metric tonnes	159,601.61	157,900.54	120,003.68	Reutilise biomass residue up to 90%
Shells	Metric tonnes	91,024.64	67,225.31	110,836.61	
Fibres	Metric tonnes	122,876.52	111,061.22	123,811.83	
Emissions from Boilers					
KS Bukit Lawiang	Percentage	17.00	18.00	18.00	<20%
KS Kota Bahagia	Percentage	12.40	12.98	2.05	<40%
KS Sungai Tenegang	Percentage	5.41	3.98	5.92	<20%
KS Ladang Mamahat	Percentage	18.20	17.20	4.54	<20%
KS Ladang Raja Udang	Percentage	25.03	21.90	29.00	<40%
KS Gedong	Percentage	49.81	29.13	25.97	<50%
Energy Consumption					
Non-Renewable Energy Fuel (Purchased & Consumed)	GJ	-	-	5,601.55	
Non-Renewable Energy Electricity (Purchased)	GJ	-	-	3,744.14	
Renewable Energy Fuel (Purchased / Acquired & Consumed)	GJ	-	-	153,917.28	
Total Renewable Energy (Generated)	GJ	-	-	49,970.81	
Total Energy	GJ	-	-	213,233.79	
GHG Emissions					
Average Total Emissions	tCO ₂ e/Metric tonne	1.93	1.85	0.90	
Palm Oil Mill Effluent ("POME") and Biological Oxygen Demand ("BOD") Measurements					
KS Bukit Lawiang	mg/L	55.00	54.00	54.00	<100 mg/L
KS Kota Bahagia	mg/L	85.00	80.00	70.00	<100 mg/L
KS Sungai Tenegang	mg/L	9.05	9.01	10.07	<20 mg/L
KS Ladang Mamahat	mg/L	12.30	13.68	9.55	<20 mg/L
KS Ladang Raja Udang	mg/L	12.48	6.07	15.38	<20 mg/L
KS Gedong	mg/L	12.42	13.60	18.20	<20 mg/L
Total POME generated	metric tonnes	510,529	510,073	492,034	

Note  External Assurance


OUR SUSTAINABILITY JOURNEY

Indicator	Unit	2021	2022	2023	Targets
Water Consumption					
Total Water Consumed at in Mill Operations	('000 litre)	1,298,980.90	1,274,074.00	1,176,031.70	
Water Consumption Rate	(m ³ / Mt FFB)	1.62	1.56	1.46	<1.5 m ³ / Mt FFB
Health & Safety					
Workers					
Total Hours Worked	Hours	12,741,372.70	12,293,348.35	11,814,152.69	
Fatalities	Number	0	0	0	Zero fatalities annually
Lost Time Injuries	Number	351	238	377	
Lost Time Incident Rate ("LTIR")	Rate	5.51	3.87	6.38	
Contractors					
Total Hours Worked	Hours	165,336.00	707,217.00	753,855	
Fatalities	Number	0	0	0	Zero fatalities annually
Lost Time Injuries	Number	0	10	2	
Lost Time Incident Rate ("LTIR")	Rate	0	2.83	0.53	
Workers and contractors trained on health and safety standards	Number	5,311	5,754	6,282	
Supporting Our Foreign Workforce					
Average monthly earnings per worker	MYR	1,870	1,700	1,874	
Our People					
Total No. of Employees (%) – Men:					
Management (Senior Management)	Percentage	73	83	50	
Employees (Management, Executives and Non-Executives)	Percentage	70	74	73	
Workers (Local)	Percentage	79	80	78	
Workers (Foreign)	Percentage	74	72	77	
Total No. of Employees (%) – Women:					
Management (Senior Management)	Percentage	27	17	50	
Employees (Management, Executives and Non-Executives)	Percentage	30	26	27	
Workers (Local)	Percentage	21	20	22	
Workers (Foreign)	Percentage	26	28	23	
Diversity, Equity & Inclusion					
Total employees by gender (including workers):					
Male	Percentage	77	76	77	
Female	Percentage	23	24	23	

Note  External Assurance

OUR SUSTAINABILITY JOURNEY

Indicator	Unit	2021	2022	2023	Targets
Diversity, Equity & Inclusion					
Total percentage of employees by age category					
Management (current Senior Management Team as per current):					
Age under 30	Percentage	0	0	0	
Age 30 - 50	Percentage	13	8	25	
Age above 50	Percentage	87	92	75	
Employees (Management, Executives and Non-Executives):					
Age under 30	Percentage	11	10	11	
Age 30 - 50	Percentage	68	71	70	
Age above 50	Percentage	20	19	19	
Workers:					
Age under 30	Percentage	31	30	32	
Age 30 - 50	Percentage	59	58	58	
Age above 50	Percentage	9	12	10	
Percentage of the Board by gender:					
Male	Percentage	100	87	78	
Female	Percentage	0	13	22	
Total percentage of BOD the Board by age:					
Age under 30	Percentage	0	0	0	
Age 30 - 50	Percentage	20	37	33	
Age above 50	Percentage	80	63	67	
Benefits for Employees and Workers					
Total no. of employees who took parental leave:					
Men	Number	3	2	1	
Women	Number	1	3	1	
Total no. of employees who returned to work in the reporting year after parental leave:					
Men	Number	3	2	1	
Women	Number	1	3	1	
Career Development and Training					
Total Hours of Training:					
Management	Hours	152.00	352.00	441.00	
Employees	Hours	24.00	40.00	240.00	
Workers	Hours	38,808.00	39,786.00	53,150.00	
Total employee turnover:					
Management	Number	2	5	3	
Employees	Number	43	32	78	
Workers	Number	1,367	1,191	769	
Serving the Local Communities and Land Rights					
Total amount of incentives paid to local communities, as part of land management	MYR	4,234,502	4,340,961	3,408,437	
Number of beneficiaries	Number	2,346	2,035	2,162	

