

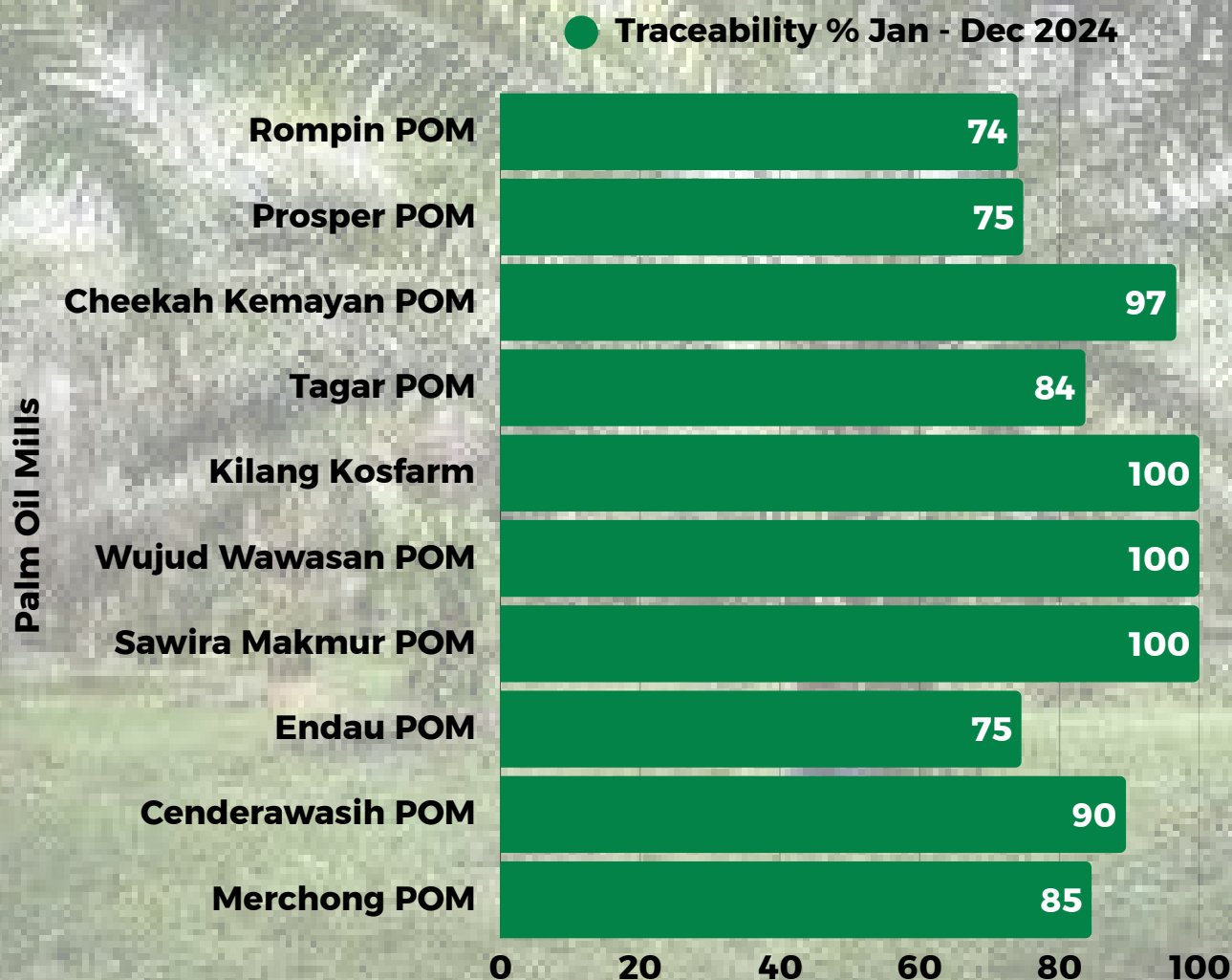
ANNUAL SUSTAINABILITY REPORT

20 24



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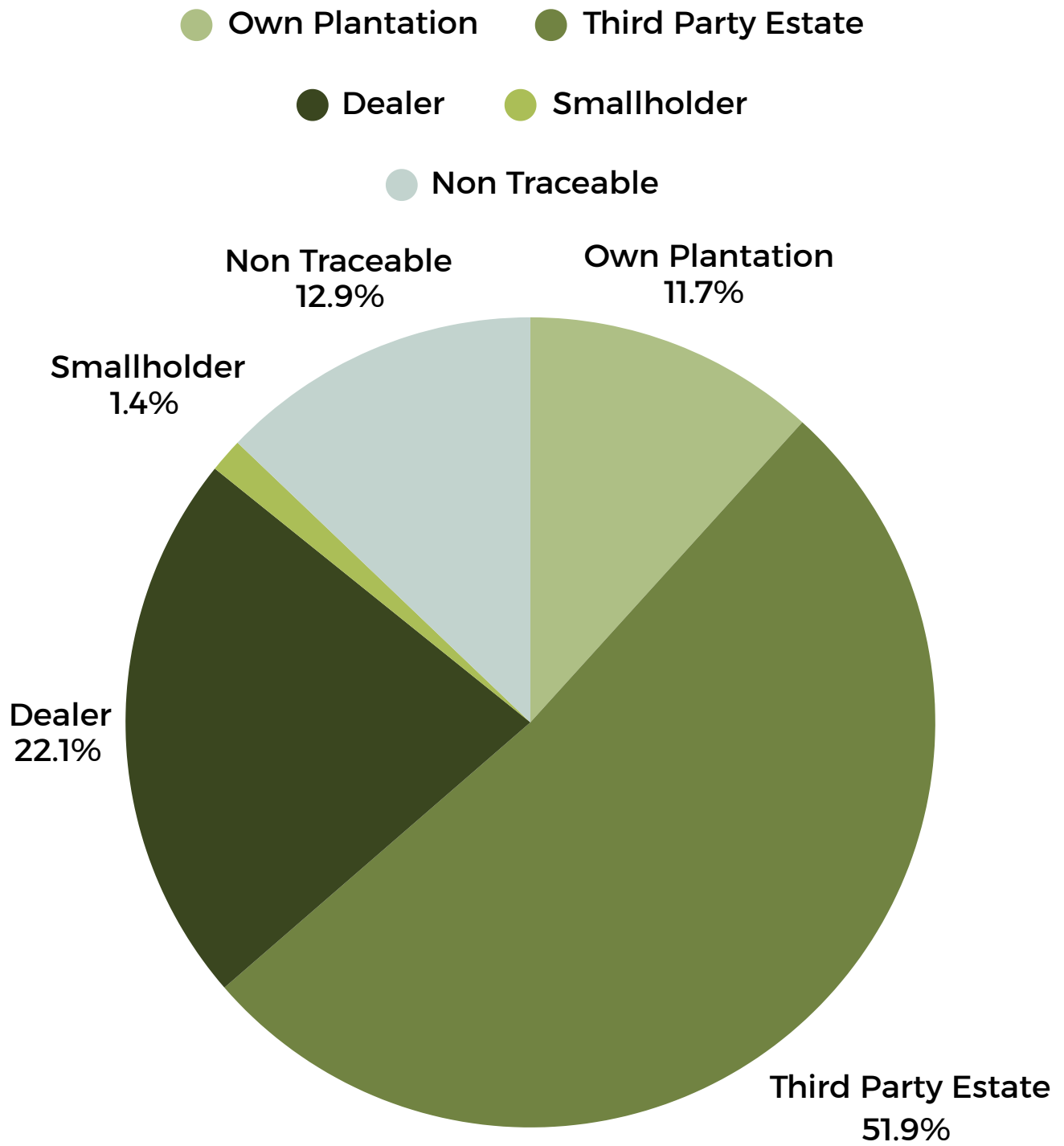
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TTP%

In 2024, Prosper Capital Holdings Sdn Bhd (PCH) achieved a traceability-to-plantation (TTP) rate of 88% among its fresh fruit bunch (FFB) suppliers. The remaining 12% of non-traceable volume is primarily attributed to third-party dealers who have yet to provide GPS coordinates for the smallholders from whom they source FFB. Additionally, the increased volume of crops supplied by dealers to the 10 mills under PCH management contributed to a slight decline in overall traceability compared to the previous year.

Despite this challenge, PCH remains firmly committed to advancing towards 100% TTP. Efforts are ongoing to enhance transparency and accountability across the supply chain, in line with our sustainability goals and stakeholder expectations.



