



SUSTAINABLE EXCELLENCE THROUGH INTEGRATION



QUICK FACTS ABOUT GULA SUPER

Introducing super premium 1kg sugar to provide **high purity option** to consumers

Refined to an **exceptional level**

Pure, uniform white color

Exceptionally sweet

Pure cane granulated sugar

The perfect choice for **culinary and confectionery enthusiasts, suitable for baking and sweets**



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COVER RATIONALE

SUSTAINABLE EXCELLENCE THROUGH INTEGRATION

At the heart of MSM's purpose is our belief in the power of strategic integration to enhance operational efficiency, drive innovation, and foster resilient growth. Through aligning our sustainability goals with our business model, MSM is proving that excellence in performance is fully attainable alongside making a positive impact on society and the environment. The theme "Sustainable Excellence Through Integration" is not just a motto; it is MSM's blueprint for creating value that transcends financial gains, ensuring a legacy of prosperity and environmental integrity for years to come.



Basis of This Report

Basis of This Report



MSM MALAYSIA HOLDINGS BERHAD

It is our pleasure to present MSM Group's latest Sustainability Report (SR), which communicates the Group's sustainability journey and impacts on the economy, environment and people. The purpose of this report is to offer clear and comprehensive information about our non-financial performance within the context of Environmental, Social and Governance (ESG).



MSM is guided by our vision of becoming a World Class and Cost-Efficient Organisation Driven by Sustainability with a Diversified Portfolio in Food- Related Business. We are committed to our sustainable promise of Sweet Sustenance in a Responsible, Sustainable and Mindful Way. To achieve this goal, we are dedicated to enhancing shareholder value, optimising growth and achieving a sustainable, balanced and integrated ESG performance. We plan to accomplish this by transforming our business model and capitalising on opportunities throughout the global food value chain.

This report demonstrates the significant enhancements we have made in our sustainability journey. This includes adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in our climate risks and opportunities disclosure. This report also reflects our commitment to meeting the national reporting requirements and international ESG indices such as FTSE4Good Bursa Malaysia Index. We strive to improve our disclosures against the Global Reporting Initiative (GRI) Standards and incorporate the selected United Nations Sustainable Development Goals (UN SDGs) that are relevant to our business goals and strategy.

We remain dedicated to strengthening the sustainability of our business by regularly reviewing our ESG issues holistically across our operations. We will continue to enhance and refine our sustainability reporting to ensure transparency and enable stakeholders to make informed decisions.

REPORTING SCOPE AND BOUNDARY

The scope of this report is from 1 January 2023 to 31 December 2023. It includes all significant developments relating to MSM up until the approval of the annual financial statements. The contents in this report cover MSM Group and its operating subsidiaries:

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd

All data in this report relates to the principal activities of MSM Group and its subsidiaries unless stated otherwise.

REPORTING FRAMEWORKS

This report has been prepared with reference to:

- Bursa Malaysia's Main Market Listing Requirements
- Sustainability Reporting Requirements of the Securities Commission Malaysia
- Malaysian Code on Corporate Governance
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- GRI Universal Standards 2021

This report meets the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. It is accessible online on our corporate website at www.msmsugar.com.

MATERIALITY

The information and data in this report have been prepared based on our identified ESG material matters determined in a materiality assessment in 2023. This report provides an overview of the material matters significant to MSM's business and stakeholders. The contents outline our management approach, initiatives and aspirations for each material matter going forward.

REPORTING INTEGRITY AND ASSURANCE

This report has been externally and independently assured by SIRIM QAS International Sdn Bhd, verifying that the policies, initiatives and data disclosed here are accurate and acceptable. It has also undergone review by MSM's Executive Committee and Audit Committee before submission.

ENDORSEMENT

The contents of this report have been endorsed by the Board of Directors and Senior Management of MSM, in accordance with the requirements of Bursa Malaysia's Main Market Listing Requirements and Sustainability Guidelines.

FORWARD-LOOKING STATEMENTS

Our forward-looking statements reflect our current views with respect to future events and are subject to various risks, uncertainties and other factors, including international, national and local economic conditions and government policies, interest rate movements and changes in the credit markets and other risks outside of our control that may cause actual results to differ materially from those contemplated.

These statements can be recognised by keywords such as "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "outlook", and other similar expressions used in the context of discussing future operating or financial performance. These statements are based on multiple assumptions and are exposed to various risks, uncertainties and contingencies, many of which MSM has no control over. Unexpected events and actual future developments may significantly deviate from current expectations due to new business opportunities, changes in the Group's priorities and other factors.

FEEDBACK

We welcome feedback and suggestions to improve our sustainability reporting. Please forward your comments and opinions to esg@msmsugar.com

NAVIGATE OUR REPORT

In this report, the following navigation icons are designed to connect our six capitals, key stakeholders, strategic themes and enablers to material matters, risks and performance.

NAVIGATION ICONS

- Find relevant information in this report
- Find relevant information on our corporate website

MATERIALITY MATTERS

- M1 Climate Action
- M2 Waste Management
- M3 Water Management
- M4 Renewable Energy and Energy Management
- M5 Upholding Human Rights and Labour Standards
- M6 Diversity, Equity and Inclusion
- M7 Occupational Health and Safety
- M8 Employee Engagement and Talent Management
- M9 Community Engagement and Development
- M10 Governance, Ethics and Integrity
- M11 Traceability, Responsible Sourcing and Supply Chain Management
- M12 Operational Performance
- M13 Data Security and Protection
- M14 Business Development and Product Quality

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Our Value Impact

Our Value Impact



BUSINESS HIGHLIGHTS

Group Utilisation Factor
48.4%

Group Yield Performance
94.6%



Rating improved from 2.4 star to

3.1 star
on Bursa Malaysia's
FTSE4Good ESG Rating



Total revenue increased to
RM3.09 billion
in FY2022 from
RM2.6 billion in FY2022

SUSTAINABILITY HIGHLIGHTS



Mudcake Waste Recovery into Fertiliser or Cement
100%
Circularity

Mudcake Produced
22,081.28
tonnes

Total Effluent Discharge
50,324 m³

Non-hazardous Waste Recycled and Recovered
22,482 MT

33.33%
of board members are female

1,850
mangrove trees planted since 2021

Lost-Time Incident Frequency Rate reduced
1.41

20,805 hours of training recorded

35 community programmes and initiatives, benefitting close to **10,000** people

2:1 ratio of male to female for executive and above



In 2023, we maintained
zero
confirmed incidents of corruption and action, achieved through stringent policies and procedures against bribery and corruption. This outcome followed a thorough investigation of eight reported incidents, six of which are not related to bribery and corruption, while two are still under investigation

RM250.6 million
worth of procurement went to local goods and services

Full communication and training with Board & Employees, and **88%** with business partners on anti-corruption policies

DEAR STAKEHOLDERS,

“ We will continue to strive to further embed sustainability in our business strategy and operations, as we seek to achieve our sustainability commitment and goals. ”

**SYED FEIZAL
SYED MOHAMMAD**
Group Chief Executive Officer

GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY



Group Chief Executive Officer's Message on Sustainability

? CAN YOU SHARE AN OVERVIEW OF MSM'S SUSTAINABILITY JOURNEY IN 2023?

The year 2023 was challenging for MSM but we persisted in delivering on our sustainability goals and commitment. We have made significant progress in our sustainability journey and have been focusing on our ESG initiatives as we remained committed to creating value for our stakeholders. In 2023, we pushed forward with our ESG agenda and achieved several milestones. We continued to embed sustainability into our strategy and operations. This led to us achieving a higher score in the FTSE4Good ESG index, which saw our rating improved from 2.4 to 3.1 star.

Our sustainability initiatives were holistic and covered all the various aspects of sustainable value creation. We focused on sustainability in leadership before cascading it to our working level. Driving sustainability across our operations is supported by our Group Sustainability Policy (GSP) and a robust sustainability framework that is premised on environmental, social and governance.

We continued to step up our climate action with initiatives that were targeted at reducing our environmental impact and carbon footprint in the long term, such as circular economy and biodiversity preservation. To amplify the impact of our efforts, we reached out to

non-governmental organisation (NGOs) and the local communities where we operate. Working closely with strategic partners and the communities did not only boost our reputation but also enables us to give back to society and advocate for sustainable practices.

Certainly, we would not have been able to deliver on our commitment without our dedicated employees. We acknowledge that our employees are our backbone and have continuously invested in their development and well-being. This includes providing a safe, healthy and conducive work environment that also promotes diversity and inclusion.

Good governance and sound business practices are fundamental to the sustainability of our organisation. In 2023, we continued to prioritise good governance across our operations and ensured that integrity and business ethics were upheld in all our business activities. Furthermore, MSM's leadership and employees were communicated and equipped with integrity training. We will continue to strive to embed sustainability in our business strategy and operations, as we seek to achieve our sustainability commitment and goals. We acknowledge that sustainability is a journey and the valuable lessons learnt at each step will enrich our progress and enable us to create more sustainable value for our stakeholders in the long term.

? HOW DOES MSM CASCADE SUSTAINABILITY STRATEGY AND PRACTICES TO ITS WORKING LEVEL?

We emphasise on the tone from the top to cascade sustainability to the working level. The Board has ultimate oversight of sustainability-related matters including climate risks and opportunities. It is mainly supported by the Audit, Governance and Risk Committee (AGRC), which is responsible for sustainability strategy development and MSM's annual Sustainability Report.

The Management Steering Committee (MSC), personally chaired by me to support the Board in overseeing sustainability, ensures the success of MSM's sustainability agenda. We even appointed MSM personnel as ESG Catalysts to effectively execute the Group's ESG agenda.

The strengthening of our sustainability governance has bolstered our climate strategy. In this context, the Board ensures that climate considerations are integrated into MSM's overall strategic planning. Members of the Board are consistently kept up to date with the latest sustainability developments and knowledge through training. In 2023, the Board attended a series of training related to sustainability development, which topics included climate change, responsible investment, effective climate governance an ESG thought leadership. The training also covered the latest sustainability reporting requirements, which are crucial for MSM's regulatory compliance. We will continue to review and enhance our sustainability governance to ensure continuous robust leadership in driving sustainability at MSM.

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Group Chief Executive Officer's Message on Sustainability

Group Chief Executive Officer's Message on Sustainability

? CAN YOU SHARE THE PROGRESS OF MSM'S CLIMATE ACTION IN 2023?

Our climate action in 2023 was a continuation of our efforts from the previous year. In 2022, **MSM became the second food-based company in Malaysia to commit to the Science-Based Targets initiative (SBTi)**, a collaborative effort involving the United Nations Global Compact (UNGC) Malaysia & Brunei and the Net Zero Ambition initiative. We always strive to be at the forefront of climate action and in this regard, **we aim to achieve carbon neutrality** within our operations by 2030.

This could be achieved by closing the gaps identified in our efforts, and by doing so, we could potentially become one of the first few companies in Malaysia to achieve carbon neutrality within our operations. We will continue to strive to be ahead of the curve through a consistent and disciplined approach that will result in incremental improvements.

Improving our waste management through promoting a **circular economy** is also part of our agenda to reduce greenhouse gas (GHG) emissions. Testament to this ambition is our mudcake product, which is repurposed into animal feed and fertiliser. We aim to achieve zero landfill target by 2024 to minimise our environmental impact. We have also established our biodiversity conservation plan, started to look at how our byproducts can contribute to the circular economy and enhanced nature-based solutions. We are also progressing in improving the sustainability of our supply chain with Scope 3 identification programmes and ensuring **100% traceability and No Deforestation and No People Exploitation (NDPE) compliance of our raw sugar.**

In our effort to support the government's climate agenda, our endeavours extend beyond our operational scope. I am honoured to share that MSM representative was part of the strong Malaysian delegation of about 200 delegates to the UN Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP28) at Dubai in December 2023. Led by the Ministry of Natural Resources, Environmental and Climate Change (NRECC). I believe MSM's participation in the international event will further enhance our sustainability journey and contribute to the organisation's climate strategy development.

? HOW DOES MSM LEVERAGE ON COLLABORATIONS AND PARTNERSHIPS TO ADVANCE ITS ESG AGENDA?

ESG is already part of our DNA but embedding sustainability into our operations cannot be done on our own. We acknowledge that it requires a collective effort with all our stakeholders, whether internal or external. We have been actively establishing partnerships with strategic partners to advance our ESG agenda and deliver on our sustainability commitment.

Our collaboration with Wilmar Sugar in 2021 is a testament to a successful partnership. I am pleased to report that as of 2023, MSM's 94% raw sugar of the Gula Prai brand are sourced from Wilmar Sugar's NDPE initiative. The initiative aims to make sugarcane production environmentally sustainable and improve the livelihoods of the people involved. We will continue to work together with Wilmar Sugar to promote a sustainable supply chain of raw sugar.

Collaborating on nature-based solutions with both government and non-governmental organisations also advance our sustainability journey and enable us to contribute to the nation's transition towards a low-carbon economy. For instance, we work closely with WWF Malaysia to help conserve the Malayan Tigers which are on the brink of extinction. Our partnership with the Perak Fishery Department enables us to support the preservation of two highly endangered turtle species. In Penang, MSM Prai has been collaborating with the state Department of Environment to plant mangrove saplings and mangrove trees. We have planted 1,850 mangroves as of 2023 since the implementation of the initiative in 2021. We will continue to enhance our collaborations to better optimise the effectiveness of our initiatives and programmes.



? WHAT MEASURES WERE IMPLEMENTED FOR THE WELL-BEING OF YOUR EMPLOYEES?

MSM is committed to fostering a culture of diversity and inclusion. Our multi-cultural and diverse workforce reflects our approach in harnessing the diverse opinions and perspectives of our employees who are from wide ranging backgrounds. In 2023, we further pushed for diversity by championing gender equality at MSM and adopting the UN's Women Empowerment Principles in 2023. This puts MSM among the 100 signatories of Malaysian companies committed to providing a safe and inclusive workplace that embraces and promotes women empowerment, diversity and equal opportunity.

As of 31 December 2023, women's representation in senior management and the Board was 33.33% and 36% respectively. We target to achieve at least 30 percent in both categories by 2026.

We have continuously invested in the learning and development of our people to ensure that they stay relevant and agile to change. In 2023, our employees attained a total of 20,805 training hours, reflecting our commitment to supporting career development growth. Among the initiatives implemented were supervisory and leadership programmes, which aimed at nurturing employees with refined leadership qualities. We acknowledge that providing learning and development will contribute to sustainable business growth, and we aim to continue enhancing our programmes to develop a future-ready workforce.

? WHAT DO YOU FORESEE IN MSM'S SUSTAINABILITY JOURNEY AHEAD?

We anticipate challenges along the journey to a sustainable future. Hence, we will continue to review and refine our sustainability strategy to align with current trends and the latest requirements and frameworks. This will include enhancing our sustainability and climate-related strategies and policies periodically to enable us to overcome challenges as we transition to a low-carbon economy. We will also intensify our collaborations and partnerships to further advance our sustainability commitment.

As we strive to embed sustainability into our operations and activities, we will continue building sustainability capability within MSM by providing the relevant training and exposure to our leaders and employees. This will ensure that the Board, management and working level remain updated with sustainability development.

We have set ambitious milestones to achieve carbon neutrality within our operations by 2030 and Net Zero ahead of 2050. We remain committed to supporting our country's Nationally Determined Contribution (NDC) to reduce the GHG emissions intensity of GDP by 45% by 2030 against the emissions intensity of GDP in 2005.

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Our Value Chain

Our Value Chain



PRODUCING HIGH QUALITY PRODUCTS

The Group focuses on the midstream activities of the sugar value chain — namely sourcing, processing, marketing and distribution of refined sugar products, value added sugar products and sugar manufacturing by-products.

Through two established refineries situated in Prai, Penang and Tanjung Langsat, Johor, MSM is known for its premium quality sugar with a high sucrose content which is the predominant choice of food and beverage industry consumers, both domestically and regionally.

MSM has ventured into producing value added sugar products such as liquid sugar, fine syrup and premixes by leveraging its expanded production capacities. MSM is currently exploring the recycling of sugar refining by-products such as converting waste, mudcake, into fertilisers or other products from linear to circular economy and molasses into high value products.

OUR VALUE
IMPACT

GROUP CHIEF EXECUTIVE OFFICER'S
MESSAGE ON SUSTAINABILITY

OUR BUSINESS
IN BRIEF

DELIVERING SUSTAINABLE
VALUE

UPHOLDING GOOD GOVERNANCE
AND ECONOMIC SUSTAINABILITY

PUTTING OUR
PEOPLE FIRST

OPTIMISING ENVIRONMENTAL
PERFORMANCE

APPENDICES

Our Corporate Profile



MSM Malaysia Holdings Berhad (MSM) is Malaysia's leading refined sugar producer, listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 28 June 2011. It is one of the top 50 prominent companies on Bursa Malaysia with a market capitalisation of RM2.24 billion as at 22 April 2024. It consists of two operating subsidiaries, MSM Prai Berhad (MSM Prai) and MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor), which were established in 1959 and 2018, respectively.

Incorporated on 10 March 2011, MSM is listed on the Main Market of Bursa Malaysia with a market capitalisation of RM2.24 billion as at 22 April 2024. MSM's continued success as a 59-year-old iconic home-grown business is a testament that its repute and brand values are being passed down from one generation of Malaysians to the next.

The current annual refining capacity for MSM Group is 2.05 million tonnes via its two refineries, MSM Prai and MSM Johor. To further maximise the Group's utilisation factor, the Group continues to optimise MSM Johor's capacity via a ramp-up programme to improve the Group's economies of scale to reduce the production cost per unit. The Group also plans to embark on a Rejuvenation Plan for MSM Prai to extend the life of the plant for another 30 years and ensure its operational reliability.

MSM produces, markets and sells refined sugar products under the flagship Gula Prai brand that lives up to its slogan, "Sweetening Lives Since 1964". Apart from household consumers, MSM also sells to a wide range of customers in Malaysia and in other countries, directly to small and medium industries (SMIs) and major industries, as well as indirectly through traders, wholesalers and distributors regionally.

Note:
¹ FMCG ranking stated was referring to 2020-2022.

Total Manpower:
1,132
employees

GULA PRAI SUPER
GULA PUTIH PREMIUM
PREMIUM REFINED SUGAR

Premium Quality Sugar
Polarisation of **99.6%** | ICUMSA **45**

Serving
>300
customers

Produces
>992
thousand MT
of refined sugar products

Ranked **3rd**¹
most chosen FMCG brand
in Malaysia for three
consecutive years
Source: Kantar data insights survey

LARGEST STANDALONE SUGAR REFINERY IN MALAYSIA

One of the largest sugar refiners in the global sugar industry

Listed on the Main Market of Bursa Malaysia with a market capitalisation of **RM2.24 billion** (as at 22 April 2024)

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Our Sustainability Approach

Our Sustainability Approach

Sustainability remains central to our decision-making and business management, ensuring resilient growth and longevity. Guided by FGV Holdings Berhad's sustainability strategy and framework, our approach focuses on integrating sustainable practices into operations while creating value for stakeholders and minimising adverse impacts on society and the environment.

Anchored on three key pillars—Environmental, Social, and Governance (ESG)—our sustainability framework covers five focus areas that address essential elements of sustainability. These include topics related to economic growth, good governance, social and human rights, environmental impacts and sustainable production, alongside innovation and transformation.



Economic

- Prioritising operational efficiency, sustainability and climate resilience in the supply chain
- Improving operational efficiency through the Kaizen approach to optimise costs while maintaining product quality
- Engaging suppliers and partners ethically and promoting sustainable practices
- Attracting eco-conscious investors and consumers through our commitment to sustainability

Social

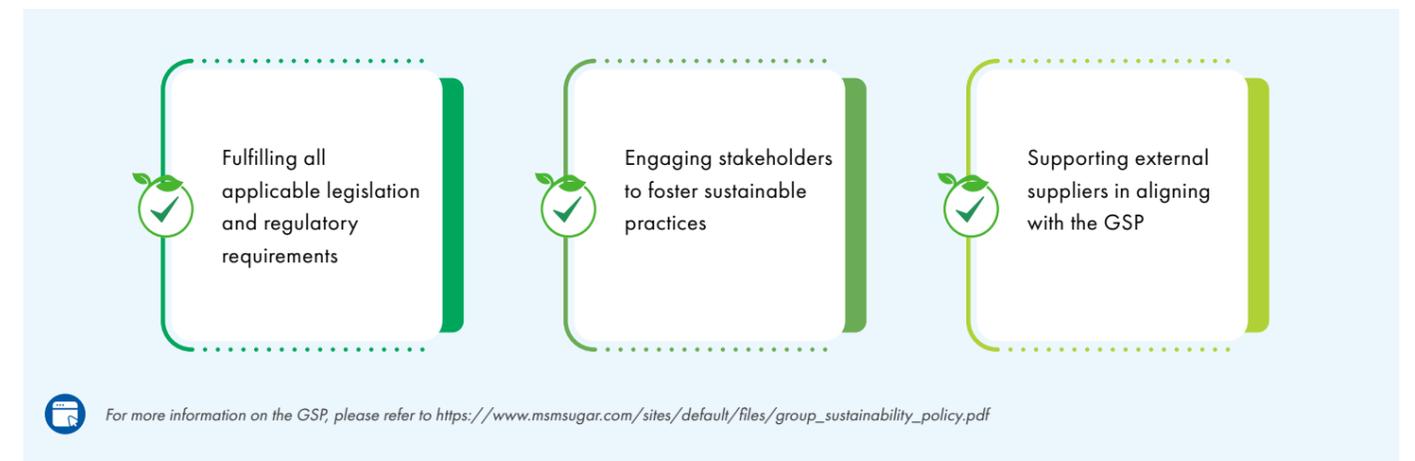
- Upholding human rights standards, principles and conventions including the UDHR, alongside fair labour practices
- Prioritising employee health and safety by providing comprehensive training
- Engaging with local communities to foster positive relationships through dialogue and participation

Environmental

- Improving resource utilisation by implementing measures to conserve water, energy and raw materials throughout our refinery operations
- Enhancing waste management practices and collaborating on biodiversity conservation efforts

Group Sustainability Policy

MSM adheres to the principles outlined in its Group Sustainability Policy (GSP), which serves as the cornerstone of our dedication to balancing economic endeavours with positive environmental and social impacts, all while upholding stringent standards of governance and ethics. Established in 2018, the GSP undergoes biennial reviews and updates to ensure alignment with the dynamic ESG landscape, stakeholder expectations and ESG indices. Encompassing 18 key areas, the GSP reflects MSM's commitment to:



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Stakeholder Engagement

Stakeholder Engagement

Building and maintaining robust relationships with stakeholders has been pivotal to our turnaround success. Despite facing challenges, we leveraged alternative channels to sustain engagement and gather feedback when face-to-face interactions were limited. By attentively listening to our stakeholders, we gained invaluable insights that informed our risk management and decision-making processes.

The table below illustrates our diverse engagement platforms for stakeholders and links raised issues to the pertinent material matters of the year, with consumers and customers prioritised at the forefront.

Stakeholder Highlights

CONSUMERS AND CUSTOMERS Zero product recall, reflecting stringent quality and production safety measures by MSM	REGULATORY AGENCIES AND STATUTORY BODIES Yearly engagement with Department of Environment and Department of Occupational Safety and Health in MSM Prai and MSM Johor
EMPLOYEES 36% women representatives in top and senior management, underscoring MSM's commitment to DEI	VENDORS, SUPPLIERS AND INDUSTRY PARTNERS Engaged more than 700 local suppliers in our effort to contribute to local economic growth
SHAREHOLDERS AND INVESTMENT COMMUNITY Improved FTSE4Good ESG rating from 2.4 star to 3.1 star	MEDIA, NON-GOVERNMENTAL ORGANISATIONS AND COMMUNITIES Conducted 35 community events to generate positive impacts in the local communities where we operate

CONSUMERS AND CUSTOMERS

Description
Customer centric to boost our revenue generation and growth.

Stakeholder Expectations

- Quality product
- Competitive price
- Accessibility & consistent supply
- Excellent customer service
- Attractive credit term

Response to These Expectations

- Compliance with food standard
- Household brand
- Creation of a strong distribution network
- Optimisation of inventory management system
- Order fulfilment process

Engagement Platforms

- Online communications (emails, corporate website, social media)
- Sales representatives
- Branding campaigns
- Customer complaint response form
- Event and engagement sessions

Relevant Material Matters

- M10
- M11
- M13
- M14

Impact to Capitals



EMPLOYEES

Description
Employees are our vital assets and the key to drive performance forward.

Stakeholder Expectations

- Occupational safety, health & wellbeing
- Career development opportunities
- Vertical and horizontal growth opportunities
- Competitive benefit, remuneration and welfare packages
- Conducive working
 - Protecting human right
 - Promoting Diversity, Equity and Inclusion

Response to These Expectations

- Prioritised health and safety programmes
- Robust talent management process
- Employee engagement and feedback mechanisms
- Investment in employees' training and development
- Benchmarking pay structures against industry standards
- Talent attraction, development and retention
- Frequent management conversations with employees
- Team building and recreational events
- Psychological safety and mental health awareness initiatives

Engagement Platforms

- MSM's internal portal and emails
- Social and recreational activities
- Regular employee meetings, engagement events and programmes
- Onboarding programmes

Relevant Material Matters

- M5
- M6
- M7
- M8

- M10

Impact to Capitals



OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Stakeholder Engagement

Stakeholder Engagement


SHAREHOLDERS AND INVESTMENT COMMUNITY

Description
Provide constant communication and a platform for investors and the public to receive a balanced view of MSM Group's performance and the challenges faced.

Stakeholder Expectations

- Sustainable financial performance and return to shareholders
- Future growth for business
- Strategic engagement on value-added initiatives
- Providing comprehensive understanding on company performance, strategy and future prospect
- Transparent communication and timely financial report and sustainability disclosure
- Ethical and responsible business conduct
- Embedding ESG in business strategy and decision-making

Response to These Expectations

- Implementation of MSM BP26 to sustain long-term plans and growth
- Ensured transparency in corporate reporting and disclosures through various platforms
- Profit sustainability plan & revenue expansion initiatives
- Sustainable manufacturing performance efforts
- Strengthening reliability programmes and MSM Prai rejuvenation plan
- Inculcate ESG mindset and practices
- Upholding a strong governance, compliance and transparency framework

Engagement Platforms

- Annual reports
- Sustainability statements
- Quarterly financial announcements
- Annual meetings
- Annual roadshows (non-deal road shows/investor conferences/corporate days)
- Quarterly analyst briefings
- Online communication (email, corporate website, social media)

Relevant Material Matters | **Impact to Capitals**






REGULATORY AGENCIES AND STATUTORY BODIES

Description
The government's regulatory framework allows us to operate within a supportive environment and infrastructure in addition to providing other means of support to sustain our growth.

Stakeholder Expectations

- Compliance with all legal and regulatory requirements
- Strong corporate governance
- Environmental emissions and discharge management
- Employee safety and health
- Fulfillment of domestic market sugar supply
- Effective internal control measures

Response to These Expectations

- Ensure good control environment
- Perform periodical risk assessments & monitoring
- Establish internal governance of halal practices & policies
- Conduct annual consultation sessions
- Hold annual stakeholder consultations

Engagement Platforms

- Regular updates, disclosures and reporting to regulators
- Regulatory forums, briefings, meetings, conferences and consultation papers

Relevant Material Matters | **Impact to Capitals**






VENDORS, SUPPLIERS AND INDUSTRY PARTNERS

Description
Vendors, suppliers and industry partners provide the materials to produce the products and services needed for MSM's sustainable growth.

Stakeholder Expectations

- Convenient access to procurement systems
- Fair and Equal evaluation of vendors and their proposals
- Communicate fair conditions that satisfy both suppliers and MSM's needs
- Communicate of new policies, guidelines or strategies

Response to These Expectations

- Establishment of honest and open contract/tender negotiations
- Support for local vendors
- Actively engagement with vendors to improve their understanding on procedures, guidelines, expectations of deliverables and quality standards
- Conduct integrity assessments

Engagement Platforms

- Online communications (emails, corporate website, social media)
- Vendor site visits
- Vendor evaluation form
- E-Procurement system
- Formal and informal engagements

Relevant Material Matters | **Impact to Capitals**






MEDIA, NON-GOVERNMENTAL ORGANISATIONS AND COMMUNITIES

Description
Building and nurturing existing relationships with the communities where we operate allow us to contribute to the transformation of these communities through development and various corporate responsibility programmes.

