



*Ibu Seri Aminah our Mandore (field supervisor) at Umpang, PT SSS, ensuring that the important task of loose fruit collection has been done properly.*

## Social

UP's founder, Aage Westenholz, who established our company in 1906, was known for setting the highest standards for the workforce, within the conditions of the day. This legacy remains a hallmark of the UP Group to this day, where we are as committed as ever towards providing the best social amenities for our employees and their families, as well as advancing the economic and social conditions in the surrounding communities.

### Our Employees

The success and achievement of our Group is related to our employees, both past and present, who loyally through hard work, strong leadership, honesty and respect have committed themselves to serve and dedicate their career and livelihood at UP. We promote a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our group as "No One at the top is stronger than the pyramid of people who support him/her".

In this connection, it is most pleasing that UP has been recognised for our sustainable development solution initiatives being undertaken in Malaysia during the launch of The Malaysia Chapter of the UN Sustainable Development Solutions Network (UN-SDSN) in 2015. In the SDSN Malaysia Chapter, UP was identified as a "Business with a soul". This acknowledgement is indeed pleasing and indicates our commitment to being a leader

in economic, environmental and social sustainability. We recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed and meritocracy is a hallmark of our Group. Our employees are the Groups' core assets, without which the success and stability of UP would not materialise. We are committed to diversity and have an equal employment opportunity policy.

Whilst we actively promote the employment of women at UP, we also recognise that some work on our plantations is potentially more suitable for men due to the heavy physical nature of the tasks. Male workers predominantly perform tasks such as harvesting fresh fruit bunches, crop collection and evacuation to the railway cages for transport to the mills, while women are assigned lighter work such as weeding, gardening and loose fruits collection. We provide crèches, playgroup classes and kindergartens at all operating sites to support our employees and their children.

### Employees – Year 2021 to 2023

	2023	2022	2021
UP Bhd	4,832	4,513	4,217
Unitata Bhd. and UniFuji Sdn. Bhd.	304	305	291
PT SSS, Indonesia	1,488	1,563	1,227
<b>Total</b>	<b>6,624</b>	<b>6,381</b>	<b>5,735</b>

### Summary of our Group's employees gender mix

	UP Indonesia (PT SSS)	UP Malaysia	UP Group
Percentage Female Employees	21.70%	9.44%	12.18%
Percentage Male Employees	78.30%	90.56%	87.82%

### Category of Employees (Malaysian) as at 31 December 2023

Employee Classification	Gender Classification		Age Classification			Ethnic Classification				Total
	Male	Female	18-30	31-50	>50	Malay	Chinese	Indian	Others	
Sr Management	1	-	-	-	1	-	1	-	-	1
Executive	116	29	16	93	36	29	21	93	2	145
Staff	177	135	60	153	99	75	5	226	6	312
Workers	489	306	203	340	252	218	-	573	4	795
<b>Total</b>	<b>783</b>	<b>470</b>	<b>279</b>	<b>586</b>	<b>388</b>	<b>322</b>	<b>27</b>	<b>892</b>	<b>12</b>	<b>1,253</b>

### Category of Employees (Other Nationalities) as at 31 December 2023

Employee Classification	Gender Classification		Age Classification			Ethnic Classification					Total
	Male	Female	18-30	31-50	>50	Others	Indonesia	Nepalese	Indian	Bangladeshi	
Sr Management	2	-	-	1	1	2	-	-	-	-	2
Executive	18	3	4	12	5	3	18	-	-	-	21
Staff	45	11	17	38	1	-	55	-	-	1	56
Workers - PT SSS	1,099	308	399	889	119	-	1,407	-	-	-	1,407
Guest Workers - Malaysia	3,870	15	1,285	2,524	76	-	527	8	734	2,616	3,885
<b>Total</b>	<b>5,034</b>	<b>337</b>	<b>1,705</b>	<b>3,464</b>	<b>202</b>	<b>5</b>	<b>2,007</b>	<b>8</b>	<b>734</b>	<b>2,617</b>	<b>5,371</b>

\* Danish, British and Japanese

**Grand Total = 6,624**



*Our CED briefing on UP's Plans & Goals to the management team.*

### Code of Conduct and Business Ethics

A key element of UP's sustainability framework is our Code of Conduct & Business Ethics. We implement responsible and ethical business policies and practices in all aspects of our operation. The Government of Malaysia, in line with its anti-corruption drive has announced the S17(A) MACC Amendment Act (2018) which came into force on 1 June 2020. To comply with this new enactment, the Code of Ethics & Governance Policy was reviewed and expanded to include all associated persons as defined under the Act.

The changes were made under the Business Integrity and Corruption section of this Policy as follows:

- UP has a zero-tolerance to fraud, bribery, and corruption and this applies to all dealings by our directors, employees, suppliers, consultants, agents and any persons associated with UP.
- UP as a responsible corporate citizen has been and shall continue to give scholarships and donations to deserving cases on the condition that this is not corruptly given as defined under Section 17 A(1) of the MACC Amendment Act 2018. However, UP has a general policy of not giving political contributions to any political parties or candidates.
- UP does not prohibit the giving of meals and gifts in the course of business dealings as long as these are of reasonable value, not in cash and are not corruptly given.

- Corruption and bribery risk assessments are done and adequate procedures have been put in place to minimise the exposure to the Group. This risk like all other identified risks shall be periodically assessed and reported in the Statement On Risk Management and Internal Control.
- Directors and officers have been sent for training to familiarise themselves with S17A MACC Amendment Act (2018), and in-house anti-bribery training has been and will continue to be conducted in all operating units. Associated persons like contractors, agents, consultants, suppliers with bribery risks have been made aware and undertaken to comply with this Policy.
- The Internal Audit Manager has been appointed as the competent person responsible for anti-corruption compliance matters and he is to report all his findings to the Chairman of the Audit Committee who is an independent director. The Chairman of the Audit Committee shall after deliberation at the Audit Committee report the findings to the Board.

In addition to the above, all directors and employees who are vested with approval authorities on purchasing or entering into trades are to declare in the Annual Conflict of Interest Statement their compliance with the section on Conflict of Interest under this Policy.

Corruption Risk Assessment

The percentage of operations that underwent corruption risk assessments that covers all of our operations is as follows.

	2023	2022	2021
Percentage of operations that underwent corruption risk assessments	55% (11/20)	70% (14/20)	50% (10/20)
Percentage of employees trained on corruption related requirements (Code of Conduct and Business Ethics)	96% (including employees of coconut Estates)	76%	78%
Number of confirmed corruption incidents	0	0	0

Human Rights

It is important to acknowledge that running a business today requires a greater level of transparency compared to before. What a few years ago may have been considered to be enough is no longer adequate. Companies therefore have a choice: To continue with the status quo and gradually move towards fossilization or to adapt to the changing business environment and consumer requirements shaping the landscape for tomorrow’s demand. In UP, we have chosen the latter option in accordance with our striving toward being recognized as second to none within the plantation industry.

Social care and strong emphasis on human rights for employees are increasingly seen as non-negotiable principles by global consumers worldwide. In line with our founding principle of setting the highest welfare standards, UP is fully committed to continuous human rights advancements, and we therefore engage closely with our customers and other stakeholders on new emerging standards and other requirements, in the spirit of shared responsibility.

Human Rights Policy

Our Human Rights Policy provides the over-arching principles which we embed into our recruitment and standard operating procedures and systems to ensure that our human rights commitments are upheld and operationalised throughout all business functions.

We adhere to the fundamental elements of the International Labour Organization (ILO) Convention and the United Nations Declaration on Human Rights, the Rights of Indigenous Peoples and other core values as ratified by the countries in which we operate. We are also committed to the protection and advancement of human rights including prohibiting retaliation, intimidation, and harassment against Human Rights Defenders (HRD), whistleblowers, complainants, and community spokespersons, and we acknowledge and respect all universal human rights including prohibiting the use of child or forced labour in our operations.

In line with our continuous improvement approach, we are focusing on minimising risks of any human rights violations within our supply chain. Not least risk associated to forced labour, which is a critical yet complex area that is evolving rapidly and gaining significant international and local attention.

Indeed, according to the latest estimates by the ILO from September 2022, there are 50 million people globally in situations of modern slavery on any given day, either forced to work against their will or in a marriage that they were forced into. This translates to nearly one of every 150 people in the world.

Of this, forced labour accounts for 27.6 million, a number which has increased by 2.7 million over the last 5 years, and virtually touches all industries right from services, manufacturing and construction to agriculture and domestic work. In this regard, the ILO’s 11 forced labour indicators highlighted in the flywheel below, are important to help companies evaluate whether forced labour is taking place within their supply chains.

We recognise that it is of utmost importance to identify and address any such risks that may be present within our operations. It is our responsibility to mitigate the potential adverse impacts of these risks on our workers by ensuring that proper checks and balances are in place. This requires a strong implementation culture, systems as well as structures to assure that the risk mitigation initiatives are “built in” and not just “bolted on.”

Whilst UP is far from perfect, we dedicate a significant amount of management’s and the EXCOM’s time to keep ourselves abreast with the latest developments within this important field of forced labour.

In combination with a solid understanding of all our working environments and production processes this enables us to spot and thereby react on any warning signals before they materialise into systemic problems on the ground.

On 21 March 2022, Malaysia became the 58th country in the world, and the second ASEAN Member State to ratify the ILO Protocol of 2014 to the Forced Labour Convention, 1930 (No. 29). With this ratification, Malaysia commits to fight forced labour in all its forms, including human trafficking, and improving the access to legal remedies for victims of forced labour.

On top of this, the Ministry of Human Resources (MOHR) with the support of the ILO, have developed a National Action Plan on Forced Labour 2021-2025, which outlines the next 5 years’ course of action focusing on awareness, enforcement, labour migration as well as access to remedy and support services with the aim to eliminate forced labour in Malaysia by 2030. This is a testament to the government’s commitment to accelerate the efforts to eliminate forced labour, which we applaud and fully support in UP.

Nevertheless, more can be done and there are still areas in need of greater attention, which shall continue to be given our unwavering commitment and focus in 2024. One such area pertains to the retention of identify documents. In the past, each Guest Worker could choose to either utilize the centralized individual passport lockers provided by the Company or keep his/her passport in their own possession. Going forward, the centralized individual passport lockers system will be ceased, and each Guest Worker will be given an individual passport locker in their respective accommodation facilities. This is currently in progress.

More can also be done in terms of the three forced labour indicators that are directly related to the process of recruiting Guest Workers, i.e., deception and abuse of vulnerability leading to debt bondage, which will be covered in more detail in the next section on Ethical recruitment of Guest Workers.

Strengthening human rights standards is a journey with no finishing line, and we remain totally committed to our partnership with “Dignity in Work for All”, a social rights NGO formerly known as Verité South East Asia, which began in 2020, and with whom we work closely to transparently address and improve human rights and safety gaps within our supply chain, in line with new emerging practices.

With partnerships and collaborations such as this, and through our “Reach and Teach, Reach and Remind” sessions which are carried out meticulously, we want to ensure a workplace that respects and promotes human rights for all regardless of religion, race, age, gender, nationality, or physical disability.

Please refer to our website, [www.unitedplantations.com/policies/](http://www.unitedplantations.com/policies/) for more details and information on our human rights policy.

**Ethical recruitment of Guest Workers**

The Malaysian Plantation sector remains reliant on Guest Workers, who provide about 80-85% of the industry’s labour requirement today. This is not at the expense of taking jobs away from local Malaysians as they prefer to work in urban cities and are just not interested in being employed as harvesters or to work with other field activities.



In UP, as of 31 December 2023, we have 4,449 Guest Workers – mainly from Bangladesh, India and Indonesia – whom we consider as guests, and they are vital partners in our business along with our local workers. In some of these countries, there are risks of systemic human rights abuses, which is an important topic that has escalated since 2021 through numerous reports and media articles, particularly on the corrupt practices of undisclosed middlemen as part of the Guest Workers’ recruitment process.

In light of this, it has become evident that more needs to be done to safeguard migrant workers during their recruitment to prevent such middlemen from abusing their inherent vulnerability through deception, thereby driving them into debt bondage. In combination with today’s improved understanding of forced labour risks and indicators, we agree to the growing consensus that more needs to be done to safeguard Guest Workers during their recruitment, from potentially becoming victims of deception, abuse of vulnerability and debt bondage.

**Reimbursement of retrospective recruitment costs**

In the absence of a widely accepted multi-stakeholder framework to address the abovementioned concerns and risks, we initiated an internal investigation and assessment of our own operations, which included



**Partnership on Human Rights**



*Briefing given to our Guest Workers on the details of reimbursement cost related to recruitment expenses to our Guest workers.*

interviews with more than 300 Guest Workers. This investigation, which was carried out with “Dignity in Work for All”, was completed in January 2022 and established that our Guest Workers too had paid undisclosed recruitment fees to third parties in exchange for a job in UP. Consequently, we have strengthened our recruitment procedures, updated our Guest Workers Policy and introduced the Employer Pays Principle, effective 31 December 2021, stating that no Guest Worker should pay for a job in UP.

Whilst strengthening our policies going forward, we also acknowledge that reasonable remediation of past recruitment practices plays an additional role in alleviating the risk of forced labour in our operations. The investigation therefore also resulted in all active Guest Workers on 31 December 2021, recruited by UP from their respective home countries, receiving a full reimbursement payment for the undisclosed recruitment fees paid to third parties in the past. This payment was made on 5 December 2022, and amounted to RM 24.5 million in total. These initiatives have been discussed and worked on together with all our key customers, in the spirit of shared responsibility.

In addition, our 174 locally recruited Guest Workers have all been given RM3,000 as a goodwill payment towards the hardship faced in relation to their previous recruitment journey and employer. These are Guest Workers who fall under the Malaysian Government’s programme to legalize undocumented migrant workers, thereby giving them an opportunity to be employed by qualified employers subject to stringent conditions. UP has participated in this programme and paid all related recruitment fees and costs in line with our

Ethical Recruitment Guidelines. This has given them a second chance in the form of a job, free quality housing of high standards, social amenities as well as free water, electricity and medical coverage.

Finally, we continue to invest time and resources in identifying eligible ex-Guest Workers through our Outreach Programme, for whom reimbursement funds have been set aside in a sinking fund of RM4.38 million.

This is to cover the 635 Guest Workers who were active on 31 December 2021 but had left our Company (absconded, repatriated or on leave) before the payment was made on 5 December 2022. From this, a balance of 322 eligible ex-Guest Workers are yet to be reimbursed as of 31 December 2023.

Furthermore, there are also 166 locally-recruited ex-Guest Workers who have not yet been paid and are therefore included in the Outreach Programme.

We are attempting to identify all eligible ex-Guest Workers through our Outreach Programme, which have been extended until 30 June 2024 and contains the following activities that are verified by our internal audit team and an independent third party.:

1. Newspaper advertisement in the respective source countries.
2. Engagement with source countries’ Embassies and High Commissions
3. Identification and engagement through UP’s Call Centre via contact details obtained by Estate management or friends who are still in UP.

4. Engagement of individuals in the source countries to search for our eligible ex-Guest Workers in the villages, followed by authentication by an appointed legal professional before payments are made.
5. Engagement with an Independent Human Rights Activist to use his vast network to contact the eligible ex-Guest Workers

**Recruitment of new Guest Workers**

In 2023, UP recruited 803 new Guest Workers, of which 781 were recruited from the various source countries, and 22 were recruited locally through the Malaysian Government’s Recalibration Program. This has been guided by our strengthened Ethical Recruitment Procedures, which are regularly assessed by NGOs and Human Rights Activists, and explained in detail below.

Firstly, whether recruitment is facilitated by our Guest Worker Recommend Guest Worker program, or at the grassroots level via an Accredited Recruiting Agent (ARA) or Government bodies, we strive to ensure that all new Guest Workers are recruited in compliance with the ILO indicators of Forced Labour, as well as our Employer Pays Principle stating that no Guest Worker should pay for a job in UP.

Addressing forced labour and minimising recruitment risks is also about recognising and tackling the systemic issues that enable abuses. We have therefore decided to cut out several actors in both the sending and receiving countries, such as sub-agents as well as recruiting agencies in Malaysia, and instead spread information to new candidates in their villages through our In-House Call Centre to mitigate the risk of deception. In this connection, our Call Centre continues to play a crucial role as the first point of contact with new candidates.

The Call Centre staff who speak the candidates’ respective native languages clarify the overall recruitment process

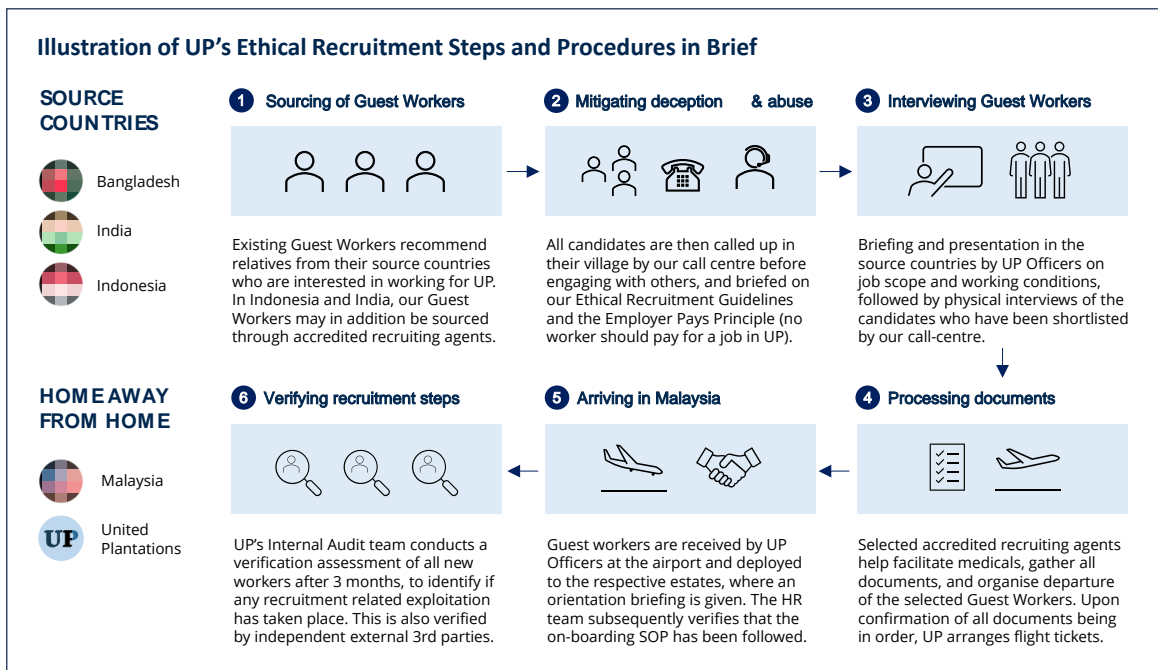
and terms of employment with UP to reduce the new candidates’ vulnerability and minimize the risk of deception.

In addition, the Call Centre helps to bridge the gap between the candidates in their villages and our Accredited Recruiting Agents located in the source countries’ larger cities. This is to address the fact that a big part of the problem often lies here, with middlemen in the rural villages often charging exorbitant fees to the village folks in exchange for a job.

The Call Centre has been operational for approximately two years, and many positive outcomes have emerged, as evidenced by the feedback from new Guest Workers, who, through clear communication and expectation setting, are informed about their rights, entitlements, and precautions from the outset.

During 2023, we have introduced several new steps to further strengthen our Ethical Recruitment Procedures and mitigate the vulnerability of the new candidates prior to their arrival at UP based on our improved understanding of forced labour risks and gaps identified along the recruitment process:

- A) Screening of the recommenders under the Guest Worker Recommend Guest Worker program to identify the most suitable candidates.
- B) Verification upon arrival in Malaysia by the HRSS team to ascertain that all new Guest Workers have been briefed by the Call Centre and indeed gone through all steps of our Ethical Recruitment Procedures.
- C) Each new Guest Worker is provided all relevant documents and information about his employment and recruitment journey in a dossier.
- D) Onboarding sessions are carried out for all new Guest Workers by the HRSS team to facilitate their



integration into the environment on our estates and to brief them again on their terms of employment, company policies, safety at work, grievance redressal mechanism and other aspects.

- E) Internal verification by the Internal Audit team 3 months after arrival to detect any red flags and mitigate the likelihood of debt bondage.
- F) In the event of any breach of our Ethical Recruitment Procedures, each case is thoroughly evaluated to determine accountability and remediation.

Additionally, training on due diligence and audit of recruitment agencies was carried out by a team of subject-matter experts from by “Dignity in Work for All”, including a joint assessment of an ARA in Indonesia to evaluate and monitor their performance and processes. Such assessment will be repeated in the coming year for ARAs in other source countries too.

Furthermore, we have initiated a close collaboration with Mr Jerald Joseph – an experienced independent Human Rights Consultant - in partnership with the social NGO North-South Initiative (NSI), to observe, evaluate and provide further guidance on our Ethical Recruitment Procedures in Malaysia as well as the source countries.

Through this collaboration, much time and effort have been spent during 2023 on evaluating our recruitment avenue in Bangladesh, where we continue to work closely with Bangladesh Overseas Employment and Services (BOESL).

BOESL, who is not related to the 25 recruitment agencies selected earlier between Malaysia and Bangladesh, is the only state-owned recruitment agency in Bangladesh, has a ‘no profit no loss’ strategy and works in a transparent manner. To verify this, the above independent assessors joined us for an interview process in Dhaka during the year to ensure that our procedures have indeed been in place and followed.

Overall, the key steps in our Ethical Recruitment Procedures are illustrated in page 84, and whilst this has increased the cost of recruiting new Guest Workers substantially, we are hopeful that all parties along our supply chain will acknowledge this added cost of doing business in the spirit of shared responsibility, thereby helping to minimize the risk of forced labour.

In 2024, we will continue to work closely with “Dignity in Work for All”, Mr. Jerald Joseph as well as NSI to diligently strengthen our recruitment and grievance redressal procedures even further.

**Whistleblower Policy**

We are committed to high standards of ethical, moral and legal business conduct, and with this policy we aim to provide an avenue for employees, that they will be protected from reprisals or victimisation for whistle blowing.

**Paying Fair Wages and Employees’ Benefits**

The average monthly earnings of our workers in Malaysia amount to RM2,523, which includes productivity incentives

and overtime. This is higher than the minimum monthly wage of RM1,500 rate set by the Malaysian Government from 1 May 2022. We practice gender equality policy on wages payment and remuneration for all our employees.

For our Indonesian operations, the average monthly earnings of the permanent workers amount to IDR3,820,271 which includes productivity incentives and overtime. The monthly minimum wage set by the Indonesian Government in 2023 was IDR3,352,983. The average earnings per worker per month are reflected in the table below.

