

SUSTAINABILITY STATEMENT

Managing Sustainability

Jaya Tiasa Group (“The Group”) remains committed to deliver the sustainability transformation as prescribed in our vision and mission statements. We consistently place Environmental, Social and Governance (“ESG”) considerations as our ultimate goal to protect the land and the ecosystems in our operations and to build a sustainable future for our businesses. Our sustainability framework is anchored on the three pillars of sustainability – Economic, Environment and Social (“EES”) as we incorporate ESG considerations in our business operations and include definitive ESG performance and accountability in how we measure and disclose the Group’s performance, while also managing our operations in an ethical and responsible manner to create value and ensure business continuity.

The Group strives to address and manage the following ESG matters under each pillar:



Scope and Reporting Framework of Sustainability Statement

The scope of this Sustainability Report (SR) encompasses the Group’s oil palm plantation operations, palm oil mill operations and timber operations, and focuses on the things that are most material to both our organization and stakeholders for the financial year ended 30 June 2024 (“FY2024”).

This SR has been prepared with reference to the Bursa Malaysia Securities Main Market Listing Requirements and the Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition). In line with Bursa Malaysia’s recommendations on Sustainability Requirements, this SR is also reported with reference to international sustainability guidelines, the Global Reporting Initiative (GRI) Standards.

Assurance

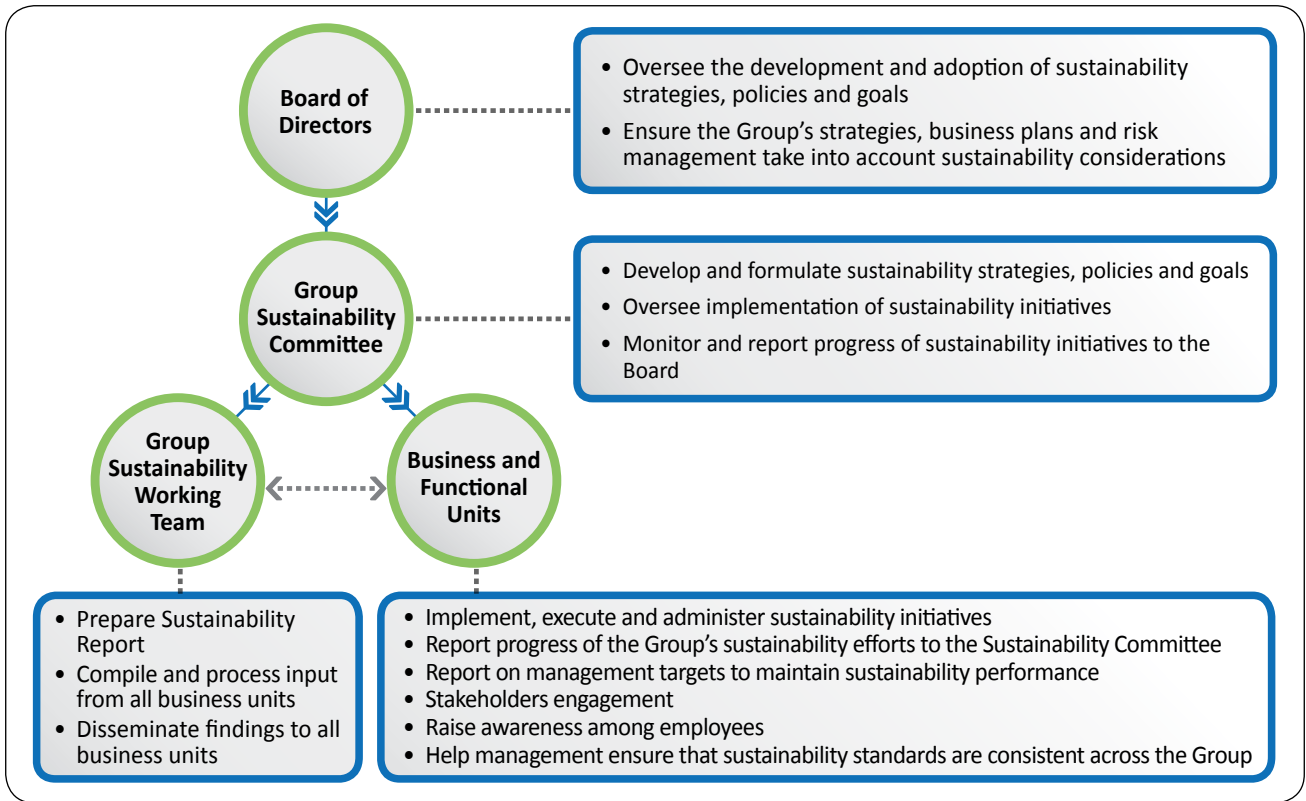
The Group’s Internal Audit has, to the best of its ability, conducted an audit and review of this SR to provide a reasonable assurance that the information reported is accurate, consistent and reliable. We have not at this point engaged in an independent third-party assurance. This SR has also been reviewed by our Group Sustainability Committee and approved by our Board of Directors.