Stakeholder Expectations

- Socia-economic operational impact and initiatives
- Support key community developments and activities
- Sponsorship and donations
- Responsive and viable contribution

Response to These Expectations

- Community empowerment
- Regular channeling of value information to media
- Media engagement and outreach
- Provision of opportunities for volunteerism through community activities
- Provision of financial aid and charitable donations

Engagement Platforms

- Community engagement activities
- Online communications (emails, corporate website, social media)

Relevant Material Matters | **Impact to Capitals**





OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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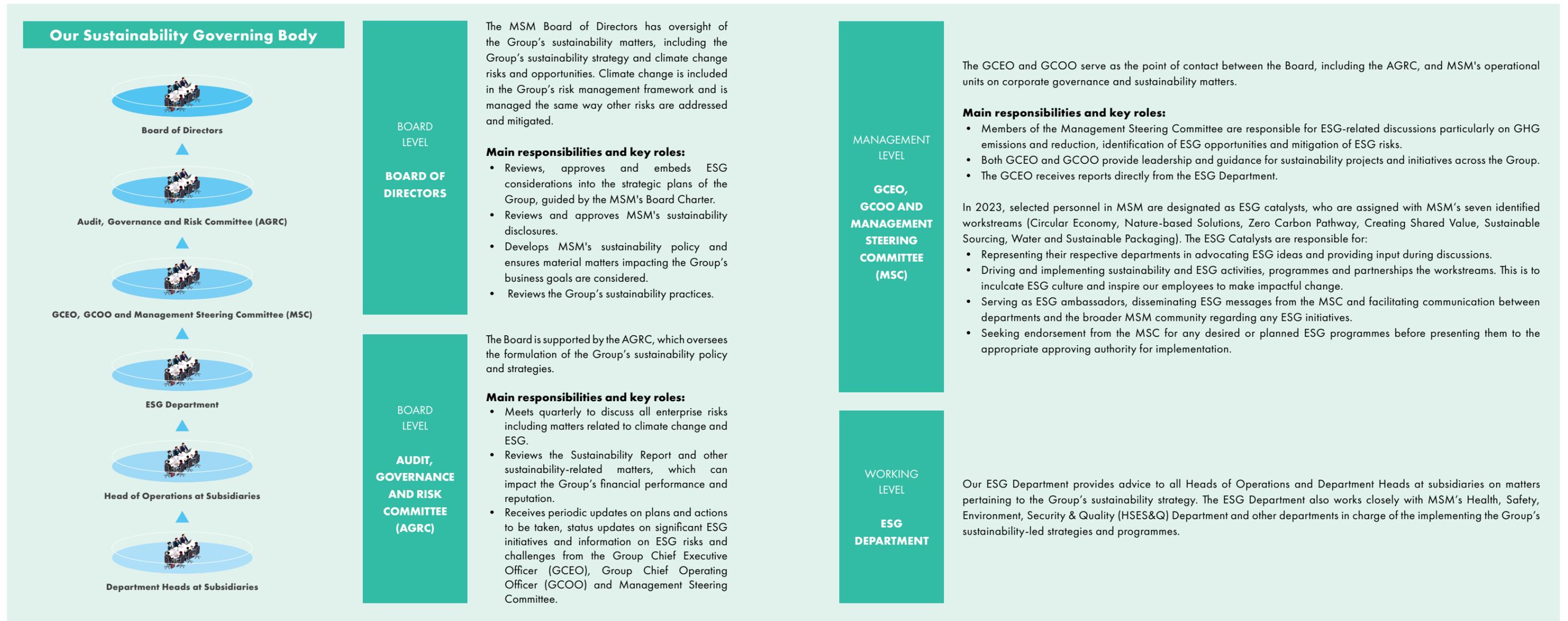
Sustainability Governance

Sustainability Governance

From leadership to the frontline, MSM is committed to sustainability. Sustainability leadership at MSM sets the tone for all levels of the organisation, ensuring that strategies, initiatives and programmes are effectively executed to deliver on our ESG commitments.

We adopt a tone-from-the-top in sustainability governance, whereby MSM's Board of Directors has oversight of sustainability-related matters including climate change. It is supported by the Audit, Governance and Risk Committee (AGRC) and MSM's GCEO in driving sustainability within the organisation.

Additionally, our Board consistently attends training related to sustainability development. For more information about sustainability training for the Board, please refer to the Task Force on Climate-Related Financial Disclosures (TCFD) on pages 64 to 71 and MSM's Corporate Governance Overview Statement in the IAR 2023.



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What Matters to You (and Us)

What Matters to You (and Us)

Our commitment to sustainability is demonstrated through a rigorous process aimed at identifying and understanding our most significant material sustainability priorities. Through our robust approach, we continuously evolve our Sustainability Agenda to align with emerging priorities and stakeholder expectations.

In 2023, we embarked on a substantial enhancement of our materiality approach by engaging an external consultancy for our inaugural Double Materiality Assessment. This initiative has yielded invaluable insights, sharpening our focus on sustainability and ESG matters that bear significance in two crucial aspects: MSM's impact on society and the environment, and the potential risks and opportunities affecting MSM's financial value.

While integrating global standards such as Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) into our Double Materiality Assessments, we acknowledge the dynamic nature of this field and commit to regular reviews of our methodologies. Our Double Materiality Process encompassed topic identification, inventory, and benchmarking, which included a comprehensive review of applicable sustainability standards, frameworks, and principles.

We benchmarked MSM against leading companies both within and outside our industry, evaluating sustainability maturity across seven dimensions:

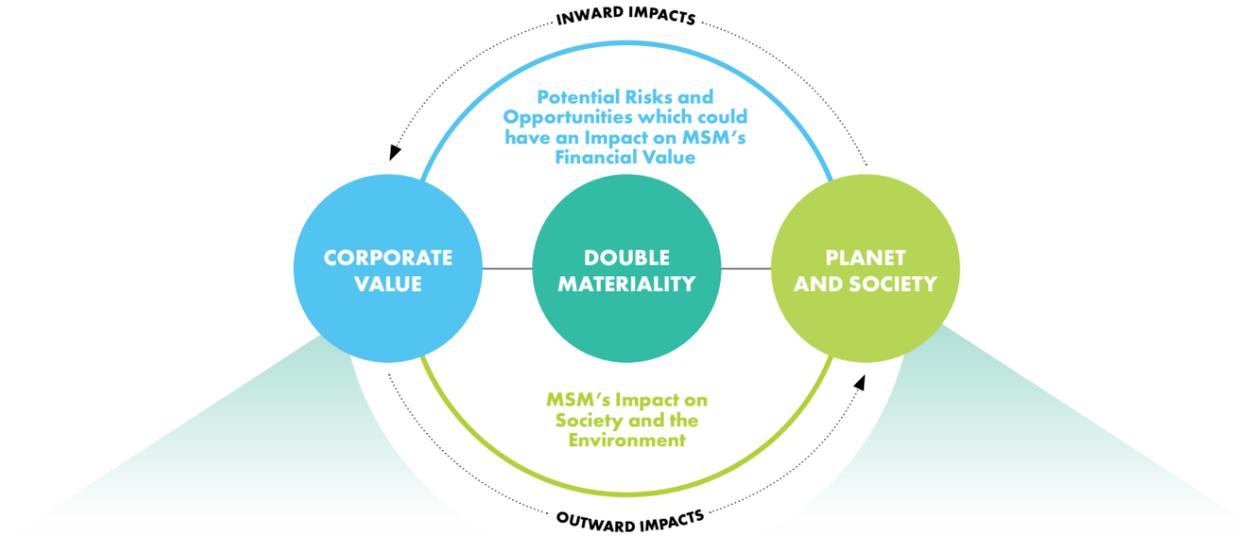


The risk assessment compiled a catalogue of sustainability-related risks pertinent to MSM, which were subsequently evaluated based on their potential impact and likelihood to construct a risk matrix. Materiality thresholds were established by considering potential occurrences across the value chain, risk types, geographical implications, industry dynamics, stakeholder interests, public scrutiny, and emerging trends.

The Impact Assessment prioritised MSM's societal and environmental impacts by amalgamating insights from the risk assessment, stakeholder engagements, and benchmarking exercises. This involved a comprehensive evaluation of MSM's actual and potential negative impacts on human rights, the environment, and the economy.

Financial Materiality analysis focused on identifying risks and opportunities with significant implications for MSM's financial value. Each issue underwent scrutiny to ascertain its potential effects on assets/liabilities, enterprise value, resource accessibility, and business relationships.

Upon completion of these assessments, the relative importance of outward and inward impacts was determined, yielding actionable insights to inform our sustainability strategy and decision-making processes.



IMPACT MATERIALITY	MATERIAL ISSUES	FINANCIAL MATERIALITY
3.7	Governance, Ethics and Integrity	4.5
3.53	Traceability, Responsible Sourcing and Supply Chain Management	4.6
3.6	Operational Performance	4.5
3.67	Data Security and Protection	4.4
3.67	Business Development and Product Quality	4.6
3.77	Climate Action	4.4
3.77	Water Management	3.8
3.83	Waste Management	3.8
3.57	Renewable Energy and Energy Management	4.1
3.5	Upholding Human Rights and Labor Standards	3.6
3.37	Diversity, Equity and Inclusion	3.5
3.8	Occupational Health and Safety	3.5
3.43	Employee Engagement and Talent Management	3.8
3.27	Community Engagement and Development	3.8



Governance, Ethics and Integrity

Governance, Ethics and Integrity

WHY IT MATTERS

Sound governance with good business ethics and integrity is fundamental for the sustainability of any business organisation. At MSM, the foundation of our business lies in strong governance, underpinned by robust policies and the implementation of best practices and a culture of integrity. We acknowledge that instilling good governance, integrity and ethical practices across our operations and activities will maintain stakeholder trust. We will continue to uphold ethical business practices with good governance to ensure continuous value creation for the organisation and our stakeholders.



MSM Integrity Talk

Our Approach

We comply with MSM's Sustainability Policy, which guides us in minimising the negative Environmental, Social and Governance impacts of all our business operations and activities. We remain guided by the Malaysian Code on Corporate Governance 2021 (MCCG 2021), in compliance with Bursa Malaysia's provisions of sustainability disclosures and reporting.

We implement various programmes and initiatives to inculcate good governance across our operations, including our vendors and suppliers. These include roadshows and townhalls, integrity talks and workshops. We also communicate our anti-corruption commitment to all the members of the Board, employees and business partners.

In upholding good corporate governance, we are guided by our Constitution, MSM Governance Framework, Code of Business Conduct and Ethics for Employees (CoBCE) and our corporate SWIIT Core Values. Our Board of Directors comply with the Board Charter. The Corporate Governance and Risk Management (CGRM) division oversees the ethics and integrity function in MSM, driving a positive work culture that instils ethical business conduct.

Policies and Procedures

We develop and review our policies and procedures based on the MSM Governance of Policies and Procedures Policy. This framework ensures a comprehensive review of documents by the relevant stakeholders, in alignment with the relevant laws and regulations. The framework has also been approved by the Board. The Board has oversight of approving all policies, which are stored in a central depository system (CDS) managed by the CGRM division, ensuring an appropriate internal control system.

MSM's Policies and Frameworks in Upholding Good Governance, Ethics and Integrity

Governance of Policies and Procedures Policy

This is the principal policy to govern the development of MSM Group's policies and related standard operating procedures which aims to ensure:

- The proper process of the formulation of the policies and procedures.
- Standardisation of the policies and procedures through the format/ template, standard clauses, standard definitions and acronyms used.
- Management of the policies and procedures, to keep them current and relevant.
- Centralised depository mechanisms for making available and providing awareness of the policies and procedures

Asset/Personal Interest Declaration (APID)

Establishing the rules and principles in handling APID by Directors and Employees of MSM Group.

In managing asset/personal interest, declaration is to ensure that the assets and personal interests are acquired through reasonable legal means within their financial ability and free from conflict of interest situation.

Conflict of Interest Policy

Ensuring all individuals including employees and third parties associated with MSM Group are obligated to act in the best interests of MSM Group, and not in their personal interests. Employees are prohibited from engaging in activities that could result in personal gain for themselves, their 'relative', 'associate', third parties or any activities conflicting with the interests of MSM Group. The MSM Conflict of Interest Policy has received approval from the Board.

Anti-Bribery Policy Statement

Promoting transparent and ethical conduct, maintaining a positive image of integrity, transparency and accountability across all aspects of its business. Encompassing seven policies, the Anti-Bribery Policy Statement, which was revised and approved since 4 October 2021, is published on our corporate website.

The Anti-Bribery and Policy Statement consists of seven policies:

- CoBCE
- Asset/Personal Interest Declaration Policy (APID)
- Whistleblowing Policy
- Referral Policy
- Conflict of Interest Policy
- Sponsorships and Donations Policy
- External Gift, Entertainment and Hospitality Policy (GEH)

This policy statement is available on MSM's corporate website.

MSM Whistleblowing Policy

Establishing the rules and principles that govern the process of complaint management, investigation and protection for whistleblowing within MSM Group. The policy ensures clear oversight and defines the responsibilities in the whistleblowing reporting process, with provisions for the protection and confidentiality of whistleblowers within the MSM Group. This policy has been revised on 21 March 2022 and was approved by the Board.

This policy statement is available on MSM's corporate website.

Sponsorships and Donations Policy

Establishing the objectives and guidelines for MSM Group with regards to sponsorships and donations.

This policy establishes the framework by which corporate sponsorships and donations shall be evaluated and the procedures by which decisions regarding corporate sponsorships and donations shall be made.

Code of Business Conduct and Ethics (CoBCE) Policy for Employees

Guiding employees in embracing the Group's values and complying with applicable laws and regulations through honest, transparent and ethical business practices. The MSM CoBCE Policy encompasses various areas, including compliance, integrity, workplace conduct, business practices and conflicts of interest. This policy has been updated and approved by the Board.

MSM Referral Policy

Putting in place the rules and principles to govern referrals related to criminal cases, such as fraud, bribery and abuse of power to Enforcement Agencies. It establishes clear parameters to ensure compliance to referral protocols concerning the receipt of information, investigation outcomes and other related matters. The MSM Referral Policy has been approved by the Board.

External Gift Entertainment and Hospitality Policy

Upholding high standards of integrity, preventing improper motives behind the offering or accepting of gifts, entertainment and hospitality to avoid undue influence on the recipient. This policy has been approved by the Board.

For more details on the revisions and establishment of MSM policies in FY2023, please refer to the Corporate Governance Overview Statement (CGOS) and Statement on Risk Management and Internal Control (SORMIC) in MSM's Annual Integrated Report 2023.

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Governance, Ethics and Integrity

Governance, Ethics and Integrity

Our Initiatives

Demonstrating Good Governance

Our Board of Directors are responsible for driving good corporate governance to support the execution of our strategies and operations. This enables us to maintain the loyalty and trust we have gained from our stakeholders, especially investors. The Board is supported by the Audit Governance and Risk Committee (AGRC) in ensuring that we fulfil our statutory and fiduciary responsibilities, particularly in areas of financial reporting, governance, risk management and sustainability practices.

For more information on our corporate governance, please refer to the CGOS in MSM's Annual Integrated Report 2023.

Whistleblowing

Our Whistleblowing Policy safeguards the culture of good business ethics and integrity in all our operations and activities. It encourages and facilitates internal and external stakeholders to report any suspicions of wrongdoing including corruption, fraud or improper conduct without fear of reprisal or mistreatment. The policy, which is available on MSM's corporate website, serves as a confidential outlet for both employees and members of the public. It protects the anonymity of whistleblowers and helps prevent them from being exposed to risks of harassment or retaliation.

The whistleblowing channel is governed and managed by the Whistleblowing Secretariat, which receives all complaints that are reported through whistleblowing channels. All complaints received are presented to the Whistleblowing Committee (WBC) consisting of seven members from the management. Details of the members are available in MSM's Corporate Governance Report 2023.



IF YOU SEE ANY WRONGDOING OR MALPRACTICE, SPEAK UP SO WE CAN ALL CHANGE IT.

INFORMATION AND IDENTITY OF WHISTLEBLOWERS **WILL BE PROTECTED**

WHO can whistleblow?

- Employees
- Board of Directors
- Shareholders
- Members of the public
- Any party involved in a business relationship with MSM Group

HOW to report?

- Email your concerns to MSMWb@msmsugar.com
- Fill in the e-form: <https://msmwhistleblowing-form.msmsugar.com>
- Call the hotline at 03-21816827 secured voice recording
- Send a letter to: MSM WB Secretariat Level 44, Menara Felda, Platinum Park, No. 11 Persiaran KLCC 50088, Kuala Lumpur, Malaysia
- In person: Whistleblower may file a complaint in person with the MSM Whistleblowing Secretariat

WHAT to whistleblow?

- Breach of Company's policies or code of conduct
- Improper conduct
- Unethical behaviour
- Actual/suspected fraud
- Abuse of power

MSM WHISTLEBLOWING KEY HIGHLIGHTS

-  WBC assigns any of the following appointed parties to conduct an investigation:
 - CGRM – on matters related to fraud, bribery and abuse of power
 - Group People & Culture (GPC) – on matters related to misconduct issues
 - Group Internal Audit (GIA) – on any matter as directed by the Board/Group Chief Executive Officer
-  Upon completion of an investigation, a written report with findings and recommendations is submitted to the Secretariat.
-  WBC deliberates over the investigation report for allegations against employees at the Senior Management level and below to determine next appropriate course of action.
-  WBC's Chairman refers any investigation report for allegations against Vice President(s) and above, Members of the Board and Government Appointed Director(s) to the AGRC to determine the next course of action.
-  The Authorised Officer receiving the report of Detrimental Action commences investigation and submits the report to AGRC.
-  The whistleblower will be notified of the outcome of the investigation of Detrimental Action.



Driving a Positive Compliance and Integrity Culture

We continued implementing initiatives comprising programmes and activities to instil high standards of ethics, integrity and accountability:

<p>Corruption Risk Management Review</p>	<p>MSM Integrity Talk</p> <ul style="list-style-type: none"> • Integrity Talk (1) : 1 session • Integrity Talk (2) : 1 session • Integrity Talk (3) : 1 session
<p>Governance, Integrity & Risk Periodic Communication</p>	<p>Corporate Governance & Risk Management Policy Roadshow (key highlights: Adequate Procedure)</p> <ul style="list-style-type: none"> • MSM Prai: 9 sessions • MSM Johor: 18 sessions • MSM Sg Buloh & MSM Logistics: 6 sessions
<p>Vendor Integrity Pledge</p>	<p>Establishment of new and revised policies</p>
<p>Raised awareness on whistleblowing via various platforms such as roadshows and email blasts</p>	<p>MSM Integrity Pledge for employees including newly onboarded staff</p>

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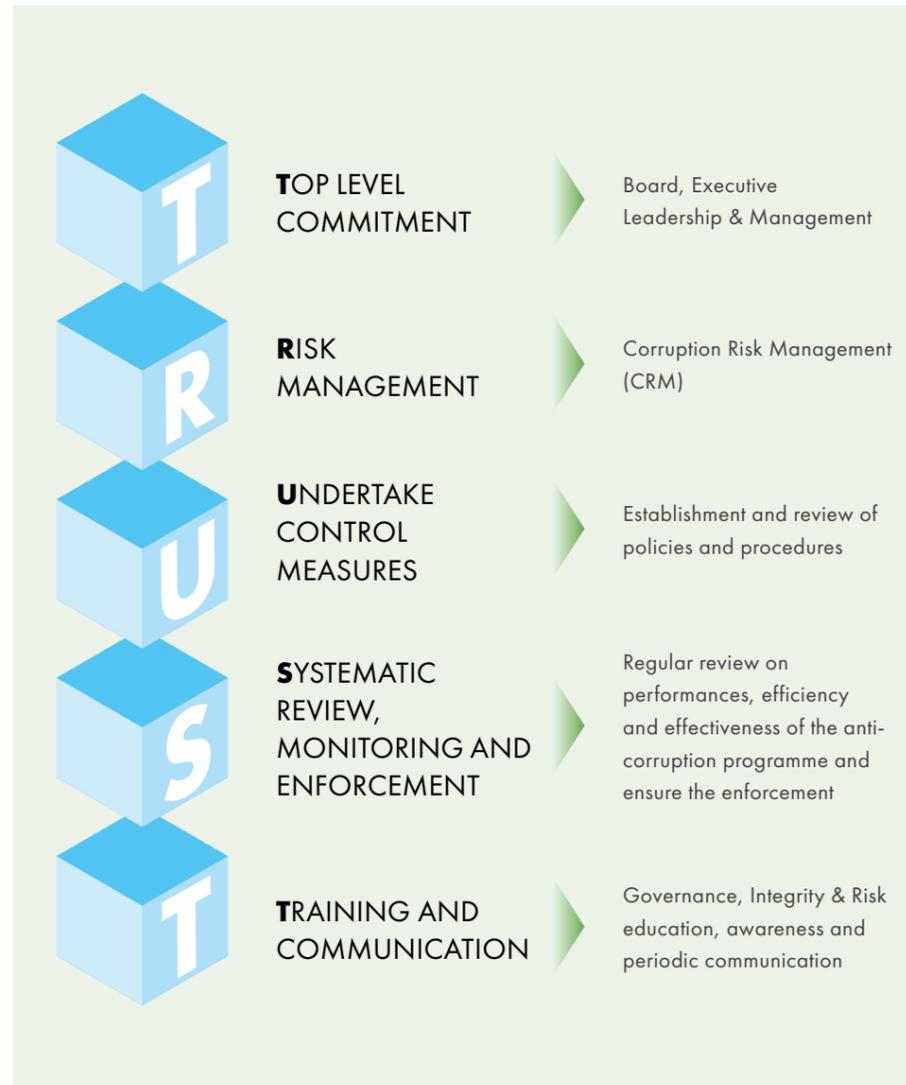
Governance, Ethics and Integrity

Governance, Ethics and Integrity

Anti-Bribery and Corruption

We remain guided by MSM's Anti-Bribery Policy Statement, which is available on the Company's corporate website. It aligns with Paragraph 15.29 (1) and (2) of the Listing Requirements, guided by the Guidelines on Adequate Procedures and Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). The statement is in place to tackle three primary areas related to bribery and corruption: Corruption, Fraud and Abuse of Power.

We adopt the principles of T.R.U.S.T to ensure adequate procedures in combatting bribery and corruption:



Our commitment to anti-bribery and corruption practices is demonstrated through our ongoing Corruption Risk Management workshops, ensuring MSM's readiness for the Organisational Anti-Corruption Plan (OACP). We also conduct corruption risk assessment across our operations to manage and mitigate risks related to bribery and corruption. In the year under review, 100% of our operations were assessed for corruption-related risks through MSM's Corruption Risk Management. The assessment found that in-bound bribery, out-bound bribery, false claims and abuse of power are the main risks to corruption. We will develop better internal controls and preventive measures to mitigate and manage the risks identified in the assessment.

Additionally, we communicate and conduct training on our anti-corruption initiatives and related policies and governance practices to our employees through email blasts, MSM Integrity Talks for both employees and vendors and an MSM Roadshow on Adequate Procedures.

In 2023, we maintained **zero confirmed incidents of corruption and action**, achieved through stringent policies and procedures against bribery and corruption. This outcome followed a thorough investigation of eight reported incidents, six of which are not related to bribery and corruption, while two are still under investigation.

Board of Directors' and Business Partners' Communication of MSM's Anti-Corruption Policies and Procedures

	Headcount	Percentage
Board of Directors	9	100%
Business Partners	742	88%

Employees' Communication of MSM's Anti-Corruption Policies and Procedures

Initiatives	Number of Employees	Percentage
Governance & Integrity Periodic Communication via email blast	Employee with MSM email	100%
Integrity Talk Series 1, 2, and 3	600 (2023)	53%
Roadshows (MSM Johor, MSM Prai, MSM Sungai Buloh)	746 (2023)	67%
Contest Governance & Integrity 2023	Employee with MSM email	100%

Board of Directors' Training on MSM's Anti-Corruption Policies and Procedures

No. of Board of Directors who received training on anti-corruption	Percentage
3 out of 9 Directors	33.33%

Employees' Training on MSM's Anti-Corruption Policies and Procedures

Initiatives	Number of Employees	Percentage
Governance & Integrity Periodic Communication via email blast	Employee with MSM email	100%
Integrity Talk Series 1,2 and 3	600 (2023)	53%
Roadshows (MSM Johor, MSM Prai, MSM Sungai Buloh)	746 (2023)	67%

Going Forward

MSM will continue to persist in its efforts to comply with regulatory requirements and uphold good corporate governance principles in integrity and ethical business conduct. We will look into developing initiatives to combat corruption within our organisation by adopting preventive measures to mitigate potential corruption and optimise our internal controls.

For more details, please refer to Corporate Governance Overview Statement (CGOS) in MSM Annual Report 2023.

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Traceability, Responsible Sourcing and Supply Chain Management

Traceability, Responsible Sourcing and Supply Chain Management

WHY IT MATTERS

Monitoring and tracing the sources of our raw materials, particularly raw sugar, is critical for MSM Group's sustainability efforts. Raw sugar is essential for our sugar products, making its sourcing pivotal for our supply chain. We recognise the critical role sugar plays within our community, understanding that any disruptions to its supply chain could have far-reaching consequences across various industries. Therefore, we are dedicated to safeguarding the sustainability of our raw sugar sources through enhanced visibility and traceability practices.

By meticulously identifying the origins of our raw sugar, we not only gain insight into our supply chain but also empower ourselves to proactively address potential risks that could impact our operations and financial outcomes in the future. Our commitment to transparent raw sugar sourcing fosters collaborative partnerships, strengthening supply chain resilience and promoting sustainable practices. By prioritising responsibility and transparency, we not only meet community demands but also contribute to a more sustainable and resilient future for all stakeholders.

Our Approach

Our commitment to ethical procurement and a sustainable supply chain ensures that we continue enhancing traceability of how our raw materials are sourced, utilised and distributed. In cultivating a sustainable supply chain, we stand guided by our Group Procurement Policy, which outlines the principles of productivity, competency, transparency, and responsibility. These principles prioritise factors such as value creation, quality delivery by vendors, fair competition, and strategic partnerships, reinforcing our dedication to responsible business practices.

Our adherence to responsible sourcing is guided by the MSM Group Trading Policy and SOP Raw Sugar Frame Supply Contract. FGV, our parent company's Group Procurement, has oversight of our vendors through the central system and manages them based on responsible practices, which include ESG considerations such as employment rights, safety, quality and sustainability. We monitor and assess our suppliers and vendors by conducting a standardised vendor evaluation process, which incorporates ESG elements, ensuring the retention of a robust vendor base with competitive pricing and high-quality services.

However, it is important to note that the evaluation process does not encompass the procurement process of raw materials or commodities for the production of goods sold, such as raw sugar, which falls under the purview of FGV. In addition, our procurement practices are entrenched with good governance practices and a zero-tolerance approach towards bribery and corruption. We practise fair and equal treatment for all suppliers and business partners, with clear recognition for technical and commercial assessments. Additionally, we advocate transparency by communicating any changes in our procurement guidelines before officiating our partnerships.

Our Initiatives

Supporting the Local Supply Chain Network

We continue prioritising local vendors and suppliers, whose businesses are in Malaysia and able to provide their goods or services to MSM operations in Prai, Johor and Sungai Buloh. In FY2023, the spend for local vendors and suppliers was RM250.6 million or 98% of our total procurement spend.



The reduction in supplier expenditure was due to MSM's overall performance over the past two years, during which the company incurred losses. Consequently, one of the measures taken to mitigate this challenge was to temporarily halt new project spending (Capex) and optimise the existing inventory at our refineries.

No Deforestation, No People Exploitation (NDPE) Policy

As part of our continuous advocacy for a sustainable supply chain, we have renewed our commitment to the No Deforestation, No People Exploitation (NDPE) Policy with Wilmar Sugar Ptd Ltd. The extension, which is valid for another two-year term, underscores our ongoing dedication to this practice initiated in 2021.