Total Average Earnings per worker per month	2023	2022	2021
Malaysia operations – Mills and Plantations	RM2,523	RM2,698	RM2,204
Malaysia operations – Refineries	RM2,414	RM2,414	RM2,041
Indonesia operations - Permanent Workers	IDR3,820,271	IDR3,743,662	IDR3,459,936
Indonesia operations - Temporary Workers	IDR3,359,293	IDR3,547,633	IDR3,205,956

**Ratio of Basic Salary and Remuneration of Female Employees to Male Employees**

Region	Employee Category	Ratio
Malaysia operations	Executives	1:1.69
	Staff	1:1.28
	Workers	1: 1.14
Indonesia operations	Executives	1:1.40
	Staff	1:1.10
	Workers	1:1.37

*\*The salary and remuneration package varies based on the history of employment (length of service, performance, and designation).*

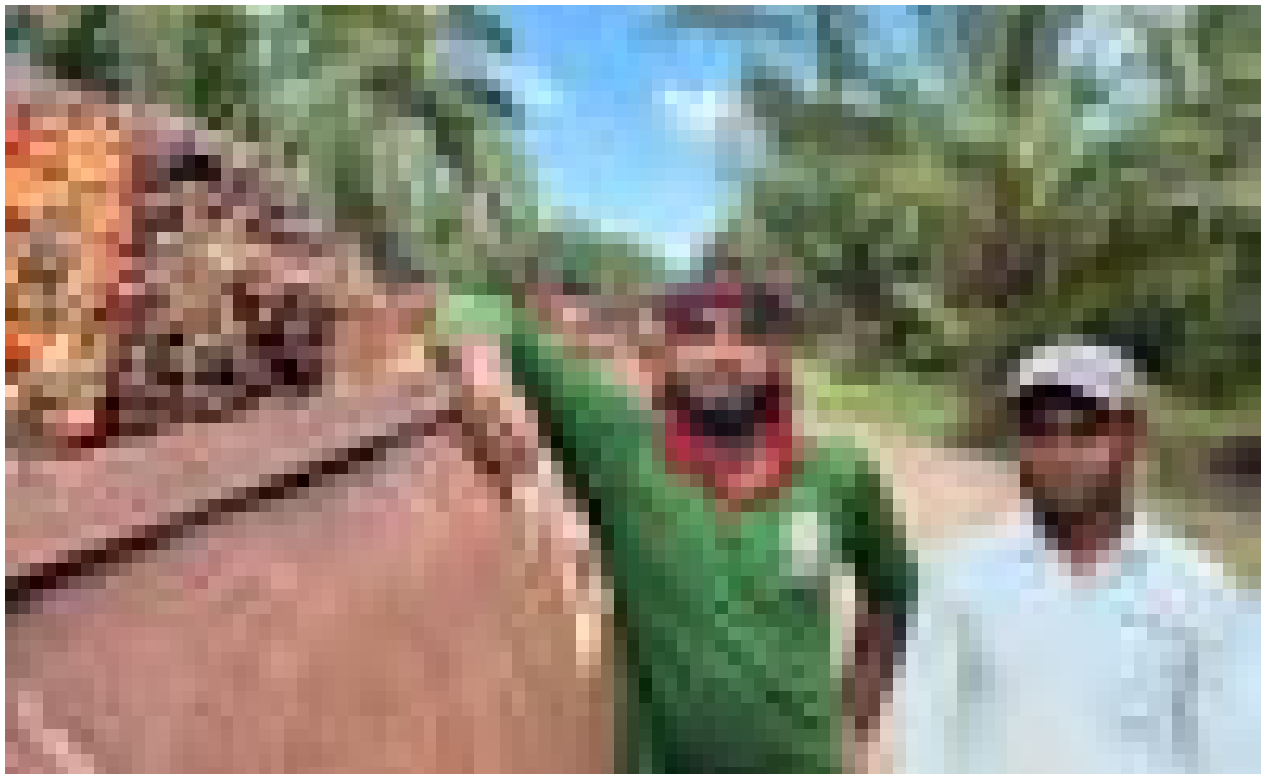
**Living Wage (LW) Assessment**

The RSPO Secretariat is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define LW applicability for all palm oil producing countries in which RSPO members operate. In 2023, the RSPO Living Wage Working Group has changed the terminology of Decent Living Wage (DLW) to Living Wage (LW) with a stepwise approach. Each step of the Living Wage trajectory has assigned milestones and outcomes towards achieving a Living Wage payment to all workers in the sustainable palm oil sector.

In the past, UP has proactively worked with several large growers in the industry to engage Monash University for a fair and decent wage assessment and we will strive to commit our suppliers to live up to the payment of LW to their workers too. Until the national benchmark is established by the RSPO Secretariat, we are adhering to the applicable regulations in relation to the national minimum wages in the countries where we operate.

However, we are conducting the prevailing wage assessment as per the RSPO Prevailing Wage Calculation Guidance to understand and compare the benchmark of LW determined by the third-party assessment as mentioned above against the prevailing wage.





Guest workers make up 87 percent of our workforce and are a vital part of plantation operations in Malaysia today.

### Guest Workers Repatriation and Leave

With 87% of our workforce being Guest Workers, there is a frequent turnover of employees within our Group.

In this respect, we strongly promote freedom of movement, which can be seen in the table below.

Repatriation and Leave during the year	2023	Total number of guest workers (%)
Total number of guest workers	4449	100
Repatriation	355	8.0
Gone on leave	833	18.7
Gone on leave and returned	701	15.8
Gone on leave and didn't/couldn't return	132	3.0

During 2023, 355 guest workers were repatriated upon completion of their employment tenure. Another 833 guest workers went back on leave to their respective home countries of which 701 have returned.

### Freedom to form a Union

Our staff and workers have the right to form and become members of Labour Unions on a voluntary basis.

Through these Unions, they are free to carry out collective bargaining as permitted under Malaysia and Indonesia laws to promote this option.

We conduct regular briefings on our Human Rights Policy for all employees to raise awareness on this important Right.

UP Group (Malaysia)	2023	2022	2021
% of staff as members of All Malayan Estates Staff Union (AMESU)	75	74	74
% of workers as members of National Union of Plantations Workers (NUPW)	15	14	17
% of workers as members of Food Industry Employees' Union	37	49	52
UP Group (Indonesia)	2023	2022	2021
% of workers as members of Union*	11	9	5

\*In Indonesia, the union committee has been re-established and membership drive is in progress.

### Grievance Redressal Procedure

UP commits to the highest level of transparency while dealing with grievances from our stakeholders. All requests, complaints, grievances, consultations for internal stakeholders are lodged in a standard template called Stakeholders Logbook and shall be addressed in a timely manner.

Request and Grievances	Malaysian Operations	Indonesian Operations
Housing repair and maintenance issues	302 (20%)	67 (100%)
Request for leave/repatriation	1,188 (80%)	N/A for local Indonesian workers
Human rights violations	0	0
Corruption	0	0
Breaches of customer privacy and losses of customer data	0	0
Land dispute	0	0
Others	0	0

We will also be establishing an in-house helpline to deal with requests and grievances such as but not limited to the above aspects.

This will be done in collaboration with “Dignity in work for all” to strengthen our Grievance Redressal Procedures and evaluate the effectiveness of our consultation and communication process with our workers and other affected stakeholders.

For more information on the grievance redressal procedure for internal stakeholders, please refer to [www.unitedplantations.com/employees/#Grievance-Redressal-Procedure](http://www.unitedplantations.com/employees/#Grievance-Redressal-Procedure).

### Social Commitments and Social Amenities

UP is committed towards providing quality housing and social amenities and maintaining the highest possible welfare standards for the families of our workforce.

Improving and providing social amenities remains very much a hallmark within our Group, and continuous improvements were made during 2023 to provide our workforce with the best possible facilities which are significantly above the latest amendments to the Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990.

For babies and young children, UP continues to provide and maintain crèches for child care thereby ensuring that employees are comfortable about their children while at work.

Today, our Group has 9 Primary Schools and 7 Kindergartens which are maintained by the Company, providing education for more than 500 children ranging from ages of 5 to 12 years. Bus subsidies for school children above the age of 12 years old are also provided for. Finally, places of worship, Group

Hospitals & Clinics, an Old Folks’ Home to care for the unwell, aged and the homeless as well as a fully operational Danish Bakery are also part of our care and commitment towards the wellbeing of our employees. In addition, 22 scholarships were granted to children of our employees during 2023 thereby enabling these students to pursue their tertiary studies. For more information of our social amenities, please refer to our website, [www.unitedplantations.com/sustainability/](http://www.unitedplantations.com/sustainability/)

### Training and Development

In UP, our human capital is the backbone of all our operations and to that end our “Reach and Teach & Reach and Remind” programmes are indispensable. Training schedules are therefore prepared for our employees annually in the respective Estates and other Departments to ensure that the various training modules are being carried out on a regular basis throughout the year.

Continuous efforts are also undertaken to educate and create awareness for the local workers and Guest Workers on Ethical Recruitment, Company Policies and Grievance Redressal Procedures. These trainings are done in the respective Guest Workers’ native languages to help them understand the content in a clearer manner, and carried out in conjunction with the morning muster at each Estate and Department. Additionally all workers are given a handout in their native language of the training.

This is monitored and verified by the HRSS team and also through external auditors during annual RSPO/ MSPO/ ISPO audits. At Staff and Executive levels, training is generally conducted on a group basis and these training modules cover Occupational Safety & Health, Human Rights, Best Agriculture & Management Practices, Industrial Laws and other relevant topics for our employees and stakeholders including our neighbouring communities.

Social Commitments of the Group	2023 RM	2022 RM	2021 RM	Grand Total RM
Hospital & Medicine for Employees, Dependents & Nearby Communities	4,371,488	3,004,886	2,828,114	10,204,488
Retirement Benevolent Fund *	1,025,283	915,963	486,202	2,427,448
Education, Welfare, Scholarships & Other	280,754	344,857	314,887	940,498
Bus Subsidy for School Children	211,065	228,372	88,312	527,749
External Donations	748,563	135,620	307,835	1,192,018
New Infrastructure-Road, TNB and Water-Supply for domestic use	289,462	129,800	197,401	616,663
Employee Housing	7,793,775	8,460,864	10,149,666	26,404,305
Infrastructure Projects, Buildings, Community Halls, Places of Worship	2,309,937	1,881,688	1,963,058	6,154,683
Provision of Social Amenities	5,463,124	5,918,837	6,109,270	17,491,231
<b>Total</b>	<b>22,493,451</b>	<b>21,020,886</b>	<b>22,444,745</b>	<b>65,959,083</b>

\* The above payments are in addition to the regulatory contributions by the Group to the Employees’ Provident Fund, Social Security Contributions and other benefits.

At the end of the day, the competence and skills of our Group’s employees are the main contributors to our operational success, and training programmes, conferences and seminars which are relevant to the Group’s businesses are therefore identified on an ongoing basis for which the Company allocates a dedicated training budget.

In 2023, the average training hours is 6.75 hours per employee per year.

**Occupational Safety and Health**

At UP we are committed to providing a safe and healthy workplace environment for our employees through the implementation of best preventive safety practices. These practices are monitored continuously based on the saying that “an ounce of prevention is worth a pound of cure”.

This is of paramount importance for all employees and our respective Managers/Head of departments who are responsible for implementing and complying with our OSHA policy.

Our Safety and Health Management system comprises of:

- Hazard Identification, Risk Assessment and Risk Control (HIRARC) conducted on all our operations to identify weak links and to raise the level of awareness of the risks before the occurrence of an accident.
- A well-planned occupational safety and health plan is established involving all the respective business units to ensure that UP’s safety programmes are carried out as planned.
- Impromptu safety audits in our mills, estates, research department and refineries are carried out by our competent safety and health officers to measure the level of compliance towards the safety management system.
- Our “Reach and Teach & Reach and Remind” training is an integral part of our behaviour-based safety program to create awareness while increasing the safety knowledge for our employees and to further inculcate a safety-oriented culture throughout all our respective business units.

- Quarterly safety meetings are carried out as a communication platform to discuss occupational safety and health matters with the participation of employers and employees from all levels.
- Occupational health services supplied through our two group hospitals and inhouse clinics at all respective estates to provide medical facilities for our employees under the guidance of visiting medical officer / occupational health doctors and assisted by hospital assistants.

Since 2020, we have established a dedicated safety division with five safety officers under the Human Resources, Sustainability and Safety (HRSS) Department to strengthen our commitment towards establishing a safe work environment.

In addition to this, we are appointing Safety and Health Coordinators throughout all our business units as an effort to reinforce safety management and to comply with the new amendment of the local workplace safety legislation, which has taken place in 2023.

With this, we are pleased to inform that there were no occupational related fatal accidents within our Malaysian and Indonesian operations in 2023.

The leading cause of accidents in 2023, involved harvesting operations accounting for about 36% (injury from thorn pricks, debris falling into eyes during harvesting and pruning, injury from stalk cutting, and buffalo related accidents) followed by commuting accidents, slip and falls cases, and accidents related to locomotives/cages.

Fatal Accident Rate (FAR per 1000 employees)

	2023	2022	2021
Malaysia operations	0	0	0
Indonesia operations	0	0	0.75

Lost Time Injury Frequency Rate (LTIFR per million hours worked)

	2023	2022	2021
Malaysia operations	5.38	4.13	5.02
Indonesia operations*	115.20	97.10	87.41

\*The differences of LTIFR between our Malaysian and Indonesian operations is due to 7.5 working hours per day for Malaysia while 7 working hours per day in Indonesia.

In addition to that, the OSHA of Indonesia stipulates that any accident regardless the manday lost shall be reported to JAMSOSTEK whereas OSHA of Malaysia stipulates that any accident with above 4 mandays lost shall be reported to DOSH/JKKP and SOCSO.



*The Agro-chemistry laboratory performs an important function in ensuring the quality of our fertiliser input.*

## Our Communities

Our business provides livelihood to families, small businesses and organisations in and around the plantations resulting in many people depending on our Group. Close bonds with our local communities are therefore a key priority to our organisation and we are committed to promoting socio-economic policies and progress in the local communities we operate in.

UP has an obligation to monitor and manage any impact our operations might have on these communities and at the same time ensure that they receive financial, social support enabling them to develop by creating jobs, paying taxes and doing business with local enterprises.

## Continuous Stakeholder Engagement

UP engages - both formally and informally - with various stakeholders in and around our areas of operation. This is a key aspect of sustainable development and all enquiries by stakeholders are recorded and monitored in order to resolve any ongoing issues.

## Grievance Resolution

Under our MSPO, ISPO and RSPO frameworks, we are obligated to deal with issues openly. The respective Principles and Criteria state the need for a commitment to transparency and that mutually agreed systems for dealing with complaints and grievances shall be in place and implemented.

This procedure ensures that local and other interested parties understand the communication and consultation process when raising any issues with UP.

UP accepts its responsibility as a corporate citizen and wants local communities to be aware and involved in

the communications and consultation methods it uses, thereby aiming to resolve grievances (including those originating from employees) through a consultative process. Any system must therefore resolve disputes in an effective, timely and appropriate manner that is open and transparent to any affected party.

Recognising the value and importance of communication and consultation in clearing up misunderstandings/ conflicts and or grievances or raising any issues with UP, the following procedure is adopted in an effective, timely and appropriate manner that is open and transparent to all affected parties.


## Procedures for Handling External Stakeholders' Issues

All requests, complaints, grievances and consultations for external stakeholders are lodged in a template called the Stakeholders Logbook. External stakeholders are considered to be Statutory Bodies, NGOs, Local Communities, Smallholders, Contractors, Third Party FFB Suppliers and Services Providers, whereas internal stakeholders are all employees of UP and their respective trade unions.

Alternatively, these enquiries/grievances can be submitted anonymously to the respective Estate Managers or Heads of Department or directly to the Company Secretary, in order to ensure the complainant does not face the risk of reprisal or intimidation. The complainant is free to appoint any independent legal and technical advisor as well as any individuals or groups to support them and/or act as observers, including a third-party mediator.


The Company Secretary of United Plantations Berhad is responsible for the handling of all external enquires and grievances against the Company. The Company Secretary's address is as follows:

### Social Commitments



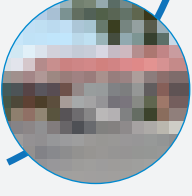
**Education**

Today, our Group has 9 Primary Schools and 7 Kindergartens on its properties which are maintained by the Company, providing education for more than 500 children ranging from ages of 5 to 12 years from within and outside the plantations. Continuous improvements were made during 2023 to maintain the highest possible welfare standards for our workforce and ensure high standard educational facilities for the children. Scholarships are provided to needy children among the Indonesian villages in which we operate.



**Infrastructure investment and support**

We finance and provide services to improve rural communities' access to services and markets, as well as to create employment. Our initiatives include the construction, maintenance and renovation of roads, bridges, places of worship, and community facilities such as community halls, sports and cultural facilities.



**Estate Group Hospitals**

The Company operates two well-equipped estate group hospitals in Malaysia and Indonesia with trained resident Hospital Assistants supervised by a Medical Doctor. Medical services are open to our rural neighbours who in the past lacked access to basic healthcare and immunisation programmes.

The Company Secretary  
 United Plantations Berhad  
 Jendarata Estate  
 36009 Teluk Intan  
 Perak Darul Ridzuan, Malaysia  
 Tel : 05-6411411; Ext – 215,334  
 Fax: 05-6411876  
 Email; [up@unitedplantations.com](mailto:up@unitedplantations.com)

For further details on our grievance redressal procedures for external stakeholders, please refer to our website, [www.unitedplantations.com/sustainability/](http://www.unitedplantations.com/sustainability/).

### Land Disputes and Free, Prior and Informed Consent (FPIC)

We are committed towards the principles of Free, Prior and Informed Consent (FPIC) and adhere to these principles in all our negotiations and interactions with stakeholders prior to any development or acquisition of land.

In Indonesia, land disputes are inevitable and part of managing plantations in the country. To minimise land issues, free, prior and informed consent sessions with stakeholders are conducted as a vital part of sustainable plantation development.

UP has been involved with several thousand land deals with the local community and whilst most cases of disputes have been amicably resolved based on facts and full transparency in line with our Standard Operating Procedure (SOP) for Land Disputes Settlement as per FPIC.

We are pleased to inform that there is no pending land dispute case in our operations. All land dispute cases shall be addressed as per our Land Dispute Redressal Procedure.

For further details on or SOP for Land Disputes Settlement as per FPIC protocols, please refer to our website, [www.unitedplantations.com/sustainability](http://www.unitedplantations.com/sustainability).

### Landscape Approach

A landscape approach is all about having communities discuss and agree on various sustainability issues to provide an optimal balance between community, commercial and conservation interests.

At United Plantations, we recognise that community engagement, assessment and feedback are an integral part of our global sustainability strategy and initiatives. The community groups which are key to our operations and which have significant influence over the impacts of our business are carefully identified and engaged at various platforms and intervals throughout the year.

The community engagement process, which includes a proactive and both formal and informal approach, is carried out to fully understand their sustainability

concerns and issues with a view to ensuring that their key interests in these areas are aligned with that of our Group. Partnerships with the local communities are crucial to achieve success in Indonesia and it is therefore of utmost importance that the local communities also benefit from UP's development.

A Stakeholder meeting is held annually for all the business units within our operations to discuss and collate their feedback on the Social and Environment Impact Assessment (SEIA). This is reviewed annually with the participation of stakeholders.

For further details on our landscapes initiatives, please refer to our website, [www.unitedplantations.com/sustainability/](http://www.unitedplantations.com/sustainability/).

### Plasma Schemes and Smallholders

At our Indonesian Plantations, we are actively involved with a government project known as the Plasma Scheme, designed to assist smallholders to become independent plantation growers.

With this, the Indonesian Government's objective is to ensure the establishment of Plasma Projects equivalent to 20% of a Company's planted area.

Under the Plasma Scheme, UP helps smallholders develop their land, including land preparation, for cultivation of oil palms. Once developed, the plantation is managed by the Company for one cycle after which it will be handed over to the smallholder for self-management. During the first cycle, proceed from the Plasma-areas minus development cost, is paid to the farmers by the Company.

We expect the scheme to provide more opportunities for the smallholders and help alleviate poverty, and with this programme, we also hope to steer them away from illegal logging, as well as slash-and-burn activities that can have a huge negative impact on the environment. In the early years of plantations development, before the oil palm trees reach maturity, the livelihood of smallholders is supported through employment by the Company.

Here, they typically work as employees on our plantations, while at the same time getting an understanding of oil palm cultivation and best management practices.

The Company provides the smallholders with sufficient resources and is committed to buying their FFB at government determined rates. To assist them further, we also provide vital training on plantations management practices and financial arrangements.

As of 31 December 2023, 1,377.08Ha of Plasma have been developed for 853 Plasma Scheme smallholders and another approximately 150 Ha is expected to be provided and developed for the communities surrounding the Company's properties in 2024.



*The Jendarata Junior Football Academy has been established in 2019 for employee's children between 5 to 12 years of age. The above picture is taken from one of the training sessions with some members of the Danish Gymnast team visiting UP during 2023.*

### Smallholders' Field Day

Oil palm smallholders have a critical role in helping us achieve our sustainability goals, as they are part of the supply chain providing an estimated 40% to 50% of the world's palm oil production. As part of our Company's involvement, UP continuously engages with smallholders on an annual basis.

In view of the recurring wave of COVID-19 cases, the Smallholder's Field Day for 2023 was deferred however, we are planning to conduct the Smallholders' Field Day in the 2nd half of 2024.

During Smallholders' Field Days, we invite smallholders from local districts to visit our plantations to get a better understanding of good agricultural practices, sustainability initiatives and environmental protection. They are given training sessions in safe handling of pesticides with appropriate Personal Protective Equipment (PPE), effective use of pre-emergent herbicides for less chemical usage, integrated pest management (IPM) and mechanised harvesting in order to assist them with their agricultural interests.

Demonstrations on fire combat procedures are also carried out to further enhance the awareness of neighbouring smallholders. In case of fire incidences mainly due to El-Nino occurrences, they are informed to contact UP for emergency assistance.

Furthermore, we invite the Malaysian Palm Oil Board (MPOB) to provide a briefing on Good Agricultural Practices (GAP) as per their GAP Manual and MSPO certification for smallholders.

### Food Security

According to the Food and Agriculture Organization of the United Nations, food security is a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

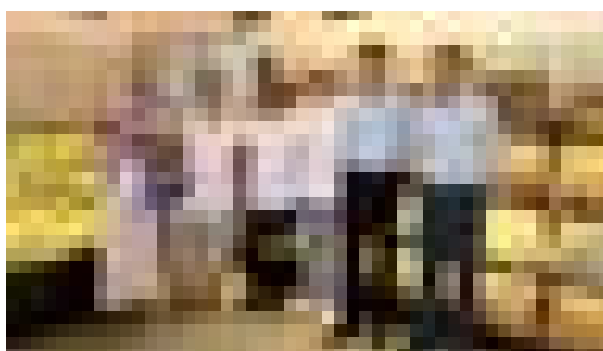
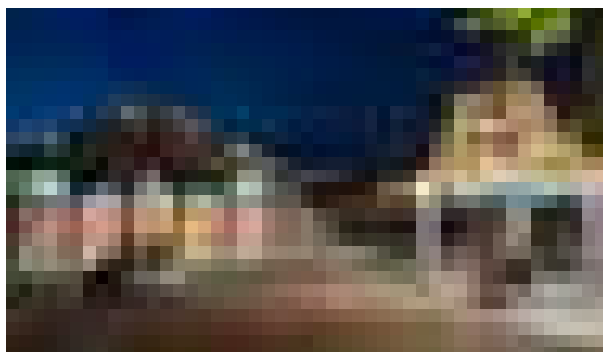
In UP, we ensure that all of our Estates' sundry shops provide adequate supply of healthy food to our workers at a reasonable price.

Night markets are held in the Estate on a monthly basis where the workers have access to more varieties of sundry goods. In addition, rice and cooking oil are offered to our workers at a subsidized rate.

All workers are also provided with land at the back of their houses to plant vegetables and a dedicated area within the housing complex to be planted with fruit trees.

As far as local businesses are concerned, it is crucial for us to understand the impact of our operations on their livelihood.

In this connection, we conduct social and environment impact assessments with the participation of local communities and regular consultations regarding matters that affect both workers and local business owners.



*A range of social amenities to cater for the needs of our employees, stakeholders and surrounding communities.*



## Sustainability Governance

Robust governance and risk management are key to our core principles of being a good corporate citizen, doing business responsibly and committing to a long-term perspective. Having received the world's first RSPO certificate in 2008, we continue to raise the bar for RSPO certified palm oil, which is recognised for the highest agricultural standards internationally.