List of Policies



SUSTAINABLE PALM OIL POLICY



HUMAN RIGHTS POLICY



OCCUPATIONAL SAFETY AND HEALTH POLICY



WHISTLEBLOWER POLICY



ENVIRONMENTAL POLICY



NO INDOOR SMOKING POLICY

PCH maintains a strong commitment to sustainability, which is reflected in the growing number of policies and commitments adopted by the group. These are aligned with industry standards and are regularly communicated to both internal and external stakeholders to ensure transparency and shared understanding across all levels.

STAKEHOLDER ENGAGEMENT AND SOCIALIZATION



KLK SUSTAINABILITY CONVENTION 2024

PCH was honoured to be invited to participate in the KLK Sustainability Convention, a supplier engagement initiative by KLK that reflects their ongoing commitment to responsible sourcing and sustainable practices. The convention featured key sessions on KLK's Code of Conduct for environmental and labour standards, the latest international legislations including EUDR and EU CSDD, and industry expectations for palm oil mills. We also engaged in detailed discussions on grievance management and traceability. Through this session, we gained valuable insights into KLK's sustainability priorities and strengthened our understanding of shared responsibilities in ensuring transparency, compliance, and continuous improvement across the supply chain.



MSPO 2022 Standards Seminar

In line with PCH's continued commitment to the principles of sustainable palm oil production, the PCH Sustainability Team participated in the MSPO Stakeholder Workshop focused on the updated MSPO 2022 standard, with particular emphasis on Principle 2 and Principle 4. The workshop addressed key areas including human rights, social impact assessment, occupational safety and health, employment conditions, and ethical conduct. Featuring presentations by key agencies such as SUHAKAM, DOSH, the Department of Labour (DOL), the Malaysian Anti-Corruption Commission (MACC), and the MSPO Secretariat, the event provided valuable insights into regulatory expectations and best practices under the revised standard. This participation reflects PCH's proactive approach to aligning our operations with evolving sustainability requirements, and we are committed to ensuring that all operational units are certified under the MSPO 2022 standard in a timely and effective manner.



Site Visit from Asahi Group

On October 2024, PCH had the opportunity of hosting a site visit from our valued end buyer, Asahi Group, at Tagar Estate and the associated palm oil mill. This visit was part of Asahi's initiative to better understand our sustainability practices and operational standards on the ground. The program featured comprehensive presentations from both the estate and mill teams, covering key areas such as labour rights, energy efficiency, responsible waste management, and environmental impact mitigation. Guided tours of the mill and estate provided firsthand exposure to our ongoing efforts in sustainable production, worker welfare, and community engagement and visit to the Ladang Sungai Tinggi Tamil Primary School, highlighting our support for community welfare and education. The visit also included tree planting activities to reinforce our shared environmental commitment. This engagement underscores PCH's dedication to transparent supply chain practices and our alignment with the sustainability expectations of key downstream partners such as Asahi.



BIODIVERSITY FORUM 2024

PCH had the opportunity of participating in the Biodiversity Forum 2024, held from 7–9 May, which gathered industry leaders, policymakers, and conservation experts to explore practical solutions for biodiversity protection. The forum featured a diverse range of sessions: from sustainability best practices and human-wildlife coexistence to conservation education, industry efforts, and regulatory developments. Engaging in these discussions allowed us to broaden our understanding of biodiversity-related challenges and deepen our commitment to responsible environmental management. The insights gained will support us in further embedding biodiversity considerations into our operational strategies and strengthening our role in fostering a more sustainable and resilient supply chain.

Stakeholder Dialogue Session: Improving Traceability within National System



On December 2024, PCH participated in the “Multi-Stakeholder Dialogue Session: Improving Traceability within National System”. The event was organized by Earthworm Foundation in collaboration with the Malaysian Sustainable Palm Oil (MSPO) certification body. This session served as a timely and important platform for industry stakeholders, including government representatives, certification bodies, and companies in the palm oil sector to address the ongoing development of national traceability frameworks.

The dialogue focused on enhancing transparency and traceability across the palm oil supply chain, which remains a cornerstone of sustainable practices within the industry. The session opened with a progress update on key national traceability initiatives, such as the e-MSPO platform, SIMS (Sustainability Information Management System), and GeoPalm. These systems are being developed to improve data collection, monitoring, and reporting, thereby supporting industry players in achieving traceability at a national level.