- A sugar policy promoting transparency by ensuring that sourcing is mapped out to all mills and refineries with specific information readily available
- Upholds the full extent of supply chain visibility, enabling traceability of the origin of sugar sources

Sustainability for Our Operations:

- Enabling sustainable raw sugar sourcing within the MSM and Wilmar joint supply chain
- Enhancing MSM Group's presence as an integrated sustainable sugar refiner
- Achieving operational efficiencies and best practices
- Providing better transparency into our upstream supply chain

NDPE's Impact to Human Rights:

- Respect and support internationally recognised human rights
- Respect and recognise the rights of workers
- Respect the rights of indigenous and local communities to give or withhold their free, prior and informed consent (FPIC) to operations on lands to which they hold proven legal, communal or customary rights
- Respect land tenure rights
- Respect and protect the rights of children and their welfare
- Identify measures to provide remediation where the company has caused or contributed to negative human rights impacts

Reflecting Our Commitment through Wilmar's Achievement



- The Farm Sustainability Assessment (FSA) 3.0 by the Sustainable Agriculture Initiative Platform (SAI Platform) has recognised the alignment of Wilmar's NDPE policy with the FSA Gold Level
- The FSA enables food and drink businesses to assess, improve and validate on-farm sustainability in their supply chains and the FSA Gold Level is the highest level for outstanding sustainable farming practices

Supplier Selection Process



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Traceability, Responsible Sourcing and Supply Chain Management

With our suppliers, we have started implementing a set of basic ESG checklist and criteria. This checklist evaluates the readiness of our upstream vendors on ESG, with questions surrounding their commitment and policies, governance, standards and reporting, products and services and priorities and plans.

In FY2023, we have reached out to our vendors via an email questionnaire:

Entities	No. of Vendors	Vendors Who Responded	% of Response
Headquarters	28	9	32
MSM Logistics	30	9	30
Prai	287	58	20

Contracting Process



Sustainable Packaging

Sugar packaging often contributes to excessive packaging waste. The following reflects our annual packaging consumption:

	MSM Johor	MSM Prai
PP Bags (tonnes)	691	408
Paper Bags (tonnes)	25	80
PE Film (tonnes)	1,298	2,083

We mitigate this issue of packaging waste by setting our target in sustainable plastic packaging in line with the National Plastic Roadmap. Our approaches in realising sustainable packaging include, but not limited to:

- Converting plastic packaging to light weight polymers, through green plastic technology with better resin performance which uses less material.
- Utilising stretch film as our first footprint.

In moving towards sustainable packaging, we will be exploring alternative materials by partnering strategic stakeholders. Once established, our cost benefit analysis and product costing will be conducted and embedded into our budget.

Going Forward

MSM is constantly looking to improve our procurement initiatives and maintain a sustainable supply chain. In 2024, we will continue to enhance our collaboration with local suppliers, strategically upholding stringent product quality and sustainability standards. We remain dedicated to the meticulous process of traceability reporting for our sugar supplies by diligently monitoring sustainability performance in alignment with the NDPE Sugar policy. This commitment ensures transparency and accountability in our supply chain practices, reinforcing our ongoing efforts towards sustainable and responsible business operations.

Due to the global sugar shortage and the decline in sugar production during FY2023, we will continue to exercise prudence in managing our raw sugar supply as we recognise the consistent impact of the NY11' costs on our profitability. To navigate this issue, we will work towards ensuring that the raw sugar price for MSM remains below the market average through the hedging strategy. Additionally, we are looking at upgrading our raw sugar vessel from 44,000MT to 50,000MT as part of MSM Refineries Feasibility study. The bigger vessel can reduce carbon footprint, lower the cost, and freight premium pay, which leads to better margin for the Group.

Operational Performance

WHY IT MATTERS

Operational performance is vital for MSM, the foremost sugar producer in Malaysia, as it directly influences the efficiency and effectiveness of our core refining business. We remain steadfast in our commitment to delivering the highest quality products and services both domestically and internationally, ensuring a strong foothold in the market. Our dedication to sustainable economic prosperity is evident through the safe conduct of our operations, environmental stewardship, and unwavering adherence to ethical business practices amidst an ever-evolving industry landscape.

A well-optimised operational performance is essential for enhancing our competitiveness, enabling us to meet consumer demands and maintain a robust market position. Furthermore, efficient operations contribute to cost-effectiveness, positively impacting the company's overall financial health and sustainability. This enables us to contribute positively to local economic development and enhance the well-being of the local communities. Through our continued focus on operational excellence, we aim to further strengthen our position as a leader in the sugar industry.

Our Approach

At MSM, we prioritise efficient maintenance processes through the implementation of planned shutdowns, preventive maintenance, and other maintenance principles. This focus ensures the availability and reliability of our refineries, which are essential for supporting our large-scale production. By maintaining an efficient and reliable refinery, we can consistently uphold uniform quality standards and optimise plant utilisation.

Our emphasis on reliability, safety, and quality output underscores our commitment to delivering excellence in every aspect of our operations. Simultaneously, we integrate precise management, control mechanisms, and digitalisation into our plant efficiencies. This strategic approach not only enhances operational performance but also aligns with our sustainability goals.

Our commitment to efficient processes and operational excellence directly contributes to the economic prosperity of the regions where we operate. By ensuring the continuous operation of our refineries, we sustain employment opportunities and support local businesses that rely on our supply chain. Moreover, our adherence to high-quality standards enables us to maintain market competitiveness, driving revenue generation and fostering economic growth within the communities we serve.

Direct Economic Value Generated

Sales Revenue

RM3.09 billion

Economic Value Distributed

Operating Costs
(e.g. materials, product components, facilities purchased)

RM2,928,275 thousand

Community Investments
(e.g. donations and investment of funds)

RM256 thousand

Payments to Providers of Capital

RM47,760 thousand

Payments to Employee Wages and Benefits

RM103,594 thousand

Payments to Governments by Country

RM21,871 thousand

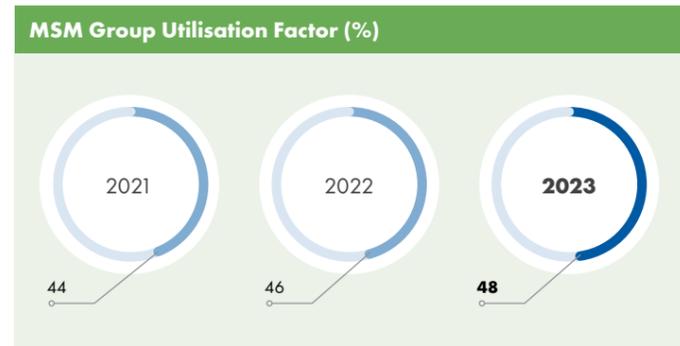
Economic Value Retained

Economic Value Distribution In Excess of Economic Value Generated

RM10,533 thousand

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Operational Performance



Our Initiatives

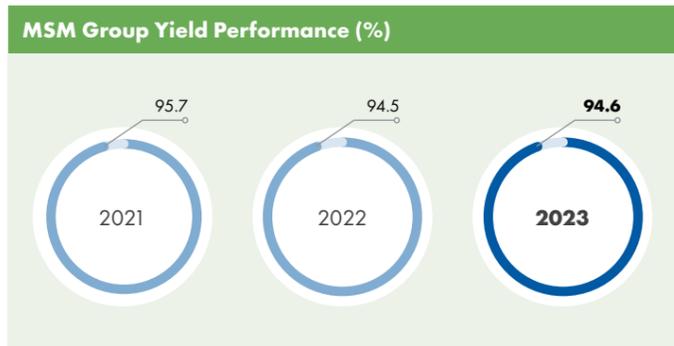
We have also continued the C2R initiative, focusing on cost savings, cashflow conservation, and revenue generation to improve financial performance and sustainability. This comprehensive approach involves identifying areas for cost reduction, efficient cashflow management, and innovative revenue-generating strategies, such as transforming waste into revenue and expanding exports into new markets. We have also commenced seeking for expansion opportunities in other countries in the APAC and Africa. Additionally, we have accomplished stabilisation of MSM Johor, the completion of the packing and refined sugar warehouse and our Industrial Effluent Treatment system (IETs).

In 2023, we transitioned into the Integration phase of our strategic plan, culminating in the final year of BP23. Throughout this period, the Group generated significant economic value through strategic initiatives and market expansion efforts, underscoring our dedication to sustainable progress and excellence. It reinforced our commitment to creating tangible economic value within our operational sphere.

Enhancing Operational Efficiency to Maximise Performance

Our year-round efficiencies are measured via the plants' Utilisation Factor (UF), which can be impacted by scheduled maintenance for improved operational efficiency or unanticipated interruptions from equipment malfunctions or plant closures. To mitigate these issues and boost plant reliability, we prioritise timely execution of scheduled maintenance and conduct the necessary interventions throughout the year.

During the year under review, MSM Johor has proceeded with our ramp-up programme and MSM Prai has commenced with its rejuvenation life extension programme which is expected to extend the plant's lifespan for an additional 20-30 years. The yield performance indicates the process effectiveness of extracting as much refined sugar product from the source material of raw sugar. This includes the removal effectiveness of foreign



material to ensure good quality product. The yield also includes components to measure the effectiveness of our recovery side of the process thus reducing wastages to a minimum with any given quality of raw sugar.

Upgrading of Technical Equipment

In addition, MSM Johor has completed its technical turnaround, gearing up for increased production, a wider range of products, and a focus on green energy. In May 2023, MSM Johor successfully completed the rectification programme for critical equipment, specifically the two steam boilers. This rectification has essentially resolved the recurring problem in steam supply, increasing reliability and ensuring continuous availability of the refinery throughout 2023. This achievement enables the refinery to concentrate on optimising its processes and identifying other bottlenecks to gradually ramp up to its design capacity of 1 million tonnes per annum. By enhancing plant reliability, we can increase the refinery's utilisation factor, thereby reducing overall costs and emissions per unit of product. All work and procedures have received certification for full compliance with industry standards, emphasising safety and quality.

Going Forward

Our strategic initiatives to enhance manufacturing efficiency and achieve a higher UF target at the MSM Johor plant have significant economic implications. By reducing production costs, improving productivity, and responding effectively to market dynamics, we bolster our domestic and regional presence while optimising asset potential. The adoption of advanced technologies drives innovation and competitiveness, contributing to revenue growth and job creation. Additionally, the improvement of the MSM Johor plant not only boosts local supply chains but also fosters economic growth in the region. Overall, our focus on operational excellence generates positive economic impacts by fostering growth, innovation, and competitiveness in the market.

Data Security and Protection

WHY IT MATTERS

There is a growing emphasis on digitalisation in businesses and as we continue to increase our data creation and storage, there is a crucial need to safeguard information through data protection. MSM prioritises the enforcement of a robust data security and protection system to continuously establish trust with our stakeholders and uphold strong ethical business practices. We also ensure that we implement a structure that is capable of recovering and restoring data with minimal disruptions should a corruption occur in the system as safeguarding data privacy is integral to our business.

Our Approach

The Group adheres to the Personal Data Protection Act (PDPA) 2010 which guides us in managing our data collection, processing, storage and disposal, securely and responsibly. We also adopt practices to prevent unauthorised access, use, disclosure, modification, or destruction of our data and implement stringent controls to manage the integrity and confidentiality of available data, thereby reducing our legal and reputational risks.

Our Initiatives

In FY2023, we have accomplished the following:

- Strengthened the security function by implementing a state-of-the-art Next-Generation Firewall to mitigate cyber threats and activated IPS (Intrusion Prevention Service), firewall antivirus and web filtering
- Regularly reviewed employee access on the access matrix with the business owner and ensured that roles assigned is befitting to their current job destination
- Monitored the threat pattern on daily basis specifically to Ransomware, Phishing, Spam, Web Filtering (External & Internal)
- Conducted monthly cyberattack awareness programmes for our employees

“ In 2023, there were **zero substantiated complaints** concerning breaches of our customers' privacy and zero losses of customer data in the year under review. ”



Going Forward

In further advancing our data security and protection, we will be strengthening our Incident Response Plan. We are also working towards improving the IT Policies and Procedures for our cybersecurity system and developing Information Security Management System to achieve the ISO Certification ISO27001:2022. For our workforce to be familiarised with our systems, we are developing a Cyber Drill Exercise as part of IT Business Continuity Management (BCM), aimed at reducing disruptions to our operations.

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Business Development and Product Quality

Business Development and Product Quality

WHY IT MATTERS

Business development is imperative for MSM as it enables the Group to explore new markets, secure partnerships, and expand its reach, ultimately driving growth and revenue. Ensuring product quality is equally vital as it directly impacts customer satisfaction, brand reputation, and compliance with industry standards, contributing to sustained success. Together, effective business development strategies and a commitment to high product quality position MSM to thrive in the market and efficiently meet the evolving needs of consumers.



Our Approach

MSM's market competitiveness thrives on consistent delivery of the highest-quality sugar products to both domestic and international customers. Upholding stringent food safety and Halal standards, we strictly comply with policies and regulations, periodically reviewing and assessing them for adequacy and improvement. Our commitment to business development and quality control has made Gula Prai the market leader, recognised among Malaysia's top FMCG products by Kantar's Brand Footprint 2021. Our network of certified suppliers and transparent certification displays on consumer touchpoints highlight our dedication to quality and accountability.

Our Initiatives

Our product quality processes and controls undergo annual audits by relevant bodies, with continuous monitoring through performance indicators for ongoing improvements.

MSM's refineries are consistently audited to ensure full compliance, holding certifications in the following areas:

<p>Good Manufacturing Practice(GMP)</p>	<p>Hazard Analysis and Critical Control Point (HACCP) Certification from the Ministry of Health, Malaysia</p>
<p>Quality Management System (ISO 9001:2015)</p>	<p>Food Safety Management System (ISO 22000)</p>
<p>Food Safety System Certification (FSSC 22000-Manufacturing)</p>	

In fulfilling our international markets, our products hold halal certification from Jabatan Kemajuan Islam Malaysia (JAKIM) and Kosher certification from the London Beth Din Kashrut Division.

Our full list of certifications can be referred to on pages 109 to 114.

For FY2023, our audits, aligned with relevant certifications, revealed zero non-compliances with health and safety regulations for our products. We encourage stakeholders to provide feedback through our corporate website, official phone line, email, and social media channels. Furthermore, our sales representatives actively engage with consumers using customer survey forms to collect valuable feedback based on:

Our records reflect that complaints mainly concern packaging or process-related issues and are promptly addressed. In 2023, we received 0.17% of returned goods, closed to 0.16% recorded in 2022.

Number of Customer Complaints		Total Returned Products (%)	
2021	72	2021	0.11
2022	71	2022	0.16
2023	103	2023	0.17

Going Forward

In the coming years, management has identified a few strategic initiatives in reducing the customer complaints. These initiatives focus on strengthening customer engagement to get better understanding of customers' requirements and benchmarking. In addition, management is committed to cultivating a positive food safety & quality culture among all employees to address and resolve quality issues more effectively & efficiently. This approach is also extended to continual operational improvements.

MSM is dedicated to addressing and acting upon all customer feedback, whether related to products or services. When complaints are received, we conduct thorough investigations, considering details like batch code, sugar grade, and quantity affected. Our commitment to product quality is exemplified by visiting key customers to gather feedback, fostering strong consumer relationships.

Occupational Health and Safety

Occupational Health and Safety

WHY IT MATTERS

Prioritising occupational health and safety (OSH) will keep our employees safe and prevent injuries and work-related illnesses. This will boost the morale of our workforce and increase productivity, thereby propel MSM's reputation as a caring employer. We recognise that inadequate workplace safety management could lead to adverse reputational and financial consequences for the Group. Putting in place robust OSH policies, practices and procedures will enable us to ensure stringent OSH measures are implemented throughout our operations and adhere to all the relevant laws and regulatory rules.

Our Approach

MSM is committed to ensuring a safe and healthy work environment to prevent incidents, work-related injuries and illnesses throughout our operations. Our focus is on instilling a culture of health and safety to elevate our operational efficiencies. We are committed to adopting optimal OHS practices to facilitate seamless daily operations. This commitment aligns with regulatory frameworks, minimising the potential risks of harm or injury to our workforce, suppliers, vendors, service providers and migrant workers.

We continue to be guided by our Occupational Health and Safety Policy, adhering to international and local health and safety industry standards and regulations, including the Occupational Safety and Health Act 1994 and Factory and Machinery Act 1967. Regular safety audits are conducted to identify and enhance safety management across our operations. Currently, MSM Prai, MSM Johor and SBW operations are ISO 45001:2018 certified, and we continue to ensure that all HSE legal requirements are identified and addressed.

Besides that, we conduct daily monitoring of safety indicators and implement initiatives to prevent risks, accidents and injuries. We acknowledge our responsibility as an employer to identify, manage and mitigate risks, by actively encouraging reporting of any observed unsafe conditions or acts by our workers. As safety is a personal responsibility, we reinforce this through formal committees who disseminate information on health, accident prevention and emergency preparedness. Compliance with safety practices is outlined in our HSE Policy and the use of personal protective equipment (PPE) is strictly enforced throughout our operations.

Additionally, we employ risk management tools to identify, eliminate and mitigate occupational risks. Numerous training programmes are conducted to support health and safety, aiming to strengthen our existing procedures, practices and safe behaviours, thereby fostering a robust health and safety culture.

Our Initiatives

In our commitment to embedding a culture of safety throughout our operations, we also implemented initiatives such as conducting regular safety training sessions, Better Together (BETO) programme, HSES Award programmes, hazard identification and reporting programmes, Safety Gemba walks, U See U Act (UCUA), ergonomic assessments, emergency evacuation drills and establishing open communication channels. We also participated in various OSH Awards, such as those from the National Council for Occupational Safety and Health (NCOSH), where MSM SBW managed to be listed as a finalist. Additionally, all three MSM sites have successfully received awards from the Malaysian Society for Occupational Safety and Health (MSOSH).

Health, Safety, Environment and Security & Quality (HSES&Q)

At MSM, our HSES&Q Department oversees health and safety across all locations. Each site has a dedicated HSES Lead, ensuring adherence to procedures, accident prevention and health and safety action plans. Reporting directly to the Head of Group HSES&Q, they manage OHS strategies, support and performance. The Group HSES&Q ensures standardised health and safety awareness through ongoing monitoring, measuring and reporting. This strengthens our safety culture, encouraging employees and contractors to prioritise incident prevention. Knowledge-sharing on incidents and preventive actions is also conducted across the Group, enhancing risk mitigation.

Each subsidiary has a dedicated HSE and Safety & Health Committee (SHC), chaired by the Head of Operation (HOO). The SHC serves as a platform for implementing the internal responsibility system. Comprising representatives from both employees and the management, the committee convenes regularly to address health and safety concerns. A notable advantage of the SHC is the improvement of collaboration across all segments of our workforce in addressing health and safety issues.

Trade union representatives and contractors are also encouraged to participate in Safety and Health Committee meetings at the operational level. Besides that, monthly safety performance reports are submitted through the HSES dashboard to the Group HSES&Q for presentation during EXCO meetings, providing them with an overall view of the Group HSES performance.



We strive to cultivate a safety-conscious workforce through continuous initiatives and programmes on safety awareness. This includes initiatives such as monthly newsletters, HSES flash, safety inductions, daily toolbox talks by operations, safety campaigns, one-point lessons, Health and Safety Week, HSE meetings, townhall events and various WhatsApp platforms. Additionally, we organise safety briefings and BETO programmes with contract workers, while our GEMBA walks are led by HODs to enhance HSES awareness among employees.

Reporting, Identifying and Eliminating Hazards

Our HSE-related risks are identified, assessed, and monitored through an OHS-implemented management system. MSM strives to manage its risks and opportunities to ensure that organisational capabilities and resources are utilised efficiently and effectively. To achieve this goal, the top management is responsible for embedding risk-based thinking in the organisational culture.

The scope of MSM's risk and opportunity management process encompasses the assessment of internal and external issues, and the needs and expectations of interested parties. Within MSM, the related procedures and documentation required for risks and opportunities include:

- Job Safety Analysis (JSA)
- Risk & Opportunities
- Environmental Aspect & Impact Assessment
- Register Hazard Identification, Risk Assessment and Risk Control (HIRARC)
- Permit To Work (PTW)

Aside from that, our Occupational Health & Safety Management System (OHS MS) encompasses our plant services, including core activities such as the manufacturing of refined sugar and related products, and cargo and vessel handling activities. It covers all 1,851 of our workers and contractors and has undergone internal and external audits. Our OHS MS scope extends to the primary activities within each Division and Department, aligning with the requirements of ISO 45001:2018.

Our OHS Review team, comprising Occupational Health and Safety Management Representative (OH&S MR), Safety and Health Officer and OHS area representatives, are responsible for identifying OHS-related hazards. These identified hazards shall be considered along with the objectives and targets set and are reviewed at least annually, if there are changes to any processes, usage of raw materials, new equipment, products or service.

In the event of a hazardous situation at work, it is the duty of the respective Department or Section Head to ensure that all employees receive appropriate training to enhance awareness of risks and enable them to promptly remove themselves from dangerous situations. The investigation, management and report of work-related incidents and hazards in MSM adhere to Occupational Safety and Health Act and its regulations, ISO 45001 requirements and OSH NADOOPOD 2004 Regulations. Essential procedures and documentations required in the process include Incident, Accident, Non-Conformity & Corrective Action and Accident/Incident Investigation Report.

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Occupational Health and Safety

Occupational Health and Safety

MSM has a comprehensive framework for the management of occupational health services, aimed at identifying and eliminating hazards while minimising risks at our refineries. Workers have direct access to these high-quality services. The following provides an overview of the measures we have instituted to reduce work-related hazards and risks in our operations:

- **Workplace conditions** – We strive to diligently monitor and enhance workplace conditions by reducing noise, dust, and chemical exposure, while optimising ergonomics and temperature for the health and comfort of all our workers. Our new investments comply with the strict standards for improved working conditions.
- **Management of chemicals** – Special attention is given to the safe handling and storage of chemicals across our operations, while ensuring compliance to OSH USECHH Regulations 2000. Our database records the chemicals used in our plants, where we enforce strict adherence to health and safety guidelines. Annual medical assessments are conducted for employees exposed to potentially hazardous materials. We also have processes and controls in place to potentially reduce reliance on hazardous chemicals, reinforcing our commitment to health and safety.
- **Environmental compliance** – MSM is guided by a Group-wide process for life cycle management through our Reuse, Reduce & Recycle (3R) programme, aligning with ISO 14001 requirements and complying with the Environmental Quality Act 1974. This process identifies significant environmental impacts throughout the supply chain and addresses all stages of our product lifecycles. 3R bins are available at all operational sites, and to minimise environmental impacts, customers return plastic or wooden pallets to us after receiving their products.



Additionally, we depend on systematic processes to identify work-related hazards and facilitate routine and non-routine risk assessment. We achieve this through a hierarchy of controls to eliminate hazards and minimise risks. This includes measures to ensure the effectiveness of these processes and the competence of those responsible for their execution:

- **Safety and Health Officer's (SHO) Monthly Report**
Documents on-site activities to enable safety teams, engineers and the management to monitor progress and make informed decisions on areas for improvement.
- **Safety & Health Committee Workplace Inspection**
A workplace inspection conducted by the committee to identify potential hazards.
- **Conducting HIRARC**
A procedure to determine potential hazards in MSM and evaluate the likelihood of an accident or financial loss.
- **Safety Toolbox Talk**
An informal safety meeting that is part of MSM's comprehensive safety programme.
- **Management Review Meeting for ISO 45001 and ISO 14001**
Conducted periodically to assess the adequacy and effectiveness of the safety and environmental management system.
- **Annual External Audits**
Audits on our OHS and Environmental management system are conducted by SIRIM to ensure that our management systems are well maintained and practiced in accordance to established standards.

We also have in place a procedure for employees to report work-related hazards and unsafe situations:

1. **After identifying unsafe acts, conditions or near-miss accidents, submit 'U SEE U ACT' to the HSES&Q Department**
2. **Raise concerns during Gemba Walks or Safety and Health Committee Meetings**
3. **Highlight any new risks, hazards or safety issues during Safety Toolbox Sessions**

Employees may raise HSES concerns directly or verbally to the Health & Safety Committee, UCUA, GEMBA Walk, Customer Service Counter (MSM Prai), or at monthly contractor safety and security meetings. After these measures are employed, the findings and results will be used to assess and continuously enhance OHS management practices through these methods:

- Share and deliberate the outcomes with the Group Chief Operating Officer (GCOO) at weekly meetings and Leadership Team Meetings biweekly
- Perform HIRARC to identify potential hazards and evaluate the likelihood of accidents or financial losses
- Email the identified findings to the person in charge for corrective measures to mitigate risks
- Record all Permits to Work (PTWs) and share them with persons in charge for improved monitoring
- Conduct regular meetings to follow up on the progress of implemented corrective or mitigative actions

MSM will consistently measure and monitor OHS performance related to identified hazards and opportunities with higher OHS risks, including accidents, ill health, incidents, spillage and leakage. We will also monitor employee health, implementing programmes to protect and promote their overall health and safety.

Preparing and Responding to Emergencies

MSM is committed to ensuring that employees and contractors are well-prepared to handle emergencies and crises. We continue to implement the following measures:

- Establish strong collaborative ties with local agencies, such as the fire department and adjacent hospital facilities.
- Provide an Automated External Defibrillator (AED) on-site to offer emergency aid to workers experiencing cardiac arrest.
- Offer consistent training for the ERP team to ensure their certification in First Aid.
- Task the Shift Team Leader (STL) with adhering to responsibilities related to emergency situations during operational hours, supported by HSES personnel.
- Implement weekly swab tests to prevent the spread of COVID-19 on our premises.
- Provide an on-site clinic with a full-time doctor at MSM Prai.
- Establish a First Aid room at MSM Prai to provide initial medical assistance to injured or ill workers while awaiting professional emergency medical services, especially after working hours.
- Maintain an internal medical support facility with available medical assistance during regular operating hours at MSM Johor.

Building Employee Safety Awareness

Our employees possess firsthand knowledge of matters related to practices, procedures and challenges concerning machinery or the design and layout of work equipment. They offer valuable insights into the frequency and severity of incidents, near misses and the impact of our OHS management programmes.

To effectively communicate the significance of OHS, we have established diverse channels for our workers to provide feedback and offer solutions. These platforms encompass HSE Committee meetings, Toolbox Talks, HSE induction sessions, HSE briefings, the Employee Satisfaction Survey, HSE Week and World Day for Safety and Health. We also communicate the importance of safety via HSES Flash and LED board displays in the cafeteria. MSM employees are actively encouraged to participate in and contribute to joint OHS Committee meetings, including the quarterly HSE SC meetings. Employees are encouraged to share ideas to enhance safety and risk mitigation measures. Additionally, MSM recognises and rewards employees who demonstrate a commendable HSES mindset.

Occupational Health and Safety

Occupational Health and Safety

Advocating Environmental Sustainability Awareness

In our commitment to environmental sustainability, we strive to inform, educate and raise awareness about environmental sustainability issues. To this end, MSM supports initiatives like Communication, Education and Public Awareness (CEPA), spearheaded by the Department of Environment. CEPA serves as a tool to help stakeholders understand how to use natural resources sustainably through diverse educational and training activities to ingrain positive habits. This includes collaborating with government agencies, the private sector, NGOs and related agencies in impactful local and global initiatives, such as talks, training programmes and environmental activities like plogging and beach cleaning. CEPA also educates through media platforms, educational programmes in schools and disseminates information through reports and publications. At MSM, we believe that knowledge and awareness are key to creating sustainable change.

For more details on CEPA and its activities, visit <https://www.doe.gov.my/en/educational-communication-and-public-awareness-ecpa/>



Cultivating HSE Excellence Through Training & Awareness

We engage our employees and contractors in structured training programmes to enable them to safely execute their duties. This is in line with our commitment to provide training for personnel whose work impacts the performance and efficacy of our OHS management system. In 2023, we provided comprehensive in-house HSES training programmes, comprising internal HSES training conducted by our HSES Lead, who is a recognised HRDC accredited trainer.

The following are employee safety training programmes conducted during the year:

HSE Awareness & Training

- Working at Height (WAH)
- Permit to Work Awareness
- Hazard Identification Risk Assessment Risk Control (HIRARC) Workshop
- Chemical Handling & Spillage Management
- Effective Safety & Health Committee
- Accident Investigation & Reporting
- Urine and Drug Testing Seminar
- HSES Weeks
- Gemba Walk Briefing
- Scheduled Waste Management
- Industrial Effluent Treatment System (IETS) Operational
- Safe Entry to Confined Spaces
- First Aider Training
- Safety Committee Training
- Machinery Safety Training
- Lock Out Tag Out (LOTO)

Competency Training

- Authorised Entrance Standby Person (AESP)
- Authorised Gas Tester Entry Supervisor (AGTES)
- Certificate Professional Schedule Waste Manager (CePSWAM)
- Certificate Professional Sewage Treatment Plant Operation (CePSTPO)
- Certificate Environmental Professional in Bag Filter Operation (CePBFO)
- Certificate Scrubber Competent Person (CePSO)
- Certified Environmental Professionals in the Operation of Industrial Effluent Treatment Systems (Biological Processes & Physical Chemical Processes) (CePIETSO-BP&PCP)

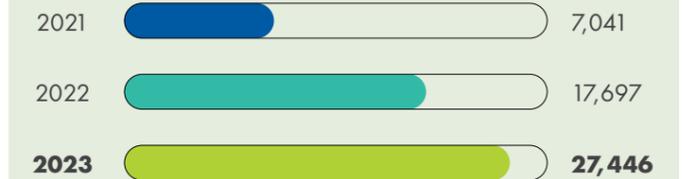
Emergency Preparedness Training

- Fire Squad Training
- Emergency Response & Preparedness
- Evacuation/Mock Fire Drills
- Chemical Spillage Training and Drill

Emergency Response Training

- Basic Occupational First Aid, CPR and AED for First Aider
- First Aid Box Inspection Workshop

Total Number of HSE Training Hours



Empowering Employee Health



As we value our employees, we strive to improve their physical and mental health through various initiatives.