### Governance Structure

Strong risk management policies and procedures operationalised through effective sustainability governance in line with our core values are key for achieving long term success. The Board of Directors of UP is responsible for approving the direction and overall strategy for the UP Group and monitoring management's progress in connection with the financial objectives and strategic priorities. The Board receives a formal Sustainability Report at least once a year before it is reviewed and approved for release to the shareholders and public.

In relation to UP's overall sustainability objectives, targets and priorities, the Board of Directors has delegated the responsibility to the Executive Committee (EXCOM) headed by the Chief Executive Director (CED), Dato' Carl Bek-Nielsen. The Executive Committee reviews and approves UP's sustainability objectives and monitors progress and sustainability developments within the Group. The CED and EXCOM are assisted by the Group Sustainability Committee (GSC), which is chaired by the CED. There is also the

Group Sustainability Reporting Team (GSRT) headed by Mr. Martin Bek-Nielsen, Executive Director, Finance & Marketing and includes key personnel from Finance, Research, Human Resources, Sustainability and Safety, Share Registrar and Marketing Departments.

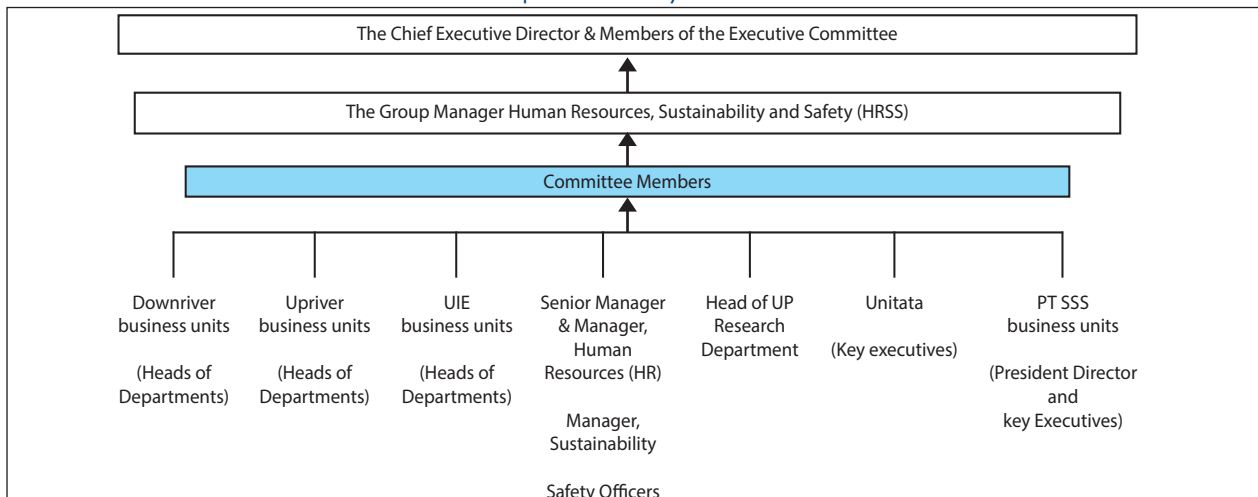
The GSRT collates all the information from the GSC, stakeholders' responses and prepares the Sustainability Report. Officially established in 2003, the GSC provides policy direction on strategic leadership on UP's Sustainability agenda, identifies our Group's most material issues in relation to risks and opportunities and monitors progress against targets set by the CED and EXCOM on a bi-annual basis.

Since the Sustainability Report became mandatory in 2016, Mr. Martin Bek-Nielsen has been briefing the Board, CED and EXCOM on the work of the GSRT and sustainability issues at every official meeting held. Sustainability is also a key aspect in the Group's Risk Management Structure which assesses various sustainability issues and developments in its annual Risk Assessment and Management process.

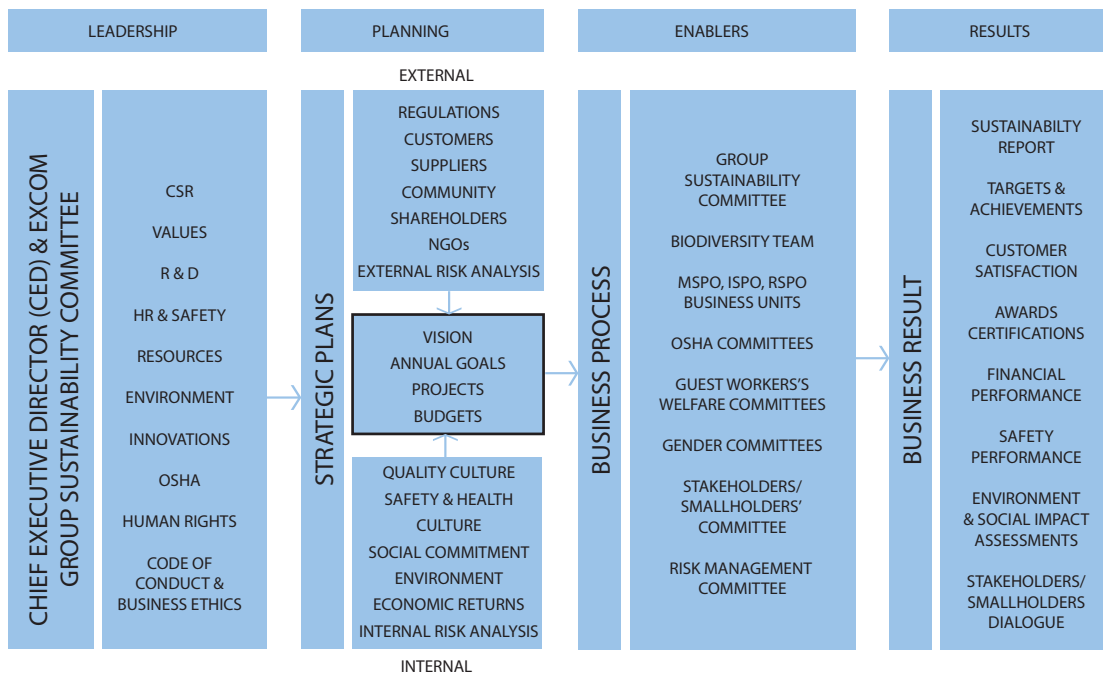
### Sustainability Governance Management Structure



### Group Sustainability Committee



Group Sustainability Systems Framework (GSSF)



UP's Group Sustainability Systems Framework (GSSF) is the system through which its commitment to environment and sustainable development including social and occupational safety & health matters are formalised. It is based on four key focus areas as follows:

**Leadership** of the Group Sustainability Committee is at the highest level of the company and is spearheaded by the Chief Executive Director Dato' Carl Bek-Nielsen. This committee provides policy directions on environment and sustainable development, occupational safety and health, allocation of resources and communications.

**Planning** encompassing external and internal needs that are formulated through the company's vision, policies, goals, projects, budgets and risk analysis.

**Enablers** are various sub-committees and teams that ensure the adoption of environment and operational practices that are in line with current best practices and policies.

The MSPO, ISPO and RSPO business units and the various sub-committees are enablers of the GSSF and ensure that the environmental and operational policies are implemented. They are guided amongst others by the MSPO, ISPO and RSPO's Principles and Criteria and the following Manuals and SOP's:

- 1) MSPO, ISPO and RSPO Principles and Criteria

- 2) Field Management Manual
- 3) Standard Operating Procedures – Oil palm field practices
- 4) Standard Operating Procedures – Palm Oil Mill operations
- 5) Occupational Safety and Health and HIRARC Manual
- 6) Environment & Social Impact Assessments and its Management & Monitoring Plans
- 7) High Conservation Value, High Carbon Stock Assessments and its Management & Monitoring Plans
- 8) ISO9001:2015, HACCP and Quality Manual for our Refineries

**Results** are measured through customer satisfaction, safety performance, financial performance, environment protection and management and certifications.

The Group's Internal Audit Department, together with the Group's HRSS Department carry out audits on various sustainability issues and areas throughout the year to ensure compliance to the Group's sustainability policies and procedures.

## Awards and Recognitions

Under the Plantations Sectoral category, UP was awarded the following awards by The Edge Billion Ringgit Club 2023, for companies below RM10 Billion Market Capitalisation.

- Highest return on equity (ROE) over three years, for the third consecutive year,
- Best CR Initiatives,

Furthermore, we are pleased to inform that UP also received the following awards and recognitions:

- No. 3 ranking in the SPOTT ESG transparency assessment 2023 of 100 palm oil producers, processors, and traders globally (No. 1 in Malaysia).
- ISCC certification for the point of origin of our refineries (Unitata and UniFuji)
- myGAP certification for our coconut Estates (Jendarata, Kuala Bernam and Sungei Bernam)

## Sustainability Certifications

### Roundtable on Sustainable Palm Oil (RSPO) Certification

Whilst UP has focused on responsible agricultural production for generations, our formal journey towards being recognised as a certified producer of sustainable palm oil commenced in September 2003 when we were audited by ProForest and became the world's first audited producer and processor of

sustainability produced palm oil in accordance with the Swiss supermarket chain, Migros' principles and criteria on sustainable palm oil.

Following that, UP was one of the initial signatories to the RSPO in 2004 and part of the stakeholders group involved in developing the principles and criteria to define sustainable palm oil.

Our entire landbank of oil palm plantations in Malaysia were then successfully certified in accordance with the RSPO Principles and Criteria on 26 August 2008 whereby we became the world's first producer of certified sustainable palm oil.

This capability of supplying sustainably certified, traceable, and high-quality palm oil and palm kernel oil is an important part of our commitment to customers.

Our total RSPO certified and traceable quantity available based on own production was approximately 250,000MT of palm oil and 50,000MT of palm kernels in 2023 for our Malaysian and Indonesian operations.

For our Indonesian operations, UP/PT SSS have successfully obtained the RSPO certificate for the entire HGU area of 6,717.62 Ha in December 2019. HGU refers to the certificate on land cultivation rights title issued by the Government of Indonesia.

The Time Bound Plan for the balance uncertified non-HGU areas will be in tandem with the issuance of HGU certificates by the Government of Indonesia which is expected to be obtained by 2025.



*Under the Plantations Sectoral category, UP was awarded - Highest return on equity (ROE) over three years, for a third straight year and Best CR Initiatives (Below RM10 Billion market Capitalisation) by the Edge Billion Ringgit Club.*

For our Plasma scheme smallholders, the full certification is expected latest by 2025 subject to the issuance of individual land certificates by the local government.

Today, all our estates and mills in Malaysia are fully certified against the new RSPO Principles and Criteria 2018 (Malaysian National Interpretation 2019) which demonstrates a stringent compliance with No Deforestation, No New Planting on Peat regardless its Depth and No Exploitation of Workers and Local Communities (NDPE).

### Supply outpacing RSPO certified demand

Whilst it is commendable that approximately 20% of the world production of palm oil is now certified by the RSPO, it is unfortunately a fact that the global uptake of RSPO certified palm oil was still only 64% in 2023, thereby outpacing demand. This sends a negative message to responsible growers worldwide regarding the effort they put into producing the sustainable palm oil, and discourages the uncertified growers to participate in the RSPO certification. The RSPO certified oil not purchased will still end up in the supply chain being sold as conventional palm oil.

In this context, it is most pleasing that the concept of commensurate effort/shared responsibility is incorporated within the new RSPO P&C 2018, but more attention needs to be given to further raising the uptake of certified sustainable RSPO Palm oil by the consumer goods manufacturers (CGMs) and retailers, whose level of ownership is still not up to mark. It is important for all RSPO members to step up and implement and operationalise the concept of “shared responsibility”, as sustainability is a collective mission, which requires critical individual changes.

To that end, UP is actively participating in the RSPO P&C 2023 Standards Review Task Force to improve auditability, applicability, and commitments to the concept of shared responsibility in the new standards, which are expected to be finalised by mid-2024.

This should not add extra layers on top of the current complex and stringent set of criteria, as this would risk derailing the overarching goal of raising both the floor and the ceiling insofar as sustainability is concerned.

### Malaysian Sustainable Palm Oil (MSPO) Certification

The Malaysian Sustainable Palm Oil (MSPO) standard is a national certification standard created by the Malaysian Government and developed with input from stakeholders in the palm oil industry.

Today, all of our mills and estates in Malaysia have successfully obtained the MSPO Certificates, and we

are in the midst of aligning our compliance towards the revised MSPO P&C 2022 in preparation for external audits in 2024 based on the revised timeline by MPOCC.

For the refineries, our Sustainability Team has initiated the preparation of sites and documentation in line with the new MSPO P&C for refineries which stipulates that all refineries in Malaysia shall be certified against the revised MSPO P&C 2022 by 2024.

### Indonesian Sustainable Palm Oil (ISPO) Certification

In Indonesia, the Government established a mandatory certification scheme in 2011 called the Indonesian Sustainable Palm Oil Principles & Criteria (ISPO) to ensure that all producers live up to certain standards.

We successfully obtained the ISPO initial certificate for the entire HGU area of 6,717.62 Ha in August 2019 and subsequent Annual Surveillance Assessments (ASA) are ongoing every year. In May 2024, we will undergo ISPO Re-certification (2nd cycle) for PTSSS.

### Sustainable Palm Oil Transparency Toolkit (SPOTT)

UP participates in the Sustainable Palm Oil Transparency Toolkit (SPOTT) assessment conducted by Zoological Society of London (ZSL), which scores tropical forestry, palm oil and natural rubber companies annually against over 100 sector-specific indicators to benchmark their progress over time.

By measuring the transparency of companies in public disclosures of best practices and sustainability commitments via the RSPO Annual Communication of Progress (ACOP), RSPO New Planting Procedures (NPP), Public Notifications, Company Annual/Sustainability Reports and Company Websites, the assessment aims at promoting industry transparency and accountability to drive the uptake and implementation of environmental, social and governance (ESG) best practices in high biodiversity impact sectors.

In 2023, UP took a great leap forward and was ranked as number one in Malaysia and number three of all hundred companies globally with an improved score of 95.2% for our efforts related to environmental, social and governance matters and transparency and public disclosure of our policies.

Whilst this is a pleasing achievement, we remain committed to engage and collaborate actively with the Zoological Society of London to further improve wherever possible.

For further details on SPOTT assessment for palm oil companies, please refer to SPOTT’s website, [www.spott.org/palm-oil/](http://www.spott.org/palm-oil/).



*An array of Multi Stock Deodorisers at our Unitata refinery complex.*

Marketplace

United Plantations is committed to the world’s highest standards of sustainability, quality, and product traceability, right from the agricultural source in our upstream plantation operations to the final products from our downstream refining activities. We aim for continuous improvements and work towards building long-term relationships through proactive discussions about sustainability, global trends, health and nutrition with customers, suppliers, business partners and other stakeholders in the global marketplace, in the spirit of shared responsibility.

The strive for the highest possible global food safety, sustainability, and quality standards starts from the very beginning of the UP Group’s integrated business activities. By controlling all areas of the production, we are able to comply with the strictest international requirements, offering high-quality sustainable products with the lowest carbon footprints and contaminant levels in the world.

Today, we operate two state-of-the-art palm oil refineries, Unitata Berhad and UniFuji Berhad, that are responsible for value-adding UP’s certified sustainable crude palm oil and crude palm kernel oil into high-quality processed products, which are shipped to our customers worldwide.

Unitata became the first integrated inland refinery in Malaysia in 1974 and has over the last 50 years become a well-recognised international supplier of specialty fats and vegetable oil fractions, not least due to our close collaboration with AAK, a world leader in specialty oils and fats.

UniFuji, our joint venture with Fuji Oil, was inaugurated in late 2018 and is the first refinery in the world to run completely fossil fuel-free by using renewable energy produced from biomass waste, and provide full traceability from seed to finished fractions, based on supply from UP, a perfect example of the circular economy.

Edible Oil Refining and Specialty Fats Production

Attention to quality, investment in production facilities and ongoing product development are priorities in order for Unitata and UniFuji to meet challenging and changing customer demands. In order to cater for the growing demand of high-quality products our refineries are equipped with automated manufacturing processes such as Neutralization, Bleaching, Deodorization, Fractionation, Interesterification, and Packaging of specialty fats and oils. Thorough process controls and a disciplined manufacturing culture help ensure that quality assurance is in place to comply with customer requirements.

Consumers today are placing an increased focus on safety and health in relation to food production, and demand transparent and traceable supply chains based on processes that reduce processing aids, water, energy and the overall GHG footprint. Furthermore, social care and strong emphasis on human rights for employees are increasingly seen as non-negotiable principles, as well as protection of fragile ecosystems including peat land and forests.

In UP and all our subsidiaries, we are committed to being a part of this positive change by providing the highest quality of certified sustainable and traceable palm oil products and services to customers worldwide.

Commitment to Quality



Our commitment to quality is an integral part of UP’s corporate culture, and it is our strong objective to deliver premium quality products that are safe and based on the highest standards and level of responsibility.

As part of this commitment, and to uphold Unitata and UniFuji as premium oil quality producers, much emphasis is therefore placed on quality assurance throughout the various stages in both refineries, to meet the statutory and legal requirements for the total satisfaction of our valued customers worldwide.

This is evidenced through our continuous investments in the latest process technology and sophisticated analytical equipment that provide accurate and timely controls to ensure customer satisfaction as well as high product quality and food safety.

Our quality focus starts from our Research Department and continues through every stage of our agricultural, milling, and downstream activities until the final product is delivered to our customers.

This is in line with our philosophy of:

**U**pholding the name and reputation of UP as a top producer of premium quality palm products.

**N**urturing a diligent work force who takes pride in contributing to the development of the Company.

**I**nitiating and innovating positive, progressive work ethics, methods and incorporating a winning culture.

**T**raining of personnel is the key to upgrading our skills and keeping in trend with the marketplace.

**E**nsuring that only high quality palm products are produced, to the satisfaction of our customers’ needs

**D**elivering decisive efforts in Research and Development to continuously improve our working methods, efficiency and product quality.

### Low 3-MCPD and Glycidyl Esters

3-MCPD and Glycidyl Esters are contaminants formed during the processing (refining) of edible oils and fats. This has become a topic of concern for vegetable oil refiners and consumers based on a report published by the European Food Safety Authority (EFSA) in May 2016, in which the EFSA Panel on Contaminants in the Food Chain (CONTAM Panel) published the results of its assessment of the safety of 3-MCPD and Glycidyl esters with respect to human health.

In line with our focus on sustaining and improving the production of high-quality products within our Group much attention is directed towards reducing contaminants in our supply chain. This dedicated focus enables us to produce refined palm oil with levels of 3-MCPD and Glycidyl Esters that are amongst the lowest in the industry. This is a testimony to more than 4 decades of research activities undertaken at our Unitata refinery combined with our Group's dedicated quality commitment within all parts of our supply chain.

### Low MOSH and MOAH

Of nearly equal repute in being a contaminant to final oils and fats is the new and emerging contaminant called Mineral Oil Hydrocarbons (MOH). It encompasses two main sub groups namely saturated hydrocarbons, generally present at a ratio of 80/20 with MOAH trailing behind MOSH.

MOSH is believed to accumulate in human tissue and cause adverse effects to the liver while MOAH, the

greater menace of the two, is reported to be genotoxic carcinogens and may cause damage to the DNA leading to cancer. Hitherto, there have been no binding threshold espoused by the EU. However, customers who once posited the ALARA approach (ALARA is for "As low As Reasonably Achievable") were prescient of legislation that likely would come into effect sooner.

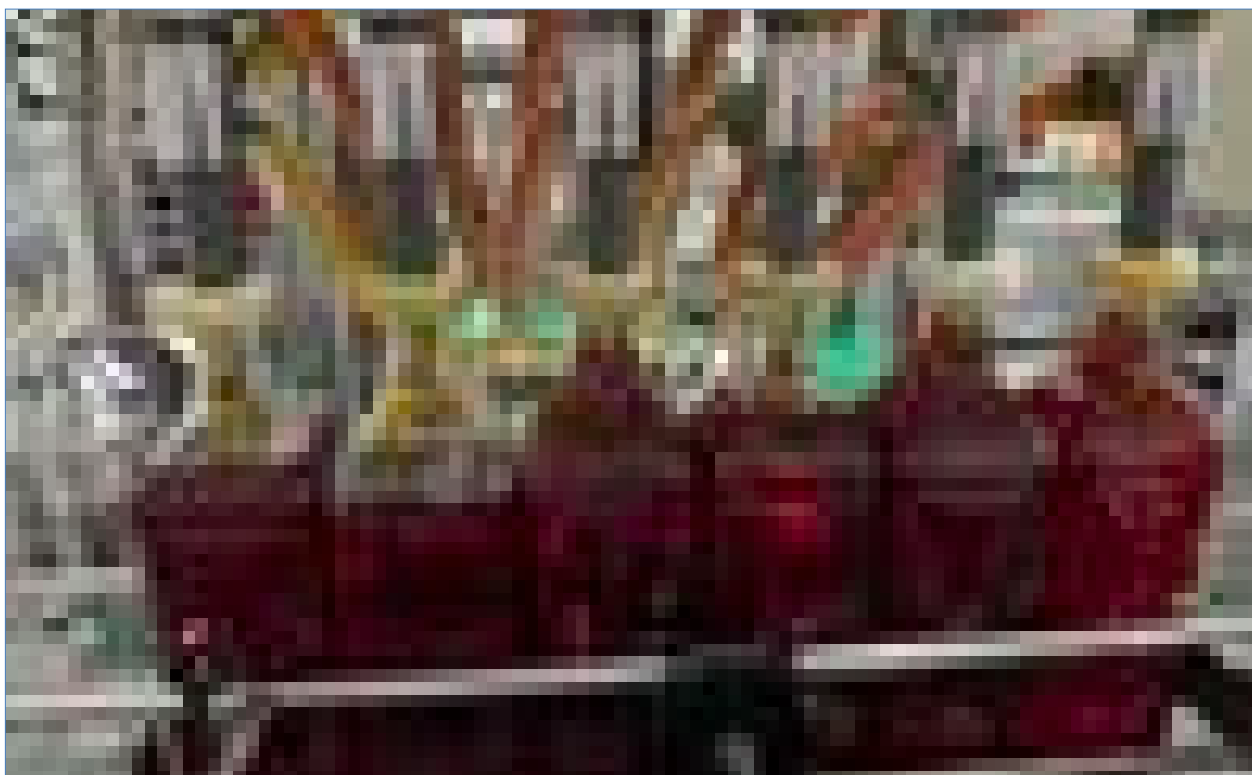
In preparation for such legislations and concern over societal's wellbeing, the demand for targeted thresholds on MOSH-MOAH is being pursued by customers with increasing voracity for tighter commitments.

The inception of the task force on MOSH-MOAH in 2018 has played a pivotal role to this end by formalising sustainable mitigation plans.

Baseline presence of contaminants have been determined through our very own state of the art analytical laboratory and mitigation efforts for further reduction have been carried out successfully throughout the plantations, mills and the refineries.