Stakeholder Dialogue Session: Improving Traceability within National System



Following the initial presentations, participants engaged in a Q&A session to share insights and clarify technical and implementation-related concerns. This was followed by a presentation on the progress made toward supporting Fresh Fruit Bunch (FFB) Dealer Certification, which is a critical element for ensuring upstream traceability, particularly from smallholders and independent dealers. A key highlight of the event was the roundtable discussion, where stakeholders exchanged ideas on how to close existing traceability gaps and explored collaborative approaches for future solutions. This interactive segment allowed for open dialogue on challenges, lessons learned, and opportunities for alignment between different actors in the supply chain. The session concluded with a discussion on the way forward and reaffirmed the collective commitment to strengthening traceability mechanisms across the industry.

3. TRAINING AND WORKSHOP

Wilmar Supplier Reporting Tool (SRT) Workshop



PCH participated in the Wilmar Supplier Workshop held on 30th April 2024, which focused on the Supplier Reporting Tool (SRT) and key sustainability priorities. The workshop featured comprehensive sessions on Wilmar's NDPE policy, traceability requirements, the new Diginex platform, as well as critical topics such as responsible recruitment, child protection, and conservation best practices. We welcome the introduction of the SRT system and have actively implemented it within our operations. This structured and data-driven approach has strengthened our sustainability reporting processes, enabling us to align more closely with industry expectations and contribute meaningfully to the advancement of responsible practices across the supply chain.

FFB Dealer Workshop in Rompin



PCH participated in the FFB Dealer Engagement Workshop held in Rompin, presented by the Earthworm Foundation and supported by Cargill, with the involvement of three PCH mills: Merchong POM, Rompin POM, and Endau POM. This engagement aimed to raise awareness among key FFB dealers, who play a critical role in the supply chain, on the upcoming MSPO 2022 standards, particularly the requirements under MS2530-4-3:2022 for Dealer Certification.

The workshop covered critical topics including NDPE commitments, traceability to plantation practices, and documentation requirements for MSPO dealer certification. It also featured mill sharing sessions, training on documentation compliance, and an open discussion on implementation challenges. This initiative reflects PCH's proactive approach in supporting suppliers through capacity building and ensuring readiness for national sustainability compliance frameworks.

Musim Mas/ ICOF Supplier e-Workshop



Human Rights Due Diligence (HRDD),
Greenhouse Gas (GHG) Emissions and
Water Management

AGENDA

1. Musim Mas' Sustainability Policy
2. Greenhouse Gas (GHG) Emissions
3. Water Management
4. Human Rights Due Diligence (HRDD)

PCH took part in the Musim Mas / ICOF Supplier e-Workshop, an exclusive session centered on advancing Human Rights Due Diligence (HRDD), reducing Greenhouse Gas (GHG) emissions, and improving water management within the supply chain. The interactive workshop provided a platform for suppliers to engage directly with buyer expectations and evolving sustainability tools. In support of these initiatives, PCH continues to submit Musim Mas' updated Self-Assessment Tool (SAT) on an annual basis across all our supplying mills. This engagement reflects our proactive stance in aligning with Musim Mas' sustainability priorities and fostering long-term, responsible partnerships.



RSPO SCCS Awareness Course

To reinforce stakeholder awareness and ensure alignment with international sustainability requirements, PCH organized a training session on the RSPO Supply Chain Certification Standard (SCCS) 2020. The session brought together representatives from the PCH HQ Sustainability and Marketing Teams, as well as the management and sustainability personnel of Cheekah-Kemayan Palm Oil Mill and Estate, alongside the mill's buyer refinery and key FFB suppliers. As Cheekah-Kemayan is RSPO-certified, this initiative served to strengthen internal capacity and enhance understanding of key requirements under the RSPO SCCS 2020, including its implementation, the RSPO IT platform, and rules governing communications and claims. This training underscores PCH's commitment to maintaining supply chain integrity and upholding the principles of certified sustainable palm oil.



MSPO 2.0 AWARENESS AND DOCUMENTATION TRAINING

In line with our commitment to advancing sustainable practices across our operations, the Group organized an MSPO 2022 Awareness and Documentation Training, facilitated by CARE Certification International (M) Sdn. Bhd. This training served as an important platform to strengthen our collective readiness for the MSPO 2.0 requirements, ensuring that both our mills and estates are aligned with the revised standards.