- MSM offers medical services to employees and contractors through its internal clinic
- Comprehensive medical insurance coverage is provided to all employees for both inpatient and outpatient treatments
- MSM organised mental health talks on topics such as Stress Management
- Audiometric tests and medical surveillance are available for both contractors and employees
- Stress Relief Tips are featured in HSES&Q newsletters to advocate mental health and overall well-being
- Conducted wellness programmes including health screenings by PERKESO
- Organised sports and recreational activities such as bowling, badminton and table tennis tournaments
- Conducted Ergonomic Risk Assessment (ERA), annual medical surveillance tests and periodic drug tests
- Conducted stress level test survey

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Occupational Health and Safety

Occupational Health and Safety

Our Health & Safety Performance

We continue to prioritise the safety of all involved in our operations by conducting audiometric tests and health screenings. While we diligently work to prevent hazards and reduce injuries across our operations, the occurrence of unforeseen accidents or incidents resulting in injuries or fatalities cannot be entirely ruled out. In such cases, prompt measures such as investigations and measures to prevent future recurrence of the incidents are taken.

During the year, we also received recognition by the MSOSH for our commitment and outstanding performance in HSES.

MSOSH OSH PRACTITIONERS AWARD

These employees were honoured in the 'ACE PERFORMANCE' category at the OSH Practitioner Seminar and Award Ceremony organised by The Malaysian Society for Occupational Safety and Health (MSOSH):

- MSM Prai HSES Lead - Mr Vignes A/L Chellamuthu
- MSM Johor HSES Lead - Encik Shukur Bin Ahmad
- MSM SBW HSES Lead - En. Mohamad Anas Bin Hussien

41ST MSOSH OCCUPATIONAL SAFETY & HEALTH AWARDS

MSM Johor, MSM SBW and MSM Prai were also awarded in the Manufacturing & Chemical Sectors category.

- MSM Johor – Gold Class I
- MSM SBW – Gold Class I
- MSM Prai – Gold Class II



In the year under review, we continued to demonstrate enhancements in our safety performance. In FY2023, our Lost-Time Incident Frequency Rate (LTIFR) decreased significantly from 1.55 to 1.41. Additionally, we have maintained zero fatalities for two years in a row. The highest contributors to our LTIFR are related to rotating parts, slips, trips and falls at stairs and burns from hot water. To reduce these occurrences and protect our workers and employees, we will implement various measures in the coming year.

Additionally we have conducted security checks for non-compliance which includes smuggling of prohibited item.

We will continue to strengthen our security aspects and improve security control measures at our respective operational sites.

Work-related Injuries

Employees	2021 ¹	2022 ¹	2023
Fatalities as a result of work-related injury	0	0	0
High-consequence work-related injuries ²	10	6	7
Recordable work-related injuries ³	15	8	7

Contractors	2021 ¹	2022 ¹	2023
Fatalities as a result of work-related injury	1	0	0
High-consequence work-related injuries ²	4	1	2
Recordable work-related injuries ³	6	1	2

Notes:
¹ Data for 2021 and 2022 have been reinstated to address the revised definition for work-related injuries.
² High-consequence work-related injuries has been classified with more than 4 days of medical certificate (MC).
³ Recordable work-related injuries has been classified as accident with more than 1 day MC.

Total working hours for all employees and contractors (hours)



Total working hours for Lost Time Incident Rate (LTIR)



GOING FORWARD

We aim to achieve zero LTIs and work towards reducing our LTI for FY2024. As such, we have put in place a three-pronged strategy aimed at addressing unsafe conditions, introducing initiatives to enhance employee engagement and strengthening safety enforcement. This will include the existing weekly Gemba Walks and increasing the frequency of the U See U Act, regular engagement with employees through toolbox talks and briefings, conducting a Health and Safety Week and rewarding staff for meeting safety goals. To strengthen our safety enforcement, we will administer disciplinary actions to those who fail to meet HSES requirements or have violated MSM's standard operating procedures.

Additionally, we aim to reduce security non-conformance in FY2024 and maintain zero security breaches on our premises. We will implement control measures through administrative and engineering controls, such as installing AI cameras and contraband signage on prohibited items and actions at key areas, conducting periodic drug tests, providing security briefings and creating awareness among staff and contract workers. Besides that, we will enforce management consequences for non-conformance, including disciplinary action on those found in violation of guidelines.

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Upholding Human Rights and Labour Standards

Upholding Human Rights and Labour Standards

We are dedicated to ensuring that human rights and high labour standards are integrated into every aspect of our decision-making processes and operations.

WHY IT MATTERS

We prioritise human rights across all of MSM's operations for ethical, legal and reputational reasons. Upholding these principles fosters a positive work environment, enhances our brand and aligns with societal expectations. It serves as a catalyst for employee engagement and contributes to the sustainable development of our organisation as a whole. Moreover, it attracts consumers and investors who share our commitment to ethical behaviour. Ultimately, integrating human rights into our business practices ensures compliance, mitigates risks and cultivates a competitive advantage.

Our Approach

The integration of human rights into our organisation's practices is guided by international human rights frameworks including but not limited to the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organisation (ILO) as well as local labour laws and employment agreements. This underscores our dedication to transparency and accountability, affirming our commitment to human rights and labour standards.

Our Initiatives

MSM prioritises stakeholders' input and collaborates with authorities to safeguard employee rights through two main initiatives:

- **Labour Standards and Best Practices**
 - Integrated human rights concerns into manuals, policies, and practices
 - Adhered to Malaysian employment laws, including fair minimum wages and working hours
 - Monitored recruitment processes to prevent forced labour and child labour
- **Trade Unions**
 - Supported employees' rights to form independent associations
 - Established In-house union since 1973 at MSM Prai and formed national union in 2021 for MSM Johor
 - Negotiated Collective Agreements (CAs) covering wages, working hours and conditions
 - Planned to periodically evaluate CAs
 - Ensured fair working conditions for employees not covered by CAs



Percentage of Our Employees Who are Union Members

Company	Total H/C	Union Members	Percentage (%)
MSM Prai	635	341	54
MSM Johor	345	211	61
Total	980	552	56

Employees covered under CAs for 2023

MSM Prai
341 employees

MSM Johor
211 employees

Percentage of Employees that are Contractors or Temporary Staff

Year	Total employees	Contract or temporary staff	Percentage (%)
2021	1,033	33	3.2
2022	1,038	15	1.4
2023	1,132	22	1.9

Number of Substantiated Complaints Concerning Human Rights

There have been zero substantiated complaints regarding human rights violations or breaches reported within our organisation throughout 2023.

GOING FORWARD

Looking ahead, continuing our journey towards promoting human rights, we remain steadfast in our commitment to upholding dignity, health and safety for all employees. We will persist in prioritising fairness, providing a secure environment, and adhering to legal standards. This ongoing dedication will further strengthen a culture of respect, inclusion and social responsibility within our organisation.

Employee Engagement and Talent Management

Employee Engagement and Talent Management

EMPLOYMENT ENGAGEMENT

WHY IT MATTERS

Engaging with employees enable us listen to our employees and provide conducive work environment that prioritises employees' overall well-being. This is crucial for enhancing overall productivity, safety, and the sustained growth of the Company. When employees are genuinely engaged, it not only cultivates a positive work culture but also significantly reduces turnover rates, amplifies productivity levels, and encourages a safer workplace. This, in turn, establishes a solid foundation for fostering strong internal and external relationships, both within the team and with the company.

Our Approach

MSM remains steadfast in its commitment to fostering a supportive and enriching work environment for every member of our team. This dedication is in accordance with our guiding framework, a set of principles and values that form the foundation of our organisational culture:

People Happiness Index

MSM Employment-related policies and Standard Operating Procedures (SOPs)

Bursa Malaysia's ESG Compliance Rating For Public Listed Company

Our Initiatives

We enhance our value proposition for Sustainable People and Culture Management by incorporating ESG principles and values, demonstrating our commitment to prioritising employee well-being and satisfaction. To achieve this, we have implemented the following initiatives which were aimed at fostering an environment where individuals can thrive both personally and professionally.

Employee Engagement Events and Activities

In our ongoing commitment to reinforce a connected and engaged workforce, we actively involve our employees through the following events and activities:

WAKALLAH & WELFARE PROGRAMMES

Financial Assistance for Employees Affected by Flash Flood

- 1 Total financial assistance = RM5,000 (RM1,000 for MSMJ, RM4,000 for others)

Financial Assistance for Employees Affected by Health Issues

- 1 Late employee's wife cancer treatment cost (RM7,146.55)
- 2 MSM Prai's employee stage 4 cancer (RM5,541.55)
- 3 Pension assistance for permanently disable former employee (RM30,000.00)
- 4 Welfare visit ex-staff MSM Perlis & MSM Prai (2 houses in Perlis, 6 houses in Prai)

Financial Assistance for Education

- 1 Higher education assistance for employees' children pursuing study in tertiary education (RM19,000.00)
- 2 School Education Financial Assistance (SCOFINA) 2023 (RM115,450.00 - Wakallah fund, RM9,550 - Welfare fund)
- 3 Iftar & Duit Raya at Buku Jalan Chow Kit (RM2,000.00 - Duit Raya)

QUARTERLY TOWNHALL

- 1 **16 March 2023**
MSM Townhall Q4 2022
- 2 **3 July 2023**
MSM Townhall Q1 2023
- 3 **8 December 2023**
MSM Townhall 2H 2023

EMPLOYEE ENGAGEMENT SESSION



- 1 **March 2023**
Employee Engagement MSMJ
- 2 **June 2023**
Employee Engagement MSMJ
- 3 **July 2023**
Employee Engagement MSMP
- 4 **November 2023**
Employee Engagement MSMP

FESTIVAL CELEBRATION

- 1 MSM Group Hari Raya Celebration
- 2 Cookies for Warga MSM (CNY 2023)
- 3 Kurma for Warga MSM (Raya Gift 2023)



PERIODIC MUSLIM EMPLOYEE RELIGIOUS SESSIONS



- 1 Bacaan Yasin Weekly MSMJ
- 2 Korban collaboration

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Employee Engagement and Talent Management

Employee Engagement and Talent Management

Employee Welfare and Benefits

We prioritise employee welfare and benefits, ensuring they received comprehensive support across dimensions, including:

 Flexible hours	 Hybrid work arrangements	 Conducive work environment	 Complimentary sugar allocation every two months
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Benefits provided to full-time employees that are not provided to temporary or part-time employees

Group Hospital and Surgical	Group Term Life Takaful	Group Personal Accident	Outpatient	Additional Employer EPF Contribution	Housing Loan Interest Subsidy Programme
Maternity and Paternity Leave	Back-to-School	Financial Assistance	Emergency Relief Aid	Provision for Work-Life Balance	Employee Further Education Assistance

Number of Employees Returning to Work After Maternity/ Paternity Leave In 2023

	Men	Women	Total
Number of employees entitled to parental leave	708	113	821
Number of employees who took parental leave	53	13	66
Number of employees who returned to work after parental leave ended	53	13	66
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	53	13	66
Return to work rate	100%	100%	100%
Retention rate	100%	100%	100%

 **People Happiness Index Survey**
We celebrate employee happiness while remain focus on areas for improvement. Our ongoing initiatives are designed to these needs through continuous employee engagement, enhancing job happiness, and retain key talent to foster a workplace that drives sustainable productivity. In 2023, we had 72% respondents in 2023 People Happiness Index Survey.

TALENT MANAGEMENT

WHY IT MATTERS

Talent management is vital for our sustained growth and continuity. A strong talent pool and succession pipeline ensure smooth transitions, while career development opportunities align individuals with organisational success. This helps to strengthen the foundation for the Group's long-term prosperity. We also believe that effectively managing people and talent is pivotal for the Group's success, fostering business growth, continuity, and sustainability in a dynamic business environment.

Our Approach

The company ensures a resilient and adaptable workforce by cultivating innovation, aligning individual goals with organisational objectives, guided by the following framework and policies:

 **Recruitment Policy**
Streamlines our talent acquisition process, from rigorous manpower planning to candidate selection, to attract and assign the best fit for all roles, whether permanent or senior positions, whether full-time or contractual.

 **Learning and Development Policy**
Aims to equip employees with the requisite skills, knowledge and competencies needed to perform effectively within the Company.

 **Talent Management Framework**
Succession planning and management is an essential component of managing people and talent in a business organisation which entails a systematic and process driven approach in **identifying, developing, motivating and retaining** capable and skilled talent. The pipeline of potential successors are critical for business growth, **continuity and sustainability** in ensuring business success of MSM Group.

Our Initiatives

We continue to implement a series of innovative talent management initiatives designed to nurture, empower and strategically align our workforce for sustained growth and continuity:

In 2023, we...

 Welcomed 11 Prodigy Programme Talents and 18 Interns into our MSM team	 Extended our studies assistance programme to a staff member from MSM Prai
Participated in 17 career fairs , which included:	
11 PERKESO-sponsored career fairs	1 USM Career Carnival
4 FGV career expos	1 MARA Southern Chapter Career Crafting



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Employee Engagement and Talent Management

Employee Engagement and Talent Management

New-Employee Orientation

Critical for new-employee orientation, covering organisation overview, philosophy, vision, culture, policies, and safety focus.

Employee Training, Skill Identification and Development Programmes

- Maintains the existing programmes such as the Staff Mobility Programme and the Prodigy Programme for employee training and development efficacy
- Recruits local graduates and provides on-the-job training in fields like engineering and management
- Enables quick skill acquisition for a clear and well-planned career path
- Utilises diverse training opportunities for skill identification and development
- Ongoing offering of technical courses and platforms known as Viva Learning for individualised learning



Programmes for upgrading employee skills

We foster our people's growth with the following strategic skill development programmes during the year under review:

No. of Participants for the following programmes

36	30	26	103
MSM Johor Supervisory Development Programme	MSM Prai Leadership Programme	Professional and Technical Certification	Soft Skills Development Training such as Career Conversation, Negotiation and Business Writing

TOTAL TRAINING HOURS: 20,805 hours

Average Hours of Training Per Year Per Employee

BY GENDER	Training Hours/ Gender	2021 ¹		2022		2023	
		Male	Female	Male	Female	Male	Female
	Total No. of Employees	870	163	868	170	943	189
	Total No. of Training Hours	9,164.00		13,965	4,313	15,601	5,204
	Average Training Hours Per Employee	8.87		16.09	25.37	16.54	27.53

BY EMPLOYEE CATEGORY	Employee Category	2021 ¹		2022		2023	
		Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee	Total No. of Training Hours	Average Training Hours Per Employee
	Top & Senior Management			852	34.08	751	30.04
	Managerial	9,164.00	8.87	4,321	39.64	5,669	44.63
	Executive			5,829	27.24	7,966	33.33
	Non-Executive			7,276	10.54	6,420	8.66

Note:
¹ Training hours not tracked by gender in 2021

Total Investment in Training and Development

2021	RM493,435.92	2022	RM604,077.50
2023	RM792,535.56		

Productivity and Efficiency

Focuses on increasing productivity and efficiency in job tasks to foster organisational efficacy

Performance Management

Conducts regular performance reviews for employees to identify areas for improvement and necessary training for personal development

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Employee Engagement and Talent Management

Employees' Performance Review

	Total Number of Employees	Number of Employees Who Completed Performance Reviews (in %) ¹	Male Employees* Who Completed Performance Reviews (in %)	Female Employees* Who Completed Performance Reviews (in %)
Top & Senior Management	25	100%	100%	100%
Managerial	118	92%	93%	90%
Executive	224	93%	94%	91%
Non-Executive	728	99%	99%	92%

Notes:
* Excluding interns and protégés
¹ Data as of 16 February 2024

Policy and Compliance

Regularly evaluates recruitment, promotion, and compensation guidelines to ensure consistency with industry norms, local laws, and regulations.

Going Forward

Moving ahead, our emphasis will be on talent management through investments in employee development programmes and the cultivation of a positive, inclusive workplace culture. We aim to identify and attract top talent, promoting a learning environment that supports continuous growth. Regular assessments of our talent management strategies will ensure alignment with both business goals and employee needs. This focus on talent management is integral to building a robust and diverse workforce that propels the success and growth of our company.

Some initiatives set to be launched include:



Training and development programmes

- Enhance the company's Onboarding Experience Programme for a more seamless integration of new employees
- Establish the MSM College of Experts by bringing together retired MSM professionals to serve as MSM Professors
- Conduct a monthly one-hour session called 'Sweet Time' for knowledge-sharing by internal subject matter experts (SMEs) on various topics
- Implement a training strategy that includes Performance Linked Learning, MSM Virtual Academy, overseas sugar institute training and integration of training programmes with an ESG focus
- Organise joint collaboration programmes between FELDA-MSM namely Kadet Foklif 2.0 and Kadet Safety 1.0



Performance Management

- Modify the weightage of the Performance Management System (PMS) to promote equitable reporting of the company's performance results
- Facilitate and manage the execution of roadshows throughout the entire MSM Group
- Adopt a pay-for-performance model with a focus on internal equity for fair and consistent compensation across roles



Others

- Participate in Human Resources (HR) Excellence or Employer Award 2024
- Penetrate Employer Branding presence by leveraging social media branding like Instagram and LinkedIn and bridging at local private universities
- Sustain Employer Branding efforts through partnerships with stakeholders like PERKESO and Felda Global Ventures (FGV) Group

Diversity, Equity and Inclusion

WHY IT MATTERS

Diversity is integral to our organisation, fostering creativity and innovation through varied perspectives, experiences and skills. A diverse workforce reflects the community we serve, enhancing our understanding of customer needs and preferences for improved service and relationships. Our commitment to inclusion boosts employee morale, satisfaction and retention, ensuring our organisation's success. We value the unique contributions of our diverse workforce, enhancing our ability to meet customer needs effectively.



Our Approach

At MSM, our dedication to cultivating a secure and welcoming workplace that values and celebrates diversity is reflected in a comprehensive set of guidelines and policies:

- Our Employee Handbook provides a comprehensive outline of our Human Resources' policies, emphasising a commitment to creating an environment devoid of discrimination and sexual harassment. It also outlines a structured grievance mechanism
- MSM's Diversity, Equity & Inclusion (DEI) Policy underscores our commitment to fostering diversity, promoting equity and ensuring inclusivity within our organisation. We regularly assess the policy's effectiveness through reporting and analysis. Our measurable objectives are consistently updated and integrated into all people practices, including the C-Suite and Top Management. The DEI Policy is approved by our Board of Directors
- The Group's Whistleblowing Policy serves as a crucial component, offering a framework for individuals to report concerns, ensuring transparency and accountability within our workplace

In demonstrating a progressive workplace, the Group strives to:

Comply with all relevant legislation regarding discrimination and equality, as well as other applicable laws

Establish and uphold a working environment that ensures equal and fair treatment for all employees, both current and prospective

Implement mechanisms to address and respond to employee complaints of discrimination

Regularly review our internal policies related to DEI to ensure ongoing relevance and applicability

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Diversity, Equity and Inclusion

Diversity, Equity and Inclusion



Moreover, we are dedicated to fair and respectful treatment of employees, rejecting any form of discrimination towards our people based on gender, age, race, religion, cultural background, ethnicity or disability. Our commitment aligns with the UN Guiding Principles on Business and Human Rights. In addition, we actively support gender equality through adherence to the UN Sustainable Development Goal and the UN Women's Empowerment Principles (WEP).

Our Initiatives

We are dedicated to promoting gender diversity throughout our organisation, starting from executive roles and permeating every level. Our commitment goes beyond representation, focusing on creating an inclusive culture where all employees, irrespective of gender, feel valued and empowered. We have instituted various initiatives aimed at promoting DEI within MSM, including:

- Establishing communication channels to enable our employees to offer feedback, voice concerns, suggest solutions, and report instances where they perceive any violation, disrespect or unfair treatment
- Using the same communication channels as a robust grievance mechanism in the event of perceived violations, disrespect or unfair treatment and seamlessly integrate this mechanism into our Employee Handbook

- Introducing a well-defined framework for employees to report potential violations without fear of retaliation, as outlined in our Whistleblowing Policy
- Adopting the WEP to emphasise its commitment to fostering a culture of DEI



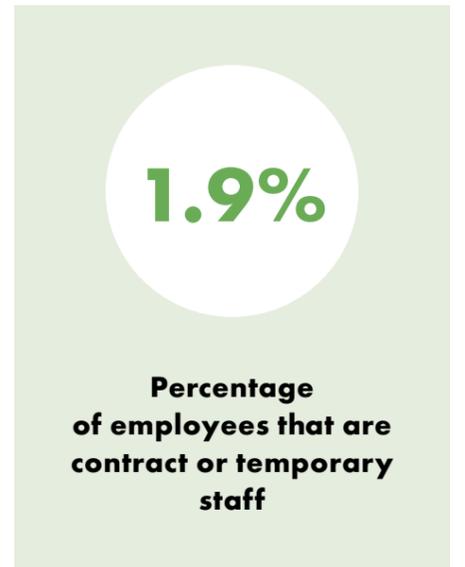
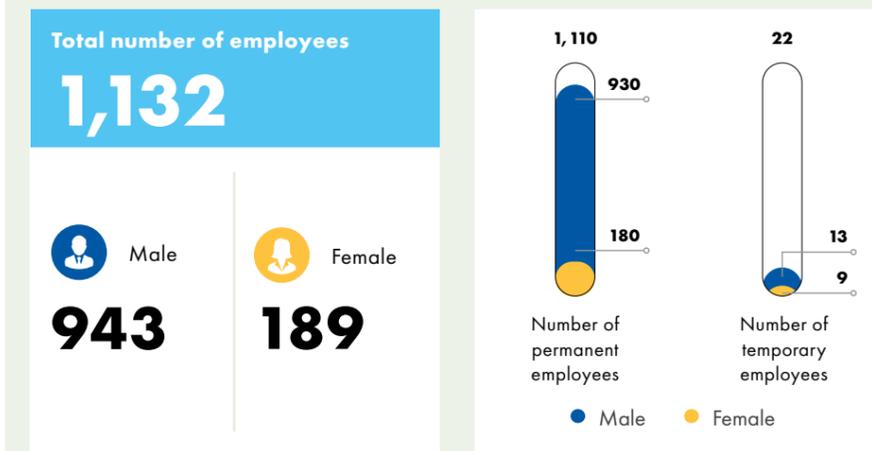
In 2023, MSM became a member of the 30% Club Malaysia, reflecting the Group's commitment to DEI. The club is a global business-led campaign founded in the United Kingdom to advocate for gender parity in boardrooms and senior leadership. Launched in May 2015, the Malaysian Chapter works to catalyse real transformation in Corporate Malaysia through a culture of DEI. Its focus has been to facilitate at least 30% women representation on the boards of companies listed on Bursa Malaysia, and also welcomes non-listed entities and global multi-national companies to join as a Corporate Advocate.

We are committed to maintaining a work environment that is free from sexual harassment and we will take prompt action to investigate and address any reported incidents. In the year under review, there were zero cases reported with regards to sexual harassment in the organisation.

MSM's Workforce Profile

We are committed to gender diversity from the executive level onwards as part of our commitment to promoting diversity and inclusivity in our workforce.

Employees by Gender (Headcount/FTE)



Employees by Entity (Headcount/FTE)

	MSM Malaysia Holdings Berhad	MSM Prai Berhad	MSM Sugar Refinery (Johor) Sdn Bhd	MSM Logistics Sdn Bhd	Total
Total number of employees	98	635	345	54	1,132
Number of permanent employees	94	623	340	53	1,110
Number of temporary employees	4	12	5	1	22

Diversity of Governance Bodies and Employees

Board Members



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Diversity, Equity and Inclusion

Diversity, Equity and Inclusion

Employee Category		Top & Senior Management	Managerial	Executive	Non-Executive
Gender	Male	16	88	148	691
	Female	9	39	91	50
Ethnicity	Chinese	5	34	24	30
	Malay	19	85	194	659
	Indian	1	5	19	48
	Others	0	3	2	4
Age Group	< 30 years	0	1	75	228
	30 - 50 years	14	107	137	453
	> 51 years	11	19	27	60

Proportion of Senior Management Hired from Local Community

100%

of senior management at significant locations of operation that are hired from the local community.

New Employee Hires and Employee Turnover

	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Gender	139	13	156	15	169	15
Male	92	9	110	11	133	12
Female	47	5	46	4	36	3
Age Group	139	13	156	15	169	15
<30 years	57	6	89	9	90	8
30-50 years	72	7	64	6	67	6
>51 years	10	1	3	0	12	1
Entity	139	13	156	15	169	15
MSM Malaysia Holdings Berhad	45	4	13	1	16	1
MSM Prai Berhad	52	5	78	8	77	7
MSM Sugar Refinery (Johor) Sdn Bhd	37	4	55	5	70	6
MSM Logistics Sdn Bhd	5	0	10	1	6	1

	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Gender	164	16	122	12	101	9
Male	120	12	90	9	70	6
Female	44	4	32	3	31	3
Age Group	164	16	122	12	101	9
<30 years	31	3	43	4	37	3
30-50 years	81	8	20	2	48	4
>51 years	52	5	59	6	16	1
Entity	164	16	122	12	101	9
MSM Malaysia Holdings Berhad	7	1	7	1	11	1
MSM Prai Berhad	35	3	52	5	47	4
MSM Sugar Refinery (Johor) Sdn Bhd	43	4	55	5	41	4
MSM Logistics Sdn Bhd	5	0	8	1	2	0
Employee Category	164	16	122	12	101	9
Top & Senior Management	0	0	2	0	2	0
Managerial	20	2	16	2	18	2
Executive	27	3	50	5	33	3
Non-Executive	117	11	54	5	48	4

GOING FORWARD

We acknowledge the significance of a diverse team and aim to attract and retain talent from various backgrounds. In shaping our future workforce, we actively seek representation from underrepresented communities in Malaysia, including natives, Malaysian aborigines and differently-abled individuals possessing valuable skills for MSM's business. We also strive to incorporate targeted initiatives focused on promoting diversity and implementing specific measures to better comprehend and address the unique needs of diverse individuals. Going forward, we aim to organise DEI-related training and development programmes for all MSM employees. We also aspire to provide equal opportunities for people with disabilities including those with neurodiverse conditions such as mild autism.

Community Engagement and Development

Community Engagement and Development

WHY IT MATTERS

As we strive towards sustainable and responsible business practices, community investment and development are pivotal in contributing to social well-being, economic growth and improved living standards. Thriving communities provide a stable and skilled workforce, while our investments in education and healthcare programmes enhance societal resilience, strengthening our reputation and stakeholder relationships.