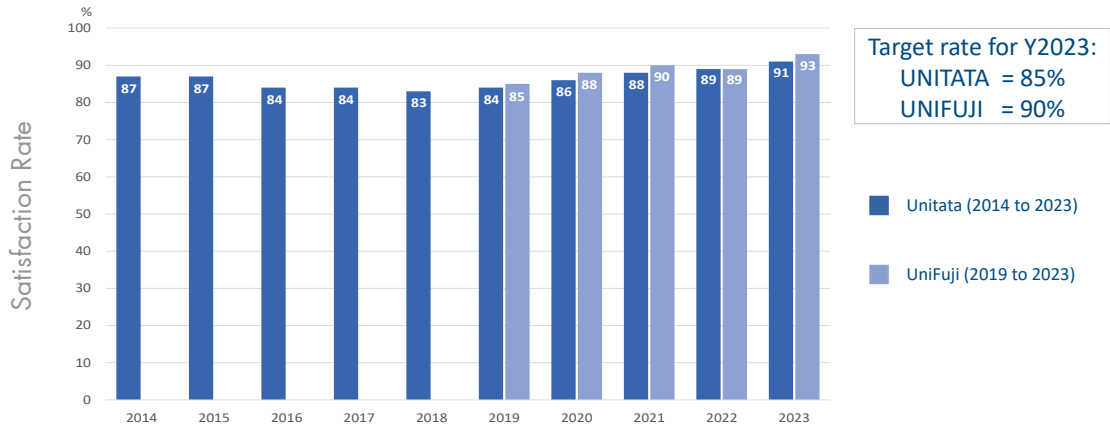
As a result of the goal-directed quality controls and assessments, UP, Unitata and UniFuji are today able to meet the ever tightening threshold prerequisites for oils that will be used in a variety of food products, especially in the production of infant formula.

Overall, we aspire to be a wellspring of adaptive-competence when faced with new challenges, and hence, we are committed to further reducing the levels of novel contaminants that are detrimental to the human health.



*Commitment to quality – Product bottling under stringent hygienic conditions at one of our filling plants at Unitata.*

### Customer Satisfaction Survey



#### Customer Satisfaction

At Unitata and UniFuji, the annual customer satisfaction survey is used to measure how our finished products meet our customers’ expectations. This is an important measure in relation to our continuous improvement attitude and provides us with an important understanding of our service and collaboration with our customers based on their valuable feedback.

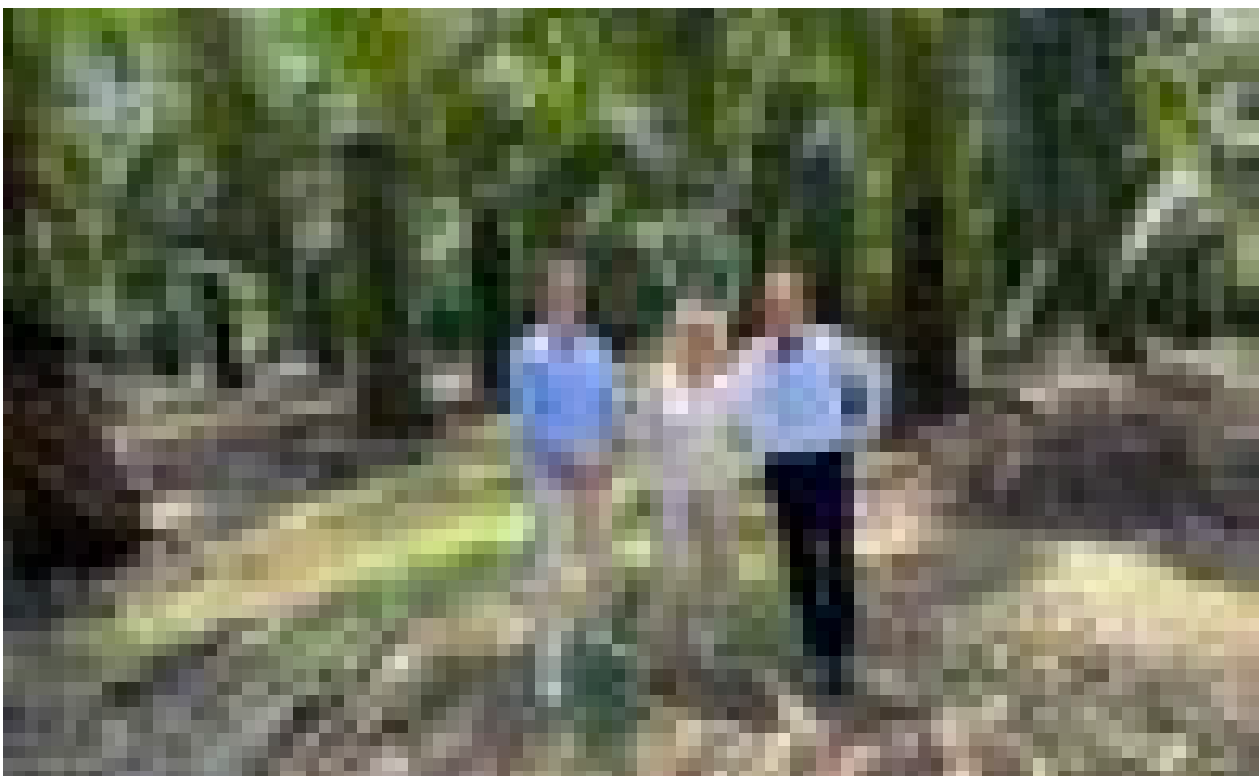
Through interactions with customers and other stakeholders, a deep understanding of this responsibility has been developed and provides a healthy avenue for continuous improvements in quality and food safety by minimizing risks throughout the supply chain. Furthermore, UP has gained much knowledge on market trends and have become more capable of responding to them.

The survey focuses on three key areas which are:

- (i) Product quality
- (ii) Service quality
- (iii) Delivery timeliness

The results are analysed and tabulated in an appropriate graphical form for presentation at the management review meetings as well as during the various certification audits throughout the year. Besides that, Unitata and UniFuji also adopt an on-going communication method with customers to keep them engaged with their products.

Regular communication with customers enables Unitata and UniFuji to develop products and provide the necessary service to ensure continuous customer satisfaction, which cannot be taken for granted in the competitive business of refining.



A visit from our long term valued customer, AAK, here represented by Ms. Susanne Jaspers, President Europe & Strategic Accounts and Mr. Bo Pedersen, Head of Strategic Accounts together with Mr. Martin Bek-Nielsen.



## Food Safety and Certifications

Our commitment to food safety for sustainable and consistent high-quality products is endorsed by relevant international certification bodies, and to keep up with the increasing demand for supply chain traceability and quality, both refineries have obtained numerous local and international certifications as follows:

### UNITATA:

ISO 9001, HACCP, Halal, Kosher, BRC, FDA, SEDEX, RSPO SCCS, MSPO SCCS, GMP, GMP+B2 Feed Safety, MeSTI, ISCC EU and MPCA.

### UNIFUJI:

ISO 9001, HACCP, Halal, Kosher, FSSC 22000, FDA, SEDEX, RSPO SCCS, MSPO SCCS, ISCC EU and MeSTI.

As a requirement for the above-mentioned certifications, Unitata and UniFuji are audited annually by the various certification bodies and by customers.

To improve and further strengthen our supply chain transparency, Unitata and UniFuji have been audited under SMETA (Sedex Members Ethical Trade Audit), a platform that encompasses four pillars of responsible practices, ie. Labour, Health and Safety, Environment and Business Ethics.

In addition, Unitata and UniFuji are continuously auditing and assessing our key suppliers of raw materials, packaging, and ingredients based on our established risk assessment procedures.

All packed products are traceable to their raw materials including additives and packaging materials via batch and code numbers printed on the labels, which meet the requirements of the Malaysian Food Act and the requirements of the respective export markets. Furthermore, Unitata and UniFuji have established and validated our process controls to consistently minimize the risk of contaminants and meet the highest food safety standards.

Both refineries also emphasize on the element of food defence as part of product security. This assures the protection of our products from malicious contamination, adulteration, or theft, and in this connection, relevant food safety training is of high priority for all employees in order to keep abreast with the increasingly demanding food safety requirements.

## MSPO and RSPO Supply Chain Certifications

In 2008, before the RSPO Supply Chain Certification was introduced, Unitata was the first company to ship refined RSPO certified segregated palm oil to customers worldwide. This was verified by independent surveyors. In December 2010, Unitata furthermore received its Supply Chain Certification and have since been able to handle and deliver first class certified sustainable

and segregated palm and palm kernel oil solutions to customers worldwide based on the RSPO supply chain traceability system.

UniFuji received its RSPO Supply Chain Certification in September 2018 and is therefore also able to deliver high quality certified and sustainable palm-based products under the segregated RSPO supply chain solution to all its customers.

The RSPO cooperates with the traceability service provider, UTZ who through the RSPO Trace system ensures that the necessary traceability is in place in order for proper certification of the palm and palm kernel oil that is used in the refining process.

The supply chain certification is the buyers' and consumers' guarantee that the palm oil or palm kernel oil used in the production of finished goods actually comes from the claimed RSPO source. This requires records to be kept to demonstrate that the volume of CPO or CPKO sold as sustainable oil does not exceed the amount produced by the upstream RSPO certified mills.

In November 2017, Unitata had its first verification audit by one of our key customers for supply of RSPO certified palm kernel oil materials. The audit, which was a full traceability audit on the origin of materials supplied by Unitata Bhd, was conducted independently by a third-party auditor appointed by the customer, who concluded that the material sourced by the customer is 100% traceable throughout the supply chain.

In addition to the RSPO certifications, Unitata and UniFuji successfully achieved the MSPO supply chain certification in 2023.

## Traceability

In the following section, we will be providing an overview on both our upstream (Plantations) and downstream (Refining) business activities in relation to our focus on improving traceability in our supply chain for the benefit of our global customers and stakeholders.

This entails our commitment to ensure that the certified sustainable palm oil and palm kernel oil used in the production of finished goods come from sustainable sources.

As an important part of UP's traceability focus, we strive to ensure that our supply chain (direct and indirect suppliers) live up to our Group's commitment towards the No Deforestation, No New Development on Peat and No Exploitation (NDPE) Policy.

This is in line with the increasing interest for certified sustainable and segregated palm oil as many global brand manufacturers have now committed to only use RSPO certified and segregated palm oil solutions.

Upstream Traceability

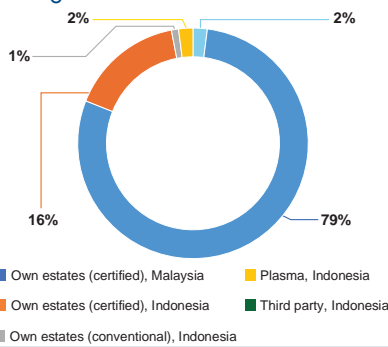
All CPO sourced in Malaysia is RSPO certified under the Supply Chain model of Identity Preserved (IP). In Indonesia, we have undergone RSPO certification for part of our plantations (with HGU certificates) and have successfully achieved RSPO certification for these areas in 2018. Currently the mill in Indonesia is RSPO certified under the Mass Balance Supply Chain model (MB).

Full certification and production of RSPO certified and segregated palm oil traceable to the mill and plantations is expected to be reached in 2025 for our Indonesian operations in tandem with the issuance of land use certificates by the local Government authority for our properties (Inti) and Plasma land.

In this connection, we are increasing awareness by retraining and carrying out audits within all operational areas of our Group. The results of these measures will be monitored and incorporated in our future reports or Company Website as part of our continuous improvement commitment.

UP's Mills	Percentage from own plantations (%)	Percentage from third party suppliers (%)	Traceable to plantations (%)
UIE	100	0	100
Jendarata	100	0	100
Ulu Bernam Optimill	100	0	100
Ulu Basir	100	0	100
Lada (PT SSS)	80.06	19.94	100

Origin of FFB Processed at UP Mills



The location of UP owned mills is tabulated below:

Name of Mills	GPS Coordinates	
	Latitude	Longitude
UIE	N 4°26'53"	E 100°43'11"
Jendarata	N 3°51'14"	E 100°58'06"
Ulu Bernam Optimill	N 3°46'19"	E 101°13'14"
Ulu Basir	N 3°43'28"	E 101°15'21"
Lada (PT SSS)	S 2°35'24"	E 111°46'16"

The location of third-party FFB suppliers for PT SSS is tabulated below:

Name of FFB Suppliers	GPS Coordinates	
	Latitude	Longitude
Koperasi Tani Bahagia	600918	9678406
Koperasi Karya Tunggal Jaya	589868	9728251
CV Inti Sawit Perkasa/ Bapak Iswanto	591276	9708506

As at 31 December 2023.

Downstream Operations - Unitata

At Unitata we pride to be at the forefront of providing quality products to customer worldwide and have therefore made responsible sourcing and supply chain transformation a strategic priority.

One of Unitata's key commitments to its customers is to ensure that our finished products can be traced back to its origins, namely palm oil mills and further to the plantation level. This is particularly important in relation to the implementation of the EU Deforestation Regulation, effective 1 January 2025, requiring full traceability and verification that no deforestation has taken place anywhere along the supply chain.

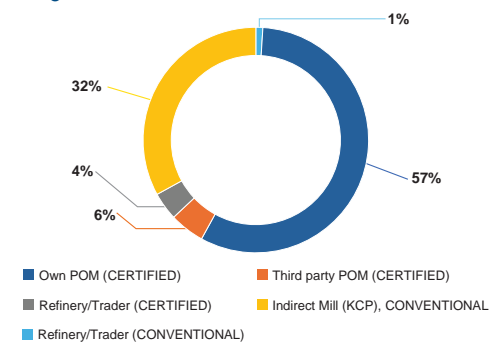
Unitata is currently in a favourable position to meet this growing demand due to the direct link with UP's supply of RSPO certified sustainable and segregated palm oil traceable to the plantations.

Traceability

Traceability plays a vital role in ensuring sustainable palm oil production across the supply chain, and at Unitata we therefore remain committed to delivering responsible and sustainable agricultural products that safeguard the well-being of the people and planet.

The traceability of all our raw materials – CPO, CPKO, and PPO sourced during 2023 is summarised in the below chart:

Origin of raw material sourced at Unitata Bhd.



Origin of raw material sourced at Unitata Berhad. (%)

Own POM (Certified)	Third party POM (Certified)	Refinery/Trader (Certified)	Indirect Mill (KCP) (Conventional)	Refinery / Trader (Conventional)
57.25%	5.52%	3.70%	32.46%	1.08%

From this, it can be seen that the RSPO-certified percentage of all palm oil products handled/traded/ processed (tonnes) is 66.47% (57.25% + 5.52% + 3.70%).

The summary of the number of direct supplier mills supplying CPO and PK is tabulated below and shows a total of 6 mills, consisting of 4 of our own mills and 2 third party mills as at 31 December 2023.

Raw material	Number of supplying mills	Traceable to plantations	Numbers of supplying mills sourced from own plantations	Percentage sourced from own plantations
CPO	own mills (4)	100%	own mills (4)	100%
	third party mills (1)	100%	third party mills (1)	100%
PK	own mills (4)	100%	own mills (4)	100%
	third party mills (1)	100%	third party mills (1)	100%

All of the above own and third-party supplying mills are covering 100% from their own plantations.

All palm oil products in Unitata are sourced from direct and indirect supplier mills as well as plantations in Malaysia.

**Traceability To Plantation (TTP) for Conventional CPKO**

Our direct supplier mills for CSPO have been 100% traceable to plantations level since 2010, whereas our indirect supplier mills for CPKO via Kernel Crushing Plant (KCPs) have been 100% traceable to mill level since 2021.

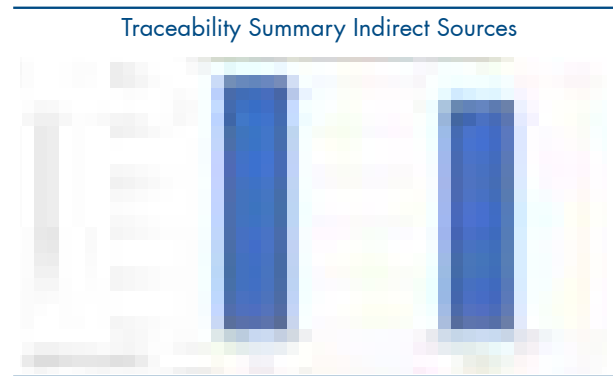
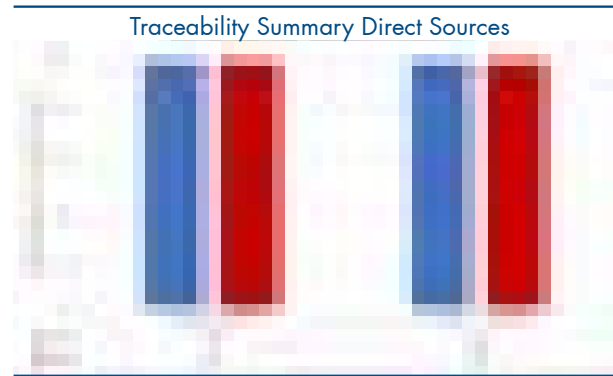
In this context, we have made a significant progress throughout the year towards achieving full traceability to the plantation level for CPKO. This has been done by engaging our KCPs to gather information on third-party indirect supplying mills including plantations, smallholders and dealers in preparation for the European Union Deforestation Regulation (EUDR) coming into effect on 1 January 2025. As of 31 December 2023, our TTP score stands at 90.84% for conventional CPKO. This has been externally verified by BSI.

There is no industry recognized nor standardized definition for ‘Traceable to Plantation’ as of yet. Our approach on TTP is based on a set of traceability indicators for suppliers.

Our TTP score for each mill is evaluated based on our internal prioritization of indicators i.e name of parent company, plantation name, GPS coordinates, status of

RSPO & MSPO certifications, address (up to village), estimated volume of FFB supply to mill and polygon (for the plantations and smallholders above 4 hectares) in the traceability exercise.

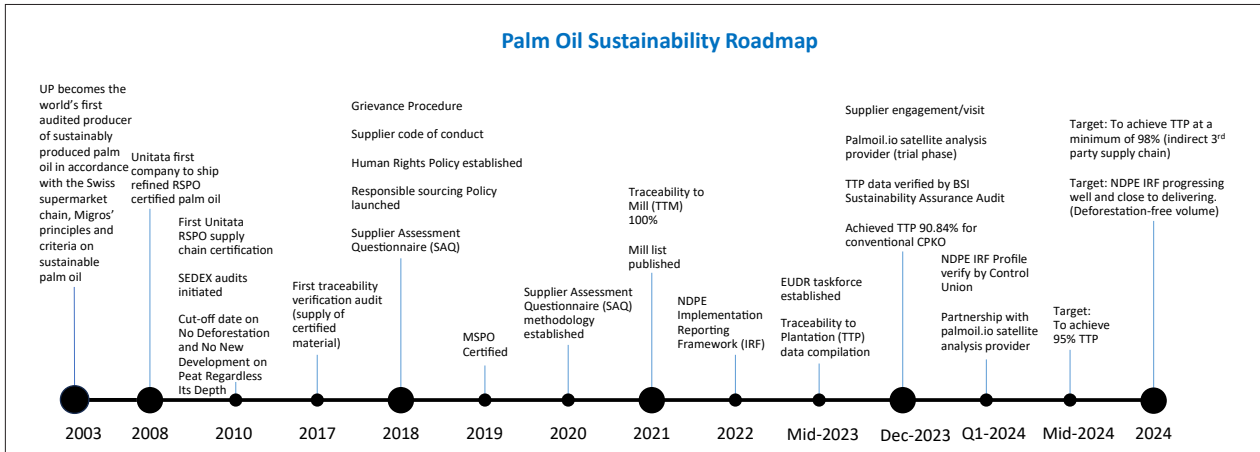
We target to achieve 95% TTP by mid of 2024 and a minimum of 98% TTP by end of 2024. Please see below for an overview of the TTP score card for CPO & CPKO from direct and indirect sources.



**NDPE Implementation Reporting Framework (NDPE IRF)**

NDPE IRF is a tool designed by the Palm Oil Collaboration Group (POCG) to measure companies progress towards No Deforestation, No Peat and No Exploitation (NDPE) commitments across the entire supply chain. Since 2022, UP (including Unitata and UniFuji) has been an active member of POCG, utilises the tool to track downstream supply chain’s progress on NDPE compliance and communicate to our stakeholders.

In this connection, NDPE IRF is increasingly relied upon by our customers as evidence that their supply chain complies with NDPE commitments and we anticipate to undergo third-party verification on NDPE IRF by the second quarter of 2024 to track our progress and milestones towards meeting NDPE commitments as well as to ensure a traceable and transparent sustainable palm oil supply chain, we have established a time-bound roadmap, which is illustrated on the following page.



Satellite Monitoring

In addition to our subscription to GeoRSPO, Starling and Global Forest Watch (GFW) on the monitoring of deforestation activities in our concessions, we are strongly committed to monitor deforestation activities in all of our direct and indirect suppliers too.

Since December 2023, we have initiated a collaboration with a third-party satellite monitoring database service provider, palmoil.io to proactively monitor deforestation and peatland development in our supplier’s operations.

This proactive approach goes beyond simply complying with industry standards, and with that we aim to ensure 100% of our palm oil volumes achieve “Delivering” status under the NDPE IRF by 2025, meaning absolutely no deforestation conversion in our supply chain.

Downstream Operations – UniFuji

UniFuji sources crude palm oil internally from UP, which ensures the availability of RSPO certified sustainable and traceable palm oil to produce value added palm fractions to our customers. The origin of the raw material sourced in 2023 can be summarized as per the table below.

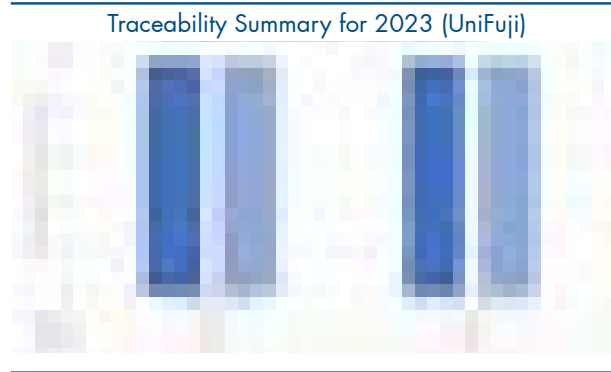
Direct Mill Suppliers:

Raw material	Number of supplying mills	Traceable to plantations	Numbers of supplying mills sourced from own plantations	Percentage sourced from own plantations
CPO	own mills (2)	100%	own mills (2)	100%

Indirect Mill Suppliers:

Raw material	Number of supplying mills	Traceable to plantations	Numbers of supplying mills sourced from own plantations	Percentage sourced from own plantations
PPO	9	100%	own mills (4)	92.55%

This can be further summarised and illustrated as follows:



Evaluation of Suppliers’ Sustainable Commitment

As a part of our sourcing policy and continuous improvement focus, we engage with suppliers to improve practices on the ground and strengthen our supply chain, thereby ensuring positive developments insofar as sustainable palm oil production is concerned.

As important step towards improving our sustainability credentials within the economic, environmental, and social areas of our business, we have invited our suppliers to join us on this journey.

With this we aim to improve sustainability in our supply chain and ensure that our suppliers join us on this journey through close collaboration. Our approach to engagement includes meetings, self-assessment questionnaires (SAQ), supplier audits, on-site verifications and follow-ups related to food safety as well as MSPO and RSPO certifications. At the same time, we also assist our suppliers in improving the scores of their SAQ to meet the commitment in our Responsible Palm Oil Sourcing Policy and Code of Conduct.

Proportion of spending on local suppliers

In UP, we are committed to support the local suppliers in our supply chain.

Year	2023	2022	2021
Proportion (%)	99.90	99.97	99.81

Upstream Suppliers Evaluation

In UP, we have developed a Self-Assessment Questionnaire (SAQ) to evaluate our third party FFB suppliers within the upstream business area. Based on this, we discuss findings and explain and promote on an annual basis our policies on health and safety, workers' rights as well as our expectations on their adherence to our Suppliers' Code of Conduct and Responsible Sourcing Policy.