By equipping our operation and management teams with updated knowledge on the requirements of MSPO 2530:2022, we reaffirm our dedication to meeting industry best practices, maintaining compliance, and continuously improving the sustainability of our operations. The initiative reflects that as a Group, to not only prepare for external audits but also to embed responsible and sustainable management practices throughout our operations



4. CERTIFICATIONS AND COMPLIANCE

All plantations within the Group are fully certified under the Malaysian Sustainable Palm Oil (MSPO) standard, reinforcing our commitment to sustainable and responsible practices. Cheekah-Kemayan Plantations has additionally attained certification under the Roundtable on Sustainable Palm Oil (RSPO), though this plantation is under the management of PGC Management Services Sdn. Bhd. and does not form part of the Group's ownership. All palm oil mills are MSPO certified, with several units also holding International Sustainability and Carbon Certification (ISCC), while Cheekah Kemayan Palm Oil Mill is further recognized with RSPO certification.

		MSPO	ISCC	RSPO
PLANTATIONS	All Plantations			CHEEKAH KEMAYAN ESTATE ONLY
MILLS	Cheekah Kemayan POM			
	Prosper POM			
	Wujud Wawasan POM			
	Rompin POM			
	Endau POM			
	Tagar POM			
	Cenderawasih POM			
	Kilang Kosfarm			
	Merchong POM			
	Kilang Sawira Makmur			

Group Certification Overview: Sustainability Certifications of Group Plantations and Mills

PCH'S CONSERVATION PROJECT WITH GEC

North Selangor Peat Swamp Forest Conservation Project (Phase 2):

Building on the achievements of Phase 1 (2020 – 2023), which successfully restored 244 ha of degraded peatlands in the Bukit Belata (Extension) Forest Reserve (BBEFR), the Phase 2 Conservation Project (2023 – 2026) expands restoration efforts to an additional 4,000 ha in the Raja Musa Forest Reserve (RMFR), bringing the total project area to 7,140 ha.

The initiative is jointly implemented by the Global Environment Centre (GEC), Prosper Capital Holdings Berhad, the Selangor State Forestry Department (SSFD), and the community group Komuniti Warisan Hutan Sungai Tenggi Selatan (KWHSTS).

Key Progress Highlights (Oct 2023 – Jun 2024):

1. Conservation & Restoration

Conducted **ground and aerial surveys** in RMFR to assess peat depth, water management, fire hotspots, and biodiversity, with strategies proposed for rewetting and replanting.

Verified **90.45%** tree survival rate in Phase 1 planting areas (6,000 trees across 10 ha)

Organized a **community tree planting** (Feb 2024), engaging 15 KWHSTS members to plant 102 native trees.

Regular patrols carried out by KWHSTS to detect illegal activities and prevent peatland fires, with weekly water table monitoring in BBEFR and buffer zones.