Our Approach

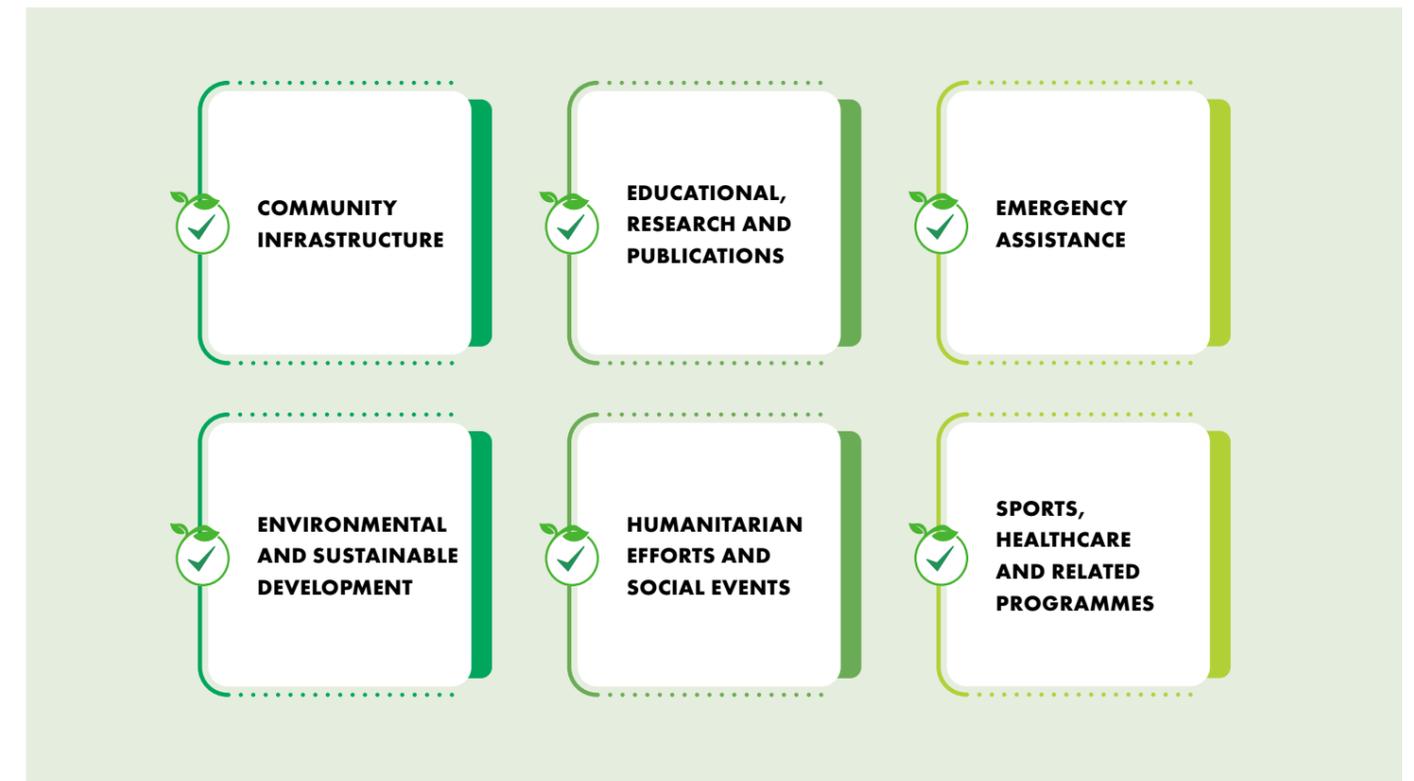
Our contributions to the community are a fundamental part of our business, as we are driven by a commitment to make a positive impact on individuals, communities and the environment. By engaging and investing in the communities in areas where we operate, we aim to enhance our brand, build trust and establish strong relationships with the people around us. This allows us to understand their needs better and generate long-term value, including creating job opportunities and empowering underprivileged and underserved communities.

Our community development initiatives are aimed at uplifting the underprivileged, particularly those in the B40 group. We also actively collaborate with partners to promote environmental preservation as we recognise the importance of the natural ecosystems and biodiversity protection in climate change mitigation. Additionally, our employees volunteer in various programmes and initiatives, such as supplying essential items like sugar and providing cash and in-kind contributions to support local communities.

Our community initiatives adhere to MSM's Sponsorship and Donations Policy, which focuses on humanity, the economy, the environment and people. In line with this policy, MSM supports initiatives in the following six categories:

Our Initiatives

MSM's Contributions in 2023



Total Sponsorships and Donations

RM256,380.54

MSM Holdings	MSM Prai	MSM Johor
RM65,136.28	RM182,096.26	RM9,148.00

Total Zakat and Wakalah Contributions

RM210,465.55

MSM Holdings	MSM Prai
RM86,749.00	RM123,716.55

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Community Engagement and Development

Community Engagement and Development

In 2023, a diverse range of environmental and community initiatives were executed by MSM Holdings, MSM Prai, MSM Johor and MSM SBW.

ENVIRONMENT



Beach Clean-up

Beach clean-ups were conducted at several locations in collaboration with related government agencies.

- Pulau Aur
- Pulau Tinggi
- Pantai Teluk Bayu



Mangrove Planting

A total of 150 mangrove trees were planted at Sungai Prai, near MSM Prai refinery in conjunction with Malaysia Environmental Week 2023.

Gotong-Royong

MSM conducted various gotong-royong activities with local communities in several locations, such as Maahad Tahfiz Aminul Hawa, Kuala Nerang, Kedah and Charity Organisation Kriyalakshmi Mandir Shree Sai Gurukul (KMSSG), Kuala Lumpur.

Plogging

Plogging activities were organised at Sungai Prai to clear the river, enhance environmental awareness and promote health and fitness simultaneously.

Wildlife Conservation

MSM donated RM50,000 to WWF-Malaysia's Harimau Malaya's conservation efforts in 2023. The donation, which reflected MSM's direction towards nature-based solutions, went to the Al-Sultan Abdullah Royal Tiger Reserve in Pahang.



Besides tiger conservation, MSM reached out to the Segari Turtle Conservation & Information Center, Pasir Panjang, Segari area in Perak, whereby 50 MSM employees volunteered to clean 30 turtles. These turtles, consisting of the Green Turtle and Hawksbills, are both classified as highly endangered. The volunteers also collected 45kg of plastic waste near the Pasir Panjang shores, which were sent for recycling.



SOCIAL



Distribution of CGS

We distributed 1kg packs of CGS to local communities, staff, contract workers and auxiliary police in Kampung Tanjung Langsat and Kampung Perigi Aceh.

Sugar Sponsorship to Local Community

Distributed 400 packs of 1kg sugar to 200 individuals residing in Jalan Ipoh, Kuala Lumpur and Kapar, Klang in conjunction with Deepavali celebration.

Pertubuhan Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR)

Celebrated the 20 children of RACTAR by sponsoring and educate them with ESG issue through musical theatre, "The Secret Gardens of the Sea - Seruan Setu" that connecting environmental issues with the arts, features original gamelan compositions interwoven with compelling stories of seagrass and the community that depend on them.

Blood Donation Campaign

11 donors actively participated in the blood donation campaign at Pusat Darah Negara, contributing to the cause of saving lives.

Sugar Distribution

Distribution of 6,000kg of sugar through Food Aid Foundation to 75 welfare organisations.

GOING FORWARD

MSM remains dedicated to contributing to communities in the areas where we operate through a range of CSR and ESG initiatives. We will continue to collaborate closely with local communities to identify and support their needs. We will also continue expanding our partnerships and collaborations with stakeholders to restore forest habitat and grow our mangrove footprint. This will include maintaining our support for turtle conservation and WWF Malaysia's tiger conservation. Furthermore, we will intensify our efforts to protect and create new habitats for tigers, invest in turtle conservation initiatives and organise 10 coastal clean-up activities to underscore our commitment as environmental stewards.

Task Force on Climate-Related Financial Disclosures (TCFD)

Task Force on Climate-Related Financial Disclosures (TCFD)



As part of our sustainability agenda, we strive to continuously enhance our disclosures and go beyond compliance by benchmarking against international reporting frameworks.

This emphasises our dedication to transparency and commitment to enabling our stakeholders to make informed decisions. In 2023, we continued to advance our TCFD disclosures by identifying the physical and transition risks that are relevant to our business in the short, medium and long term. We will continue to enhance our disclosures going forward, as we seek to fully adopt the TCFD recommendations in the future.



GOVERNANCE

Oversight on Climate Risks & Opportunities

The Board's oversight of climate-related risks and opportunities is thorough and ingrained within the organisation's governance structure. The Board holds ultimate responsibility for executing the organisational strategy and supervising climate-related matters, including the progress towards climate change goals and targets. This demonstrates that climate-related issues rest with the highest authority of decision-making within the Company. Additionally, the Board is supported by both the Audit, Governance and Risk Committee (AGRC) and the Management Steering Committee (MSC), which is headed by the Group CEO and comprises key executives such as the Group CEO and Group COO.

Role in Climate Risk Management

The management's role in assessing and managing climate-related risks and opportunities encompasses several key facets. At the operations level, the ESG department is tasked with driving the implementation and execution of strategies to support the Company's sustainability commitments. This department collaborates with a cross-functional ESG catalyst team to ensure a comprehensive approach to address climate-related issues. Additionally, the ESG department works closely with the Health, Safety, Environment, Security and Quality (HSES&Q) department to lead the implementation of sustainability-led strategies and programmes within the Group, demonstrating the integration of sustainability across our operations. Furthermore, the disclosure of prescribed sustainability matters and indicators, including climate-related disclosure, aligns with recommendations of the TCFD, underscoring our commitment to transparency and accountability in managing climate-related risks and opportunities.

For more information, please refer to Sustainability Governance on pages 20 to 21 in this report.

2023 MSM BOARD'S TRAINING

Training Dates	Training Programme	Organisers	Directors
2 November 2023	A Delicate Balance – Board & Management Relationship	Institute Corporate Directors Malaysia	• Dato' Mohd Nazrul Izam Mansor
6 November 2023	Directors' In-House Training: Cyber Security	Kenanga Investment Bank Berhad Directors' In-House Training	• Choy Khai Choon
7 – 9 November 2023	PIPOC 2023 - MPOB International Palm Oil Congress & Exhibition	Malaysian Palm Oil Board	• Fakhrunniam Othman
15 – 16 November 2023	Singapore Fintech Festival 2023	Monetary Authority of Singapore, Elevandi and Constellar	• Choy Khai Choon
6 - 7 December 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute Corporate Directors Malaysia	• Pn. Raja Faridah Raja Ahmad • Dato' Rosini Abd Samad • Pn. Nik Fazila Nik Mohamed Shihabuddin
13 – 14 December 2023	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute Corporate Directors Malaysia	• Datuk Dr Abd Hapiz Abdullah

On ESG and Climate-Related Risks and Opportunities

Training Dates	Training Programme	Organisers	Directors
16 May 2023	Sustainability Reporting and Climate Change Series – Workshop 2: Tackling Climate Change and Climate Action	Malaysian Institute of Accountants	• Datuk Syed Hisham Syed Wazir
9 March 2023	Board's Oversight Role on Bursa Malaysia's Enhanced Sustainability Reporting Framework	Institute of Corporate Directors Malaysia	• Datuk Dr Abd Hapiz Abdullah
31 May 2023	Workshop 3: MIA Webinar Series - Net Zero and Science-Based Targets	Malaysian Institute of Accountants	• Datuk Syed Hisham Syed Wazir
12 June 2023	Modernising Data Governance – What Boards Should Focus On Now	Institute Corporate Directors Malaysia	• Pn. Nik Fazila Nik Mohamed Shihabuddin
7 July 2023	ESG: Principles of Responsible Investment and Carbon Market	AGV Sustainability & ESG Services Sdn Bhd	• Choy Khai Choon
12 July 2023	ESG Thought Leadership Seminar	MBM Resources Berhad	• Pn. Nik Fazila Nik Mohamed Shihabuddin
13 July 2023	Breakfast Talk - Stepping Up To The Role: Objective Assurance & Advisory On ESG	Malaysian Institute of Corporate Governance & Sime Darby Plantation Berhad	• Dato' Mohd Nazrul Izam Mansor
20 July 2023	Sustainability Reporting Requirements for Listed Companies	Boardroom Group	• Datuk Dr Abd Hapiz Abdullah
15 August 2023	Bursa: Conflict of Interest and Governance of Conflict of Interest	Asia School of Business	• Datuk Syed Hisham Syed Wazir
30 October 2023	Board of Director Leadership – Effective Climate Governance	Malaysia Institute of Accountants	• Datuk Syed Hisham Syed Wazir

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Task Force on Climate-Related Financial Disclosures (TCFD)

Identified Climate-Related Risks and Opportunities

As a leading sugar refiner, we are aware that our upstream supply chain, especially the procurement of raw sugar, is exposed to climate-related risks and opportunities. Sugar mills around the world can be impacted by climate change effects such as floods and droughts. This implies that our business is influenced by climate-related opportunities despite a guarantee of supply from our main raw sugar supplier.

We have identified short-term climate-related risks such as extreme weather events that disrupt supply chains, medium-term risks like regulatory changes impacting operations, and long-term risks such as shifting consumer preferences towards sustainable products. In terms of opportunities, short-term gains include increased demand for renewable

energy solutions, while medium to long-term opportunities involve investing in carbon-neutral technologies and sustainable business practices.

We remain committed to the Science-Based Targets initiative (SBTi) and we will continue to step up our climate action, with the aim to be carbon neutral by 2030.

Impact of Climate-Related Risks and Opportunities

Climate-related risks necessitate adaptation strategies such as diversifying our suppliers and investing in resilient infrastructure. Opportunities like transitioning to renewable energy sources align with the organisation's sustainability goals and may enhance its competitive positioning, thus influencing its strategic direction and financial planning positively.



Task Force on Climate-Related Financial Disclosures (TCFD)

Our business is exposed to both Transition Risks and Physical Risks.

	TRANSITION RISKS	PHYSICAL RISKS
Definition	<p>Potential risks associated with changes in policy, technology, social dynamics, and economic conditions during the transition to a low carbon economy:</p> <p>Policy Technology Market Reputation</p>	<p>Potential risks stemming from the physical impacts of climate change include acute event-driven extreme weather such as heatwaves, freeze events, droughts, water stress, storms, extreme rainfall, and flooding. Additionally, there are chronic longer-term climate shifts, such as sustained higher temperatures and sea level rise, which also pose significant challenges.</p>
Potential Impacts	<p>Depending on the nature and pace of the transition, different levels of financial and reputational risks may arise, including:</p> <ul style="list-style-type: none"> Decreased revenues due to shifts in consumer demands and preferences Higher operational costs Effects on asset values Obsolescence of tangible and intangible assets 	<ul style="list-style-type: none"> Direct damage to assets Indirect impacts, such as operations. For example, storm surges affect production, supply chain, and health and safety Extended value chain, like water availability impacting the sourcing and quality of raw materials
Timing	<p>The timing and speed of the transition are uncertain, with a higher probability of occurring in the short to medium term. Postponing the transition raises the chances of a disorderly, disruptive, and abrupt shift.</p>	<ul style="list-style-type: none"> Presently, acute risks are already evident, and we anticipate their severity and frequency to escalate. Chronic risks are anticipated to emerge more prominently over the long term, predominantly weighted toward mid-century and beyond.

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Task Force on Climate-Related Financial Disclosures (TCFD)

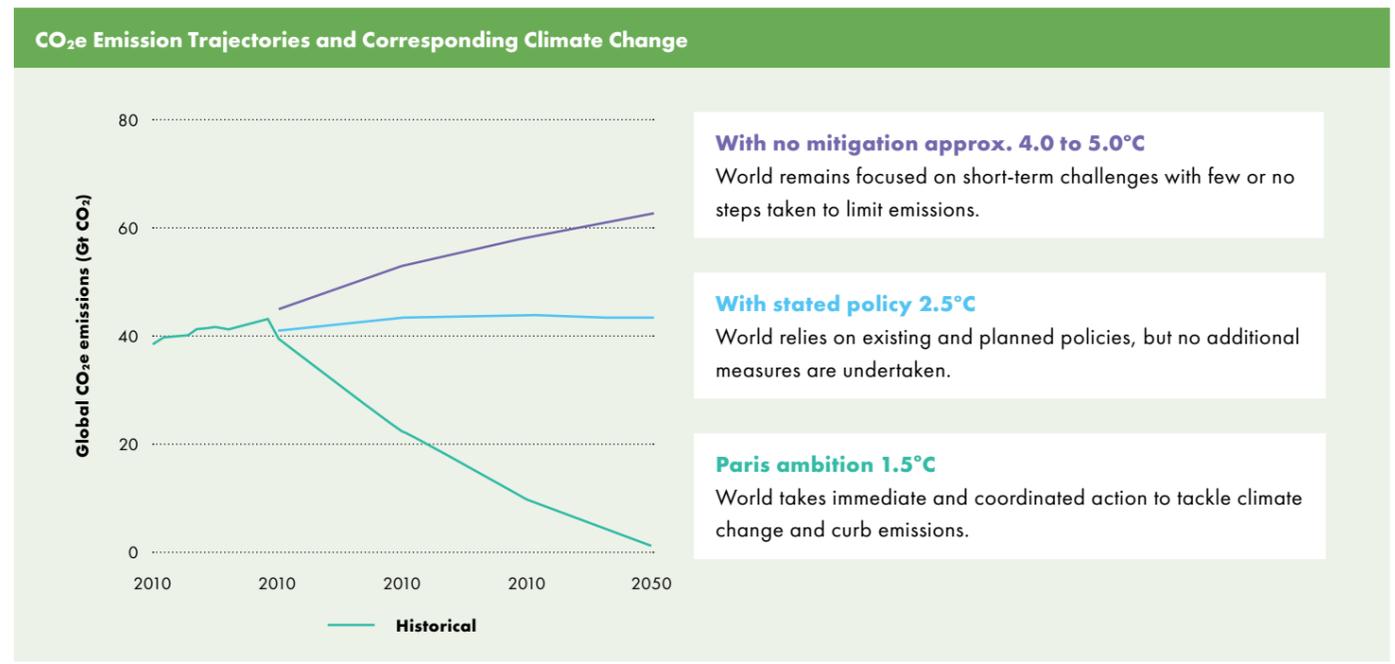
Task Force on Climate-Related Financial Disclosures (TCFD)

CLIMATE SCENARIOS

“ We have evaluated a range of climate scenarios encompassing diverse outcomes to offer insight into potential risks and opportunities. ”

Until roughly the middle of this century, warming trends are not expected to significantly diverge. The assumption is that physical risks remain fairly consistent across all climate scenarios until about 2050. However, a notable escalation in acute physical impacts during this time is expected, driven by an increase in the frequency and severity of extreme weather events such as extreme temperatures, water stress, storms, and flooding.

Looking beyond 2050, projecting how the climate may evolve becomes more challenging. Nevertheless, the working assumption is that chronic longer-term shifts in climate patterns, potentially irreversible, will amplify over time. This includes phenomena like sea level rise and the melting of ice caps and glaciers. Notably, these impacts are expected to be significantly more pronounced under a 'no mitigation' scenario compared to pathways with lower temperature rises.



Source: <https://www.ipcc.ch/>

Risks	Impact	+2°C/ +3°C	+1.5°C	Net Zero Mitigation Strategy	
TRANSITION RISKS	Policy and Legal - Carbon pricing and enhanced emission reporting obligation - Exposure to litigation	- Increase operating costs due to rising energy costs and import costs - Increase electricity tariffs	MEDIUM	HIGH	- Explore potential possible scenario on alternative supply via joint venture into plantation & alternative sources
	Technology - Unsuccessful investment in new technologies - Replacement of existing products with lower emission options - Cost related to decarbonisation of the value chain, including substitution of emission-intensive assets or material	- Investment in low emission technology in meeting market regulation - Old asset write off	LOW	LOW	- Use of recycled materials - Reduce water usage and consumption - Shift to more energy efficient buildings - Use of efficient modes of transport and production and distribution processes such as electric vehicle (EV)
	Reputation - Increased in stakeholder concern/negative feedback - Shift in customer preferences - Stigmatisation of sector	- Loss of revenue of product and service - Decline in brand name	LOW	MEDIUM	- Access to new market - Use of public-sector incentives - Access to new assets and locations needing insurance coverage
	Market - Change of customer behaviour towards more sustainable product - Increased cost of raw material and energy	- Loss of revenue of product & service - Increase cost of decarbonisation due to high carbon credit market demand	LOW	MEDIUM	- Development of new products/ services through R&D innovation - Development of climate adaption and insurance risk solutions - Development and or expansion of low emissions goods and services
PHYSICAL RISKS	Acute Extreme weather events such as floods and heavy rainfall	- Loss of revenue due to disruption of supply chains and operations and impacted property asset - Higher insurance premiums	LOW	MEDIUM	- Participation in renewal energy programme and adoption of energy-efficiency measures - Alternative resource substitute such as generating own electricity
	Chronic Changing weather patterns and rising mean temperature and sea levels	- Higher operational cost - Higher insurance premiums	LOW	MEDIUM	- Incorporated climate risk into the risk management framework - Established milestones to achieve Net Zero ahead of 2050

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Task Force on Climate-Related Financial Disclosures (TCFD)

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We have determined the time horizon for the identified risks and this includes short, medium and long term.

TRANSITION RISKS

Transition Risk	Impact	Time Horizon			Financial Impact	
		Short-Term	Mid-Term	Long-Term	Category	Impact
Carbon Risk	Carbon pricing mechanism	High risk	Medium risk	High risk	Operation Cost	Increase cost due to carbon tax
Efficiency	Efficiency fuel substitution, energy efficiency, process optimisation, conserve resources	Low risk	Medium risk	High risk	Operation Cost	Increase cost
Policy	Increase in raw material costs Increase in energy costs	Medium risk	High risk	High risk	Operation Cost	Increase cost

● Low risk ● Medium risk ● High risk

PHYSICAL RISKS

Physical Risk	Impact	Time Horizon			Financial Impact	
		Short-Term	Mid-Term	Long-Term	Category	Impact
Flood	Increase frequency of storms and flooding	Medium risk	High risk	High risk	Operation Cost	Disruption of supply of raw materials
Extreme weather	A direct effect for raw sugar price fluctuations due to extreme temperature, & diseases	Medium risk	High risk	High risk	COGS	Increase price volatility due raw material scarcity
Drought	Affecting raw material quality & crop yield	Medium risk	High risk	High risk	Operation Cost	Lower crop yield
Water Stress	Rising demand as the climate gets warmer	Low risk	Medium risk	High risk	Operation Cost	Water tariff lead to increase price

● Low risk ● Medium risk ● High risk

Processes For Identifying and Assessing Climate Related Risks

Our processes for identifying and assessing climate-related risks involve conducting comprehensive risk assessments that consider both physical and transition risks. This includes analysing vulnerabilities in supply chains, assessing regulatory landscapes and evaluating the potential financial impacts of climate-related events. Additionally, we engage with stakeholders, including regulators, to stay informed about emerging risks and opportunities in the rapidly evolving climate landscape.

We have identified the following key workstreams:



RISK MANAGEMENT

The effects of climate change can potentially impact our entire value chain and as such, we have incorporated climate risk into our risk management framework. Climate risk undergoes the same management and assessment process as other risks. This entails conducting a comprehensive top-down and bottom-up assessment to best understand the key emerging risks and opportunities. The key outcomes of the potential business impact are aligned with the Group's strategic planning. The assessment process helps with informed decision making, especially in the aspect of capital fundings, strategy planning and workforce planning. The Group's significant risks are reviewed by the relevant operational teams, which will then establish the appropriate mitigation plans.

For more information on MSM's risk management, please refer to the Statement on Risk Management and Internal Control in MSM's Integrated Annual Report 2023.

Integrating Climate Risk Management

We are refining our approach to managing climate-related risks by integrating them seamlessly into our organisation's broader risk management framework. This involves enhancing how we identify, assess and manage these risks, recognising their diverse and nuanced nature. Our objective is to embed the identification of climate-related risks into our regular risk assessment processes, ensuring they are understood and addressed in line with our overall risk management strategy.

METRICS & TARGETS

In 2023, we continued to disclose our Scopes 1, 2 and 3 GHG emissions. To further monitor our carbon footprint, we have also tracked other sustainability indicators including water reduction and plastic usage. The following tables disclose our key performance indicators, targets and progress against targets.

Refer to Climate Action on page 75 and pages 77 to 78 for our GHG emissions and Water Management.

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Climate Action

Climate Action

WHY IT MATTERS

Climate action is vital to mitigate the impacts of climate change. The effects of global warming, including rising temperatures, extreme weather events and rising sea levels pose significant risks to global ecosystems, communities and economies. Taking proactive measures such as reducing GHG emissions, transitioning to renewable energy sources and embracing sustainability practices, is essential to build a resilient and sustainable future. Moreover, these actions align with global endeavours to collectively meet climate targets through global collaboration. Prioritising climate action not only ensures the well-being of current and future generations, but also preserves biodiversity and protects planetary health.

Our Approach

Climate change impacts the global economy and diverse industries. As a leading corporation in Malaysia, MSM is committed to supporting the global initiative to limit the rise in global temperatures to 1.5°C. Due to the nature of our business and supply chain, we are vulnerable to climate risks as we source raw sugar internationally. The potential impact on sugarcane poses risks to our operations and productivity. To this end, we are taking steps to minimise the impacts of climate change on our activities.

We are committed to achieving Net Zero by 2050, guided by science-based emission reduction targets. We remain dedicated to reducing our greenhouse gas (GHG) emissions in line with our Group Sustainability Policy. Our overall year-on-year reduction target for Scope 1 and Scope 2 emissions for the year is a 1.5% reduction in emission intensity (tCO₂e/production), and we have achieved a 4.4% reduction for FY2023. Our water conservation targets include a reduction of 2% in 2024 and 6% by 2025. Simultaneously, we aim to cut costs and reduce our carbon footprint by incorporating alternative energy sources into our energy management plans, improving the overall efficiency of our operations.

Additionally, MSM fully supports the government's efforts in fostering a sustainable approach to address climate change impacts, promoting a competitive circular economy and ensuring the adoption of responsible practices for sustainable development. Our initiatives emphasise recycling and reducing GHG emissions collectively with the community. We also promote the transition to renewable energy and low-carbon technologies, while raising awareness on how recycling combats climate change.

Our Initiatives

Science-Based Targets initiatives (SBTi) and Net Zero



Since 2022, we achieved the distinction of being the second food-based company in Malaysia to join the SBTi, a collaborative initiative facilitated by the United Nations Global Compact (UNGC) Malaysia and Brunei along with the Net Zero Ambition initiative.

Task Force on Climate-related Financial Disclosures (TCFD)



We continue to adopt the recommendations outlined by the TCFD to systematically identify climate-related risks and opportunities. The Board has oversight on all climate-related matters. In 2023, the Group established a Management Steering Committee to diligently monitor sustainability and climate-related matters, ensuring the success of MSM's sustainability agenda. Several MSM personnel were also appointed as ESG Catalysts within the Group's seven identified workstreams.

For more details, refer to the Sustainability Governance section on pages 20 to 21 and the Task Force on Climate-Related Financial Disclosures (TCFD) section on pages 64 to 71.

We have built partnerships with various stakeholders including both governmental and non-governmental organisations. Our partnership with Wilmar Sugar Pte Ltd ensures that our production aligns with the No Deforestation and No People Exploitation (NDPE) principles. We also collaborated with the Department of Environment (DOE) in Penang and the Penang Inshore Fishermen Welfare Association (PIFWA) to raise awareness about sustainability, particularly on mangrove tree planting.

We have also established partnerships with esteemed organisations such as the United Nations Global Compact Network Malaysia and Brunei and Climate Governance Malaysia. These collaborations involve advocacy for climate change-related initiatives, reflecting our shared commitment to mitigating climate-related risks. In addition, our Group CEO is a key member of the CEO Action Network (CAN), providing us with the opportunity to engage with CAN's climate change agenda. This involvement allows us to contribute to the global goals outlined in Sustainable Development Goal 13 on Climate Action. CAN serves as a coalition of leaders dedicated to shaping policies, gaining stakeholder support and fostering a conducive ecosystem for sustainable businesses and development in Malaysia.

By leveraging networking and knowledge-sharing opportunities, we aim to develop an efficient climate transition strategy, considering aspects such as financial stability, increased resilience and long-term sustainability.



COP28

In 2023, MSM participated in COP28 held in Dubai, in support of the Ministry of Natural Resources, Environment and Climate Change (NRECC). Aligned with the Paris Agreement, Malaysia has pledged a 45% reduction in economy-wide carbon intensity by 2030, relative

to the 2005 levels. The goal is to achieve net-zero GHG emissions by 2050, depending on the outcomes of NRECC's Long-Term Low Emissions Development Strategies (LT-LEDS). As we spearheaded our sustainability journey to meet the objectives of the national ESG agenda from 2021 to 2030, we aim to continue to maximise our ESG initiatives. Our participation in COP28 will accelerate our ongoing sustainability journey towards creating a sustainable tomorrow.

Asia Pacific Climate Week 2023

MSM also participated in the Asia Pacific Climate Week 2023 exhibition organised by United Nations Climate Change and hosted by the Johor State Government in November 2023. With a global gathering of over 2,000 participants from 150 countries, we made a commitment to sharing our comprehensive approach to integrating ESG principles into each of our operations.