Sustainability Governance Management Structure

Effective governance for sustainable development and robust risk management policies and procedures combined with our core values are keys for achieving long term success. The Board of Directors oversees the development and adoption of sustainability strategies, policies and goals and ensures the Group’s strategies, business plans and risk management take into account sustainability considerations. The Board of Directors has delegated responsibility to the Group Sustainability Committee headed by the Group’s Chief Executive Officer and supported by the Executive Directors to formulate sustainability strategies, policies and goals as well as to oversee the implementation of sustainability initiatives. The Group Sustainability Working Team works closely with the Group Sustainability Committee to deliberate on the current sustainability challenges and manages the Group’s sustainability performance and reporting. The business and the functional units shall implement, execute and administer the sustainability initiatives and report the sustainability performances to the Group Sustainability Committee via the Group Sustainability Working Team.

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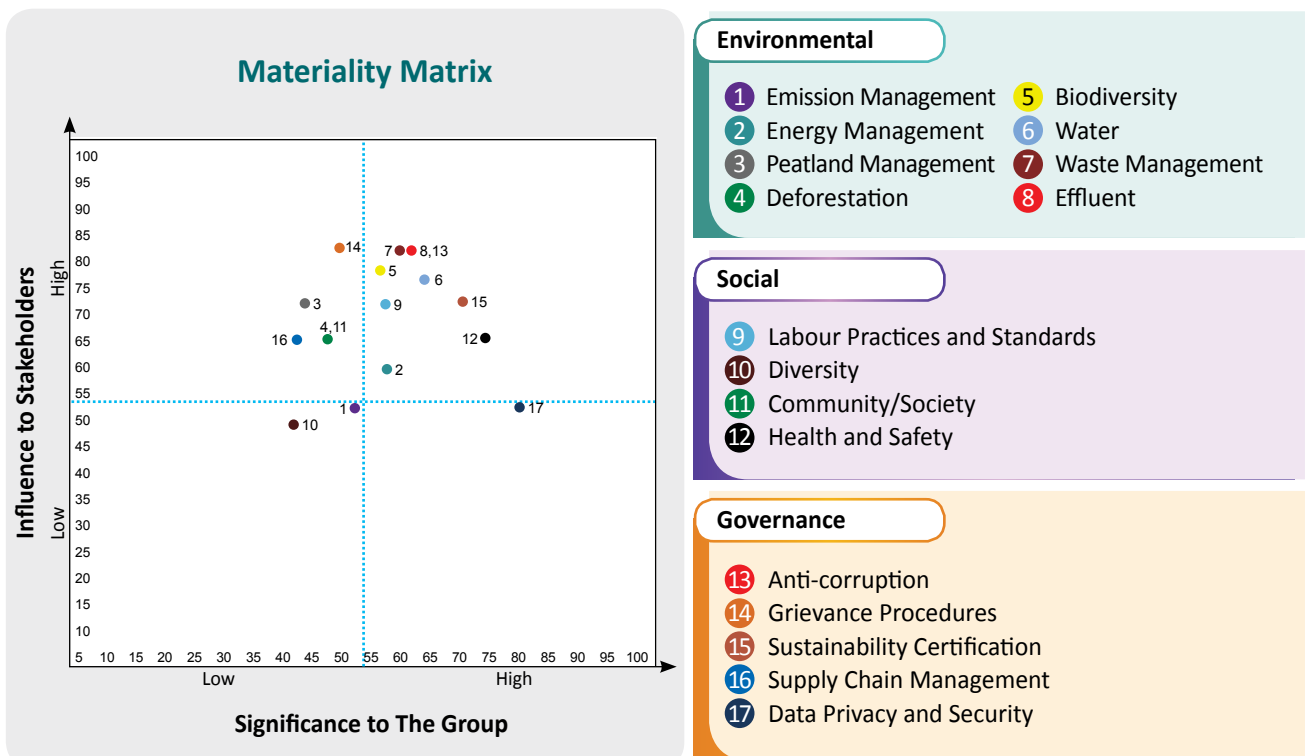
Sustainability Governance Management Structure