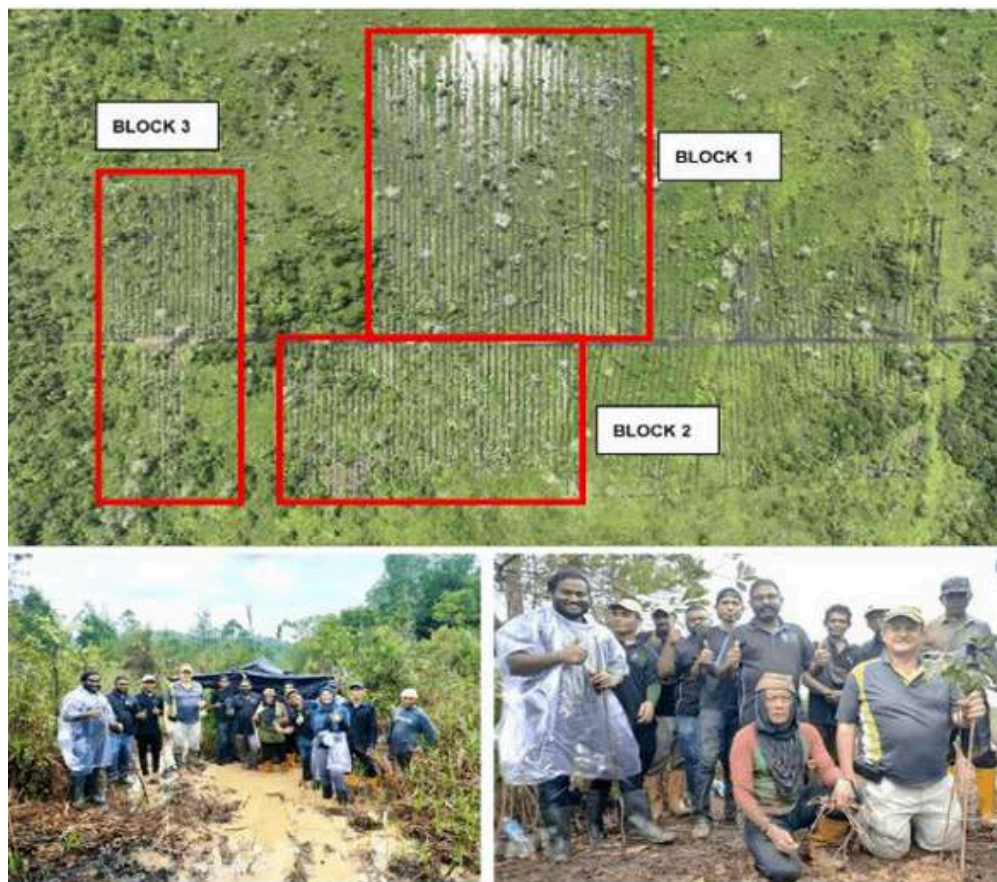
Installed peatland fire risk markers and piezometers in high - risk compartments to support early **fire prevention**.



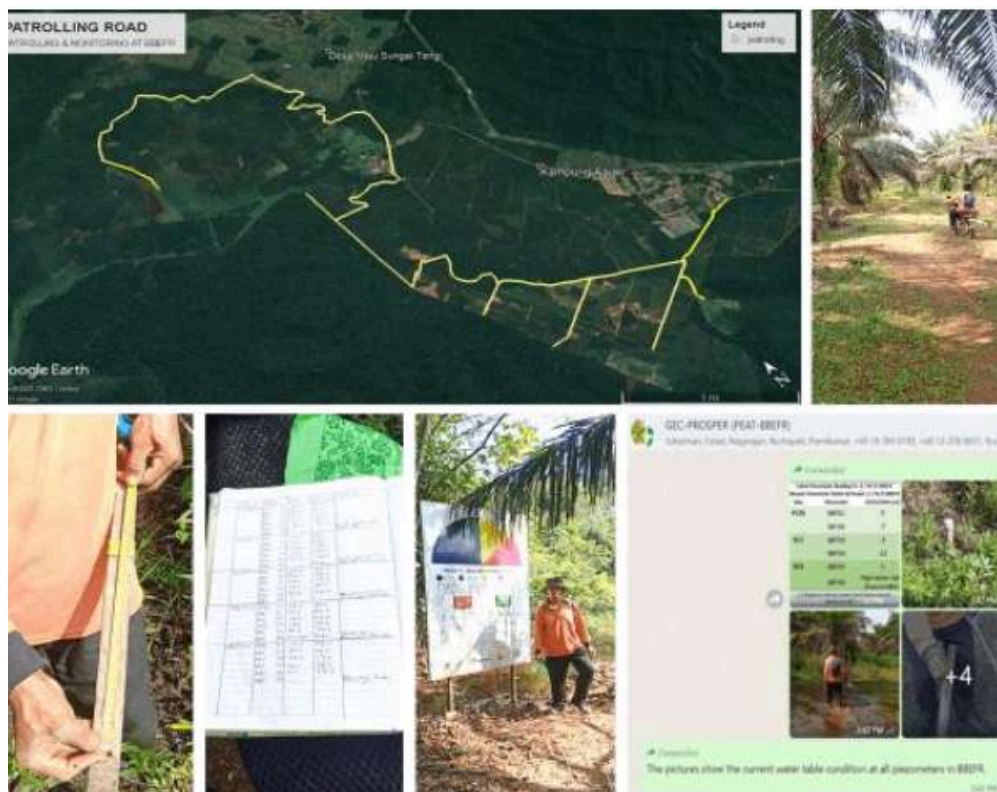
Field assessment and surveys at FC 23, 44 and 52, Raja Musa Forest Reserve.