Note  External Assurance

VALIDATED DATA & BASIS - TABLE FOR BURSA

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	79.00
Executive	Percentage	75.00
Non-executive/Technical	Percentage	29.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	119,600.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	705
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	25.00
Senior Management Above 50	Percentage	75.00
Management to Non-Executives Under 30	Percentage	11.00
Management to Non-Executives Between 30-50	Percentage	70.00
Management to Non-Executives Above 50	Percentage	19.00
Workers (Local & Foreign) Under 30	Percentage	32.00
Workers (Local & Foreign) Between 30-50	Percentage	58.00
Workers (Local & Foreign) Above 50	Percentage	10.00
Gender Group by Employee Category		
Senior Management Male	Percentage	50.00
Senior Management Female	Percentage	50.00
Management to Non-Executives Male	Percentage	73.00
Management to Non-Executives Female	Percentage	27.00
Workers (Local & Foreign) Male	Percentage	77.00
Workers (Local & Foreign) Female	Percentage	23.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	78.00
Female	Percentage	22.00
Under 30	Percentage	0.00
Between 30-50	Percentage	33.00
Above 50	Percentage	67.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	59,231.61

VALIDATED DATA & BASIS - TABLE FOR BURSA

Indicator	Measurement Unit	2023
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	6,282
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	441
Employees	Hours	240
Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	3
Employees	Number	78
Workers	Number	769
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	29.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1.176000

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Cybersecurity & Data Protection			
GRI 3: Material Topics 2021	3-3	Management of material topics	40
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	40
Climate Change			
GRI 3: Material Topics 2021	3-3	Management of material topics	46-53
GRI 302: Energy 2016	302-1	Energy consumption within the organization	48
	302-4	Reduction of energy consumption	47
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	N/A
	305-2	Energy indirect (Scope 2) GHG emissions	N/A
	305-3	Other indirect (Scope 3) GHG emissions	N/A
	305-5	Reduction of GHG emissions	50
Employee Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	58-63
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	61
	404-2	Programs for upgrading employee skills and transition assistance programs	62

GRI CONTENT INDEX

GRI Standard	Disclosure		Page Number
Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	59
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	59
Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	57
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	57
Supply Chain Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	38-39
GRI 204: Procurement Practices 2016:	204-1	Proportion of spending on local suppliers	39
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	39
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	39
Waste Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	45-46
GRI 306: Waste 2020	306-3	Waste generated	45
	306-4	Waste diverted from disposal	45
	306-5	Waste directed to disposal	45
Community Investment			
GRI 3: Material Topics 2021	3-3	Management of material topics	64
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	36 & 64
Water Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	52
GRI 303: Water and Effluents 2018	303-5	Water consumption	52

ASSURANCE STATEMENT

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to independent assurance in accordance with recognised assurance standards for selected indicators, as approved by the Company's Audit Committee.

The scope, subject matter covered and conclusions (where applicable) are provided below:

Type of Assurance	Material Matters	Subject Matter	Scope	Conclusion
Independent Limited Assurance	Governance and Ethics	Anti-Corruption Practices: a) Percentage of employees who have received training on anti-corruption by employee category. b) Percentage of operations assessed for corruption-related risks. c) Confirmed incidents of corruption and action taken. Cybersecurity & Data Protection: a) Number of substantiated complaints concerning breaches of customer privacy and loss of customer data.	Operations assessed: • Malaysia	Based on the procedures we have performed conducted and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in TH Plantations Berhad's Sustainability Statement have has not been prepared and presented fairly, in all material respects, in accordance with the defined criteria in ISAE 3000 (Revised).
	Water Management	a) Total volume of water used		
	Employee Welfare and Development	Diversity, Equity & Inclusion: a) Percentage of employees by gender and age group for each employee category. b) Percentage of Directors by gender and age group.		

Please refer to page 75 for the Independent Limited Assurance Statement provided by BSI Sdn Bhd.

We will continue to improve our data accuracy and quality to strengthen our disclosures moving forward by ensuring that all indicators are subjected to independent assurance within the next five years.

INDEPENDENT LIMITED ASSURANCE STATEMENT



INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of TH Plantations Bhd

Holds Statement No.: SRA 803024

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Statement of TH Plantations Bhd Annual Report 2023

Scope

The scope of engagement agreed upon with TH Plantations Bhd includes the following:

The assurance covers the information of the following subject matters in the TH Plantations Bhd Sustainability Statement for 2023.

1. Anti-corruption
 - a) Percentage of who have received training on anti-corruption by employee category.
 - b) Percentage of operations assessed for corruption related risks.
 - c) Confirmed accidents of corruption and action taken.
2. Diversity
 - a) Percentage of employees by gender and age group for each employee category.
 - b) Percentage of directors by gender and age group.
3. Data Privacy and Security
 - a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.
4. Water Consumption
 - a) Total volume of water used.

The selected information are reported in accordance with ISAE 3000 (revised)

INDEPENDENT LIMITED ASSURANCE STATEMENT

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised).

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant TH Plantations Bhd policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on TH Plantations Bhd approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

Responsibility

TH Plantations Bhd is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to TH Plantations Bhd and has no financial interest in the operation of TH Plantations Bhd other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of TH Plantations Bhd only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by TH Plantations Bhd. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by TH Plantation Bhd is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT LIMITED
ASSURANCE STATEMENT

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

Issue Date: 6 February 2024

For and on behalf of BSI:



Shaiful Rahman, Lead Assurer



Evelyn Chye, Managing Director BSI Malaysia

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