Materiality Matrix

The Group monitors and reviews our material matters on an on-going basis through stakeholder discussions and carries out a yearly materiality assessment process from which the assessment results are used to guide our areas of focus as we drive sustainability and implement the Group’s strategies and plans.

The key FY2024 Sustainability Material Matters are presented in the Materiality Matrix below:



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Targets and Achievements

Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
Target 1: Environmental				
Measurement of GHG emissions per year for the Group	All plantations, CPO mills and FMUs	Ongoing	Emission Management	32
Set up methane capture plant in the CPO mills	Selected CPO mills	Achieved	Emission Management	32
Set up air pollution control system – Wet Scrubber	Selected CPO mill	Achieved	Emission Management	32
Set up air pollution control system – Electrostatic Precipitator (ESP)	At remaining CPO mills	Completed for 2 CPO mills Ongoing for the remaining mill	Emission Management	32
Installation of Biomass boilers for energy generation	All CPO mills	Achieved	Emission Management, Energy Management, Waste Management	33, 34, 36
No new developments carried out on peatlands	All plantations	Achieved	Emission Management, Peatland Management, Deforestation, Supply Chain Management	34, 35
Flora and Fauna Biodiversity Assessment	All plantations and FMUs	Achieved	Biodiversity	37-44
Management of effluent discharge	Within requirement (<20mg/L)	Achieved	Emission Management, Effluent, Water Resource Management	47
Implement 3R initiative (Reduce, Reuse and Recycle) in waste management	All plantations, CPO mills and FMUs	Ongoing	Waste Management	46, 47
Target 2: Social				
No child labour	No breaches of laws and regulations	Achieved	Labour Practices and Standards	48
No forced labour	No breaches of laws and regulations	Achieved	Labour Practices and Standards	48
Human Capital Development	Continuous improvement	Ongoing	Labour Practices and Standards	49-53
Improve livelihood of smallholders & local communities	Continuous improvement	Ongoing	Community/Society	55, 56
Prevention of work-related injuries and diseases	Zero fatality and continuous reduction in accident rate	Continuous Improvement	Health and Safety	56-59

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Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
Target 3: Governance				
Prevent bribery and corruption	Zero-tolerance	Achieved	Anti-corruption	59, 60
	Train all employees on anti-corruption	Ongoing		
MSPO certification	All plantations and CPO mills	Achieved	Sustainability Certification	60
MSPO SCCS	All CPO mills	Achieved	Sustainability Certification	61
Forest management certification	All FMUs	Achieved	Sustainability Certification	62-64

How our Material Issues Relate to the UN Sustainable Development Goals (SDGs)

The United Nations (UN) adopted 17 Sustainable Development Goals (SDGs) with the aim to call for actions to end poverty, protect the planet, tackle climate change, improve health and education, reduce inequality and ensure that all people enjoy peace and prosperity. With our strong commitment towards sustainable development, we have performed a review and evaluated on how our diverse businesses can contribute to SDGs and have since prioritized twelve SDGs that are considered most relevant to the Group and incorporated them into our Sustainability Framework.