Furthermore, we conduct site visits and trainings to improve good agricultural practices and promote sustainable palm oil policies and its implementation on the ground. The training sessions include emergency response to accidents (first aid), safe handling of pesticides with appropriate Personal Protective Equipment (PPE), effective use of pre-emergent herbicides to reduce chemical usage, and integrated pest management (IPM) and mechanized harvesting in order to assist them with their agricultural interests.

In addition, demonstrations of fire combat procedures are carried out to further enhance the awareness of neighbouring smallholders in case of a fire incidence and they are informed to contact UP for emergency assistance if required.

We also explain UP's company policies, specifically on our No Deforestation, No Peat and No Exploitation (NDPE) commitment as well as our suppliers code of conduct.

In 2023, we have conducted briefings and trainings for our third-party FFB suppliers including the Suppliers Code of Conduct, Self-Assessment Questionnaire (SAQ), Responsible Sourcing Policy and Best Management Practices.

Downstream Suppliers Evaluation

At Unitata and UniFuji, we have also developed a Self-Assessment Questionnaire (SAQ), which is used annually to engage with our suppliers. This enables us to understand the current status of suppliers and their commitments to our Responsible Palm Oil Sourcing Policy. Through this engagement, we categorize them as high risk, medium risk or low risk suppliers for further engagement.

The SAQ is sent directly to the below raw material suppliers:

Unitata	UniFuji
Crude Palm Oil	Crude Palm Oil
Crude Palm Kernel Oil	Processed Palm Oil
Processed Palm Oil	
Processed Palm Kernel Oil	

In the spirit of collaboration and transparency, our Responsible Palm Oil Sourcing Policy is discussed with the above suppliers to ensure that they live up to our policies and code of conduct across their entire operations in order to minimize and mitigate sustainability risks. If a supplier in our supply chain is categorized as high-risk based on the mentioned SAQ, we will conduct on-site assessments and engage with the supplier to agree to a reasonable time-

bound action plan including further engagement to improve their SAQ score and thereby meet our Responsible Palm Oil Sourcing Policy requirements and commitments.

In addition to the above, Unitata and UniFuji also carry out supplier audits on food safety and quality to evaluate risk materials, supplier's management systems, and to obtain their certificates to ascertain food safety and quality standards, as well as evaluate their hygiene and sanitation compliance.

In the event that any suppliers are found to be in violation or breach of the above policies or our Supplier Code of Conduct and thereby perceived as a high-risk supplier (self-assessment scores below 50%), UP/Unitata/UniFuji shall immediately request for corrective measures to be implemented with a 60 days time-bound action plan and further engagement to ensure that the supplier live up to our Responsible Palm Oil Sourcing Policy.

We will moreover, through dialogue and cooperation, encourage, and coach the supplier to implement the action plan by providing necessary support to see how challenges can be overcome and implemented. If a supplier is unable or unwilling to take the necessary actions to conform to the expectations outlined in our policy, UP/Unitata/UniFuji will as a last resort terminate the commercial relationship with the supplier.

Key elements and criteria of the suppliers assessments are as follows:

- a) Management system & Certifications
- b) Management Commitments
- c) Human Rights & Social Commitments
- d) Business Integrity Commitments
- e) Environmental Commitments
- f) Transparency & Traceability

The overview of suppliers that have been assessed as at 31 December 2023 is as follows:

Suppliers' Assessment	Upstream	Downstream (Unitata)	Downstream (UniFuji)
Total number of suppliers assessed	3	11	3
Percentage of suppliers assessed	100%	100%	100%
Low risk supplier	100%	100%	100%
Medium risk supplier	0%	0%	0%
High risk supplier	0%	0%	0%

Based on the above assessments, all our suppliers have lived up to our Responsible Palm Oil Sourcing Policy and Supplier Code of Conduct, and none of them have any significant negative environmental or social concern in their supply chain.

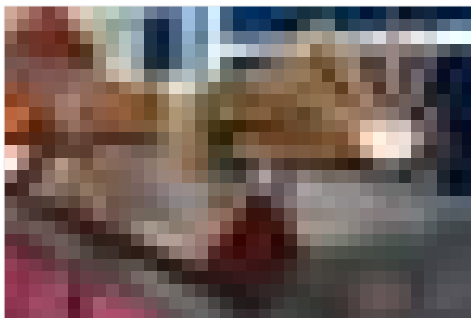
## Our Integrated Sustainable Value Chain

The UP Group’s commitment to the world’s highest standards of sustainability, quality, and product traceability is built into our DNA and forms the basis of our integrated value chain, from early R&D activities and seed production, to the final product. It is this commitment towards excellence across every aspect of the value chain that sets UP apart and enables us to produce the world’s finest palm oil with the world’s lowest footprint for our customers.

### R&D

Through our Research Department established in the early 1950s, much focus is directed towards improving yields of future generation oil palms and coconut palms to increase our land productivity

### 1. Breeding



In our seed gardens, pollen from premium Pisifera palms are used to pollinate Deli Dura mother palms with high yield traits

### 2. High yielding seeds



High yielding Tenera seeds are produced from carefully selected mother palms under stringent quality requirements

### 3. Tissue culture



To increase our land productivity, we also complement traditional breeding with tissue culture & molecular technologies

### GROWTH

After 12 months in the nursery, the young seedlings are planted in the fields. The oil palm is then considered immature until fruit bunches are produced after about 30 months

### 4. Seeds planted in pre-nursery



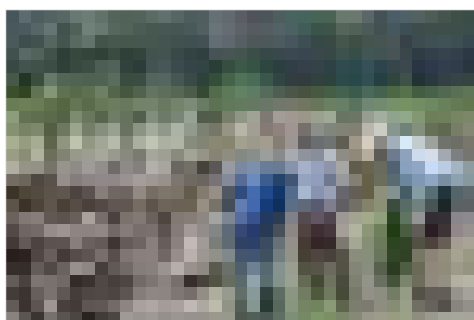
Germinated seeds hand-planted in polybags & gently nurtured in the pre-nursery for 3 months. Seedlings emerge after 1-2 weeks

### 5. Main nursery growth spurt



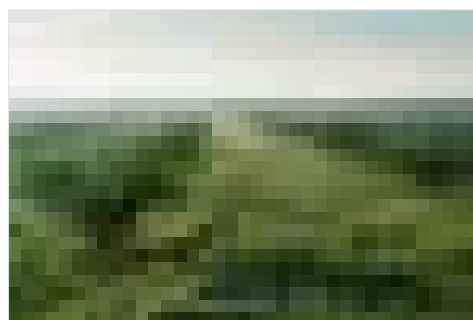
Seedlings are transplanted into larger 20 kg. polybags at the main nursery, where they receive 9 months of meticulous care

### 6. Immaculate field planting



Transfer of nursery seedlings to field, and manual planting in orderly and well-lined rows of about 143 oil palms per hectare

### 7. Establishing cover crop



Leguminous cover crop is established in newly replanted fields to fixate nitrogen, suppress weeds, conserve moisture and reduce erosion

## POLLINATION

Oil palms have both male and female flowers and are pollinated through wind and insects. Each palm can produce about 12-14 fresh fruit bunches per year, each containing over thousand fruitlets

### 8. Insect pollination



Oil palms are both wind & insect pollinated, the latter being efficiently handled by the pollinating weevil *Elaeidobius Kamerunicus*

### 9. Harvesting of fruit bunches



Efficiency is key to maintain low harvesting rounds, high yields, and to keep the fields healthy and productive for generations

### 10. Tall palm harvesting



Harvesting (and pruning) of tall oil palms sometimes exceeding 15 metres is a manual task requiring skilled workers

## HARVEST

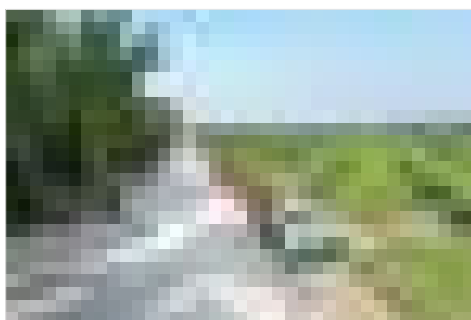
The oil palm is a perennial crop, which must be attended to approximately every two weeks all year round. Timely harvesting intervals and fruit evacuation is crucial in order to achieve high yields and quality

### 11. Fruit bunch loading



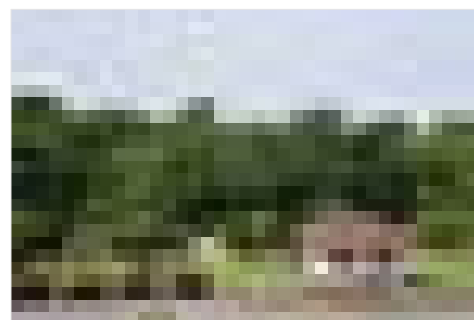
Quick evacuation of fresh fruit bunches after harvesting ensures the highest quality for further processing at the palm oil mills

### 12. Gentle transport, low GHG footprints



UP's unique light Railway System facilitates an efficient, timely and gentle transport of fresh fruit bunches to the palm oil mill

### 13. Receiving fresh fruit bunches

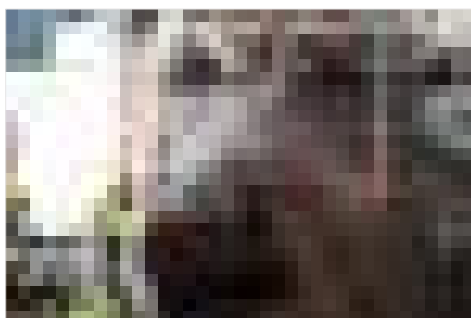


Fresh fruit bunches are quality checked & railway wagons are weighted at the mill's weighbridge before further processing

## MILLING

The milling process and operations are targeted at extracting as much crude palm oil and palm kernels as possible from the incoming fruit bunches, which ideally are no more than a day old upon processing

### 14. Sterilisation



Quick processing ensures high oil quality. Cages enter directly into the sterilisers, where fruits are cooked under pressure

### 15. Digestion & screw pressing



At the screw press station, crude palm oil from cooked fruitlets is extracted and separated from shells, nuts and fibre

## PRODUCE

Whilst the extraction of crude palm oil and palm kernels often receives the most attention, it is also of great economical and environmental value to utilise all by-products

### 16. Palm fruit fractions



Crude palm oil (CPO) and palm kernels are extracted from the mill, and fibres, shells & empty bunches sent for further processing

### 17. Renewable energy



Fibres and shells sent to the biomass boiler for production of green steam & electricity, which is used at the oil mills & refineries

### 18. Renewable energy from effluent



Under anaerobic conditions in the biogas plant, microorganisms convert mill effluent into renewable energy thus reducing GHGs

## REFINING

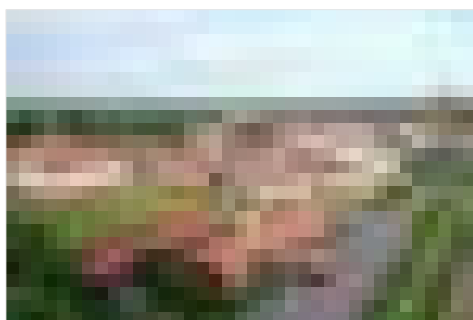
Crude palm oil and other oils and fats are processed into value-added products by removing contaminants and other undesired traits, and undergoes processes like blending, fractionation and interesterification

### 19. Consistent incoming supply



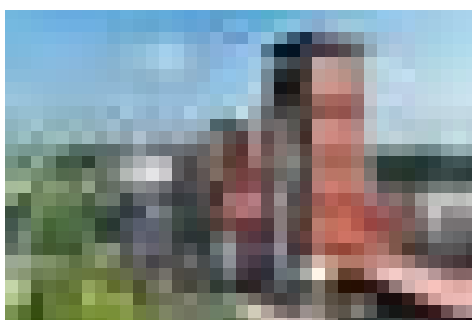
High quality crude oils are checked on arrival and pumped into designated and secured storage tanks for further processing

### 20. Refining



As a first step towards meeting customer requirements, most of the free fatty acids are removed by refining the crude oil

### 21. Bleaching & deodorisation



Automated bleaching and deodorisation remove remaining free fatty acids, colour, odour and other undesired impurities

### 22. Quality control

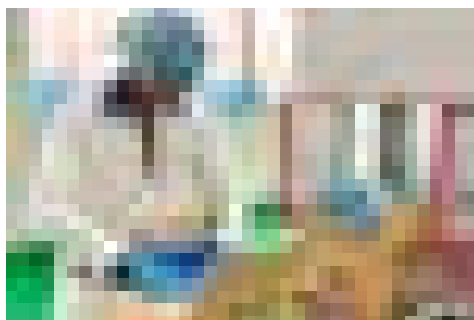


Quality control is carried out throughout all stages to ensure the highest product quality and food safety for our customers

## PRODUCTS

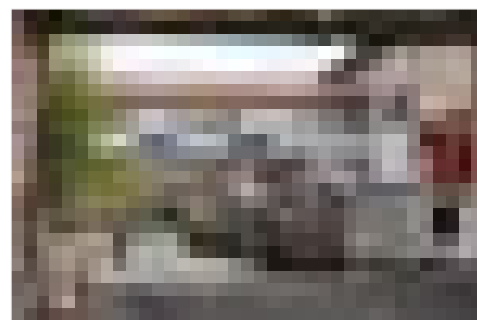
Whether shipped in bulk or blended into packed specialty fat formulations, all products must strictly comply with the highest food safety and quality requirements before being shipped to customers worldwide

### 23. Product filling



Processed and refined oils are blended into specialty fats, and filled in automated filling lines under strict hygienic conditions

### 24. Delivery to customers



Bulk products are delivered in road tankers, ISO tanks or flexi-tanks, whereas packed goods are delivered in trucks or containers



This ESG Performance Data Table was generated from Bursa Malaysia’s ESG Reporting Platform, and is included in this Sustainability Report as mandated by Bursa Malaysia’s enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2023
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	48
Executive	Hours	2,544
Non-executive/Technical Staff	Hours	769
General Workers	Hours	30,636
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	3
Non-executive/Technical Staff	Number	4
General Workers	Number	608
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.85
Bursa C5(c) Number of employees trained on health and safety standards	Number	6,624
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	748,563.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	72
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	33.00
Management Above 50	Percentage	67.00
Executive Under 30	Percentage	12.00
Executive Between 30-50	Percentage	63.00
Executive Above 50	Percentage	25.00
Non-executive/Technical Staff Under 30	Percentage	21.00
Non-executive/Technical Staff Between 30-50	Percentage	52.00
Non-executive/Technical Staff Above 50	Percentage	57.00
General Workers Under 30	Percentage	31.00
General Workers Between 30-50	Percentage	62.00
General Workers Above 50	Percentage	7.00
Gender Group by Employee Category		
Management Male	Percentage	100.00
Management Female	Percentage	0.00
Executive Male	Percentage	81.00
Executive Female	Percentage	19.00
Non-executive/Technical Staff Male	Percentage	60.00
Non-executive/Technical Staff Female	Percentage	40.00
General Workers Male	Percentage	90.00
General Workers Female	Percentage	10.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	88.89
Female	Percentage	11.11
Under 30	Percentage	0.00
Between 30-50	Percentage	11.11
Above 50	Percentage	88.89
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	0.16
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.90
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	96.00
Executive	Percentage	96.00
Non-executive/Technical Staff	Percentage	96.00
General Workers	Percentage	96.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	55.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	987.564770
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance External assurance No assurance (\*)Restated



*Children of our employees playing at the housing area on Lada Estate, PT SSS, Indonesia.*



## INDEPENDENT ASSURANCE OPINION STATEMENT



Statement No.: SRA-MY 802424

### United Plantations Berhad Sustainability Report 2023

The British Standards Institution is independent of United Plantations Berhad (hereafter referred to as "UP" in this statement) and has no financial interest in the operation of UP other than for the assessment and assurance of UP Sustainability Report 2023 (the "**Report**").

This independent assurance opinion statement has been prepared for UP solely for the purposes of assuring its statements relating to the Report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or towards any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders of UP.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by UP. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to UP only.

#### Scope

The scope of engagement agreed upon with UP includes the following:

1. The assurance covers part of the Report and focuses on systems and activities of UP and its subsidiaries in the form of Refineries (Unitata and UniFuji) in Malaysia and Indonesia, which include plantations and mills and refineries for palm oil and palm kernel oil, during the period from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023 (the "**Reporting Year**"), for following sustainability subject matter.
  - Total average earnings per worker per month
  - Lost time injury frequency rate
  - Fatal accident rate
  - Mill water consumption in processing Fresh Fruit Bunches ("FFB")
  - Domestic water consumption
  - Traceability at refinery level (volume sourced and Traceability to Plantations)
  - Usage of pesticides / herbicides
  - Area planted on peat (hectareage as per the peat soil map from United Plantations Research Department ("UPRD"))
  - Percentage of suppliers (FFB, Crude Palm Oil ("CPO"), Crude Palm Kernel Oil ("CPKO") and processed palm oil) that has been self-assessed to the key elements of UP's Responsible Sourcing Policy
  - UP's Suppliers' engagement and assessment/programme to support suppliers (FFB, CPO, CPKO and processed palm oil)
2. Type 1 Moderate Level of Assurance in accordance with the AA1000 Assurance Standard v3 ("**AA1000AS v3**") evaluates the nature and extent of UP adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact. The specified sustainability performance information/data disclosed in the sustainability subject matter of the Report has been evaluated.

#### Opinion Statement

We conclude that the sustainability subject matter of the Report provides a fair view of UP's sustainability programmes and performance in the Reporting Year. We believe that the social and environmental performance indicators for the sustainability subject matter of the Report are fairly represented in the Report, in which UP's efforts to pursue sustainable development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000 Assurance standard v3, AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations. We considered UP has provided sufficient evidence during the assurance processes.

#### Methodology

Our work was designed to gather evidence on which our conclusion is based. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to UP's policies to check on the appropriateness of statements made in the Report;
- Discussion with senior executives on UP's approach to stakeholder engagement. We had no direct contact with external stakeholders;
- Interview with staff involved in sustainability management, report preparation and provision of report information;
- Review of key organizational developments;

- Review of supporting evidence for claims made in the sustainability subject matter of the Report including raw data and supporting evidence of the sustainability information; and
- An assessment of UP's reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 AccountAbility Principles 2018 Standard ("AA1000AP (2018)").

## Conclusions

A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact is set out below.

## Inclusivity

The Report has reflected the fact that UP has engaged with its significant stakeholders through various channels such as procedures for handling complaints, grievance, and consultations; negotiations and interactions with stakeholders prior to any development or acquisition of land; stakeholder meeting; community engagement process; meetings, self-assessment questionnaires (SAQ), supplier audits, onsite verifications and follow-ups with suppliers; customer satisfaction survey and more.

UP's operation involves various methods of engaging its stakeholders on an on-going basis. The Report covers economic, social and environmental aspects of concern to its stakeholders with a fair level of disclosure. In our professional opinion, UP adheres to the principle of Inclusivity. Areas for enhancement of the Report were adopted by UP before the issuance of this opinion statement.

## Materiality

UP publishes sustainability information that enables its stakeholders to make informed judgments about UP's management and performance. In our professional opinion, the Report adheres to the principle of Materiality and identifies UP's material aspects by using appropriate methods of materiality analysis and demonstrating material issues in a matrix form. Areas for enhancement of the Report were adopted by UP before the issuance of this statement.

## Responsiveness

UP has implemented practices that respond to the expectations and perceptions of its stakeholders. These include sustainability reporting for both internal and external stakeholders. In our professional opinion, UP adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by UP before the issuance of this statement.

## Impact

UP has established processes to understand, measure and evaluate its impacts in qualitative and quantitative way. These processes enable UP to assess its impact and disclose them in the sustainability subject matter of the Report. In our professional opinion, UP adheres to the principle of Impact. Areas for enhancement of the Report were adopted by UP before the issuance of this statement.

## Assurance Level

The Type 1 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this opinion statement.

## Responsibility & Limitations

It is the responsibility of the UP's senior management to ensure that the information being presented in the Report is accurate. The assurance is limited by information presented by UP. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

## Competency and Independence

The assurance team was composed of lead assurors, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI G3, GRI G3.1, GRI G4, GRI Standards, AA1000, HKEX's ESG Reporting Guide, UNGC's Ten Principles, ISO 20121, ISO 14064, ISO 14001, OHSAS 18001, ISO 45001, ISO 9001, and ISO 10002, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



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Evelyn Chye, Managing Director BSI Malaysia

20 February 2024

Verifier of the Report:



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Mr. Aaron Chim  
Lead Assessor

GRI content index

<b>Statement of use</b>	United Plantations Berhad has reported the information cited in this GRI content index for the period of 1st January 2023 - 31st December 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

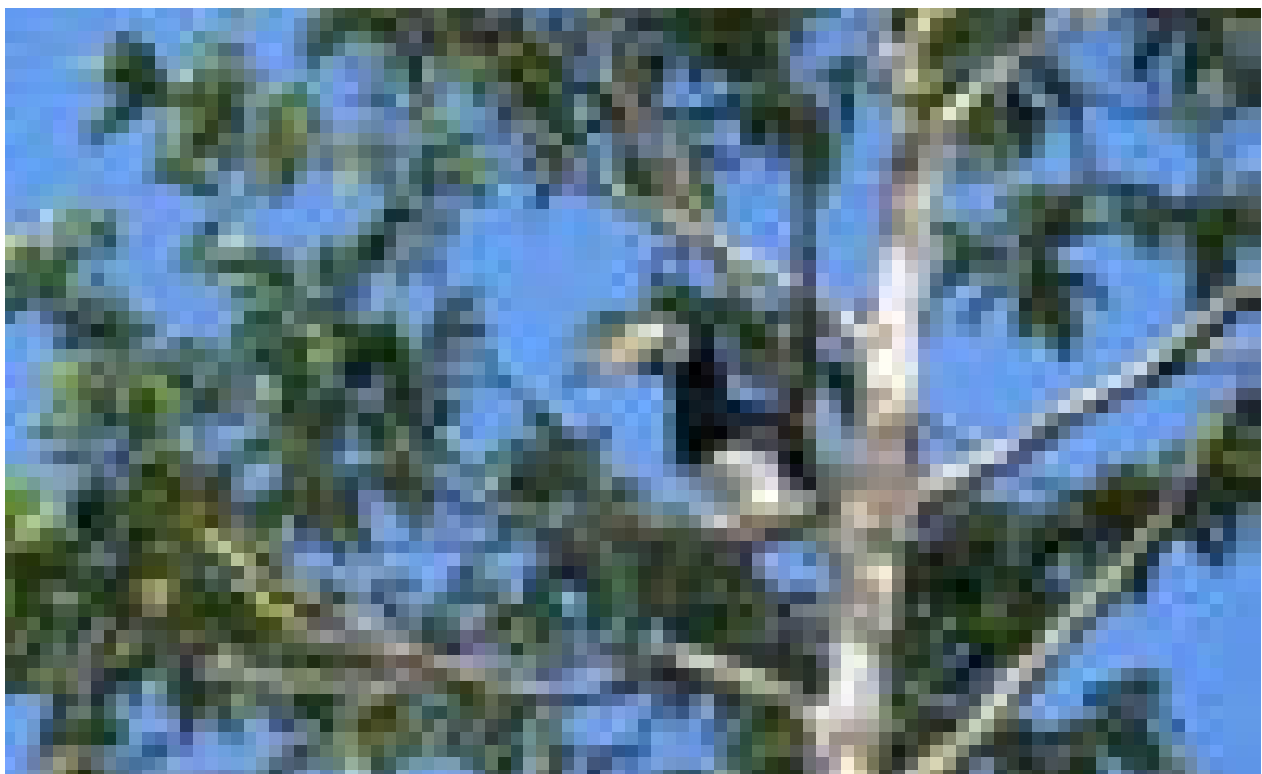
GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	United Plantations in Brief, Page 2
	2-2 Entities included in the organization's sustainability reporting	About This Report, Page 34
	2-3 Reporting period, frequency and contact point	About This Report, Page 34
	2-4 Restatements of information	About This Report, Page 34 (There is no structural change in the Annual Report 2023)
	2-5 External assurance	About This Report, Page 34
	2-6 Activities, value chain and other business relationships	Creating Value Through UP's Integrated Business Activities, Page 48
	2-7 Employees	Our Employees, Page 79
	2-8 Workers who are not employees	Information unavailable,Nil
	2-9 Governance structure and composition	Sustainability Governance,Page 94
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, Page 120
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement, Page 120
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, Page 120
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance,Page 94
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement, Page 120
	2-15 Conflicts of interest	Corporate Governance Overview Statement, Page 120
	2-16 Communication of critical concerns	Sustainability Governance,Page 94
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement, Page 120
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, Page 120
	2-19 Remuneration policies	Remuneration Committee - Statement on Corporate Governance Overview Statement, Page 120
	2-20 Process to determine remuneration	Remuneration Committee - Statement on Corporate Governance Overview Statement, Page 120
	2-21 Annual total compensation ratio	Confidentially constraints,Nil
	2-22 Statement on sustainable development strategy	Environment, Social and Sustainability Governance, Page 50
	2-23 Policy commitments	Environment, Social and Sustainability Governance, Page 50
	2-24 Embedding policy commitments	Environment, Social and Sustainability Governance, Page 50
	2-25 Processes to remediate negative impacts	Remuneration Committee - Statement on Corporate Governance, 120 - 125
	2-26 Mechanisms for seeking advice and raising concerns	"ESG Governance Environment Social (Employees, Community) Sustainability Governance Marketplace,46,47,50,73,86,91"
	2-27 Compliance with laws and regulations	Remuneration Committee - Statement on Corporate Governance Overview Statement, Page 120
	2-28 Membership associations	Procedure for Handling External Stakeholders' Issues, Page 86
	2-29 Approach to stakeholder engagement	Code of Ethics and Business Conduct,80
	2-30 Collective bargaining agreements	Profile of Directors, Page 10 - 12
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Materiality, Page 42
	3-2 List of material topics	Materiality, Page 43
	3-3 Management of material topics	Materiality, Page 42
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Notes to the Financial Statement, Page 150
	201-2 Financial implications and other risks and opportunities due to climate change	Confidentially constraints,Nil
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the Financial Statement, Page 193
	201-4 Financial assistance received from government	Confidentially constraints,Nil
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	"Paying Fair Wages and Employees' Benefits,Page 85"
	202-2 Proportion of senior management hired from the local community	Information unavailable,Nil
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Social Commitments and Social Amenities, Page 87
	203-2 Significant indirect economic impacts	Information unavailable,Nil
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	We endeavour to support local suppliers I the countries we operate in, which is Malaysia and Indonesia,Nil

