

# OUR ENVIRONMENTAL STEWARDSHIP



## Biodiversity & Conservation

### Why It Matters

Protecting local ecosystems and biodiversity is crucial for maintaining environmental balance and promoting sustainable development.

As a responsible industry player, we recognise our duty to minimise impacts on habitats within and around our operational areas and their surrounding ecosystems.

### OUR APPROACH

#### Preserving Riparian Reserves

Riparian reserves are vital conservation zones situated between land and rivers, providing crucial habitats for a diverse array of plant and animal species. They also play a critical role in maintaining soil stability and protecting water quality in surrounding areas.

Within our plantations, we have established buffer zones and riparian reserves covering 598 hectares (“ha”). To strengthen these areas, we plant legume cover crops (“LCCs”), which reduce soil erosion, suppress weed growth and enhance soil fertility.

We focus on maintaining and preserving riparian reserves, in line with applicable MSPO standards, aiming to demonstrate responsible environmental stewardship.

#### Conducting Environmental Impact Assessments

Before any replanting activities, we conduct comprehensive Environmental Impact Assessments (“EIAs”) in accordance with requirements set by the Malaysian Department of Environment (“DOE”), covering:

- 1 Soil erosion, slope stability and soil conditions
- 2 Water and noise pollution
- 3 Loss of flora, fauna and habitats
- 4 Waste disposal
- 5 Impacts of replanting and abandoned land
- 6 Socioeconomic and ecological effects
- 7 Safety and health concerns
- 8 Peat soil subsidence

These assessments are carried out by independent third-party consultants, with findings submitted to the DOE to ensure all environmental considerations are addressed before replanting commences.

Replanting decisions are guided by several factors, including palm age (with yields declining below 15 MT/ha for palms over 25 years), palm height (harvesting challenges arise for palms exceeding 45 feet) and areas where soil quality has deteriorated due to flooding or root diseases.

# Our Environmental Stewardship

## Managing Our Peatlands

We cultivate only on peatland designated by the Malaysian government for agricultural development, following strict guidelines to ensure sustainable use. Recognising the fragile nature of peat soils, we implement targeted practices to support responsible development.

Our Agronomy team provides technical guidance and advisory support, focusing on maintaining optimal water levels and managing excess drainage to prevent peat degradation. These measures are critical for safeguarding the long-term health and productivity of the land.

By the end of FY2025, we owned 44,749.27 ha of peatland, of which 14,924.84 ha remained unplanted and were preserved as biodiversity and conservation areas.

## Integrated Pest Management

Pest management is a critical component of oil palm cultivation, supporting healthy yields and protecting plantations from damage. To balance operational needs with environmental stewardship, we prioritise integrated pest management (“IPM”) approaches that minimise reliance on chemical inputs.

Our IPM strategy emphasises the use of biopesticides and biological control agents, tailored to the specific conditions of each estate. This approach enables effective pest control while supporting environmental sustainability and ecosystem health.

### Our efforts include:

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

## Conservation Of Coastal Forest & Peatlands in Gunung Arong Forest Reserve

Now in its third year, FY2025 activities for the conservation programme covering 4,300 ha within the Gunung Arong Forest Reserve (“GAFR”) in Mersing, Johor, were implemented in accordance with the approved work plan jointly developed by the Johor State Forestry Department (“JSFD”), the Global Environment Centre (“GEC”) and TH Plantations Berhad (“THP”), as part of the Group’s efforts to address climate

change and to support the national agenda towards Net Zero by 2050. Funded by Lembaga Tabung Haji (“TH”) with a total allocation of RM5 million, this seven-year programme (2022–2029) aims to preserve and conserve the forest ecosystem through strengthening carbon sequestration and enhancing the role of the area as a carbon sink, improved hydrology systems to maintain ecosystem functions, biodiversity protection and key ecosystem, controlling forest fire risks through prevention and mitigation measures, and empowering local communities through inclusive engagement and sustainable livelihood support. The work plan continues to serve as the guiding framework for key conservation initiatives, community engagement programmes and sustainable forest management efforts within GAFR and its surrounding areas, supporting environmental sustainability and ecosystem health.

### Notable milestones and activities during the year include:

- 1 Successful Registrar of Societies (“RoS”) registration of local community group Pertubuhan Komuniti Pelindung Alam Sekitar (“KompAS”), Mersing (PPM-008-01-25072025), strengthening its role in leading community-driven conservation initiatives.
- 2 Operation of 10 canal blocks in identified fire hotspots to manage water levels, reduce fire risks and restore natural hydrology in peatland areas.
- 3 Installation of 11 piezometers with regular patrols and data recording to monitor fire risk; low water table readings indicate higher fire risk and dry peatland conditions.
- 4 Establishment of a community forest fire patrol team in GAFR, comprising three patrollers conducting four weekly patrols to prevent fires in high-risk forest compartments.
- 5 Installation of nine forestry enactment signages, five Fire Danger Rating System (“FDRS”) signages and four Peatland Fire Risk Markers with piezometers to enforce regulations and provide early fire risk warnings with real-time groundwater data.
- 6 Wildlife monitoring through camera traps and roadkill surveys confirmed the active presence of International Union for Conservation of Nature (“IUCN”)-categorised endangered and vulnerable species, highlighting GAFR’s role as a sanctuary.
- 7 Planting of 3,828 trees in collaboration with local communities, including *Hopea odorata*, *Calophyllum ferrugineum* and *Dipterocarpus oblongifolius*.
- 8 Organisation of scientific and outreach activities, including four community events and research paper presentations in collaboration with the GEC, to promote conservation awareness and highlight freshwater swamp and wetland ecosystems.