Installation of Peatland Fire Risk Markers in FC 3, FC 7, and FC 25, BBEFR.



Inspection of the planting site at FC 24, BBEFR and the assessment of survival and mortality count of planted trees.



The patrolling of forest compartments and water table monitoring at FC 3, FC 7, and FC 25, BBEFR by the KWHSTS patrollers

Key Progress Highlights (Oct 2023 – Jun 2024):**2. Stakeholder & Community Engagement**

Held coordination meetings with SSFD, local forestry officers, KWHSTS, and Prosper's supply chain members to align on Phase 2 implementation.

Participated in Felda's World Environment Day exhibition (June 2024) and hosted a site visit for PPB Group Berhad (March 2024), showcasing conservation efforts and carbon-focused nature-based solutions.



Stakeholder meetings: (A-C) SSFD; (D-E) SSFD-DFO Hulu Selangor and Pantai Klang; (F-G) KWHSTS; (H-I) PCH's Stakeholders – Supply Chain Members.



GEC and KWHSTS participated in the peatland exhibition during the World Environment Day 2024 at Dewan JKKR Felda, Sg. Tengi Selatan.



PPB Group Berhad's Site Visit to Centre of Excellence (COE), FC 73, Raja Musa Forest Reserve (RMFR) and GEC-CoSPeC.

Key Progress Highlights (Oct 2023 – Jun 2024):

3. Landscape Integration & Awareness

Developed four bilingual signboards on ecological linkages, biodiversity and Central Forest Spine connectivity for public awareness.



The CFS boards developed by GEC-SSFD to be installed at the forest areas by SSFD

Key Progress Highlights (Jun – Nov 2024)

1. Habitat Recovery & Risk Management

Conducted ground and aerial surveys in RMFR to assess peat depth, water management, fire hotspots and biodiversity, with strategies proposed for rewetting and replanting

Identified restoration areas covering **1,000 ha** in BBEFR and **5,200 ha** in RMFR, with detailed compartment-level assessments

Continued biodiversity and water management monitoring, including data from existing piezometers and fire risk markers

Strengthened community - based patrols through KWHSTS, supporting early detection of fire risks and illegal activities

No.	Local Name	Scientific Name	Forest Compartment		IUCN Status
			3	23	
Tree Species					
1.	Kelat	<i>Eugenia spp</i>	3	9	LC
2.	Medang	<i>Actinodaphne glabra</i>	1		LC
3.	Mempisang	<i>Polyalthia sclerophylla</i>	4		NT
4.	Nyatoh	<i>Sapotaceae sp.</i>	2		LC
5.	Terentang simpoh	<i>Campnosperma coriaceum</i>	14		NE
6.	Damar hitam	<i>Richetia spp</i>		2	LC
7.	Kedondong	<i>Burseraceae sp.</i>		3	NE
8.	Keledang	<i>Artocarpus lanceifolius Roxb</i>		1	NE
9.	Kulim	<i>Dysoxylum spp</i>		1	LC
10.	Meranti melantai	<i>Shorea macroptera</i>		1	EN
11.	Nyatoh	<i>Sapotaceae sp.</i>		2	LC
12.	Penarahan	<i>Gymnacranthera bancana</i>		1	LC
13.	Petaling	<i>Ochanostachys amentacea</i>		1	LC
14.	Rengas	<i>Gluta spp</i>		1	NT
15.	Sesenduk	<i>Endospermum spp</i>		1	LC
Non-tree Species					
1.	Kelubi	<i>Eleiodoxa conferta</i>			NE
2.	Mengkuang	<i>Pandanus artocapus</i>	√		NE
3.	Pakis	<i>Diplazium esculentum</i>	√		LC
4.	Pakis miding	<i>Stenochlaena palustris</i>		√	LC
5.	Periuk kera	<i>Nepenthes spp</i>		√	*
6.	Pinang raja	<i>Cyrtostachys renda</i>		√	LC
7.	Rotan	<i>Calameae spp</i>		√	*
8.	Sireh hutan	<i>Piper aduncum</i>	√		LC
9.	Pepanjat	<i>Gnetum microcarpum</i>	√		LC

Note: Category IUCN Red List: Not Evaluated (NE); Least Concern (LC); Near Threatened (NT); Vulnerable (VU); Endangered (EN); Critically Endangered (CR); * Not sure because the species is not identified.