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Internal Audit Function, Page 130
	205-2 Communication and training about anti-corruption policies and procedures	Internal Audit Function, Page 130
	205-3 Confirmed incidents of corruption and actions taken	Information unavailable,Nil
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Information unavailable,Nil
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Audit and Risk Committee Report, Page 129
	207-2 Tax governance, control, and risk management	Audit and Risk Committee Report, Page 129
	207-3 Stakeholder engagement and management of concerns related to tax	Information unavailable,Nil
	207-4 Country-by-country reporting	Information unavailable,Nil
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Production and Level of Utilization of Oil Palm Biomass Residues in UP in 2023, Page 68
	301-2 Recycled input materials used	Fertilizer Equivalent of Oil Palm Biomass Residues Recycled on Land in UP in 2023, Page 69
	301-3 Reclaimed products and their packaging materials	Information unavailable,Nil
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Biogas to Grid Project, Page 67
	302-2 Energy consumption outside of the organization	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	302-3 Energy intensity	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	302-4 Reduction of energy consumption	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	302-5 Reductions in energy requirements of products and services	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Water Impacts, Page 71 - 72
	303-2 Management of water discharge-related impacts	Water Impacts, Page 71 - 72
	303-3 Water withdrawal	Water Impacts, Page 71 - 72
	303-4 Water discharge	Water Impacts, Page 71 - 72
	303-5 Water consumption	Water Impacts, Page 71 - 72
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	"Partnership, Biodiversity and Conservation, Page 54 - 62"
	304-2 Significant impacts of activities, products and services on biodiversity	"Partnership, Biodiversity and Conservation, Page 54 - 62"
	304-3 Habitats protected or restored	"Partnership, Biodiversity and Conservation,54 - 62"
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	"Partnership, Biodiversity and Conservation, Page 54 - 62"
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	305-2 Energy indirect (Scope 2) GHG emissions	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	305-3 Other indirect (Scope 3) GHG emissions	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	305-4 GHG emissions intensity	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	305-5 Reduction of GHG emissions	"Carbon Footprint Initiatives and Climate Action, Page 66 - 68"
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable,Nil
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	VORSEP Dust Collector System, Page 67
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Recycling of Pesticides Containers and Scheduled Wastes - Environment, Page 70
	306-2 Management of significant waste-related impacts	Information unavailable,Nil
	306-3 Waste generated	Waste Management, Page 70
	306-4 Waste diverted from disposal	Production and Level of Utilization of Oil Palm Biomass Residues in UP in 2023, Page 68
	306-5 Waste directed to disposal	Information unavailable,Nil
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Evaluation of Suppliers Sustainability Commitment, Page 105 - 106
	308-2 Negative environmental impacts in the supply chain and actions taken	Evaluation of Suppliers Sustainability Commitment, Page 105 - 106
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Our Employees, Page 79
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	"Paying Fair Wages and Employees' Benefits,Page 85"
	401-3 Parental leave	Information unavailable,Nil

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Website: <a href="http://www.unitedplantations.com/employees/#Demographic-of-Employees">www.unitedplantations.com/employees/#Demographic-of-Employees</a>
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Safety and Health, Page 88
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health, Page 88
	403-3 Occupational health services	Occupational Safety and Health, Page 88
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health, Page 88
	403-5 Worker training on occupational health and safety	Occupational Safety and Health, Page 87
	403-6 Promotion of worker health	Occupational Safety and Health, Page 88
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health, Page 88
	403-8 Workers covered by an occupational health and safety management system	Occupational Safety and Health, Page 87
	403-9 Work-related injuries	Occupational Safety and Health, Page 88
	403-10 Work-related ill health	Occupational Safety and Health, Page 88
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Information unavailable,Nil
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development, Page 87
	404-3 Percentage of employees receiving regular performance and career development reviews	Information unavailable,Nil
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	"Paying Fair Wages and Employees' Benefits,Page 85"
	405-2 Ratio of basic salary and remuneration of women to men	"Paying Fair Wages and Employees' Benefits,Page 85"
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	"Paying Fair Wages and Employees' Benefits,Page 85"
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Evaluation of Suppliers Sustainability Commitment, Page 105 - 106
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	Evaluation of Suppliers Sustainability Commitment, Page 105 - 106
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Evaluation of Suppliers Sustainability Commitment, Page 105 - 106
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	Training and Development, Page 87
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	Not applicable,Nil
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Land Disputes and FPIC, Page 91
	413-2 Operations with significant actual and potential negative impacts on local communities	Land Disputes and FPIC, Page 91
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Evaluation of Suppliers Sustainability Commitment, Page 105
	414-2 Negative social impacts in the supply chain and actions taken	Evaluation of Suppliers Sustainability Commitment, Page 105
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	Confidentially constraints, Nil
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	Food Safety and Certifications, Page 102
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety and Certifications, Page 102
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling	Food Safety and Certifications, Page 102
	417-2 Incidents of non-compliance concerning product and service information and labelling	Food Safety and Certifications, Page 102
	417-3 Incidents of non-compliance concerning marketing communications	Food Safety and Certifications, Page 102
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Website: <a href="http://www.unitedplantations.com/wp-content/uploads/2020/03/Personal_Data_Protection_Policy.pdf">www.unitedplantations.com/wp-content/uploads/2020/03/Personal_Data_Protection_Policy.pdf</a>

Sustainability Accounting Standards Board (SASB) Standards Content Index

Topic	Metric	Category	Unit of Measure	Code
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	1.36 mt CO <sub>2</sub> eq Metric tons (t) CO <sub>2</sub> -e	FB-AG-110a.1
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Page 66, Greenhouse Gas Emissions	FB-AG-110a.2
	Fleet fuel consumed, percentage renewable	Quantitative	Not applicable	FB-AG-110a.3
Energy Management	Operational energy consumed	Quantitative	Not applicable	FB-AG-110a.3
Water Management	Total water withdrawn	Quantitative	987564.77 m <sup>3</sup>	FB-AG-140a.1
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	Page 70, Climate Risk Assessment	FB-AG-140a.2
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Nil	FB-AG-140a.3
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	Quantitative	Malaysia LTIFR - 5.28 FAR - 0 Near miss - Nil  Indonesia LTIFR - 115.2 FAR - 0 Near miss - Nil	FB-AG-320a.1
Environmental & Social Impacts of Ingredient Supply Chain	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Quantitative	100% RSPO, MSPO, ISPO certified	FB-AG-430a.1
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Page 105 - 106, Supplier Evaluation on Sustainable Commitment	FB-AG-430a.2
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	Page 105 - 106, Supplier Evaluation on Sustainable Commitment	FB-AG-430a.3



An Oriental Pied Hornbill (*Anthracoceros Albirostris*) spotted resting atop a branch at one of our Indonesian properties.



## Glossary

Biodiversity (BioD)	The diversity (number and variety of species) of plant and animal life within a region.
Biological Oxygen Demand (BOD)	The amount of oxygen used when organic matter undergoes decomposition by micro-organisms. Testing for BOD is done to assess the amount of organic matter in water.
Carbon Footprint	A measure of the total amount of greenhouse gases, including carbon dioxide, methane and nitrous oxides, emitted directly or indirectly by an organisation, event, product or person.
Child Labour	According to the International Labour Organization (ILO) core labour standards, minimum age should not be less than 16 years old.
CO <sub>2</sub> Equivalents	Carbon dioxide equivalents (CO <sub>2</sub> eq) provide a universal standard of measurement against which the impacts of releasing (or avoiding the release of) different greenhouse gases can be evaluated.
Crude Palm Oil (CPO)	Oil produced from oil palm fruits in milling process.
Creating Shared Value (CSV)	A responsibility to manage our resources resourcefully and engage in activities that optimize return for shareholders and the society we operate in.
Deforestation	Defined by UP as direct human-induced conversion of forest to non-forests, with an exception for small scale low intensity subsistence conversion by indigenous peoples and forest dependent traditional communities (consistent with RSPO P & C as well as Indonesian laws, Environmental Impact Assessments (EIA) and High Conservation Value Assessment (HCV).
Effluents	Water discharged from one source into separate body of water, such as mill process water.
ERT	Emergency Response Team
Forced Labour	A person who is coerced to work under the threat of violence, intimidation, or undue stress of penalty.
Free, Prior and Informed Consent (FPIC)	The principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use.
Fresh Fruit Bunches (FFB)	Bunch harvested from the oil palm tree. The weight of the fruit bunch ranges between 10 kg to 40 kg depends on the size and age.
FDA	Food and Drug Administration
Global Reporting initiative (GRI)	A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.
Greenhouse Gas (GHG) emissions	Greenhouse gas or carbon emissions are gasses in an atmosphere that absorb and emit radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The primary greenhouse gases in the Earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide, and ozone.
HRSS	Human Resources Sustainability and Safety
High Conservations Value (HCV)	The concept of High Conservation Value Forests (HCVF) was first developed by the Forest Stewardship Council (FSC) in 1999 as their ninth principle. The FSC defined HCVF as forests of outstanding and critical importance due to their environmental, socio-economic and cultural biodiversity and landscape value.
High Carbon Stock (HCS)	The HCS Approach is a methodology to avoid deforestation in land development. The approach stratifies the vegetation on an area of land into different classes using analyses of satellite images and field plot measurements. Each vegetation class is validated through calibrating it with carbon stock estimates in the above-ground tree biomass.
Hak Guna Usaha(HGU)	The right to enjoy immovable property of another person with the obligation to pay the annual income to the landowner.
ILO (International Labour Organisation)	Is a tripartite world body representative of labour, management and government, and is an agency of the United Nations. It disseminates labour information and sets minimum international labour standards called "conventions", offered to member nations for adoption.
Integrated Pest management (IPM)	A pest management system that in context of the associated environment and the population dynamics of the pest species utilizes all suitable techniques and methods in as compatible a manner as possible and maintains the pest population at levels below those causing economically unacceptable damage and loss.
IUCN Red List	Based in Switzerland, the International Union for Conservation of Nature and Natural Resources (also known as The World Conservation Union) is an organisation involved in the preservation of natural resources. IUCN publishes the Red Data Book, which lists the endangered species of every nation.
Identity Preserved/ IP	Certified sustainable palm oil is physically separated from other certified and non-certified palm oil throughout the supply chain, i.e from the RSPO mill through to the end-user.
Oil Extraction Rate	The amount of oil extracted from oil palm fruit at a mill. Crude palm oil (CPO) is extracted from the flesh; palm kernel oil (PKO) from the nut.
Mass Balance	Certified sustainable palm oil and non-certified palm oil is mixed to avoid the cost of keeping the two quantities controlled. The mass balance system is constructed in such a way that volumes of RSPO certified products shipped will never exceed volumes received by the end-user.
Mature Oil Palm	After planting, the oil palm tree is classified as immature until fresh fruit bunches are produced, which is approximately 30 months later, whereupon the oil palm tree is classified as mature.
MOSH	Mineral Oil Saturated Hydrocarbons
MOAH	Mineral Oil Aromatic Hydrocarbons
Non-Governmental Organisation (NGO)	Is used in this report to refer to grassroots and campaigning organisations focused on environmental or social issues.
Palm oil Mill effluent (POME)	By-product of processed fresh fruit bunch (FFB).
Peat	Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peat lands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests.
Plasma schemes	A programme initiated by the Indonesian government to encourage the development of smallholders' plantations with the assistance and cooperation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma).
Palm Kernel (PK)	Seed of the oil palm fruit, which is processed to extract palm kernel oil and other by-products.
Roundtable on sustainable palm oil (RSPO)	A non-governmental multi-stakeholder organisation based in Kuala Lumpur, Malaysia. The organisation has developed a certification scheme for sustainable palm oil.
Social Impact Assessment	A process of analysing, monitoring and managing the intended and unintended, both positive and negative social consequences of planned interventions (policies, programs, plans, projects) and any social change processes invoked by the interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment.
Segregated/ SG	Certified sustainable palm oil is physically separated from non-certified palm oil throughout the entire supply chain.
Stakeholders	Any group or individual who are affected by or can affect a company's operations.
Sustainability	A term expressing a long-term balance between social, economic and environmental objectives. Often linked to Sustainable Development which is defined as "Development that meets the need of current generations without compromising the needs of future generations"
Traceability	Traceability is the capability to track sustainable palm oil along the entire supply chain.
Toxicity	Toxicity measures the degree to which a substance is harmful to living organisms.

## Governance

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*UP's Executive Committee (EXCOM) consists of 3 Board Members namely, our CED, Dato Carl' Bek-Nielsen, Mr. Martin Bek- Nielsen, Executive Director, Finance & Marketing and Mr. Loh Hang Pai, Executive Director (Estates). The Executive Committee is a standing committee that often acts as a steering committee for the full Board.*

## Corporate Governance Overview Statement

The Board of Directors recognizes the importance of good corporate governance and continues to be committed to ensuring that high standards of corporate governance are practiced throughout the Group to deliver long term sustainable value to the shareholders and other stakeholders. With this in mind, the Board of Directors is pleased to present the Corporate Governance Overview Statement for 2023 (“CG Overview Statement”).

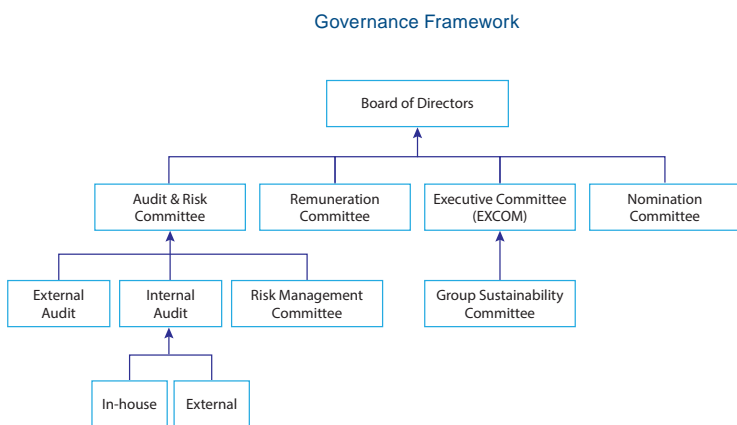
This CG Overview Statement explains the Board’s recognition of corporate governance as a vital element contributing to the long-term sustainability of the Group’s businesses and performance. The Board in pursuit of this objective, dedicates substantial efforts to identify and formalize best practices, ensuring high standards of corporate governance across the entire Group. This commitment is based on the conviction that robust and effective corporate governance practices are fundamental to the efficient, and transparent operation of the Group , enhancing long-term shareholders’ value, instilling investor confidence, and safeguarding stakeholders’ interests.

This CG Overview Statement outlines how UP Group has adhered to the following three principles outlined in the Malaysian Code on Corporate Governance 2021 (“MCCG”):

- a) Board leadership and effectiveness;
- b) Effective audit and risk management; and
- c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This document is to be read in conjunction with the Corporate Governance Report (“CG Report”), published on the Company’s website, [www.unitedplantations.com](http://www.unitedplantations.com) which provides further elaboration on the application or departure of each practice as prescribed in the Code. Explanations including measures taken and the timeframe to achieve the intended outcome are given for the departure practices.

The Group’s Governance Framework is outlined below.



### A) Board Charter

The Board Charter sets out the Board’s strategic intent and outlines the Board’s roles and responsibilities. The Charter elaborates the fiduciary and leadership functions of the Board and serves as a primary reference for prospective and existing Board members and senior management. The Charter is reviewed periodically to ensure it complies with current legislation and best practices. The Board Charter was reviewed and updated on 24 February 2024 to ensure that it remains relevant and appropriate for the Board in discharging its duties. The Fit and Proper Policy which serves as a guide for the assessment of Directors and candidates for the Board was also reviewed and updated on 24 February 2024 . The Board Charter and the Fit and Proper Policy can be viewed at the Company’s website at [www.unitedplantations.com](http://www.unitedplantations.com).

### B) Strengthen Composition

Specific responsibilities are delegated to Board Committees where appropriate. The Board Committees comprises of Nomination Committee, Remuneration Committee, Audit and Risk Committee and Executive Committee. Each Committee operates within its respective Terms of Reference which have been approved by the Board. The Terms of Reference of the Nomination Committee, Remuneration Committee and Audit and Risk Committee are disclosed at the Company’s website at [www.unitedplantations.com](http://www.unitedplantations.com).

#### B1.1 Nomination Committee

The Nomination Committee is responsible to make recommendations to the Board regarding the appointment of directors, evaluation of the skills, experience, competencies of the Directors, diversity of the Board’s composition. The Nomination Committee consists of 3 members, majority of whom are Independent, Non-Executive Directors. The full report of the Nomination Committee can be found from pages 133 to 135 of this Corporate Governance Overview Statement 2023.

#### B1.2 Remuneration Committee and Directors Remuneration

The Remuneration Committee consists of two (2) independent non-executive directors, and one (1) non-independent, non-executive director. Its primary function is to review and recommend the remuneration for the Company’s executive directors and to review the fees, benefits and allowances of Non-Executive Directors.

The members of the Remuneration Committee are stated here below:-

**Mr. R. Nadarajan\***  
(Independent, Non-Executive Director)

**Mr. Jorgen Balle\*\***  
(Non-Independent, Non-Executive Director)

**Mr. Yap Seng Chong\*\***  
(Independent, Non-Executive Director)

\*Appointed as the Chairman after the resignation of Dato’ Mohamad Nasir bin Ab. Latif as the Chairman of Remuneration Committee on 27 April 2023  
\*\*Appointed as members of Remuneration Committee on 27 April 2023

It is the Remuneration Committee's usual practice to draw information on the Company's remuneration policy from the Executive Committee to assist them with their duties. Executive directors do not participate in the deliberations of the Remuneration Committee. Only the executive directors have contracts of service which are normally reviewed every three years. The executive directors' salaries are linked to their position, seniority, experience, and the Company's overall profitability which would vary from year to year.

The salary components are determined in accordance with the Company's established remuneration policy for executive directors, this policy was last reviewed in March 2020. The remuneration packages are sufficiently attractive to attract and retain executive directors. All directors are paid annual fees. The Chairman and members of the Audit and Risk Committee receive additional fees taking into account the nature of their responsibilities. Members of other Board committees do not receive any additional fees. The directors' fees are reviewed by the Board only when it deems necessary, subject however to approval by the shareholders at the Annual General Meeting.

The amount of fees payable to each Director is related to their level of responsibilities. Periodical review of the fees is undertaken based on market information on directors' fees. A fixed daily meeting attendance allowance is paid for all attendances at Board and Board Committee meetings except for the Executive Committee meetings. The Remuneration Committee

held one (1) meeting during 2023 to deliberate on the new service contract of two executive directors as well as bonuses for the executive directors and made their recommendation to the Board.

The aggregate remuneration for the year for the following directors is as shown in the table below.

### B1.3 Audit and Risk Committee

The Audit and Risk Committee consists of two (2) independent non-executive directors, and one (1) non-independent, non-executive director. All three (3) members are non-executive directors as required under the Main Market Listing Requirements. The scope and functions of the Audit and Risk Committee are as spelt out under the Terms of Reference. The activities of the Audit and Risk Committee during the financial year 2023 have been described at length in a separate statement in this Annual Report. (pages 129 to 132).

### B1.4 Executive Committee

The Executive Committee consists of executive directors only. The scope and functions of the Executive Committee are as stated in the Terms of Reference approved by the Board. It is responsible to oversee the day-to-day management of the Group's operations which includes reviewing of the annual revenue and capital budgets before presenting to the Board, reviewing the monthly, quarterly and annual results of the Company and Group and comparing them with the respective business units budgets and taking remedial actions for budget

	Directors' Fees		Salary*	Bonus	Benefits- in Kind	Other Benefits	Meeting Attendance Allowance	Total
	Company	Subsidiaries						
	(RM)	(RM)						
Ybhg. Dato' Mohammad Nasir bin Ab. Latif (Chairman, Independent, Non-Executive) (wef 22 April 2021)	210,000	-	-	-	-	17,400	7,500	234,900
Ybhg. Dato' Carl Bek-Nielsen (Chief Executive Director)	145,000	30,000	1,902,000	141,000	67,698	341,610	6,000	2,633,308
Mr. Ho Dua Tiam (Non-Independent, Non-Executive) (rtd wef 27 April 2023)	41,671	-	-	-	-	-	3,000	44,671
Y. Hormat Dato' Jeremy Derek Campbell Diamond (Independent, Non-Executive) (rtd wef 27 April 2023)	51,288	-	-	-	-	-	6,000	57,288
Mr. Martin Bek-Nielsen (Executive Director)	130,000	25,000	1,782,000	135,000	63,468	320,460	6,000	2,461,928
Mr. Loh Hang Pai (Executive Director)	130,000	-	1,170,000	99,000	43,938	219,810	6,000	1,668,748
Mr. R. Nadarajan (Independent, Non-Executive)	145,000	-	-	-	-	-	18,000	163,000
Madam Rohaya binti Mohammad Yusof (Non-Independent, Non-Executive) (res wef 1 June 2023)	53,781	-	-	-	-	-	3,000	56,781
Mr. Jorgen Balle (Non-Independent, Non-Executive)	140,233	-	-	-	-	-	13,500	153,733
Ms. Belvinder Kaur a/p C Nasib Singh (Independent, Non-Executive)	130,000	-	-	-	-	-	4,500	134,500
Mr. Yap Seng Chong (Independent, Non-Executive)	155,233	-	-	-	-	-	16,500	171,733
Tunku Alizakri bin Raja Muhammad Alias (Non-Independent, Non-Executive) (appt on 1 June 2023, res wef 19 February 2024)	76,219	-	-	-	-	-	3,000	79,219
<b>Total</b>	<b>1,408,425</b>	<b>55,000</b>	<b>4,854,000</b>	<b>375,000</b>	<b>175,104</b>	<b>899,280</b>	<b>93,000</b>	<b>7,859,809</b>

\* including additional remuneration

variances, implement policies and procedures approved by the Board, implement recommendations of the Audit and Risk Committee, identify key risks annually and implement mitigating actions where practicable, recommend expansion and diversification plans, implement policies for succession, labour recruitment, ensure continuity of business, review of replanting programmes and replacement of plant and machinery, and the review of research policies and projects.