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Climate Action

Climate Action

Climate Change Mitigation Initiatives

In the year under review, we implemented various measures to mitigate climate change. We utilised raw materials to reduce waste and promote recycling, analysed waste and developed action plans to minimise our waste generation. One of our successful methods we have employed is through our mudcake product, which is repurposed into other products such as fertiliser and animal feed. By 2024, we aim to meet our zero landfill target to minimise our negative environmental impact, along with reducing GHG emissions and water consumption as part of our sustainability commitment.

As part of our climate action mitigation initiatives, we also initiated the planting of 150 mangrove saplings at Sungai Prai, adjacent to the MSM Prai refinery in Penang. This initiative was in addition to the 1,700 mangrove saplings planted in previous years. To date, MSM Prai has planted a total of 1,850 mangrove trees since the programme's inception in 2021.

Additionally, an assessment of the 2022 planting revealed a 94% survival rate, with saplings primarily damaged by wildlife such as wild boars and monkeys. Despite challenges, mangroves play a crucial role in absorbing and storing carbon dioxide, making them essential contributors to the fight against global warming.



Furthermore, in support of the New Industrial Master Plan (NIMP) 2030 and the National Energy Transition Roadmap, we are working on solar panel and biomass projects in several locations. We have identified ways to improve energy efficiency through energy audits in 2024. Additionally, we have upgraded our fleet by using lower-emission fuels and introduced electric vehicle to cut carbon emissions over the next five years.



Adapting to Climate Change

MSM is committed to integrating biodiversity into our business to tackle climate change and ensure food security. For instance, our collaboration with WWF's Save the Malayan Tiger initiative and the Cherating Turtle Sanctuary, prioritises conservation efforts for turtles and tigers. These initiatives are endorsed by the Regent of the state of Pahang, HRH Tengku Hasanal Ibrahim Alam Shah. As part of our climate resilience efforts, we also provided sponsorship for the Asia Pacific Climate Week (APCW) to discuss solutions prior to COP28. This event saw the gathering of diverse stakeholders to address a wide range of climate-related issues. In addition, we focused on water stewardship by defining our water footprint and developing an action plan to achieve our goals, including setting reduction targets. Currently, we are exploring rainwater harvesting with industry partners to identify opportunities for effective water reuse.

Our GHG Emissions

With regards to our GHG emissions, the Group remains committed to enhancing its GHG inventory and crafting a comprehensive climate change framework. This involves a meticulous evaluation of our GHG disclosures to ensure that our data is measured consistently and accurately.

- Scope 1 encompasses direct GHG emissions from sources owned or controlled by MSM, such as diesel used in production, the logistics fleet, natural gas consumption, and fugitive emissions.
- Scope 2 pertains to indirect GHG emissions resulting from purchased electricity.
- Scope 3 involves indirect GHG emissions which covers business air travel (Category 6) for 2021 and 2022. In 2023, we added the following categories under Scope 3 emissions:
 - Category 1 – Raw Sugar Purchased
 - Category 4 – Upstream Transportation (only partial data collected from MSM Prai)
 - Category 6 – Business travel by land and air
 - Category 7 – Employee Commute
 - Category 9 – Downstream Transportation (all land and sea transport from MSM Prai only)

In 2023, our Scope 1 emissions recorded a slight decrease of 3.5% per tonne of sugar product produced in comparison to 2022, while Scope 2 emissions reduced by 9.5% per tonne of sugar products produced compared the previous year. The following details our GHG emissions from FY2021 to FY2023:

Scope 1

Scope 1 Emissions (tCO ₂ e _q)	2021	2022	2023
Gross direct (Scope 1) GHG emissions	216,513.40	211,277.00	213,704.34

Scope 2

Scope 2 Emissions (tCO ₂ e _q)	2021	2022	2023
Gross location-based energy indirect (Scope 2) GHG emissions	37,720.70	39,660.11	37,604.03

Scope 3

Scope 3 Emissions (tCO ₂ e _q)	2021	2022	2023
Gross other indirect (Scope 3) GHG emissions	1.51 ¹	7.20 ¹	1,496,229.49

Notes:

- ¹ Business travel by air included for 2021 and 2022 only
- Scope 1 comprises of consumption of natural gas, diesel consumption from heavy machinery and owned lorries, and fugitive emissions.
- Scope 2 comprises of purchased electricity from MSM Holdings, MSM Prai, MSM Johor and MSM Prai (SBW)/ Logistics. Calculation method is based on MEIH Suruhanjaya Tenaga. Emissions for 2021 and 2022 has been reinstated to reflect the 2021 emission factors.
- Scope 3 comprises of Category 1 (Purchased raw sugar), Category 4 (Upstream transportation or partial data collected from MSM Prai), Category 6 (Business travel for MSM Holdings, MSM Prai, MSM Johor and MSM Prai (SBW)/ Logistics), Category 7 (Employee commute for MSM Holdings, MSM Prai, MSM Johor and MSM Prai (SBW)/ Logistics), and Category 9 (Downstream transportation of sugar products by land and MSM Prai's export by sea).
- Calculation method is based on the GHG protocol calculator (<https://ghgprotocol.org/ghg-emissions-calculation-tool>).

GOING FORWARD

To expedite our transition towards a low-carbon footprint, we are committed to exploring alternative approaches to reduce our GHG emissions throughout our operations. This involves assessing the structural viability for our rooftop solar projects at MSM Prai and MSM SBW and exploring a biomass energy project at MSM Johor in 2026. Additionally, we will enhance our management of plastic waste in alignment with the Malaysian Plastics Sustainability Roadmap 2021-2030. We will also elevate employees' awareness and understanding on climate change through various environmental programmes.

We are committed to biodiversity conservation through nature-based solutions, as outlined in our initiatives by aligning with the National Policy on Biological Diversity 2022-2030. We aim to plant 3,150 mangrove saplings to meet our target of 5,000 mangrove saplings and 3,000 trees, aligning with the Malaysia Greening Programme's goal of planting 100 million trees by 2025.

Our proactive approach ensures that our conservation efforts are seamlessly integrated into broader climate policies, emphasising the crucial link between biodiversity conservation and effective climate action for a sustainable future.

Apart from these initiatives, we will implement our Measure, Reduce, Offset (MRO) strategy to accurately measure our carbon emissions, identify reduction measures and explore carbon offset mechanism. We plan to develop a GHG reduction roadmap for Scope 1 and 2 emissions to achieve carbon neutrality and Scope 3 to meet our Net Zero target. Furthermore, we will conduct energy audit in MSM Johor, monitoring and reporting to evaluate the energy efficiency within our operations. We also aim to submit our SBTi and Net Zero commitment by Q4 2024.

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Water Management

Water Management

WHY IT MATTERS

At MSM, we strive to optimise our water management to operate sustainably and minimise risks such as water shortages and pollution. By utilising our water responsibly and employing solutions to conserve water, we can save costs and utilise our resources more effectively. In addition, water management protects the environment, supporting ecosystems and ensuring that our operations do not negatively impact the communities surrounding us. To this end, our water management is crucial for our environmental stewardship, licence to operate, regulatory compliance and meeting stakeholder expectations.

Our Approach

Despite being a renewable resource, water is limited during droughts and periods of water scarcity such as water cuts. Therefore, we have established various measures to effectively manage our water consumption, as it vital for our refinery operations. We remain committed to implementing sustainable water management practices to ensure that this important resource is utilised efficiently. MSM took an initiative to monitor our water consumption and amount of effluent discharged with quarterly reporting to MSM headquarters. In order to achieve the Group Sustainability Policy and Environmental Policy, we remain committed to reducing our water consumption and enhancing how we manage our wastewater.

Our Initiatives

MSM Johor

MSM Johor utilises water from Ranhill SAJ pipelines for the operations of the processing plant and boiler. The water for our fire hydrant tank is also supplied by the SAJ pipeline, with a separate meter used to track usage.

In addition, all wastewater from the operational plant and boiler will be directed to the Industrial Effluent System (IETS), which has the capacity to treat 240 m³ of wastewater daily. The treated wastewater will then be discharged directly into the monsoon drain, in compliance with Standard A of the Industrial Effluent Regulations 2009. Boiler blowdown water is also collected and stored in a buffer tank before being sent to the IETS for treatment.

Since July 2022, our IETS system has been upgraded and as of December 2023, the progress stands at 98%. All stakeholders within MSM Johor are required to comply with the Environmental Regulatory Compliance Monitoring Committee (ERCMC), including the leaks buster team established by the Operations department. CCTV cameras and spotlights have been installed at all five water gates. Daily monitoring on all water gates is also conducted, along with walk downs by the IETS Supervisor at key areas every six hours to report any environmental incidents.

Weekly meetings are held with stakeholders, consultants and subject matter experts to share updates and discuss issues related to IETS. Periodic cleaning is also carried out to ensure compliance with regulations.

To identify our water-related impacts, we engaged a third-party laboratory to collect and analyse wastewater on a weekly basis. These results are submitted on the Online Environmental Reporting (OER) system on the DOE's system. Additionally, MSM conducts daily monitoring and sampling. Any operational issues will be rectified on site.

MSM Sungai Buloh Warehouse (SBW)

MSM SBW obtains water from Air Selangor for domestic use such as for toilets and pallet washing to eliminate dirt and debris. As their water is only utilised for domestic purposes, no additional containment or treatment is carried out prior to consumption, and it is discharged directly into the monsoon drain.

MSM Prai

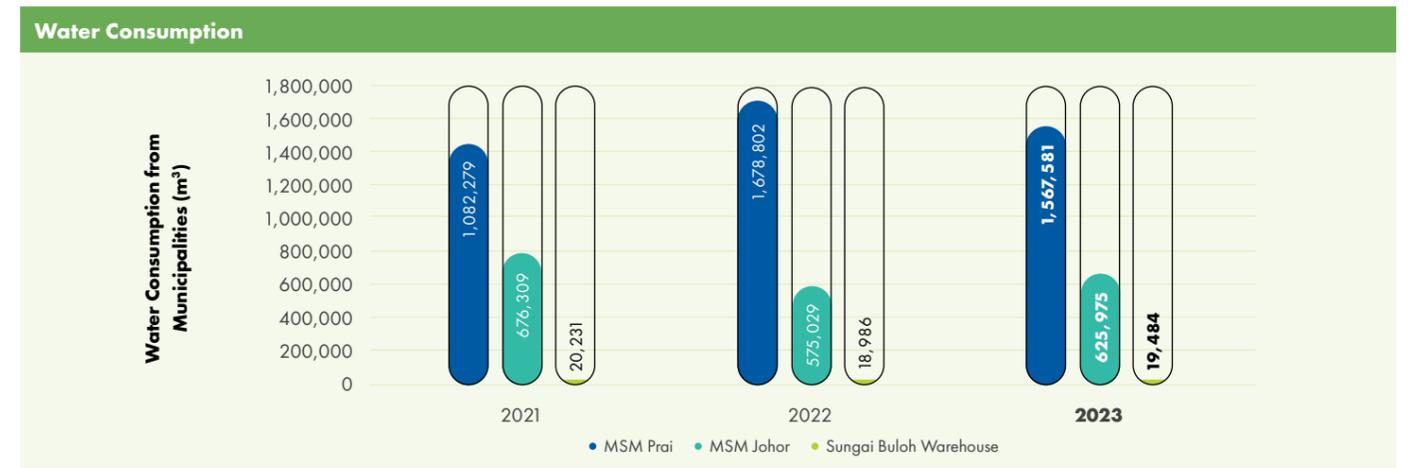
The usage of water at MSM Prai Berhad is essential whether in operational and non-operational activities. MSM Prai utilises water supplied by PBA Penang for various purposes including office use, canteen operations and factory activities such as boiler and production processes. The majority of MSM Prai's water consumption is attributed to factory operations. The performance of operations and the output of products may be impacted by water runoff. To identify water-related impacts, pressure and flow rate monitoring systems are installed to monitor water supply in our factory operations. We will promptly notify PBA Penang in the event of a water supply shortage due to low pressure or flow rate.

Additionally, as part of our water conservation efforts, MSM Prai is exploring a rainwater harvesting system for potential use in non-operational activities such as housekeeping, cleaning and landscaping activities which can save a large amount of treated water. This system incorporates several essential features, including components tailored to spatial constraints, a self-cleaning filter and separator to remove debris, first flush traps for capturing clean rainwater and a backup mechanism to ensure continuous water supply. Furthermore, the rainwater harvesting system offers various benefits such as durability, cost-effectiveness, low maintenance and scalability.

In relation to wastewater treatment, MSM Prai regularly engages with the Penang DOE, as we are planning to install IETS by 2026. We will continue to provide DOE updates on the progress of our plans to reassure the DOE of our commitment to enhancing our processes.

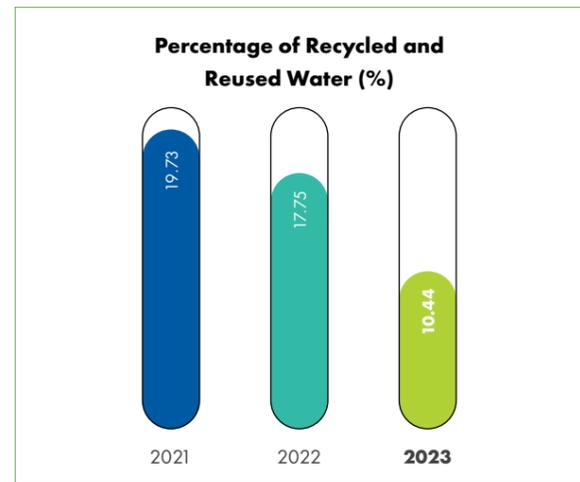
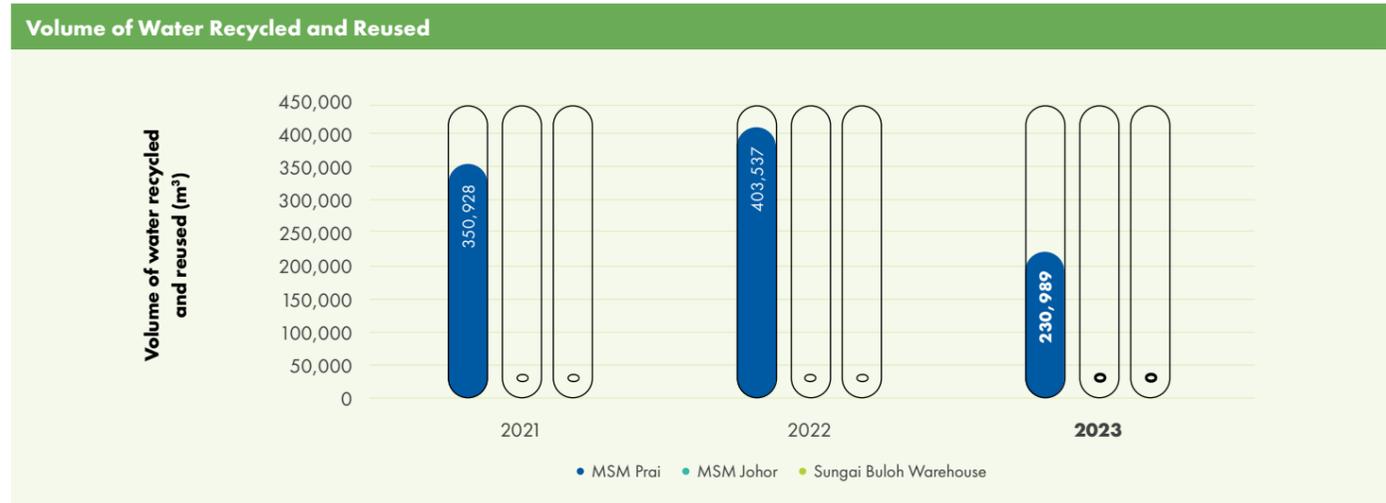
Water Performance

All our operations monitor their water consumption independently. In FY2023, there was an increase in MSM Johor's and MSM SBW's water usage due to the production increase in MSM and increase of pallets washing activities in MSM SBW due to the higher volume of sales distributed from MSM SBW, while MSM Prai's water consumption decreased by 6.7% due to implementation of water management programmes such as water from condensate recycled into the water service tank for usage in operational activities, improvement on leaking issues and instrumentation control (less water overflow). The goal is to save 2% of water in 2024 and 6%, or 300 m³, in 2025. The total water consumption for MSM Group dropped from 2,272,817 m³ in FY2022 to 2,213,040 m³ in FY2023 due to the significant decrease of water consumption in MSM Prai.



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Water Management



Going Forward

To further enhance our water conservation efforts, we have identified several areas as potential projects for rainwater harvesting, which can be utilised for general cleaning purposes and other applications. Additionally, the MSM Johor plant targets to achieve a 2% reduction in water consumption by FY2024, once the IETS is fully operational and in compliance with the Standard A local regulation. Additionally, MSM Prai is working towards establishing targets to monitor the quantity of water consumed and an estimate reduction of 2% in 2024 and 6% in 2025.

Waste Management

WHY IT MATTERS

Effective waste management is important for MSM, given its significant impact on the environment, our operations, and the local communities where we operate. Lack of waste management will not only cause adverse environmental impacts but also affect the health of the local communities. Proper waste management reduces pollution and minimises our ecological footprint while promoting sustainability, mitigating regulatory risks and ensuring regulatory compliance. Apart from protecting the environment, optimising our waste management streamlines our operations, strengthens our reputation and contributes to the overall sustainability and success of our organisation.

Our Approach

MSM remains steadfast in its commitment to effective waste management, prioritising environmental and community well-being, while mitigating the adverse impacts of hazardous waste generated by our operations. Our commitment is evident through initiatives aimed at waste reduction and efforts to regulate our input, activities and output processes. We adhere to the principles outlined in the Group Sustainability Policy, the Environmental Policy and specific waste management practices which are implemented across all MSM's operations. These practices ensure compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, reinforcing our commitment to responsible waste management practices.

We persistently explore ways to minimise waste, optimising our use of resources and promoting sustainability by prioritising the continuous use and recycling of materials. Our objective is to embrace the key principles of a circular economy, where our resources can be reused, refurbished, and recycled. We believe that this approach will mitigate the environmental impacts of waste, preserve valuable resources and contribute to a more sustainable and resilient future. We complied with the Environmental Quality (Scheduled Wastes) Regulations 2005 and received zero compounds for non-compliance related to waste management in 2023.

Our Initiatives

MSM believes that sustainable development goes beyond corporate responsibility, representing a commitment to ethical practices. We are committed to embracing the circular economy approach. MSM undergoes detailed and thorough classification of waste through waste profiling. Wastes are segregated and managed using proper disposal methodologies. We emphasise the essential need to overcome industry challenges and barriers through harmonised actions and tactical, pragmatic solutions for circular economy implementation beyond net-zero.

Managing Hazardous Waste

MSM's waste includes hazardous waste and non-hazardous waste. This determines the storage, management and disposal procedures for waste, covering the entire life cycle from production to packaging and distribution.

The hazardous waste generated in our operational activities consists of materials such as containers, bags and equipment contaminated with chemicals.

Our scheduled waste undergoes rigorous oversight across our operations, managed and monitored by Competent Persons who are Certified Environmental Professional in Scheduled Waste Management (CePSWAM). They are tasked with recording their observations and details into our database and in the DOE's eSWIS system, in compliance with the Environment Quality (Scheduled Wastes) Regulations 2005. To manage our waste responsibly, we collaborate with licensed vendors or collectors licensed by the DOE. These suppliers are engaged to collect, transport, process and dispose waste responsibly in accordance with local regulations and standards.

Managing Non-Hazardous Waste through Circular Economy

Our non-hazardous waste encompasses general by-product (mudcake) and office waste, including materials such as plastic and paper boxes. We continue to actively explore efficient ways to reduce waste generation and divert non-scheduled waste away from landfills, including advancing circular economy. One of our circular economic initiatives is the production of mudcake, which was introduced in 2022. We will continue exploring recycling, refining and reselling various waste, such as the following:

Mudcake Fertiliser/soil improver, building material, animal feed	
Packaging Recycling	
Carbon Symbiosis	
Oil Reprocessing	
Materials Recycling	

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Waste Management

Waste Management

Mudcake: Repurposing for a Greener Tomorrow



Achievement by Dr Maheera binti Mohamad, Mohd Rizal bin Razalli and Chong Khai Lin, School of Technology Management and Logistics, UUM



Mudcake is a compacted by-product of sugar refining waste produced in MSM refineries. The DOE categorises mudcake from refineries as a by-product of waste. Our foray into mudcake resulted from extensive research on MSM's mudcake waste in 2021, revealing acid-reducing properties in soil, rendering it an excellent fertiliser. This discovery led to a collaboration between MSM Johor and FGV Fertiliser in October 2021 to assess the viability of utilising mudcake from MSM Prai and MSM Johor, offering mutual benefits. We aim to capitalise on this opportunity by exploring further collaborations with other industries and environmental authorities. MSM is also actively pursuing partnerships with higher educational institutions to conduct additional research on the potential uses and benefits of mudcake.

MSM Prai's 3R Campaign

Prai River Cleaning

Reflecting our steadfast commitment to embracing ESG (Environment, Social & Governance) practices at MSM, initiatives have been meticulously planned at MSM Prai. In alignment with the recent Earth Day, several activities were undertaken to instill a sense of environmental responsibility among our employees. For the year 2023, we initiated the 3R (Reuse, Reduce, Recycle) Campaign and organised a river cleaning event near Sungai Prai.

The primary aim of these programmes is to raise awareness among our staff about the significance of environmental sustainability. With concerns over escalating pollution in the air, soil, and sea, effective waste management has become imperative. Our focus is to address this issue by involving staff in beach cleaning activities and encouraging the segregation of recyclable waste.

Waste Exchanger

The 3R campaign, exhibition, and beach cleaning activities took place from 16-21 March 2023 in tandem with the Waste Exchanger Programme was organised at MSM Prai Berhad. Staff were encouraged to bring 1kg of recycled waste, which they could exchange for a tote bag. A total of 517.25kg of waste was collected during the campaign, with participation from 331 staff members.

Training

Awareness training sessions were conducted for 45 staff members to emphasise the importance of practicing 3R principles. These sessions aimed to empower individuals to initiate these activities at home, thereby indirectly facilitating the implementation of 3R practices within the factory premises.

3R Campaign Highlights

331 employees participated, contributing to a waste collection of **517.25kg**

Exhibition on 3R and Composting by MBSP and GRRSB

An exhibition on 3R and composting was also organised. In addition to raising awareness about 3R practices, composting was highlighted as a natural method of recycling organic matter. This biodegradable process involves the decomposition of organic matter by microorganisms in the presence of oxygen. The outcome serves as a natural fertiliser for gardening and agriculture, benefiting the environment in the process.

Promoting Waste Reduction at MSM's Plants

In 2023, MSM Johor maintained its collaboration with research and development entities to explore options to transform waste into valuable by-products. The plant has initiated a project with a vendor to repurpose mudcake into animal feed, making it suitable for aquatic life such as fish and shrimp. The MSMJ plant will continue to collaborate with FGV Fertiliser to gain technical support from FGV R&D, to conduct a small-scale trial mixing mudcake with ground magnesium limestone (GML) for plantation fertiliser. This demonstrates the plant's commitment to innovating waste management solutions.

At MSM Prai, the HSES team collaborated with two recycling companies to recycle the plant's used paper cores, which were initially sent to landfills as general waste. This enabled the plant to reduce their waste to landfill and adopt a waste to green initiative. In October 2023, the plant organised an Environmental Week to raise awareness on sustainability and environmental protection with talks on topics such as 'Awareness on Pollution and Impacts on the Environment', 'The Importance of Recycling', and 'The Management and Disposal of Oil, Chemical and Mercury, along with activities including an e-waste recycling programme and a workshop on upcycling.

Raising Awareness

Additionally, MSM and Universiti Sains Malaysia (USM) hosted an inaugural ESG Talk themed 'Waste to Green Initiatives' on 4 July 2023. Attended by 130 undergraduates and postgraduate students from USM's Faculty of Industrial Science Technology, the event touched on subject matters such as waste to sustainable raw materials, innovative medical devices, waste management and effluent regulations.

Waste Performance

Our hazardous (scheduled) waste is disposed through the following methods:

Landfill	Incineration	Recycling	Physical/chemical treatment	Recovery
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In the year under review, MSM Group generated a total of 23,912.6 metric tonnes of hazardous and non-hazardous waste. From this total, our operations generated 472.57 tonnes of hazardous waste, which was an increase of 136.7% against 2022, due to the ramp up of production volume. Our non-hazardous waste, specifically the disposal of mudcakes, saw a slight 4% decrease compared to the previous year. During the year, we also utilised 7,271 kg of paper, equivalent to 1,550,348 sheets.

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Waste Management

Waste Management

Hazardous Waste & Non-Hazardous Waste (Tonnes)

Amount of Hazardous (Scheduled) Waste collected by licensed contractor (MT)	2021	2022	2023
MSM Holdings	0	0	0
MSM Prai	167.27	132.955	162.70
MSM Johor	133.66	66.668	308.603
Sungai Buloh Warehouse	0	0	1.2670
Total	300.93	199.62	472.57

Non-hazardous Waste to Landfill	2021	2022	2023
MSM Holdings	0	0	0
MSM Prai	478.28	491.52	530.9
MSM Johor	90.21	219.71	191.77
Sungai Buloh Warehouse/MSM Logistics	86.8	172.74	100.11
Total	655.29	883.97	822.78

Non-hazardous Waste Recycled	2021	2022	2023
MSM Holdings	0	0	0
MSM Prai	158.83	169.6	226.66
MSM Johor	117.48	88.94	140.58
Sungai Buloh Warehouse/MSM Logistics	0	0	33.29
Total	276.31	258.54	400.53

Non-hazardous Waste Sold	2021	2022	2023
MSM Holdings	0	0	0
MSM Prai	79.45	107.23	103.562
MSM Johor	52.9	22.35	31.88
Sungai Buloh Warehouse/MSM Logistics	0	0	0
Total	132.35	129.58	135.44

Non-hazardous Waste sent for Recovery (Mudcake) (MT)	2021	2022	2023
MSM Holdings	0	0	0
MSM Prai	13,779.26	14,199.51	15,071.37
MSM Johor	6,119.37	4,153.11	7,009.91
Sungai Buloh Warehouse/MSM Logistics	0	0	0
Total	19,898.63	18,352.62	22,081.28

Per MT of Sugar Products Produced	2021	2022	2023
	0.0066	0.0203	0.0223

MSM Group Paper Usage for Printing

	Total	
MSM Holdings	Paper (pc)	286,289
	Weight (kg)	1,343
	Emissions (tCO ₂ e)	1.83
	Trees	32
MSM Prai	Paper (pc)	349,559
	Weight (kg)	1,639
	Emissions (tCO ₂ e)	2.24
	Trees	39
MSM Johor	Paper (pc)	622,893
	Weight (kg)	2,921
	Emissions (tCO ₂ e)	3.98
	Trees	70
MSM Sungai Buloh Warehouse	Paper (pc)	291,607
	Weight (kg)	1,368
	Emissions (tCO ₂ e)	1.87
	Trees	33
Overall Group	Paper (pc)	1,550,348
	Weight (kg)	7,271
	Emissions (tCO ₂ e)	9.92
	Trees	174

Going Forward

We aim to explore more disposal options to reduce waste management cost at all operation sites by 2024. This will involve implementing circular practices in waste management, such as adopting waste to green initiatives and enhancing the 3R to 4R (Reduce, Reuse, Recycle and Recover) principles. Additionally, we plan to collaborate with academia on research and development, exclusively engaging vendors or off-takers in circular economy activities. We will explore bio-friendly packaging materials, provide training for ESG Catalysts to strengthen our support team and co-sponsor the National Waste Seminar 2024.

We are conducting daily and weekly monitoring of effluents, perform zero-leakage audits and hold weekly task force meetings. Additionally competent persons are assigned to oversee effluent management at all our locations, and we maintain ongoing engagement with DOE and local authorities. In relation to scheduled waste, we persist in managing it in compliance to legal requirements, ensuring proper storage practices for scheduled waste across all locations.



Source:
<https://www.papersizes.org/weight-of-sheets.htm>
<https://www.degruyter.com/document/doi/10.1515/gps-2020-0061/html?lang=en>
<https://8billiontrees.com/trees/how-many-pieces-of-paper-in-a-tree/>

Renewable Energy and Energy Management

Renewable Energy and Energy Management

WHY IT MATTERS

Renewable energy and efficient energy management is crucial to our business operations, ensuring the implementation of sustainable and responsible business practices. Adopting renewable energy such as solar energy, aligns with our environmental goals, reduces environmental impacts, lower costs and contributes to mitigating climate change. Through our utilisation of smart technologies and conservation measures, we can optimise operational expenses and achieve our sustainability goals.