Pictorial report of the activities implemented from June to November 2024



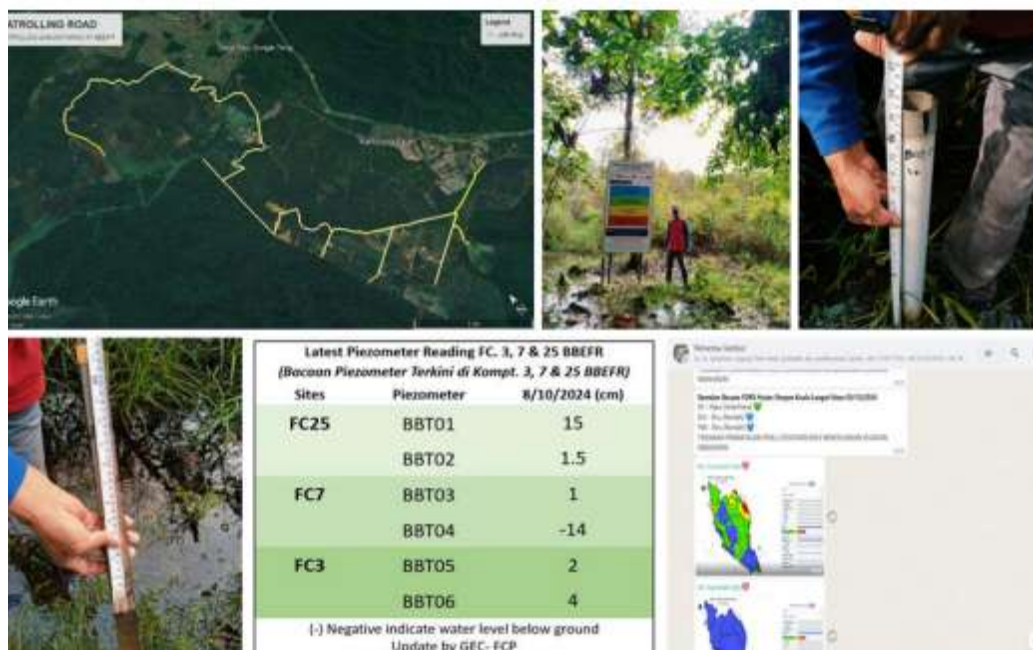
On the right: Meranti melantai (*Shorea macroptera*) with a DBH of 37.0 cm and a height of 12.0 meters. On the left: Sesenduk (*Endospermum spp*) with a DBH of 48.8 cm and a height of 20.0 meters both trees in FC23, BBEFR.

No.	Species	Sown				Died	Saplings planted at FC 25, BBEFR	Saplings planted at Dataran Alam, Felda Sungai Tengi Selatan	Saplings sold as souvenirs to Felda	Total no. of balance trees in KWHSTS nursery
		Jan 2024	May 2024	Sept 2024	Dec 2024					
1	Tenggek Burung	200	200	200	100	40	70	70	10	510
2	Kelat paya	100	200		300	10	50	30		510
3	Kerdas			50			15	2		33
4	Landscape trees			100		20		20		60
Total			1,450			70	257		10	1,113
Total no. of current trees in the nursery (December 2024): 1,113										

Details of peat swamp forest species cultivated in the KWHSTS Nursery



The tree saplings and ornamental plants raised in KWHSTS Nursery



The patrolling of forest compartments and water table monitoring at FC 3, FC 7, and FC 25, BBEFR by the KWHSTS patrollers

Key Progress Highlights (Jun – Nov 2024)

2. Collaborative Action & Capacity Building

Engaged local communities and stakeholders through awareness programmes, training workshops and school - based activities

Facilitated exposure visits and knowledge exchange with universities and corporate partners to promote peatland conservation and carbon - focused nature - based solutions



Community Network Learning Forum



Stakeholder meetings and engagements regarding the implementation of project activities



Significant stakeholder, Asahi Breweries' visit to FC 25, BBEFR



Stakeholder workshop on the Integrated River Basin Management (IRBM) Plan for Sungai Tengi Basin, Selangor

3. Strategic Planning & Awareness Raising

**INTEGRATED MANAGEMENT PLAN
FOR NORTH SELANGOR PEAT SWAMP FOREST
2024-2033**

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