The Executive Committee has established the Group Sustainability Committee which reviews sustainability issues concerning the environment, social/community, employees and market place. The Sustainability Report has been included in a separate statement in this Annual Report. The Executive Committee has access to the services of the Company Secretary who records and maintains minutes of Executive Committee meetings.

The Executive Committee met formally 2 times during 2023, and the minutes thereof were included in the Board file for information and deliberation by the Board. All the executive directors attended all 2 meetings. The Executive Committee also met informally on more than 20 occasions during the year to deal with matters that required prompt response and decisions.

### C. Reinforce Independence

#### C.1 Board Balance and Independence of Directors

The Company has an effective Board entrusted with leadership responsibilities by its shareholders. It is headed by a Chairman who is independent of management and whose key role is the stewardship of the Board. The Chief Executive Director on the other hand is the head of management whose key responsibilities are to run the business and implement the policies and strategies approved by the Board. Due to their contrasting roles at the head of the Company, the two roles are not combined.

Following this division of responsibilities at the head of the Company we have in the Board's composition included a balance of executive and independent non-executive directors so that no one group would dominate the decision-making process.

For the financial year 2023, your Board consists of eight (8) directors, three (3) of whom are executives who have an intimate knowledge of the business. Amongst the remaining five (5) non-executive directors, four (4) of them are independent directors. The Board is satisfied that the current board size fulfils its requirements adequately and would review this as and when necessary.

The composition of the Board reflects a mix of skills and experience and other qualities which non-executive directors should bring to the Board. Due to the diversified backgrounds and their independence, the non-executive directors are ably engaged in healthy discussions and debates with the executive directors at the Board meetings which are conducive for an effective Board. The independent directors play a pivotal role in the Board's responsibilities. However, they are not accountable and responsible for the day to day running of the business, which is the role of the executive directors. The independent non-executive directors and non-independent non-executives directors are actively involved in various Board committees and contribute significantly to areas such as performance

monitoring and enhancement of corporate governance by providing independent assessment and opinions on proposals put forward by the executive directors and act as a check and balance for the executive directors. The Board has established in the Board Charter a formal and transparent policy for the role of the executive and non-executive directors.

Biographies of the Directors as given in this Annual Report, show the necessary depth to bring experience and judgment to bear on the collective decision-making processes of the Board. The Board's composition fairly represents the ownership structure of the Company with appropriate representatives from the two largest shareholders. There are adequate number of representatives on the Board who fairly reflect the interests of the minority shareholders.

The Board has established position descriptions for the role of each of the executive directors who has specific management responsibilities for the day-to-day running of the business. The Company has included a Group Philosophy Statement in the inside cover of this Annual Report and it has clearly described its objectives in the statement on sustainability to which the Board is deeply committed.

One of the recommendations of the MCCG states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. In 2023, the long serving independent director is Mr. R. Nadarajan, who had served on the Board for (10) years. At the last AGM, the resolution for retention of Mr. R. Nadarajan as independent director for another term was tabled to the shareholders and approved with 83.66% majority.

The Nomination Committee and the Board have determined at the annual assessment carried out on 27 December 2023, that Mr. R. Nadarajan who has served on the Board for ten (10) years remain objective and independent in participating in the deliberations and decision-making of the Board and Board Committees.

The length of his service on the Board does not interfere with his exercise of independent judgment and acts in the best interest of the Group notably in discharging his roles as the Chairman of the Remuneration Committee, the Nomination Committee, and as a member of the Audit and Risk Committee.

Mr. R. Nadarajan has provided annual confirmation of his independence to the Nomination Committee and the Board. The Board has recommended the continuation of Mr. R. Nadarajan as an Independent director of the Company at the forthcoming AGM as the Board believes that it is in the best position to evaluate and determine whether any independent director can continue acting in the best interest of the Group and bringing unbiased and professional judgement to Board deliberations. The Board, has to balance the need to continue with Directors who have intimate knowledge of the Group's business and fresh perspective which new candidates may bring.

The Board notwithstanding the view that diversity should be in tandem with expertise, experience and skills and not gender alone acknowledges the importance of establishment of a gender diversity.

The Board in recognition of this has updated the relevant article of the Board Charter in 2022. Additionally, the Nomination Committee has been tasked to look for suitably qualified female candidates when there is a vacancy.

In compliance with Main Market Listing Requirements, the Company has at least one woman director on its Board. Ms. Belvinder Kaur was appointed to the Board on 6 November 2021 and remains on the Board to-date. Puan Rohaya binti Mohammad Yusof was appointed to the Board on 30 November 2017 representing the Employees' Provident Fund (EPF) and she resigned during the year on 1 June 2023. The Board shall continue to increase woman board representation on the Board.

EPF had nominated Tunku Alizakri Bin Raja Muhammad Alias to replace Puan Rohaya on the Board on 1 June 2023. After the appointment of Tunku Alizakri, it later came to the knowledge of the Board that two of his immediate family members are sitting on the boards of public listed companies in the same industry as UP. In addressing the perceived COI and in line with good governance, Tunku Alizakri proactively tendered his resignation from the Board to avoid any COI issue that may arise which is further elaborated under the nomination committee report on page 134.

#### D. Foster Commitment

The Non-Executive Directors are expected to commit approximately 30 to 45 days in a year of his/her time to the Group. Time spent includes not only formal board meetings but also preparation for meetings, Board committee meetings, discussion with management, dealing with the authorities when necessary, professional and educational conferences and Company functions. The Board is satisfied with the level of time commitment given by each of the directors towards fulfilling their roles on the Board and Board Committees.

The Board meets not less than four (4) times a year to review and approve the quarterly and annual results for announcements. The Board meetings for the ensuing year are fixed in advance. Notice of meetings and the agenda are given in a timely manner.

Standard matters set out in the agenda for the Board meetings are as follows:-

- 1) Matters arising from the previous minutes of the Board and Committees of the Board
- 2) Monthly, Quarterly and Yearly Financial Statements and financial forecasts/projections
- 3) Matters relating to the business namely finance, land matters, staff & labour, succession planning, budgets, production, marketing, ESG, sustainability and others
- 4) New Investments
- 5) Subsidiary Companies and Joint Venture Company
- 6) Sustainability Issues
- 7) General

During the year under review four (4) Board meetings were held and the directors' attendances thereat are summarised here below:-

Directors	No. of Meetings	
	Attended	Held
YBhg. Dato' Mohamad Nasir bin Ab. Latif -Chairman	4	4
YBhg. Dato' Carl Bek-Nielsen	4	4
Mr. Ho Dua Tiam*	1	4
Y. Hormat Dato' Jeremy Derek Campbell Diamond*	1	4
Mr. Martin Bek-Nielsen	4	4
Mr. Loh Hang Pai	4	4
Mr. R. Nadarajan	4	4
Madam Rohaya binti Mohammad Yusof**	2	4
Mr. Jorgen Balle	4	4
Ms. Belvinder Kaur a/p C. Nasib Singh	3	4
Mr. Yap Seng Chong	4	4
Tunku Alizakri bin Raja Muhammad Alias***	2	4

\*Retired on 27 April 2023

\*\*Resigned on 1 June 2023

\*\*\*Appointed on 1 June 2023, Resigned on 19 February 2024.

The Directors are also mindful of their continuous training requirements. Directors are encouraged to attend various external and internal professional programs relevant and useful in contributing to the effective discharging of their duties as directors.

The Company Secretary facilitates programme registration for interested directors and would maintain such records of the programmes and their attendance thereat. All directors are allowed to choose courses/seminars of relevance in discharging their duties.

The Board, with the input from the Company Secretary, assessed the training needs of individual directors and satisfied that all directors have met their training needs. Relevant training programmes, seminars and conferences attended by Directors during the financial year ended 31 December 2023 were:

- 1) Integrity, Governance & Anti-Corruption Training For Board, Investment Panel & KWEST Board Members organised by KWAP(virtual) -13 January 2023
- 2) Sustainability training (online certification) organised by Bursa Sustainability -Feb 2023.
- 3) PRUBSN Sustainability training organised by ERM Consultancy - 1 March 2023.
- 4) Board Chairperson Leadership for Sustainability Actions Roundtable organised by UN SDG Global Compact - 3 March 2023.
- 5) MAVCAP Accelerating Ventures organised by MAVCAP -6 March 2023.
- 6) Bursa Malaysia's Palm & Lauric Oils Price Outlook Conference & Exhibition - (POC2023) organised by Bursa Malaysia Derivatives- from 6 to 8 March 2023.

- 7) Insead Business Sustainability Program organised by Insead Business School (virtual) -11 March 2023
- 8) Net Zero Within Financial Institution -Approach Recommendations on Net Zero Strategy for RHB organised by RHB presenter -EY- 9 May 2023
- 9) Cybersecurity Awareness organised by PruBSN - 22 May 2023.
- 10) Climate Risk Management and Scenario Analysis – Briefing on the Key Requirements of the Policy Document organised by PruBSN - 22 May 2023
- 11) Group Digital Vision on PULSE organised by PruBSN - 22 May 2023.
- 12) Malaysia Futures organised by Khazanah Research Institute and LSE Saw Wee Hock Southeast Asia Forum - June 2023.
- 13) PDB Board & C Suite UPSKILLING: Sustainability organised by ICDM - 7 June 2023.
- 14) ISP's 10th International Planters Conference organised by IPC 2023 - 12 to 14 June 2023
- 15) MIA International Accountants Conference 2023 - 13 to 14 June 2023.
- 16) Synergy Inclusive Transition organised by YINSON Holdings Bhd - 14 June 2023.
- 17) Anti-Money Laundering & Countering Financing of Terrorism organised by RHB Compliance (virtual) - 3 July 2023.
- 18) Sustainability organised by KWAP - 8 September 2023.
- 19) MFRS17 organised by PruBSN - 22 September 2023.
- 20) PETRONAS Brand Management, Sanctions, Competition Law, 3rd Party Risk Management, ABC organised by PDB - September 2023.
- 21) ASB Conference on“(CG) What Amounts to a Conflict of Interest by Directors?” organised by ASB Mgmt Sdn. Bhd. on 12 September 2023 and 13 October 2023.
- 22) Sri Taxonomy: Insights and Implementation organised by RHB Speaker : Securities Commission of Malaysia -3 October 2023.
- 23) Conflict of Interest organised by Petronas Board Excellence on 27 October 2023.
- 24) Insead Business Sustainability Program organised by RHB Bank Berhad -30 October 2023.
- 25) Emerging Risks – How can Malaysia Steer Ahead organised by RAM Holdings Bhd on 31 October 2023.
- 26) Sustainability and Climate Risk Certification organised by Global Association of Risk Practitioners (GARP) on 13 November 2023.
- 27) Accounting Upskilling – PDB on 20 November 2023.
- 28) Cybersecurity Awareness Training organised by YINSON Holdings Berhad (virtual) - 30 November 2023.
- 29) “Can American Stop China’s Rise. Will ASEAN be Damaged” organised by FIDE Forum: Asian School of Business – 1 December 2023.
- 30) Mandatory Accreditation Programme Part 2: Leading for Impact organised by ICDM on 19 to 20 September 2023, 29 to 30 November 2023 and 11 to 12 December 2023.

## E. Sustainability

The Board recognises UP’s long history of embedding sustainable practises in its operations and is responsible for approving the overall sustainability strategy and direction through effective governance.

During the year under review, the Board has assessed the sustainability performance and management’s progress in operationalising sustainability within various areas of our Group.

These areas are summarised as follows:-

- Annual RSPO and MSPO audits as evaluation of sustainability performance.
- Materiality assessment involving various groups of stakeholders.
- Annual suppliers risk assessment.
- Annual stakeholders meeting.
- Improving Human Rights and Ethical Recruitment Procedures.
- CPH ZOO Collaboration and Biodiversity focus .
- Cascading sustainability policies to all level of our workforce through “Reach and Teach, Reach and Remind” programmes.

The Board also formalises our Sustainability Policy for the purpose of communicating our commitment to stakeholders. The Sustainability Policy is available on the Company’s website at [www.unitedplantations.com](http://www.unitedplantations.com).

Further details on our sustainability reporting can be found in the Sustainability Statement as disclosed on pages 34 to 118 of this Annual Report.

## F. Integrity in Financial Reporting

The Board in compliance with paragraph 15.26a of Bursa Malaysia’s Main Market Listing Requirements issues a Statement explaining its responsibility for preparing the annual audited financial statements.

The Board is required by law to prepare financial statements for each financial year which will give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year in a manner which is comprehensive and transparent.

In the preparation of the financial statements, the directors will consider compliance with all applicable

Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016.

### F.1 Internal Control

The Board recognises its responsibility for the group's system of internal controls. In this connection, the Audit and Risk Committee conducts an annual review of the adequacy and effectiveness of the system of internal controls and renders a statement to the shareholders to this effect.

In this connection, the Audit and Risk Committee is assisted by an in-house internal audit department and an external independent professional firm who conducts regular reviews of the internal controls and report to the Audit and Risk Committee directly.

The external auditors are appointed by the Board to review the Statement of Internal Control and to report thereon.

### F.2 Relationship with the Auditors

The Board maintains a formal procedure of carrying out an independent review of all quarterly reports and annual audited financial statements by the Audit and Risk Committee, at its meetings.

The external auditors and representatives of the management are present to answer questions and provide explanations to the Audit and Risk Committee. The activities of the Audit and Risk Committee have been described at length in a separate statement given in this Annual Report.

## G. Recognise and Manage Risks

The Board, assisted by the Audit and Risk Committee, reviews the risk management policies formulated by management, headed by the Executive Director, Finance & Marketing, and makes relevant recommendation to the management.

The Group continues to maintain and review its internal control policies and procedures to ensure, as far as possible, to protect the Group' assets. The Board has established internal audit function, complimented by an in-house team and an external professional firm.

Both the internal and external audit teams report directly to the Audit & Risk Committee. Details of the Group's internal control system and framework are set out in the Statement on Risk Management and Internal Control.

## H. Timely and High Quality Disclosures

The Group has in place a procedure for compliance with the Listing Requirements. The Company Secretary reviews all announcements to ensure accuracy and compliance. The Board reviews and approves all quarterly and other important announcements. The Board is mindful that information which is material is announced immediately.

The Group has designated the executive directors as spokespersons in the handling of discussions and disclosures with investors, fund managers, and the public. The Company has a website [www.unitedplantations.com](http://www.unitedplantations.com) where all the Company's announcements, corporate information and updates are posted.

## I. Strengthen Relationship Between the Company and Shareholders

### I.1 Communications and Investor Relations

The Board acknowledges the need for an effective communication policy with shareholders and investors as the same intimate relationship that exists with management is usually lacking with shareholders with the exception of the controlling shareholders who are represented on the Board

The Company's website: [www.unitedplantations.com](http://www.unitedplantations.com) and the stock exchange websites: [www.bursamalaysia.com](http://www.bursamalaysia.com) are used as a forum to communicate with shareholders and investors where they can access corporate information, company announcements, corporate proposals, quarterly and annual reports, etc.

The Company's executive directors usually hold bi-annual briefings at its corporate office in Kuala Lumpur or virtually with institutional investors, market analysts and fund managers after announcement of the quarterly results. During the year briefings and Q&A sessions related to company matters were only held at the AGM. The Management has undertaken to resume analyst briefings in 2024. Questions relating to the quarterly announcements can be directed to Mr. Martin Bek-Nielsen, Executive Director (Finance & Marketing).

The Board believes that the Company's Annual Report is a vital source of essential information for shareholders and investors and other stakeholders. The Company strives to provide a high level of reporting and transparency as an added value for users of the company's annual report.

### I.2 The Annual General Meeting (A.G.M.)

The A.G.M is an excellent forum for dialogue with all shareholders for which due notice is given. The shareholders are given opportunity to vote on regular business of the meeting, viz. consideration and approval of final dividend, consideration and approval of directors and auditors fees, re-election of Directors, appointment of auditors and special business if any.

The Chairman explains the electronic voting procedure before the commencement of the A.G.M. The participating shareholders are given the opportunity to present their views or to seek more information. The resolutions passed at the meeting are released to Bursa Malaysia in a timely manner.

Kindly take note that pursuant to paragraph 2.19 of the Main Market Listing Requirements and Article 162 of the Company's Constitution and in line with UP's "Go Green" initiatives, the Notice of A.G.M., Proxy Form, Statement to Shareholders and Request Form for hardcopy of Annual Report can be downloaded from our website at [www.unitedplantations.com](http://www.unitedplantations.com).

All Board members, Senior Management from the Finance Department and the External Auditors are present to respond to questions from the shareholders during the A.G.M..





*Besides processing fresh fruit bunches the Optimill places an important role in supplying renewable energy to power our Unifuji refinery.*

### Statement On Directors' Responsibility As At 31 December 2023

The Board is required under paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia to issue a statement explaining its responsibility for preparing the annual audited financial statements.

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the financial year end and of the results and cashflows of the group for the financial year then ended.

The Directors consider that, in preparing the financial statements of United Plantations Berhad for the financial year ended 31 December 2023 the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. The Directors also consider that all applicable Financial Reporting

Standards in Malaysia have been complied with and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016.

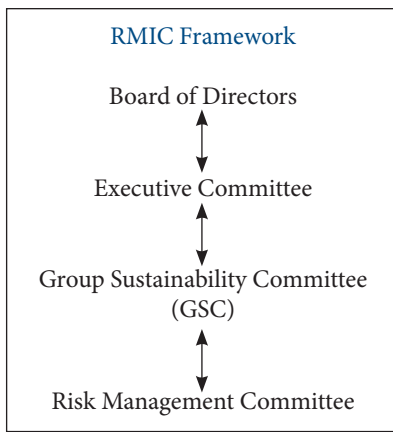
The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Auditors' responsibilities are stated in their report to the shareholders.

## Statement On Risk Management and Internal Control

The Board of Directors (“the Board”) of United Plantations Berhad (“the Group”) recognises its responsibility for the Group’s system of Risk Management and Internal Control (RMIC) for the review of its adequacy and effectiveness, whilst the role of management is to implement the Board’s policies on risks and controls. A sound system of RMIC includes the establishment of an appropriate control environment and framework, encompassing financial, operational and compliance controls and management of risks throughout its operations in order to protect its shareholders’ value and the Group’s assets as well as other stakeholders’ interests, at the same time.

The Risk Management Framework is embedded in its culture as documented in the Group Sustainability System Framework as illustrated below. The Risk Management Framework overlaps with the Sustainability Governance Management Structure.



### RMIC Approach

Because of the limitations that are inherent in any system of RMIC, such systems are designed to manage and mitigate risks that may impede the achievement of the Group’s business objectives. Accordingly, the system of RMIC provides only reasonable and not absolute assurance against material misstatement, error or loss. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

### Assurance from Management

The Board has received assurances from the Chief Executive Director and the Executive Director, Finance & Marketing, that the Group’s system of RMIC is operating adequately and effectively in all material aspects.

### Internal Control And Risk Management

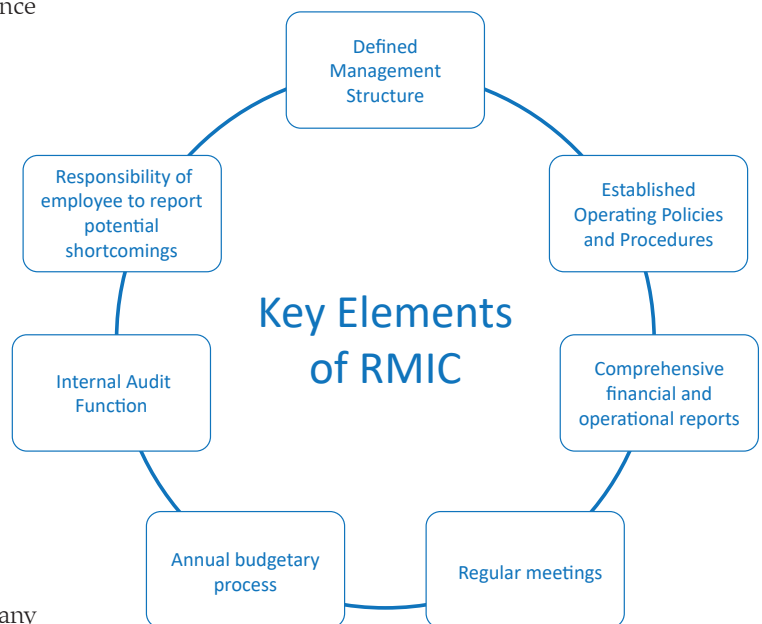
The Board regards risk management as an integral part of business operations. There is in place a formal process to identify, evaluate and manage significant strategic, operational, financial, tax-related and legal risks faced by the

Group. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken and the time frame to mitigate and minimise these risks.

The process is undertaken by a Risk Management Committee headed by the Executive Director, Finance & Marketing and comprises senior executives of the Company and a written report is submitted to the Board. Management proactively reviews the measures taken to manage those identified risks on a timely and consistent manner.

### Other Key Elements Of RMIC

Other key elements of the Group’s system of internal control are as follows:



In addition to the above chart, each subsidiary of the group is (as a minimum requirement) subjected annually to scrutiny of its financial statements by an external auditor, any comments relating to this external audit are passed on to the management in the form of a “management letter”. No significant shortcomings in internal controls have been found in the past.

The Audit and Risk Committee, on behalf of the Board, receives reports from both the internal and external auditors and regularly reviews and holds discussions with management on the actions taken on identified RMIC issues. The role of the Audit and Risk Committee is further elaborated in the Audit and Risk Committee Report on pages 129 to 132. There is no material joint venture that has not been dealt with as part of the Group for the purpose of Statement on Risk Management and Internal Control.



## Audit and Risk Committee Report

Members of the Audit and Risk Committee:

**Mr. Yap Seng Chong\***  
(Chairman - appointed on 27-4-2023)  
(Independent, Non-executive Director)

**Mr. R. Nadarajan**  
(appointed on 1-6-2013)  
(Independent, Non-executive Director)

**Mr. Jorgen Balle**  
(appointed on 27-4-2023)  
(Non-Independent, Non-executive Director)

*\*Appointed as member of ARC on 26 April 2022 and assumed the chairmanship on 27 April 2023 when the past Chairman, Dato' JDC Diamond retired from the Board.*

The Audit and Risk Committee consists 2 independent non-executive directors and 1 non-independent, non-executive director. The independent non-executive directors are Mr. Yap Seng Chong and Mr. R. Nadarajan who are both members of the Malaysian Institute of Accountants. The non-independent, non-executive director is Mr. Jorgen Balle.