## Our Environmental Stewardship

### Restoration of GAFR



### Tree-planting activities



These initiatives demonstrate meaningful progress in rehabilitation and conservation, with increasing local participation reflecting a growing sense of ownership. Collaborative actions between the community and relevant agencies have been instrumental in sustaining and strengthening GAFR conservation initiatives.

### Restoration of GAFR through Tree-planting

On 14 October 2025, we conducted a tree-planting activity at GAFR as part of the Coastal Forest and Peatland Conservation Programme. The event brought together 33 participants, including 20 THP delegates, seven representatives from the Johor Timur District Forestry Department and GEC, and four KomPAS members.

A monitoring visit to previously planted plots allowed staff to assess growth and survival, informing adaptive management of ongoing conservation activities. This event reinforced our leadership in multi-stakeholder collaboration and commitment to restoring coastal and peatland ecosystems at GAFR.

# Our Environmental Stewardship

## Biodiversity & High Conservation Value Training

From 19–20 November 2025, we conducted a Biodiversity & HCV Training at Ladang Kota Bahagia, Pahang, involving staff from our oil palm estates across the Peninsular Region.

### The programme:

- 1 Provided training on MSPO HCV guidelines and biodiversity conservation principles.



- 2 Included field activities along estate borders near rivers to identify critical conservation areas, observe wildlife habitats and evaluate ecological indicators.
- 3 Featured wildlife sightings, including hornbills, fish and various bird species.
- 4 Introduced tree species identification and camera trap use for monitoring wildlife.

## HCV Internal Lead Assessor Training

In line with our commitment to sustainability and regulatory compliance, our personnel attended the MSPO HCV Internal Lead Assessor Training from 16 to 18 December 2025 at Hotel Seri Malaysia, Mersing, Johor. The programme enhanced participants' understanding of HCV principles and their practical application within the MSPO certification framework, covering both smallholder and plantation operations.

This capacity-building initiative strengthens internal competencies to conduct HCV assessments, supports compliance with regulatory requirements and ensures that biodiversity and conservation considerations are integrated into our plantation management practices.

## Achieving Coexistence with Elephants

We actively supported elephant conservation and human-elephant conflict mitigation during the year through participation in the following key initiatives:

- 1 National Symposium on Asian Elephant Conservation and Management (16–18 November 2025, Felda Residence Tanjung Leman, Johor), organised by the Malaysian Palm Oil Green Conservation Foundation (“MPOGCF”) in collaboration with the Department of Wildlife and National Parks Peninsular Malaysia (“PERHILITAN”).



- 2 MEME Stakeholder Workshop and Online Course Launch (3 November 2025, University of Nottingham Malaysia), involving stakeholders such as FGV, SD Guthrie, Felda, Johor Plantations, Tradewinds, MPOGCF and Yayasan Khazanah.

We also supported field-based conservation efforts, deploying four camera traps at Ladang Gunung Sumalayang to monitor elephants, otters and dusky leaf monkeys, generating valuable data on wildlife behaviour.

## Wildlife Conservation & Management Awareness Programme

In July 2025, we conducted a two-day Wildlife Conservation & Management Awareness Programme at Ladang Sungai Tenegang, Sabah. Participants included management personnel and field teams from the Sabah Region.

### Key programme elements:

- 1 Delivered in collaboration with the Sabah Wildlife Department (“SWD”), Seratu Aatai and Orang Juga.
- 2 Covered elephant ecology, patrol and reporting procedures, orangutan management and measures to reduce conflict risks in plantation landscapes.
- 3 Included an awareness session at the Community Learning Centre (“CLC”) with 50 student participants.
- 4 Recommended exploring elephant collaring near Tenegang to monitor movements, support mitigation planning, improve worker safety and contribute scientific insights.

# Our Environmental Stewardship

## Biodiversity Risk Assessments

In FY2025, all estates underwent internal biodiversity risk assessments to ensure continued MSPO compliance. Each estate’s operations team identifies, monitors and manages biodiversity-related risks.



Based on assessment outcomes, approximately 1,500 ha of land have been set aside as protected areas, providing habitats for 40 plant and animal species, identified according to the IUCN Red List of Threatened Species below.

Identified Species	NE (Not Evaluated)	DD (Data Deficient)	LC (Least Concern)	NT (Near Threatened)	VU (Vulnerable)	EN (Endangered)	CR (Critically Endangered)	CO (Collapsed)
<b>Fauna</b>								
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. Amaurornis phoenicurus			●					
13. Copsychus malabaricus			●					
14. Python reticulatus			●					
15. Varanus salvator			●					
16. Ayuthia spectabile	●							
17. Ceyxazureus			●					
18. Acridotheres tristis			●					
19. Cuculidae			●					
20. Paradoxurus hermaphroditus			●					

05 Our Sustainability Journey

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<b>Fauna</b>								
21. Limnonectes Malesianus				●				
22. Hylarana Erythraea			●					
23. Cicadas			●					
24. Mantodea			●					
25. Phaenopharos struthioneus	●							
26. Coturnix			●					
27. Tragulus javanicus		●						
28. Ophiophagus					●			
29. Malayemys macrocephala			●					
<b>Flora</b>								
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					●			
21. Senduduk			●					