Our Approach

As our operation consumes a vast amount of energy, we strive to minimise our environmental impact by optimising our energy consumption. Our primary sources of energy include own-generated electricity, purchased electricity, natural gas and diesel. We recognise the significant role we play in reducing GHG emissions. Therefore, we take proactive steps such as generating our own electricity to decrease reliance on purchased electricity. We also actively explore other renewable sources to further reduce our carbon footprint.

Our Initiatives

Cogeneration Plant

MSM Johor boasts a cogeneration plant that renders it self-sufficient in generating electricity and steam that is necessary for sugar processing. This facility incorporates a combination of a natural gas boiler and a back pressure steam turbine generator. On the other hand, MSM Prai, an older refinery, generates only 30% of its electricity demand through an internal small cogeneration plant. The remaining electricity required comes from the national grid. To enhance energy utilisation efficiency, MSM Prai employs

a Mechanical Vapour Recompressor (MVR) system, recovering steam to increase its steam usage efficiency. Furthermore, MSM Prai utilises a Vertical Crystalliser System, known as VKT, to consistently produce refined sugar with superior steam utilisation efficiency per tonne of raw sugar melted compared to conventional vacuum pan operations for sugar boiling.

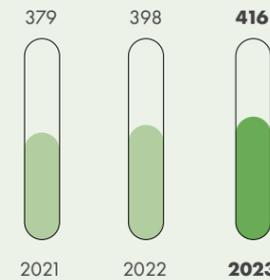
LPG Forklifts

During the year, we conducted a comprehensive study examining the various aspects of forklifts, including the comparison of three types of forklifts and the batteries used in electric forklifts. Based on the findings of this study, we decided to phase out the use of diesel forklifts and transition to LPG forklifts. The comparative analysis revealed that LPG forklifts offer many advantages, including less noise, suitable for indoor and outdoor usage, reduced emissions and minimal maintenance costs. We are currently using lead-acid battery-operated forklifts and plan to replace them with lithium-ion battery-operated forklifts by Q4 2024. These changes align with our commitment to environmental sustainability and will help us to conserve energy and reduce costs.



Total Energy Consumption

TOTAL ENERGY CONSUMPTION¹ (TERAJOULES)



	2021	2022	2023
Own Generated Electricity Consumption (kWh)	55,556,395	58,095,226	65,998,338
Total Purchased Electricity Consumption (kWh)	49,763,468	52,322,055	49,609,536
Diesel Consumption (Litres)	1,225,054	1,505,802	1,035,291
Natural Gas Consumption (mmbTU)	4,013,625	3,905,306	3,958,328

Note:

¹ Total energy consumption is reinstated where the calculations are the total own generated electricity consumption and total purchased electricity consumption converted to terajoules.

Going Forward

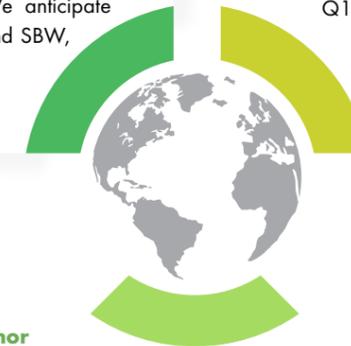
We aim to implement these efforts to conserve energy and implement cost-saving measures in 2024:

Solar Energy

- We will engage a contractor to replace and strengthen the Prai roof, while SBW will undertake minor roof repair works
- After the roof repair works are completed, we will install solar panels at MSM Prai and SBW. We anticipate reductions in electricity bills for both Prai and SBW, as well as reductions in CO₂ emissions

Energy Audit

- We will identify Energy Saving Measures (ESMs) and implement actions to optimise energy savings
- SEDA has approved the Detailed Energy Audit Grant of RM90,000 for MSM Johor, which will be conducted in Q1 of 2024



Biomass Project at MSM Johor

- MSM will continue engaging with FGVPI on the biomass collaboration project
- We will implement on-going strategies and initiatives
- We plan to construct a biomass boiler plant in MSM Johor to minimise environmental concerns
- We anticipate a reduction in natural gas consumption and also CO₂ emission reduction

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Bursa Malaysia ESG Performance Indicators

Bursa Malaysia ESG Performance Indicators

Indicator	Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Top & Senior Management	Percentage	100.00	100.00	100.00
Managerial	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-Executive	Percentage	No Data Provided	No Data Provided	67.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.70	98.30	98.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	1	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	3.93	1.55	1.41
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,033	1,038	1,132
Percentage of sites with OHSAS 18001 certification	Percentage	66.67	100.00	100.00
Number of work-related employee fatalities, over last 3 years	Number	0	0	0
Number of work-related contractor fatalities, over last 3 years	Number	1	0	0
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	3	0
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	0.00	66.67	66.67
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Top & Senior Management	Hours	-	852	751
Executive	Hours	-	4,321	5,669
Non-executive/Technical Staff	Hours	-	5,829	7,966
General Workers	Hours	-	7,276	6,420
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.20	1.40	1.90
Bursa C6(c) Total number of employee turnover by employee category				
Top & Senior Management	Number	0	2	2
Managerial	Number	20	16	18
Executive	Number	27	50	33
Non-Executive	Number	117	54	48
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top & Senior Management Under 30	Percentage	4.55	0.00	0.00
Top & Senior Management Between 30-50	Percentage	40.91	68.00	56.00
Managerial Above 51	Percentage	82.83	16.51	14.96
Executive Under 30	Percentage	30.70	31.31	31.38
Executive Between 30-50	Percentage	13.16	58.41	57.32
Executive Above 51	Percentage	56.14	10.28	11.30
Non-Executive Under 30	Percentage	33.33	32.75	30.77
Non-Executive Between 30-50	Percentage	9.94	59.13	61.13
Non-Executive Above 51	Percentage	56.73	8.12	8.10

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2021	2022	2023
Gender Group by Employee Category				
Top & Senior Management Male	Percentage	77.27	72.00	64.00
Top & Senior Management Female	Percentage	22.73	28.00	36.00
Managerial Male	Percentage	73.74	73.39	69.29
Managerial Female	Percentage	26.26	26.61	30.71
Executive Male	Percentage	63.60	58.88	61.92
Executive Female	Percentage	36.40	41.12	38.08
Non-Executive Male	Percentage	92.69	93.33	93.25
Non-Executive Female	Percentage	7.31	6.67	6.75
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	77.78	66.67	66.67
Female	Percentage	22.22	33.33	33.33
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	11.11	11.11	11.11
Above 51	Percentage	88.89	88.89	88.89
Number of Board Directors	Number	9	9	9
Number of independent Directors on the board	Number	6	5	5
Number of women on the board	Number	2	3	3
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	127,148.00	134,341.55	256,380.54
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	4,000	10,000
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	216,513.40	211,277.00	213,704.34
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	37,720.70	39,660.11	37,604.03
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1.51	7.20	1,496,229.49
Three years of total GHG emissions data on properties disclosed	Metric tonnes	254,235.61	250,944.31	1,747,537.86
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	1,778.820000	2,272.820000	2,213.040000
Three years of total energy usage data on properties disclosed	Megawatt	105,319.86	110,417.28	115,607.87
Three years of total water usage data from property portfolio disclosed	Cubic meters	1,778,819.00	2,272,817.00	2,213,040.00
Company discloses the number and/or proportion of sites with a water management plan	Number	2	2	2
Three years of total water discharge data is disclosed by destination - Total	Cubic meters	92,777.00	48,625.00	50,324.00
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	-	-	-
Three years of facilities water withdrawal data for companies not disclosing company s overall data	Cubic meters	-	-	-
Three years of facilities water discharge data for companies not disclosing company s overall data	Cubic meters	92,777.00	48,625.00	50,324.00
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	21,263.51	19,824.33	23,912.60
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	20,174.94	18,611.16	22,481.81
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	655.29	883.97	822.78
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	300.93	199.62	472.57
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	1,088.57	1,213.17	1,430.79
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	20,174.94	18,611.16	22,481.81
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	105,319.86	110,417.28	115,607.87

Internal assurance External assurance No assurance (*)Restated

Performance Metrics

Performance Metrics

GOVERNANCE



Direct Economic Value Generated

Sales Revenue

RM3,091,223

thousand



Economic Value Distributed

Operating Costs (e.g. materials, product components, facilities purchased)

RM2,928,275

thousand

Employee Wages and Benefits

RM103,594

thousand

Payments to Providers of Capital

RM47,760

thousand

Payments to Governments by Country

RM21,871

thousand

Community Investment

RM256

thousand



Economic Value Retained

Economic Value Distribution In Excess of Economic Value Generated

RM10,533

thousand

Total Sponsorships and Donations

RM256,380.54

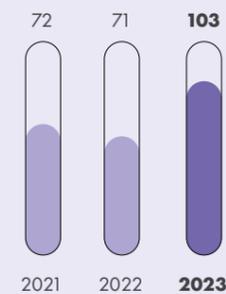
MSM Holdings **RM65,136.28** | MSM Prai **RM182,096.26** | MSM Johor **RM9,148.00**

Total Zakat and Wakalah Contributions

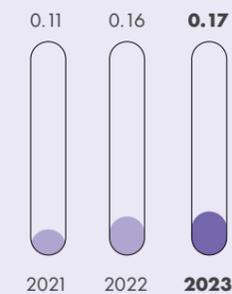
RM210,465.55

MSM Holdings **RM86,749.00** | MSM Prai **RM123,716.55**

NUMBER OF CUSTOMER COMPLAINTS

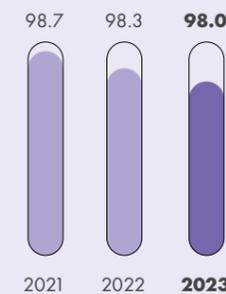


TOTAL RETURNED PRODUCTS (%)

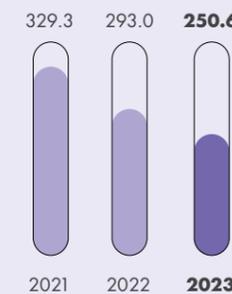


Note: Total returned products percentage is computed based on total returned products out of total sales.

TOTAL LOCAL SUPPLIERS (%)

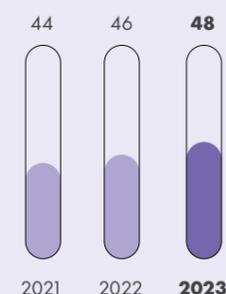


LOCAL PROCUREMENT EXPENSES (RM MILLION)

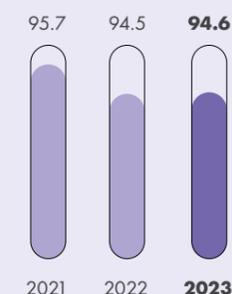


Note: The data disclosed here is limited to suppliers in Malaysia. It excludes the raw materials procured for production and items or services related to the supply chain.

MSM GROUP UTILISATION FACTOR (%)



MSM GROUP YIELD PERFORMANCE (%)



Number of Confirmed Incidents of Corruption

In 2023, we maintained

Zero

confirmed incidents of corruption and action, achieved through stringent policies and procedures against bribery and corruption. This outcome followed a thorough investigation of eight reported incidents, six of which are not related to bribery and corruption, while two are still under investigation.

NUMBER AND PERCENTAGE OF ENGAGEMENT WITH VENDORS

Entities	No. of Vendors	Vendors Who Responded	% of Response
Headquarters	28	9	32
MSM Logistics	30	9	30
Prai	287	58	20

CONSUMPTION OF SUSTAINABLE PACKAGING

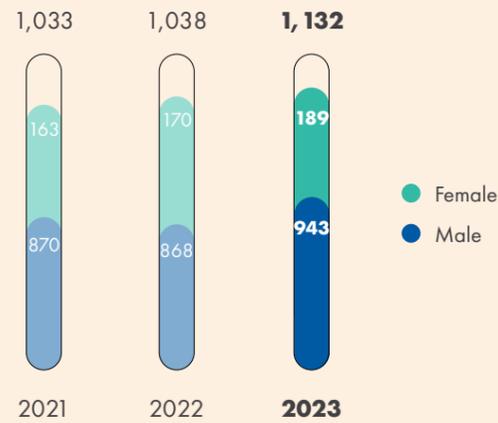
	MSM Johor	MSM Prai
PP Bags (tonnes)	691	408
Paper Bags (tonnes)	25	80
PE Film (tonnes)	1,298	2,083

Performance Metrics

Performance Metrics

SOCIAL

TOTAL EMPLOYEES



27,446 hours

of HSE awareness programmes and training were conducted across the Group



Employees Covered under the CAs in 2023

56%

(MSM Prai and MSM Johor only)

Note: Employees refer to employed individuals of MSM Holdings, MSM Prai (including SBW operations), MSM Johor and MSM Logistics.

OCCUPATIONAL HEALTH & SAFETY STATISTICS

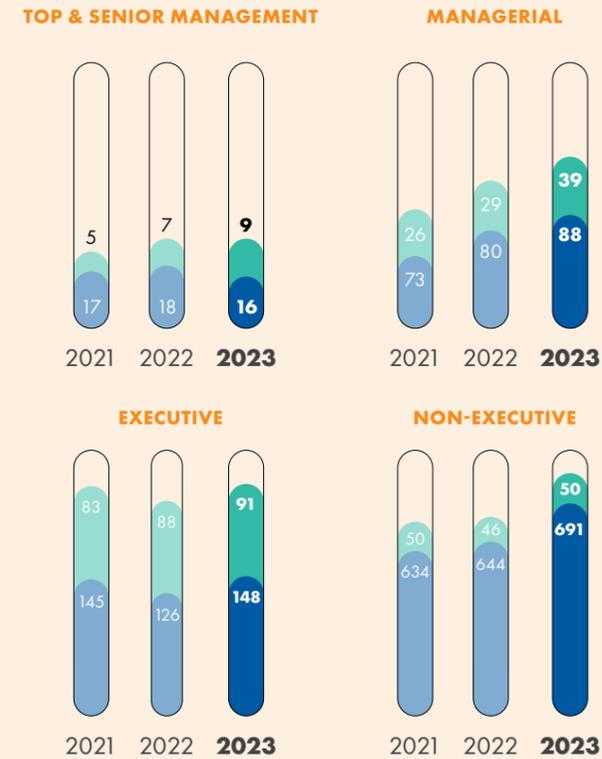
	2021	2022	2023
Total Number of Man-hours	5,593,309	5,810,583	6,371,536
Lost-Time Incident Rate (LTIR)	3.93	1.55	1.41

WORK-RELATED INJURIES

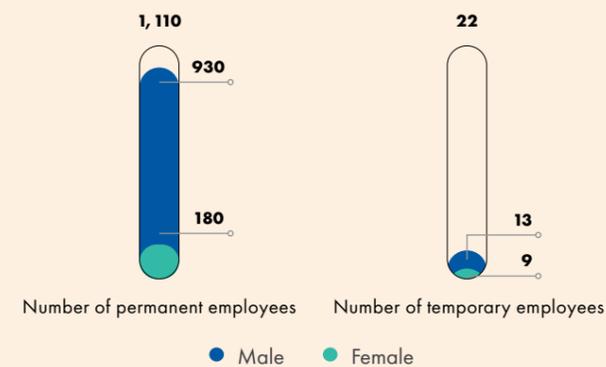
Employees	2021 ¹	2022 ¹	2023
Fatalities as a result of work-related injury	0	0	0
High-consequence work-related injuries ²	10	6	7
Recordable work-related injuries ³	15	8	7
Contractors	2021 ¹	2022 ¹	2023
Fatalities as a result of work-related injury	1	0	0
High-consequence work-related injuries ²	4	1	2
Recordable work-related injuries ³	6	1	2

Notes:
¹ Data for 2021 and 2022 have been reinstated to address the revised definition for work-related injuries.
² High-consequence work-related injuries has been classified with more than four days MC.
³ Recordable work-related injuries has been classified as accident with more than one day MC.

TOTAL EMPLOYEES BY GENDER & BY CATEGORY



EMPLOYEES BY GENDER (HEADCOUNT/FTE)

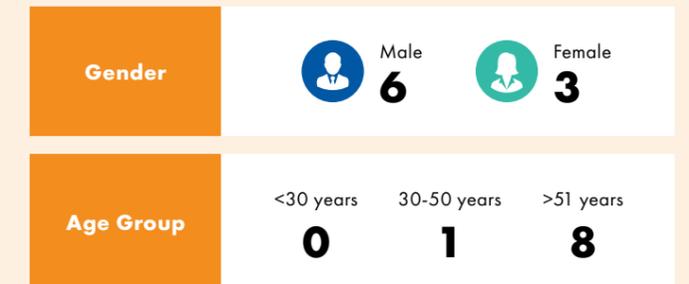


EMPLOYEES BY ENTITY (HEADCOUNT/FTE)

	MSM Malaysia Holdings Berhad	MSM Prai Berhad	MSM Sugar Refinery (Johor) Sdn Bhd	MSM Logistics Sdn Bhd	Total	
Total number of employees	98	635	345	54	1,132	
Number of permanent employees	94	623	340	53	1,110	
Number of temporary employees	4	12	5	1	22	
Ethnicity	Chinese		5	34	24	30
	Malay		19	85	194	659
	Indian		1	5	19	48
	Others		0	3	2	4
Age Group	< 30 years		0	1	75	228
	30 - 50 years		14	107	137	453
	> 51 years		11	19	27	60

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

BOARD MEMBERS



Performance Metrics

Performance Metrics

SOCIAL

1.9%

Percentage of employees that are contractors or temporary staff

NUMBER OF EMPLOYEES RETURNING TO WORK AFTER MATERNITY/PATERNITY LEAVE IN 2023

	Men	Women	Total
Number of employees entitled to parental leave	708	113	821
Number of employees who took parental leave	53	13	66
Number of employees who returned to work after parental leave ended	53	13	66
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	53	13	66
Return to work rate	100%	100%	100%
Retention rate	100%	100%	100%

PERCENTAGE OF EMPLOYEES THAT ARE CONTRACTORS OR TEMPORARY STAFF

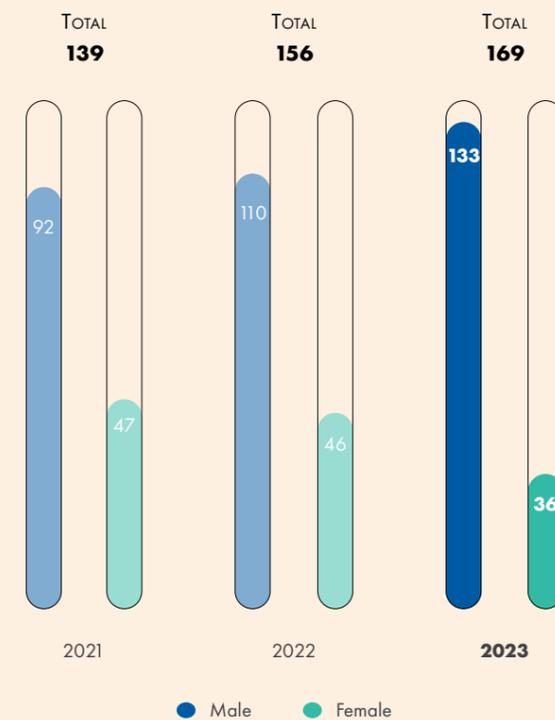
Year	Total employees	Contract or temporary staff	Percentage (%)
2021	1,033	33	3.2
2022	1,038	15	1.4
2023	1,132	22	1.9

EMPLOYEES' PERFORMANCE REVIEW

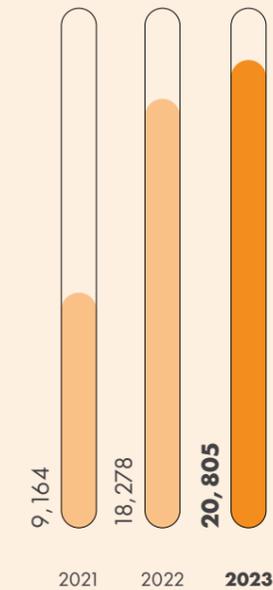
	Total Number of Employees	No. of Employees Who Completed Performance Reviews (in %) as of 16 Feb 2024 ¹	Male Employees* Who Completed Performance Reviews (in %)	Female Employees* Who Completed Performance Reviews (in %)
Top & Senior Management	25	100%	100%	100%
Managerial	118	92%	93%	90%
Executive	224	93%	94%	91%
Non-Executive	728	99%	99%	92%

Notes:
* Excluding interns and protégés
¹ Data as of 16 February 2024

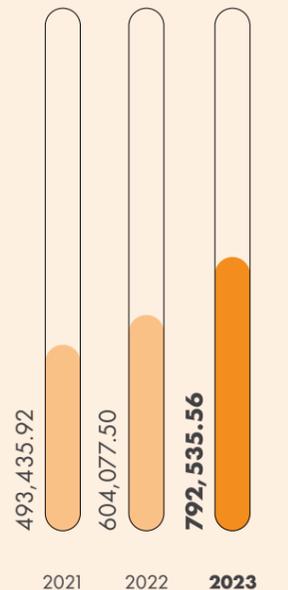
NEW EMPLOYEE HIRES



TOTAL TRAINING HOURS



TOTAL INVESTMENT IN TRAINING AND DEVELOPMENT (RM)



NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

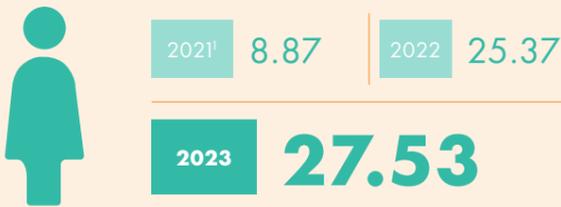
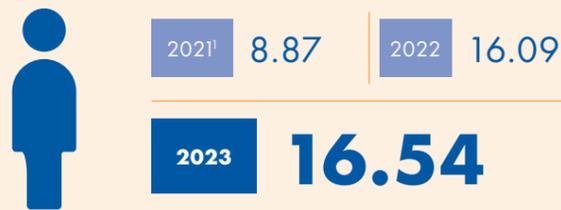
	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Age Group	139	13	156	15	169	15
<30 years	57	6	89	9	90	8
30-50 years	72	7	64	6	67	6
>51 years	10	1	3	0	12	1
Entity	139	13	156	15	169	15
MSM Malaysia Holdings Berhad	45	4	13	1	16	1
MSM Prai Berhad	52	5	78	8	77	7
MSM Sugar Refinery (Johor) Sdn Bhd	37	4	55	5	70	6
MSM Logistics Sdn Bhd	5	0	10	1	6	1

Performance Metrics

Performance Metrics

SOCIAL

AVERAGE TRAINING HOURS BY GENDER & BY CATEGORY



Year	Top & Senior Management	Executive	Managerial	Non-Executive
2023	30.04	33.33	44.63	8.66
2022	34.08	27.24	39.64	10.54
2021 ¹	8.87			

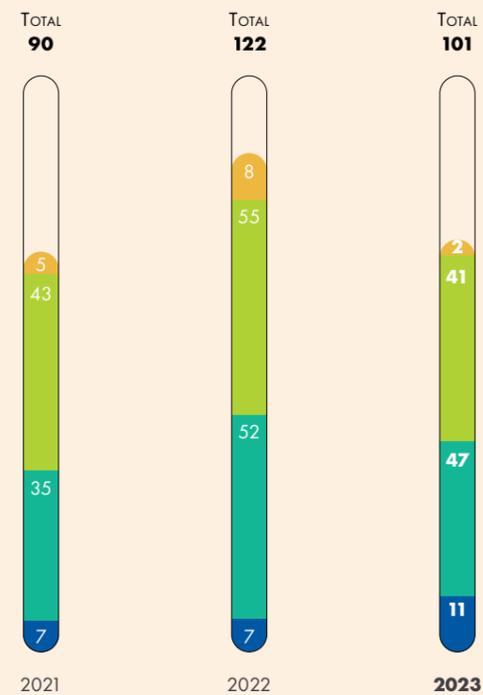
¹ Training hours not tracked by gender in 2021

Proportion of Senior Management Hired from Local Community

100%
of senior management at significant locations of operation that are hired from the local community.

EMPLOYEE TURNOVER

By Entity



- MSM Malaysia Holdings Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Prai Berhad
- MSM Logistics Sdn Bhd

	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Gender	164	16	122	12	101	9
Male	120	12	90	9	70	6
Female	44	4	32	3	31	3
Age Group	164	16	122	12	101	9
<30 years	31	3	43	4	37	3
30-50 years	81	8	20	2	48	4
>51 years	52	5	59	6	16	1
Entity	164	16	122	12	101	9
MSM Malaysia Holdings Berhad	7	1	7	1	11	1
MSM Prai Berhad	35	3	52	5	47	4
MSM Sugar Refinery (Johor) Sdn Bhd	43	4	55	5	41	4
MSM Logistics Sdn Bhd	5	0	8	1	2	0
Employee Category	164	16	122	12	101	9
Top & Senior Management	0	0	2	0	2	0
Managerial	20	2	16	2	18	2
Executive	27	3	50	5	33	3
Non-Executive	117	11	54	5	48	4

Performance Metrics

Performance Metrics

ENVIRONMENTAL

TOTAL WATER CONSUMPTION (M³)

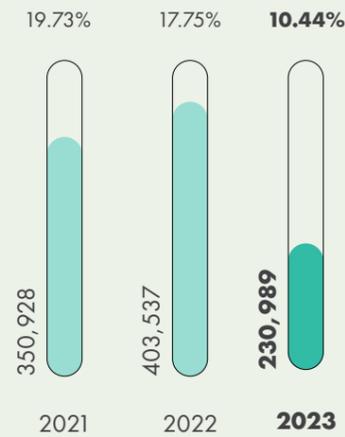


TOTAL EFFLUENT DISCHARGE (M³)



Note:
¹ Total water effluent discharge is reinstated where the data was converted to m³ from litres.

VOLUME OF WATER RECYCLED & REUSED (M³/%)*



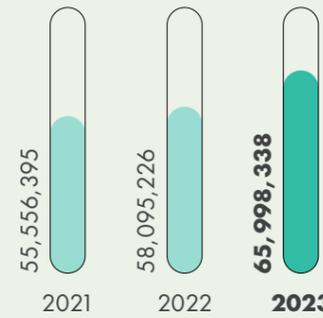
* Data only tracked for MSM Prai

ENERGY CONSUMPTION

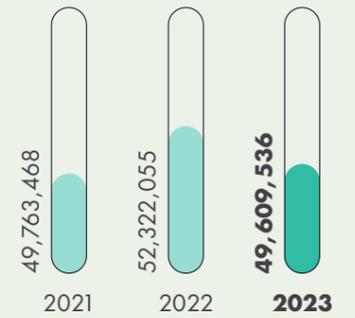
Total Energy Consumption¹ (Terajoules)



Own Generated Electricity Consumption (kWh)



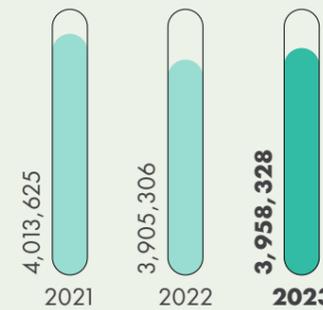
Total Purchased Electricity Consumption (kWh)



Diesel Consumption (Litres)



Natural Gas Consumption (mmBTU)



Note:
¹ Total energy consumption is reinstated where the calculations are the total own generated electricity consumption and total purchased electricity consumption converted to terajoules.

HAZARDOUS WASTE (TONNES)

Amount of Hazardous (Scheduled) Waste Generated



Note: Data only tracked for MSM Johor and MSM Prai.

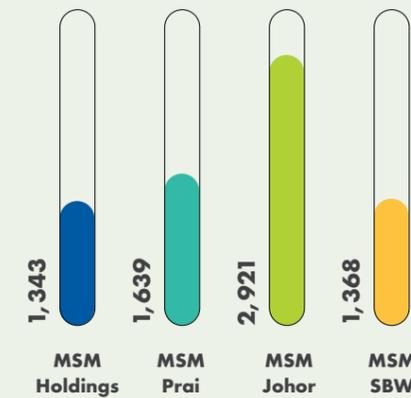
NON-HAZARDOUS WASTE (TONNES)

Amount of Non-Hazardous (Non-Scheduled) Waste Sent to Third-Party for Recovery (Mudcake)



Note: Data based mostly on disposal of mudcake.