This meets the requirement of the Bursa Securities Listing Requirements which requires the composition of the ARC to have majority independent, non-executive directors and at least one qualified accountant as a member of the Audit Committee.

### 1) Objectives

The Committee operates under the Terms and Reference of Audit and Risk Committee containing requirement as spelt out by Bursa Malaysia and the Terms of Reference is posted under Corporate Governance Information section of the Company's website at [www.unitedplantations.com](http://www.unitedplantations.com).

The Terms of Reference prescribes the Committee's scope of responsibilities and the primary objectives of the Committee are:

- a) To assist in discharging the Board's responsibilities as they relate to the Group's management including risk management, internal controls, accounting policies and financial reporting;
- b) To provide, by way of regular meetings, a line of communication between the Board and the external and internal auditors;
- c) To oversee and review the quality of the audits conducted by the external and internal auditors; and
- d) To enhance the perceptions held by interested parties, such as shareholders, regulators, creditors and employees, of the credibility and objectivity of the financial reports.

### 2) Activities of the Audit and Risk Committee during the year

The Committee held five (5) meetings in 2023 to conduct and discharge its functions in accordance

with the Terms of Reference mentioned above. Details of Directors' attendances at Audit and Risk Committee meetings are as follows:

Name of Directors	No. of Meetings	
	Attended	Held
Mr. Yap Seng Chong*	5	5
Mr. R. Nadarajan	5	5
Mr. Jorgen Balle**	3	5
Y.Hormat Dato'Jeremy Derek Campbell Diamond***	2	5

\* Appointed as Chairman on 27 April 2023.

\*\* Appointed as member on 27 April 2023

\*\*\* Retired on 27 April 2023.

The Audit and Risk Committee met on a scheduled basis. The Financial Controllers were invited to attend the meetings. The internal and external auditors were also invited to discuss their audit findings, management letters, Audit Planning Memorandum and other matters deemed relevant. During the scheduled meetings, the members of the Audit and Risk Committee also had three (3) sessions with the internal and two (2) sessions with the external auditors without the presence of the Management.

During the year, the Committee carried out the following activities:

- a) Internal Audit (IA) (Both in-house and outsourced)
  - i. Reviewed the annual audit plans for 2023 to ensure adequate scope, coverage of the activities of the Company and the Group and the resource requirements and budget of in-house Internal Audit department to carry out its functions;
  - ii. Reviewed the Internal Audit reports, audit recommendations and Management's responses to these recommendations (further details are provided under item 3);
  - iii. Reviewed the status report on corrective actions implemented by Management to rectify the outstanding audit issues to ensure control lapses are addressed;
  - iv. Instructed the conduct of investigations on activities within its terms of reference;
  - v. Evaluated the performance and effectiveness of the outsourced internal auditors, KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG") and the in-house internal auditors;
  - vi. Reviewed and assessed the trading manual limits for the Group;
  - vii. Reviewed the carry forward capital expenditure to date listing with explanation if expenditure to date is less than 25% of carry forward budget;
  - viii. Reviewed the debtors ageing listing with explanation if overdue;

- ix. Reviewed the risk assessment on the Group exposure under S17(A) MACC Amendment Act 2018 and the adequate procedures implemented;
- x. Review the Group safety report.
- xi. Reviewed the reappointment of our external internal Auditors KPMG for cost and quality as an integral part of our checks and balances by inviting quotes from other service providers.

b) External Audit

- i. Reviewed with the external auditor:-
  - The Audit Planning Memorandum and scope of work for the year; and
  - The Results of the audit, the relevant audit reports, and Management Letters together with the Management's responses and comments to the findings.
- ii. Assessed the independence and objectivity of the external auditors during the year and prior to reappointment. The assessment is based on the private discussions, quality of issues raised in their report and their level of participation on issues discussed during the meetings they attended. The Committee also received from the external auditors their policies and written confirmation regarding their independence and the measures used to control the quality of their work;
- iii. Evaluated the performance and effectiveness of the external auditors and made recommendations to the Board of Directors on their reappointment and remuneration.

c) Financial Reporting

Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Company and the Group prior to recommending them for approval by the Board of directors.

The Committee, in the current year, reviewed only the first three quarters of the unaudited quarterly financial results as the fourth quarter announcement had been dispensed with as approved by Bursa since 2015, the approval is on condition that the full financial report is announced within two months from the close of the financial year end.

The review was to ensure that the financial reporting and disclosures are in compliance with:

- i. Provisions of the Companies Act 2016;
- ii. Listing Requirements of Bursa Malaysia Securities Berhad;
- iii. Applicable approved accounting standards in Malaysia; and
- iv. Other legal and regulatory requirements.

d) Related Party Transactions

During the year the Management had reported to the Audit Committee the related party transactions which were recurrent in nature as disclosed under Note 28 of the financial statements. There were no other related party transactions entered into by the Company and the Group.

e) Annual Report

- Reviewed with the external auditors, their evaluation and report of the state of risk management and internal control of the Group and reported the results thereof to the Board of Directors.
- Reviewed the Audit and Risk Committee Report, Overview Statement on Corporate Governance, Corporate Governance Report and Statement on Risk Management and Internal Control and recommended the reports to the Board for publication in the 2023 Annual Report.

f) Risk Assessment and Management

Reviewed and discussed with Management the outcome of the exercise to identify, evaluate and manage significant strategic, operational, financial, hedging, trading, tax-related and legal risks faced by the Group. The report was compiled annually and presented to the Audit and Risk Committee for further deliberations on the adequacy and effectiveness of the actions taken.

### 3) Internal Audit Function

The Committee is supported by the in-house Group Internal Audit Department and the outsourced internal auditors, KPMG in the discharge of its duties and responsibilities.

The internal auditors provide independent and objective assessment on the adequacy and effectiveness of the risk management and internal controls. The in-house internal auditors also carry out investigative audits whenever improper, illegal and dishonest acts are reported.

The Group Internal Audit Department is headed by a qualified accountant and supported by three (3) executives with experiences in the audit and estate operations. The Internal Audit programs are tailored specifically based on the risk areas identified by the Executive Committee and Audit and Risk Committee with emphasis on operational weaknesses identified and prevalent in the plantation industry. This will ensure that the audit programs add value to management decision making.

The internal auditors review the effectiveness of the internal control structures of the Group's activities focusing on high-risk areas as determined using a risk-based approach.

All operating units (including foreign operations) are audited at least once over a two-year period by the

in-house internal auditors, and at least once over a three-year period by the outsourced internal auditors (excluding foreign operations).

The internal audits cover the review of the adequacy of risk management, operational controls, compliance with established procedures, guidelines and statutory requirements, quality of assets and management efficiency, amongst others. These audits are to ensure that the established controls are appropriate, effectively applied and achieve acceptable risk exposures consistent with the Group's risk management policy. In performing such reviews, recommendations for improvement and enhancements to the existing system of internal controls and work processes are made.

All auditing activities are conducted in line with the Group's objectives and policies, in accordance with applicable laws and regulations, and as guided by Code of Ethics and International Standards for the Professional Practice of Internal Auditing.

For the year 2023, the activities undertaken by the internal auditors were as follows:

- a) Developed an audit plan using risk-based approach, and carried out the assignments according to the audit plan for the year;
- b) Conducted ad-hoc assignments as instructed by the Audit and Risk Committee;
- c) Recommended improvements and enhancements to the existing system of internal controls and work procedures / processes;
- d) Conducted investigation into activities or matters as instructed by the Audit and Risk Committee and Management;
- e) Performed a review and assessment exercise to identify, evaluate and manage significant strategic, operational, financial, hedging, trading, tax-related and legal risks faced by the Group; and
- f) Preparation of Audit and Risk Committee Report and Statement on Risk Management and Internal Control for the Company's Annual Report.
- g) Conducted 12 sessions of Reach & Teach to the various estates on MACC S17(A) and coconut count procedures.

A total of 15 (2022: 13) audit engagements (in-house internal audits) were completed in 2023. The in-house internal audit team visited 1 estate, 2 mills and 1 refinery (2022: 3 estates) in 2023 to conduct internal auditing on the financial and operational aspects of the operations with particular emphasis on cash management, stock, reporting, SOPs compliance and fixed assets.

In addition, 11 special audits (2022: 10) were conducted primarily focusing on SOPs compliance,

checking on the operations and management of estates, mills and refinery, review of the workers attendance, review and checking of the coconut counting operations in the coconuts estates, review of costings in the bakery and review of payments among other review. (2022: Covid-19 SOPs compliance, checking on the operations and management of estate hospitals, review of the oil extraction rates and workers attendance in one of the palm oil mill, review and checking of the coconut counting operations in the coconuts estates, review of payment vouchers in one estate and checking for double payments in one refinery).

The findings include among others identification of weaknesses in the SOPs compliance, stock management, recording of workers attendance, coconut counting operations and guest workers recruitments. (2022: weaknesses in the cash handling, stock management, recording of workers attendance, coconut counting operations, and underpayment to contractors).

Given the similarity of the weaknesses continuously found in the internal audit reports, the Internal Audit team changed the internal audit approach to rectification of weaknesses found in the normal course of internal auditing work based on the recommendation from the Chief Executive Director.

Under this new approach, upon completion of the internal audit work and issuance of the internal audit report to Management and the Audit and Risk Committee, the Internal Audit team will then subsequently prepare and tailor a specialized training session (reach, teach and remind) based on the audit findings. During the specialized training sessions with the managers, executives and staffs, detailed and constructive two ways discussions and recommendations are exchanged with the internal audit teams to make further improvements in the existing operations and internal controls.

We observed that the above approach has yielded positive results in some areas. The feedback received are positives and the Chief Executive Director has instructed that these specialised training sessions are to be conducted in all operating units continuously.

For the outsourced internal audits, 7 (2022: 11) audit engagements were completed in 2023, encompassing 4 estate audits, 2 mill audits and 1 refinery audit (2022: 6 estate audits, 1 mill audit, 1 research department and 3 refinery audits).

The audit objectives are to independently assess the system of internal control as established by Management, the adequacy and integrity of such internal control system versus the objectives served, and to make appropriate recommendation thereof. These also include determining the extent of adherence to internal controls by

personnel responsible for the function. Material findings include among others are weaknesses in the checkroll system, monitoring of harvesting timeliness, monitoring of FFB grading process, improvement in inventory management system, weaknesses in the procurement process and enhancement to the monitoring of the plant and vehicle maintenance (2022: weaknesses in the FFB dispatches , lapses in monitoring of FFB qualities dispatched to the mill, weaknesses in the purchase orders issuance procedures, lapses in monitoring the sales for planting materials and monitoring of deposits collection).

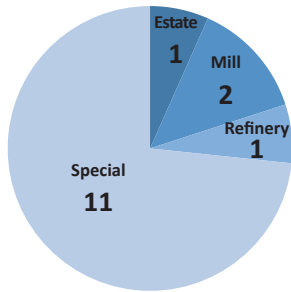
The audit engagements are performed on a rotational basis to ensure that all business units will be audited at least once every 3 years.

Any control and procedural weaknesses identified were discussed with Management and remedial measures instituted to address the weaknesses identified.

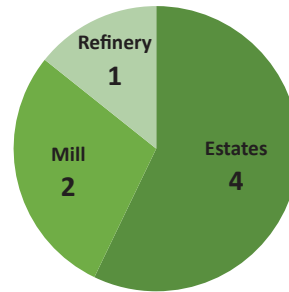
The Audit and Risk Committee will review the audit report presented and the Management’s responses to ensure that material findings are adequately addressed. Some follow up audit works were done subsequently for material findings to ensure adherence to the audit recommendation if any.

A total of 22 (2022: 24) audit engagements (combined in-house and outsourced internal audits) were completed in 2023, categorized as follows:

Internal Audits completed in 2023 by In-house Internal Audit Team



Internal Audits completed in 2023 by Out-sourced Internal Auditors, KPMG



A scenic view from the Margrethe Hill overlooking Changkat Mentri Estate.

## Nomination Committee Report

The members of the Nomination Committee (NC) as at the end of financial year 2023 were as follows:-

**Mr. R. Nadarajan\*** (Chairman)  
(Independent, Non-Executive Director)

**Mr. Jorgen Balle\*\***  
(Non-Independent, Non-Executive Director)

**Mr. Yap Seng Chong\*\***  
(Independent, Non-Executive Director)

*\* Appointed as the Chairman after the resignation of Dato' Mohamad Nasir bin Ab. Latif as the Chairman of NC on 27 April 2023*

*\*\* Appointed as members of NC on 27 April 2023*

The principal function of making recommendations for new appointments to the Board is delegated to the Nomination Committee. The Nomination Committee consists entirely of non-executive directors as required under the Main Market Listing Requirements, all of whom are independent directors. The Committee has access to the services of the Company Secretary who would record and maintain minutes of meetings and obtain information for the purpose of meeting statutory obligations as well as obligations arising from Bursa Malaysia's Main Market Listing Requirements.

### Objectives

The primary objectives of the Committee are:

- a) to assist in discharging the Board's responsibilities as they relate to the Group's board renewal and succession planning;
- b) to assess the effectiveness of the Board and Committees; and
- c) to assess the contributions of individual directors.

### Terms of Reference

The duties of the Committee:

1. To consider, in making its recommendations to the Board, candidates proposed by any director or shareholder or consultant, for all directorships. In making the recommendations, the NC shall consider the candidates':
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of independent directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from independent non-executive directors.

2. To recommend to the Board, the directors to fill the seats on Board Committees.
3. To review annually the Board's required mix of skills and experience and other qualities, including core competencies that the Board members should bring to the Board and Committees to best serve the business and operations of the Group as a whole.
4. To assist the Board by formulating and periodically reviewing the criteria and procedure to be carried out by the Committee for assessing the effectiveness of the Board and Board Committees as a whole.
5. To assess the board balance by reviewing the size, structure, and composition of the Board.
6. To assess the independence of the independent directors annually and to recommend to the Board whether an independent director may continue to serve on the Board as an independent director after his tenure has exceeded a cumulative term of nine years.
7. To consider directors who are due to retire on rotation at the AGM and recommend their re-election.
8. To develop, review and monitor the policies and approach toward boardroom diversity.
9. To review and assess the effectiveness of the Board's succession plan.
10. To review the adequacy of the Terms of Reference in the light of new practices and regulatory requirements to ensure that the Committee is operating at maximum effectiveness, and to recommend changes as and when required.
11. To perform such other functions relating to the foregoing as the Board may, from time to time, request.

### Board Members' Selection Criteria

Selection of candidates to be considered for appointment as directors is facilitated through recommendations from members of the Board and/or shareholders, industry acquaintances, consultants, etc. to gain access to a wide pool of potential candidates.

The Nomination Committee will normally meet with the proposed candidates to assess their suitability in terms of age, qualifications, experience, expertise, any potential conflict of interest, and leadership quality before recommending them for appointment to the Board.



## Activities of the NC during the year

In 2023, the NC met thrice (3) and the attendance of members of the Committee was as follows:-

Name of Directors	No. of Meetings	
	Attended	Held
Mr. R. Nadarajan* (Chairman, Independent, Non-Executive)	3	3
Mr. Jorgen Balle** (Non-Independent, Non-Executive)	2	3
Mr. Yap Seng Chong** (Independent, Non-Executive)	2	3
Ybhg. Dato' Mohamad Nasir bin Ab. Latif*** (Past Chairman, Independent, Non-Executive)	1	3
Y. Homat Dato' Jeremy Derek Campbell Diamond**** (Independent, Non-Executive)	0	3

\* Appointed as NC Chairman on 27 April 2023.

\*\* Appointed as NC members on 27 April 2023.

\*\*\* Resigned as NC Chairman on 27 April 2023.

\*\*\*\* Retired from the Board and stepped down as NC member on 27 April 2023.

The Nomination Committee had in 2023 undertaken various activities in the discharge of its duties and these are summarised as follows:-

### A) Evaluated and recommended suitable Candidates for appointment to the Board

The Nomination Committee met up with Tunku Alizakri who was nominated by EPF (Employee Provident Fund) to replace Puan Rohaya on the Board. Tunku Alizakri, 54 years old, obtained his Bachelor of Law (Honours) degree from King's College University of London and was subsequently admitted as Barrister-at-Law of the Honourable Society of Lincoln's Inn. His other qualification is Business Administration (MBA), Cornell University.

Tunku Alizakri had wide experience at senior management and board level roles in multiple sectors and industries which include retirement fund, financial services, central banking, healthcare, media and telecommunications, plantation and oil & gas, and property development. His last executive role was as the Chief Executive Officer of the Employees Provident Fund ("EPF"). His areas of expertise include sustainability, enterprise digitalisation and transformation, corporate strategy and fund management.

Prior to joining EPF, Tunku Alizakri was the Chief Marketing Officer and Chief Operating Officer of the Iclif Leadership and Governance Centre. He had also held the positions of Director of Strategic Management at Bank Negara Malaysia, Director and Head of Strategy and Corporate Affairs at DiGi Telecommunications Berhad, and Vice-President and Head of Group Strategic Planning at Malayan Banking Berhad.

Tunku Alizakri is the Chairman of Malaysia Venture Capital Management (MAVCAP) and sitting on the board of Trustee of Yayasan Hasanah. He is also sitting on the boards of Bumi Armada Berhad, Malaysian Aviation Group Berhad, Malaysia Airlines Berhad, Petronas Dagangan Berhad and Prudential BSN Takaful

The Nomination Committee after interviewing Tunku Alizakri found him to have the necessary skills, experiences, integrity and competency to be considered for a board position in UP. The Nomination Committee resolved to propose to the Board to consider appointing him as a non-independent director.

### B) Evaluate the Perceived Conflict of Interest (COI) of Tunku Alizakri

After the appointment of Tunku Alizakri to the Board on 1st June 2023, it later came to the knowledge of the Board that two of his immediate family members are sitting on the boards of public listed companies in the same industry as UP. The Nomination Committee was tasked to evaluate the perceived conflict of interest and after seeking professional advice, deliberated and concluded that there is a perceived COI and resolved to recommend to the Board to address this perceived COI.

In addressing the perceived COI and in line with good governance, Tunku Alizakri proactively tendered his resignation from the Board to avoid any COI issue that may arise due to his close family members being on the boards of companies in the same industry as UP.

The Company wishes to express its gratitude to Tunku Alizakri's professionalism and contributions during his tenure as a Board Member.

### C) Review of Board Charter and Terms of Reference of Nomination Committee

The Nomination Committee has in line with the amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to Conflict of Interest and other Areas as circulated to all listed issuers on 26 May 2023 reviewed and made recommendations to the Board to update the relevant sections of the Board Charter as well as Fit and Proper Policy.

The Board, in recognizing the importance of compliance with the amended listing requirements and upholding a high standard of corporate governance approved the recommendation of the Nomination Committee.

With the approval of the Board obtained on 24 February 2024, the Board Charter as well as the Fit and Proper Policy were subsequently updated and are available at our website [www.unitedplantations.com](http://www.unitedplantations.com).

#### D) Annual Assessment

- Reviewed and assessed the performance of individual Directors during the year. When deliberating on the performance of a particular Director who is also a member of the Nomination Committee, that member has abstained from the discussions. The criteria used for such assessment are competency, skill, knowledge, and preparedness. For independent directors, they are also being assessed on their abilities to exercise independent judgement.
- Conducted assessment and made recommendation to the Board to support and table to the shareholders for approval to re-elect the Directors who were retiring Article 107 of the Company's Constitution at the 103rd A.G.M.
- Conducted the annual assessment of the effectiveness of the Board and the Board Committees. The criteria used for such assessment are the composition with regard to the required mix of skills, knowledge, and experience, and the effectiveness of the Board and Committees in discharging their respective duties.
- Reviewed the composition of the Board based on the required mix of skills, experience and other qualities considered important for the Board.
- Reviewed the composition of the Board Committees based on the provisions of the relevant guidelines and regulations including annual review of succession planning and boardroom diversity.

In addition to the above, the Nomination Committee has also like in past years carried out an independence assessment on all Independent Directors to evaluate whether the Independent Directors are able to exercise independent judgements without being unduly influenced.

The Nomination Committee has after evaluation found that all Independent Directors have discharged their duties to the satisfaction of the Committee. When the evaluation involved a member of the Nomination Committee, the particular member would abstain from the deliberation.

During the year, there was one (1) independent director who had exceeded the nine (9) years tenure on the Board, namely Mr. R. Nadarajan.

The Nomination Committee, with the abstention of Mr. R. Nadarajan, had reviewed the attendance records of Mr. R. Nadarajan, his participation in Board deliberations, including Board Committees, and concluded that he remains objective and independent and his length of service does not interfere with his exercise of independent judgement and accordingly recommended to the Board to propose to the shareholders to retain him as an independent director based on the following justifications.

- a) He fulfils the criteria of an independent director pursuant to the Main Listing Requirement,
- b) He has wide experience relating to the Company's business operations,
- c) He has devoted sufficient time and attention to discharging his duties as an independent director of the Company,
- d) He has been exercising due care in discharging his duties as an independent director in the best interest of the Company and shareholders.

The Company had at the last AGM held on 27 April 2023 sought and obtained the shareholders' approval for him to be retained as independent director for a new term until the forthcoming AGM.

#### Evaluation for Board, Board Committees and Individual Directors

The Nomination Committee facilitated by the Company Secretary carried out the annual assessment to evaluate the performance of the Board, its Board Committees, and each individual Director in 2023. The assessments of the Board, Board Committees, and individual Directors were carried out based on questionnaire.

The evaluation process was managed by the Company Secretary who forwarded the questionnaires on the Board, Board Committees, and individual Directors to the Chairman of the Nomination Committee who after consultation with members of the Nomination Committee completed the evaluation by completing the questionnaires.

The findings and recommendations of the Nomination Committee were tabled at the Board for further discussion and approval. Based on the evaluation results, the Committee reached the conclusion that the Board and the Directors in their individual capacity supported the current needs of the Company.

All Directors have the requisite competence, integrity, and character to serve on the Board and had demonstrated their commitment to the Group.

The Board was satisfied with the outcomes of the evaluation. The Board is of the view that it is not necessary to appoint an independent third party to conduct the evaluation process.

The Nomination Committee will continue to assess the need for the appointment of an independent third party and will take the necessary action as and when deemed useful.

## Additional Disclosures

Pursuant to the listing requirements of Bursa Malaysia Securities Berhad, additional disclosures by the Group for the year ended 31 December 2023 are as follows: -

### 1) Utilization of proceeds raised from Corporate Proposals

There was no corporate proposal to raise funds during the financial year.

### 2) Non-audit fees paid to External Auditors

Non-audit fees paid and payable to Company and Subsidiaries' external auditors for the financial year were as follows: -

Tax services: RM109,114

### 3) Cost of Internal Audit

RM806,530 was incurred by the Group in the Financial year for its outsourced internal audit and in-house internal audit department.



*Special presentation by our Chairman, YBhg. Dato' Mohamad Nasir bin Ab. Latif to Mr Loh Hang Pai for his 50 years of sterling service to the Company.*



*Recognition of long service staff and executives during our Company Dinner held on 1 July 2023.*



*Bidding fond farewell to our loyal and dedicated executives of UP who retired on 1 February 2024. Third from left: Ir. P. Rajasegaran, Director of Engineering (Downstream) and third from right: Mdm. R. Kumara Vallie, Personal Assistant/Confidential Secretary to YBhg. Dato' Carl Bek-Nielsen.*



*A harvester is using a motorised cutter as a result of productivity improvement. The timing of harvesting is crucial to ensure the optimal ripeness standard and oil extraction rate.*