PAPER USAGE FOR PRINTING (KG)



GHG EMISSIONS



Notes:
¹ Business travel by air included for 2021 and 2022 only
² Scope 3 for 2023 includes Category 1 (Purchased raw sugar), Category 4 (Upstream transportation on partial data collected from MSM Prai), Category 6 (Business travel for MSM Group), Category 7 (Employee commute for MSM Group), and Category 9 (Downstream transportation of sugar products by land and MSM Prai's export by sea)

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Our Contributions to the UN SDGs

Our Contributions to the UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) comprise 17 global objectives unanimously adopted by 193 UN Member States, aiming to eradicate poverty, promote prosperity and safeguard the planet. In our commitment to creating positive impacts for both people and the planet, we strive to actively contribute to

these goals by aligning our key material concerns with the corresponding SDGs. Looking ahead, we plan to focus on specific goals that relate to our business strategy and sustainability goals, enabling us to achieve our targets alongside those outlined by the SDGs.

What It Means to MSM

M1 CLIMATE ACTION
Implementing proactive measures to mitigate the impacts of climate change by fostering a sustainable and resilient future, meeting global climate targets and protecting planetary health.



M2 WASTE MANAGEMENT
Managing and mitigating waste generated throughout our operations to minimise adverse environmental impacts while championing a circular economy.



M3 WATER MANAGEMENT
Optimising our water management to minimise risks and adopting measures to conserve water and utilise water more efficiently.



M4 RENEWABLE ENERGY AND ENERGY MANAGEMENT
Adopting renewable energy and optimising our energy consumption reduces our environmental impacts and mitigates climate change.



M5 UPHOLDING HUMAN RIGHTS AND LABOUR STANDARDS
Safeguarding the human rights of our workforce, including the rights to development, participation, a safe workplace, equal opportunities and equality.



M6 DIVERSITY, EQUITY AND INCLUSION
Upholding a zero-tolerance policy for all forms of workplace discrimination, advocating for diversity, equity and inclusion.



M7 OCCUPATIONAL HEALTH AND SAFETY
Protecting our entire workforce, including suppliers, vendors, service providers and workers by ensuring a safe and healthy work environment.



M8 EMPLOYEE ENGAGEMENT AND TALENT MANAGEMENT
Investing in employee engagement and talent management fosters a positive work culture, reduces turnover, increases productivity, and cultivates a high-performing workforce that is adaptable and resilient to challenges.



M9 COMMUNITY ENGAGEMENT & DEVELOPMENT
Contributing towards the social well-being, economic growth and improved living standards of communities enhances community resilience and strengthens stakeholder relations.



M10 GOVERNANCE, ETHICS AND INTEGRITY
Adhering to regulatory requirements and principles of good corporate governance to maintain integrity and ethical standards within the industry.



M11 TRACEABILITY, RESPONSIBLE SOURCING AND SUPPLY CHAIN MANAGEMENT
Fostering a responsible supply chain and ensuring traceability to exemplify sustainable consumption and production.



M12 OPERATIONAL PERFORMANCE
Implementing efficient systems to optimise operational performance and drive sustainable business expansion.



M13 DATA SECURITY AND PROTECTION
Making the privacy and security of all entrusted data a top priority to maintain robust governance.



M14 BUSINESS PERFORMANCE AND PRODUCT QUALITY
Advancing sustainable and inclusive economic growth and responsible business practices, by developing high-quality, innovative and sustainable products and services.



OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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GRI Content Index

GRI Content Index

GRI Universal Standard	
Statement of Use	MSM Group has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not applicable

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
GRI 2: General Disclosures 2021			
The organisation and its reporting practices			
2-1	Organisational details	Back cover	
2-2	Entities included in the organisation's sustainability reporting	2	
2-3	Reporting period, frequency and contact point	2-3	
2-4	Restatements of information	45; 75; 77; and 85	Data for 2021 and 2022 have been reinstated to address the revised definition for work-related injuries; emissions for 2021 and 2022 has been reinstated to reflect the 2021 emission factors; total water effluent discharge is reinstated where the calculations converted to m ³ from litres; and total energy consumption is reinstated where the calculations are the total own generated electricity consumption and total purchased electricity consumption converted to terajoules
2-5	External assurance	106-108	
Activities and workers			
2-6	Activities, value chain and other business relationships	10-13	Refer also to Annual Integrated Report (AIR) 2023
2-7	Employees	48-54, 55-59	
2-8	Workers who are not employees	47	
Governance			
2-9	Governance structure and composition	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-10	Nomination and selection of the highest governance body	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-11	Chair of the highest governance body	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-12	Role of the highest governance body in overseeing the management of impacts	20-21	Refer also to Corporate Governance Overview Statement in AIR 2023
2-13	Delegation of responsibility for managing impacts	20-21	Refer also to Corporate Governance Overview Statement in AIR 2023

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
2-14	Role of the highest governance in sustainability reporting	20	Refer also to Corporate Governance Overview Statement in AIR 2023
2-15	Conflicts of interest	24-25	Refer also to Corporate Governance Overview Statement in AIR 2023
2-16	Communication of critical concerns	25-27	
2-17	Collective knowledge of the highest governance body	65	
2-18	Evaluation of the performance of the highest governance body	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-19	Remuneration policies	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-20	Process to determine remuneration	-	Refer to Corporate Governance Overview Statement in AIR 2023
2-21	Annual total compensation ratio	-	Refer to Corporate Governance Overview Statement in AIR 2023
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	6-9	
2-23	Policy commitments	25	Refer also to Corporate Governance Overview Statement in AIR 2023
2-24	Embedding policy commitments	25	Refer also to Corporate Governance Overview Statement in AIR 2023
2-25	Processes to remediate negative impacts	25-27	Refer also to Corporate Governance Overview Statement in AIR 2023
2-26	Mechanisms for seeking advice and raising concerns	25-27	
2-27	Compliance with laws and regulations	79	
2-28	Membership associations	-	Refer to Corporate Governance Overview Statement in AIR 2023
Stakeholder engagement			
2-29	Approach to stakeholder engagement	16-19	
2-30	Collective bargaining agreements	46-47	

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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GRI Content Index

GRI Content Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	22-23	
3-2	List of material topics	23	
Material Matter: Governance, Ethics and Integrity			
GRI 3: Material Topics 2021			
3-3	Management approach	24	Refer also to Corporate Governance Overview Statement in AIR 2023
GRI 205: Anti-Corruption 2016			
205-1	Operations assessed for risks related to corruption	29	
205-2	Communication and training about anti-corruption policies and procedures	29	
205-3	Confirmed incidents of corruption and action taken	28	
Material Matter: Traceability, Responsible Sourcing and Supply Chain Management			
GRI 3: Material Topics 2021			
3-3	Management approach	30-32	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	30-32	
Material Matter: Data Security and Protection			
GRI 3: Material Topics 2021			
3-3	Management approach	35	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	35	
Material Matter: Operational Performance			
GRI 3: Material Topics 2021			
3-3	Management approach	33-34	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	33	

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
Material Matter: Business Development and Product Quality			
GRI 3: Material Topics 2021			
3-3	Management approach	36-37	
GRI 416: Customer Health and Safety 2016			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16; 37	
Material Matter: Community Engagement and Development			
GRI 3: Material Topics 2021			
3-3	Management approach	60-63	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments and development programmes	60-63	
Material Matter: Occupational Health and Safety			
GRI 3: Material Topics 2021			
3-3	Management approach	38-43	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management safety	38-39	
403-2	Hazard identification, risk assessment and incident investigation	40-41	
403-3	Occupational health services	40-41	
403-4	Worker participation, consultation and communication on occupational health and safety	41	
403-5	Worker training on occupational health and safety	42-43	
403-6	Promotion of worker health	43	
403-8	Workers covered by an occupational health and safety management system	39	
403-9	Work-related injuries	44-45	
403-10	Work-related ill health	44-45	

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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GRI Content Index

GRI Content Index

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
Material Matter: Employee Engagement			
GRI 3: Material Topics 2021			
3-3	Management approach	48	
GRI 401: Employment 2016			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	50	
401-3	Parental Leave	50	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	53	
Material Matter: Upholding Human Rights and Labour Standards			
GRI 3: Material Topics 2021			
3-3	Management approach	46	
GRI 402: Labour/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	46	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	46-47	
Material Matter: Diversity, Equity & Inclusion			
GRI 3: Material Topics 2021			
3-3	Management approach	50-56	
GRI 202: Market Presence 2016			
202-2	Proportion of senior management hired from the local community	58	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	58-59	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	57	Refer to Corporate Governance Overview Statement in AIR 2023 for diversity of governance bodies
406-1	Incidents of discrimination and corrective actions taken	47	

GRI Disclosure	GRI Disclosure Description	Page Number	Remarks / Omissions
Material Matter: Climate Action			
GRI 3: Material Topics 2021			
3-3	Management approach	72-74	
GRI 305: Emissions 2016			
201-2	Financial implications and other risks and opportunities due to climate change	64-71	Refer to the TCFD section
305-1	Direct (Scope 1) GHG emissions	75	
305-2	Energy indirect (Scope 2) GHG emissions	75	
305-3	Other indirect (Scope 3) GHG emissions	75	
305-5	Reduction of GHG emissions	75	
Material Matter: Water Management			
GRI 3: Material Topics 2021			
3-3	Management approach	76	
GRI 303: Water and Effluents 2018			
303-2	Management of water discharge-related impacts	76	
303-4	Water discharge	77-78	
303-5	Water consumption	77	
Material Matter: Waste Management			
GRI 3: Material Topics 2021			
3-3	Management approach	79-81	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	79	
306-2	Management of significant waste-related impacts	79-81	
306-3	Waste generated	82	
306-4	Waste diverted from disposal	82-83	
306-5	Waste directed to disposal	82	
Material Matter: Renewable Energy and Energy Management			
GRI 3: Material Topics 2021			
3-3	Management approach	84	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	85	
302-4	Reduction of energy consumption	85	

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Independent Assurance Report

Independent Assurance Report



SIRIM QAS INTERNATIONAL SDN BHD INDEPENDENT ASSURANCE STATEMENT

To Board of Directors, Stakeholders, and Interested Parties,

SIRIM QAS International Sdn. Bhd. was engaged by MSM Malaysia Holdings Berhad (hereafter referred to as MSM Malaysia) to perform an independent verification and provide assurance of the MSM Malaysia Sustainability Report 2023. The main objective of the verification process is to provide assurance to MSM Malaysia and its stakeholders on the accuracy and reliability of the information as presented in this statement. The verification by SIRIM QAS International applied to sustainable performance information (subject matter) within the assurance scope which is included in MSM Malaysia Sustainability Report 2023.

The management of MSM Malaysia was responsible for the preparation of the Sustainability Report. The objective and impartiality of this statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the MSM Malaysia's Sustainability Report, and Integrated Annual Report 2023.

The assurance engagement was designed to provide limited assurance in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, and BURSA Sustainability Reporting Guide, irrespective of the organization's ability to achieve its objectives, targets or expectations on their subject matter and sustainability-related issues. The assurance activity evaluates the adequacy of MSM Malaysia Sustainability Report and its overall presentation against respective frameworks such as UN-SDGs, GRI Standards requirement, TCFD and other relevant frameworks. The assurance process involves verification of applicable subject matter as presented in the report through these chapters i.e., Delivering Sustainable Value, Upholding Good Governance and Economic Sustainability, Putting Our People First, and Optimizing Environmental Performance. Details are provided in Appendix 1.

The verification was carried out by SIRIM QAS International in March 2024, with the following methodologies:

- Reviewing and verifying the traceability, consistency and accuracy of information collected from various sources; internal and external documentation which are made available during the conduct of assessment.
- Verification of data presented in the Sustainability Report includes a detailed review of the sampled data.
- Interviewing key personnel responsible for collating information and writing various parts of the report to substantiate the veracity of the claims.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of other information reported in MSM Malaysia Integrated Annual Report 2023.
- The corporate office of MSM Malaysia, at Platinum Park, Menara Felda, was visited as part of this assurance engagement. The verification process did not include physical inspections of any of MSM Malaysia's buildings, offices and plants. And,
- The verification team did not verify any contractor or third-party data.

Conclusion

SIRIM QAS International, a Conformity Assessment Body in Malaysia, is accredited to both ISO/IEC 17021-1:2015 and ISO/IEC 17065:2012 covering all our operational activities. The appointed assessors performing the assurance engagement were selected appropriately based on our internal qualifications, training and experience. The verification process is reviewed by management to ensure that the approach and assurance are strictly followed and operated transparently. During the verification process, issues were raised, and clarifications were sought from the management of MSM Malaysia relating to the accuracy of some of the information contained in the report. In response to the raised findings, the Sustainability Report was subsequently reviewed and revised by MSM Malaysia. It is confirmed that changes that have been incorporated into the final version of the report have satisfactorily addressed all issues. Based on the scope of the assessment process and evidence obtained, nothing has come to our attention that causes us to believe that MSM Malaysia has not complied, in all material respects, with the referred assurance standard and guide. The following represents SIRIM QAS International's opinion:

- The level of data accuracy included in MSM Malaysia Sustainability Report 2023 is fairly stated;
- The level of disclosure of the specific sustainability performance information presented in the report was found to be properly prepared;
- The personnel responsible were able to demonstrate the origin(s) and interpretation of data contained in the report;
- The sustainability report provides a reasonable and balanced presentation of MSM Malaysia's sustainability performance.

List of Assessors.

1)	Ms. Aernida Abdul Kadir	:	Team Leader
2)	Ms. Kamini Sooriamorthy	:	Team Member
3)	Ms. Farhanah Ahmad Shah	:	Team Member
4)	Ms. Suzalina Kamaralarifin	:	Team Member
5)	Ms. Nur Ruzaini Ab. Razak	:	Team Member

Statement Prepared by:

AERNIDA BINTI ABDUL KADIR
Team Leader
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 1 April 2024

Statement Approved by:

Ts. MD ADHA BIN RAHMAT
Senior General Manager
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Date: 5 April 2024

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd does not express an opinion on, nor guarantees the integrity and/or accuracy of the information provided with the view that the conclusion was conducted post verification assessment, hence not verified. SIRIM QAS International shall not be responsible for any changes or additions made after the referred date (2 April 2024).

Independent Assurance Report

Certificates

Appendix 1 The topics and subject matters covered in this assessment is tabulated below:	CLASSIFICATION OF DATA			
	HIGH	MEDIUM	LOW	UN SUBSTANTIATED
DELIVERING SUSTAINABLE VALUE				
Our Sustainability Approach				
Stakeholder Engagement				
Sustainability Governance				
What Matters to You (and Us)				
UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY				
Governance, Ethics and Integrity				
Traceability, Responsible Sourcing and Supply Chain Management				
Operational Performance				
Data Security and Protection				
Business Development and Product Quality				
PUTTING OUR PEOPLE FIRST				
Occupational Health and Safety				
Upholding Human Rights and Labour Standards				
: Percentage of Employees Who are Union Members				
Employee Engagement and Talent Management				
Diversity, Equity and Inclusion				
Community Engagement and Development				
OPTIMIZING ENVIRONMENTAL PERFORMANCE				
Task Force on Climate-Related Financial Disclosures (TCFD)				
Climate Action				
Water Management				
Waste Management				
Renewable Energy and Energy Management				

Note 1: This Independent Assurance Statement has been issued based on the content verified prior to the approval date. SIRIM QAS International Sdn Bhd shall not be responsible for any changes or additions made after the referred date (2 April 2024).

Note 2: The assurance involves activity aims to obtain sufficient appropriate evidence to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party, about the subject matter information. It comprises of activities carried out to assess the quality and credibility of the qualitative and quantitative information reported by the organization. This assurance is different from activities used to assess or validate the organization's performance, such as compliance assessments or the issuing of certifications against specific standards.

Note 3: Definition of HIGH, MEDIUM, LOW and UNSUBSTANTIATED Classification of Data in this Appendix 1. HIGH: The data and information reviewed has been confirmed with the direct owners. The source of the data origin was provided during the conduct of the assessment.

MEDIUM: Data and information have been confirmed with the direct owners. However, the source of the data origin has been based on secondary data which is not accessible by the verifiers during the conduct of the assessment.

LOW: Data and information reviewed has been based on information endorsed by the data owners. Verifiers did not have access to the source of the data origin. It has been identified as one of the limitations during the conduct of the assessment.

UNSUBSTANTIATED: The sources of data and information disclosed were not made available during the assessment review period due to reasons like confidentiality, unattainable data source and unavailable data owner. It has been identified as one of the limitations during the conduct of the assessment.



Certificates

Certificates



No Lesen : PC004290
Licence No :

LESEN PENSIJILAN BARANGAN

Product Certification Licence

SIRIM QAS International Sdn. Bhd. dengan ini menganugerahkan kepada SIRIM QAS International Sdn. Bhd. hereby grants to

MSM SUGAR REFINERY (JOHOR) SDN. BHD.
P.L.O 46, PORT AREA
TANJUNG LANGSAT INDUSTRIAL COMPLEX
81700 PASIR GUDANG
JOHOR, MALAYSIA

Lesen untuk menggunakan Tanda Penjualan di atas barangan a licence to use the Certification Mark on

WHITE REFINED SUGAR FOR GENERAL USE

Please refer to detail in the SCHEDULE

sebagai mematuhi keperluan as complying with

MS 4 : 2005

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.

Terikh Mula Pensijsilan : 12 April 2019
Certificate Since Issue Date : 12 April 2019
Terikh Diakhirkan : 31 April 2022
Issue Date : 31 April 2022

MSM QAS International Sdn. Bhd.
No. Lesen : PC004290
Licence No : 12, Persiaran Dataran Industri
Mekah 2, Blok 702
Sungai Besi, Medan
Pekedondok

Terikh Mula Pensijsilan : 12 April 2019
Certificate Since Issue Date : 12 April 2019
Terikh Diakhirkan : 31 April 2022
Issue Date : 31 April 2022

MSM QAS International Sdn. Bhd.
No. Lesen : PC004290
Licence No : 12, Persiaran Dataran Industri
Mekah 2, Blok 702
Sungai Besi, Medan
Pekedondok



בית דין צדק דק"ק לונדון והמדינה
LONDON BETH DIN
KASHRUT DIVISION

LETTER OF CERTIFICATION

MSM Sugar Refinery (Johor) Sdn. Bhd.
P.L.O 46, Jalan Ipi 2, Tanjung Langsat Industrial Complex, Mukim Sungai
Tiram, Pasir Gudang, Johor Darul Takzim, Malaysia, 81700

The following products manufactured by the company named above are certified kosher with the following certification requirements.

Product	Status	Requires	UKID ID
BROWN SUGAR	Pareve	KLBD Logo	KLBD178180
CASTER SUGAR	Pareve	KLBD Logo	KLBD097203
FINE SYRUP	Pareve	Must originate at the location detailed on LOC. Separate kosher certificate for delivery vehicle required	KLBD026600
LIQUID SUGAR	Pareve	Must originate at the location detailed on LOC. Separate kosher certificate for delivery vehicle required	KLBD261852
MOLASSES	Pareve	Must originate at the location detailed on LOC. Separate kosher certificate for delivery vehicle required	KLBD470408
WHITE REFINED SUGAR	Pareve	KLDD Logo	KLDD558510

Expires: 13 September 2023
Company code: 7226
28 September 2023
Letter # 124588011
RABBI JEREMY CONWAY
DIRECTOR
DAYAN MENACHEM GELLEY
ROSH BETH DIN

305 BALLARDS LANE, LONDON N12 6GB, UK | +44(0)20 6343 6255 | INFO@KLBDKOSHER.ORG | KLBDKOSHER.ORG



Certificate of Registration

BSI Assurance UK Limited certifies that the Food Safety Management System of:

MSM Prai Berhad
798, Main Road, 13600 Seberang Prai, Pulau Pinang
Malaysia

Has been assessed and determined to comply with the requirements of:

**Food Safety System Certification 22000
FSSC 22000**

Certification scheme for food safety management systems consisting of the following elements:
ISO 22000:2018, ISO/TS 22002-1:2009 and Additional FSSC 22000 requirements (version 5.1)

This certificate is applicable for the scope of:
Production of refined sugar (White and Brown in granulated and cube form) loaded in Bogie Bulk and packed in Polypropylene (PP), Polyethylene (PE), Paper Boxes and Paper Bags.

Food Chain Subcategory:
CIV - Processing of ambient stable products

Certificate of registration number: FSSC 711318
Certification decision date: 31 May 2022
Initial certification date: 17 July 2013
Issue date: 02 June 2022
Valid until: 16 July 2025

Authorised by:
Toni Radwood
Global Food and Retail Supply Chain Operations and Compliance Director

Accredited Certification Body: BSI Assurance UK Limited, 389 Chiswick High Road, London W4 4AL United Kingdom
Issued by: BSI Group ANZ Pty Ltd, ACN 078 650 211, Suite 1, Level 1, 54 Waterloo Road, Marquette Park NSW 2113 Australia
Validity of this certificate can be verified in the FSSC 22000 database of certified organisations available on www.fssc2000.com.



Sijil Pengesahan HALAL

CERTIFICATE OF AUTHENTICATION

Adalah dengan ini dipertahankan: It is hereby certified that:

- FINE GRANULATED SUGAR - CUBE SUGAR / GULA HALUS - GULA KUB
- FINE GRANULATED SUGAR - CUP PACK / GULA HALUS - PEK CAWAN
- GRANULATED CASTER SUGAR
- GRANULATED WHITE SUGAR
- GULA KASTORI / CASTER SUGAR
- GULA MERAK LEMBUT / SOFT BROWN SUGAR
- GULA PASIR HALUS / FINE GRANULATED SUGAR
- GULA PASIR KASAR / COARSE GRAN SUGAR
- GULA PASIR MERAH BROWN SUGAR
- GULA TEBU BERTAPIS TERBAIK / BEST REFINED CANE SUGAR

yang diperolehi / didaftarkan / diuruskan oleh: Manufactured / distributed / managed by:

MSM PRAI BERHAD
798, MAIN ROAD, 13600, SEBERANG PRAI, PULAU PINANG

telah mematuhi hukum syarak dan Standard Halal Malaysia dan dibuktikan oleh Panel Pengesahan Halal
has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of

JABATAN HAL EHWAL AGAMA ISLAM PULAU PINANG

No. Ruj. / Ref No. : JAKIM-19-2291 814-082304
JAKIM-19-2291 814-082304
Tarikh dibekalkan / Date of issue : 16 December 2022
Date of expiry / Valid until : 15 December 2024
Date of approval / 3rd date of issue : 01 October 2008

Nur Fadhilah binti Muhammad
Ketua Pengarah / Director General
JABATAN KEAJAAN ISLAM MALAYSIA
DEPARTMENT OF ISLAMIC DEVELOPMENT MALAYSIA



Sijil Pengesahan HALAL

CERTIFICATE OF AUTHENTICATION

Adalah dengan ini dipertahankan: It is hereby certified that:

- GULA KASTOR (CASTER SUGAR)
- GULA PASIR HALUS (FINE GRANULATED SUGAR)
- GULA PASIR KASAR (COARSE GRAN SUGAR)
- GULA TEBU BERTAPIS (REFINED CANE SUGAR)
- MOLASSES

yang diperolehi / didaftarkan / diuruskan oleh: Manufactured / distributed / managed by:

MSM SUGAR REFINERY (JOHOR) SDN. BHD.
P.L.O 46, JALAN IPI 2,
TANJUNG LANGSAT INDUSTRIAL COMPLEX,
81700 PASIR GUDANG, JOHOR.

telah mematuhi hukum syarak dan Standard Halal Malaysia dan dibuktikan oleh Panel Pengesahan Halal
has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of

JABATAN AGAMA ISLAM NEGERI JOHOR

No. Ruj. / Ref No. : JAKIM-19-2291 814-082304
JAKIM-19-2291 814-082304
Tarikh dibekalkan / Date of issue : 01 October 2022
Date of expiry / Valid until : 30 September 2024
Date of approval / 3rd date of issue : 01 October 2008

Nur Fadhilah binti Muhammad
Ketua Pengarah / Director General
JABATAN KEAJAAN ISLAM MALAYSIA
DEPARTMENT OF ISLAMIC DEVELOPMENT MALAYSIA



INDUSTRI BESAR, SEBERHAN, KEC. TEMPOH SAH LESEN

01/001/001/SEBERHAN, 31/12/2023

NO. KAJIAN	LESEN	NO. BIL.	REKOD
1	1	1	1

MAJLIS BANDARAYA PASIR GUDANG
ARAB 19, MENARA ADABAR
81700 PASIR GUDANG
JOHOR DARUL TAKZIM

No. Fajrah : 07-2347777
No. Faks : 07-2312389
07-6587

INDUSTRI BESAR, SEBERHAN, KEC. TEMPOH SAH LESEN

MAJLIS BANDARAYA PASIR GUDANG



CERTIFICATE

SIRIM QAS International Sdn. Bhd. hereby certifies that

MSM PRAI BERHAD
798, MAIN ROAD
13600 PRAI
PULAU PINANG
MALAYSIA

has implemented a Quality Management System complying with

**ISO 9001 : 2015
QUALITY MANAGEMENT SYSTEMS - Requirements**

Scope of certification
MANUFACTURE OF REFINED SUGAR AND RELATED PRODUCTS.

Issue date : 16 August 2021
Original certification date : 10 August 1994
Expiry date : 09 August 2024
Certificate no. : QMS 00202

Nur Fadhilah binti Muhammad
Ketua Pegawai Eksekutif
Chief Executive Officer
SIRIM QAS International Sdn. Bhd.



Sijil Pengesahan HALAL

CERTIFICATE OF AUTHENTICATION

Adalah dengan ini dipertahankan: It is hereby certified that:

- GULA TEBU BERTAPIS TERBAIK / BEST REFINED CANE SUGAR - ICING EXPORT
- GING SUGAR / GULA AISING
- MOLASSES
- REFINED WHITE SUGAR
- SUPER REFINED CANE SUGAR
- WHITE REFINED SUGAR (FINE GRANULATED)

yang diperolehi / didaftarkan / diuruskan oleh: Manufactured / distributed / managed by:

MSM PRAI BERHAD
798, MAIN ROAD, 13600, PERAI, PULAU PINANG

telah mematuhi hukum syarak dan Standard Halal Malaysia dan dibuktikan oleh Panel Pengesahan Halal
has complied with Islamic Law and Malaysian Halal Standard and approved by Halal Certification Panel of

JABATAN HAL EHWAL AGAMA ISLAM PULAU PINANG

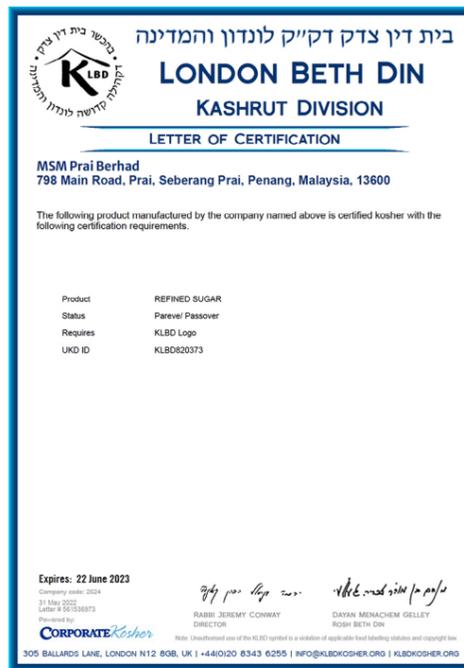
No. Ruj. / Ref No. : JAKIM-19-2291 814-082304
JAKIM-19-2291 814-082304
Tarikh dibekalkan / Date of issue : 16 December 2022
Date of expiry / Valid until : 15 December 2024
Date of approval / 3rd date of issue : 01 October 2008

Nur Fadhilah binti Muhammad
Ketua Pengarah / Director General
JABATAN KEAJAAN ISLAM MALAYSIA
DEPARTMENT OF ISLAMIC DEVELOPMENT MALAYSIA

OUR VALUE IMPACT	GROUP CHIEF EXECUTIVE OFFICER'S MESSAGE ON SUSTAINABILITY	OUR BUSINESS IN BRIEF	DELIVERING SUSTAINABLE VALUE	UPHOLDING GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY	PUTTING OUR PEOPLE FIRST	OPTIMISING ENVIRONMENTAL PERFORMANCE	APPENDICES
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Certificates

Certificates



Certificates



www.msmsugar.com



MSM MALAYSIA HOLDINGS BERHAD

Registration No. 201101007583 (935722-K)

Level 44, Menara FELDA
Platinum Park No. 11,
Persiaran KLCC
50088 Kuala Lumpur

Tel No : +603 2181 5018

Fax No : +603 2181 5015