SUSTAINABLE DEVELOPMENT GOALS



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Material Sustainability Matters

The Group Sustainability Committee has reviewed the key Economic, Environment, Social and Governance issues for potential financial, operational and reputational impacts on the Group. We have identified numerous key material issues that are of high concern to stakeholders and of high significance for our Group in FY2024. These material issues have been prioritized through our materiality assessment process. Material issues identified are then assessed to establish if proper policies and procedures are implemented to manage and monitor these issues.

Key Issue	Material Sustainability Matters	Link to UN SDG
ENVIRONMENTAL	<ul style="list-style-type: none"> Emission Management Energy Management Peatland Management Deforestation Biodiversity Water Waste Management Effluent 	<p>SDG 3, 6, 7, 12, 13, 15</p> 
SOCIAL	<ul style="list-style-type: none"> Labour Practices and Standards Diversity Community/Society Health and Safety 	<p>SDG 1, 3, 5, 8, 10, 11, 16</p> 
GOVERNANCE	<ul style="list-style-type: none"> Anti-corruption Grievance Procedures Sustainability Certification Supply Chain Management Data Privacy and Security 	<p>SDG 12, 16</p> 
ECONOMIC	<ul style="list-style-type: none"> Product Quality Economic Performance 	<p>SDG 8, 12</p> 

Stakeholders Engagement

The stakeholder groups which have significant influence and impact on the Group’s businesses are carefully identified and engaged at various platforms and intervals throughout the year. We prioritize honest and open communications with our internal and external stakeholders to fully understand their sustainability concerns and issues with a view to ensuring that their key interests are aligned with those of the Group.

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Overview of Stakeholder Engagement conducted in FY2024

Stakeholder Group	Area of interest	Method	Outcome
<i>Investors and Financial Institutions</i>	<ul style="list-style-type: none"> Economic performance Future plans Progress and compliance with sustainability standards 	<ul style="list-style-type: none"> Annual general meeting Bursa announcements Company website Engagement surveys 	<ul style="list-style-type: none"> Good relationship with stakeholders Assurance of Jaya Tiasa's commitment to sustainability
<i>Local Communities</i>	<ul style="list-style-type: none"> Opportunity for employment Complaints and grievances Smallholders Community development Waste management 	<ul style="list-style-type: none"> Complaints and grievances channel Formal and informal meetings Social impact assessments Corporate social responsibility programs 	<ul style="list-style-type: none"> Increased in local employment Improved infrastructure for the local communities Maintaining good relationship with local communities
<i>Employees</i>	<ul style="list-style-type: none"> Health and Safety Job satisfaction, development and remuneration Complaints and grievances Employee social and welfare care 	<ul style="list-style-type: none"> OSH committee meetings Annual appraisals Complaints and grievances channel Sports and recreation club Company intranet Trainings Orientation 	<ul style="list-style-type: none"> Safer working environment Employee retention
<i>Government and regulatory authorities</i>	<ul style="list-style-type: none"> Compliance with legal requirements Support government transformation policies and initiatives 	<ul style="list-style-type: none"> Formal dialogues and meetings Annual reports Site visits Engagement surveys Letters and emails 	<ul style="list-style-type: none"> Contribution to the achievement of the Government's policies and initiatives Positive reputation amongst investors
<i>Suppliers / Smallholders</i>	<ul style="list-style-type: none"> Compliance with sustainability requirements Product quality On time delivery 	<ul style="list-style-type: none"> Formal and informal meetings Site visits Trainings and briefings 	<ul style="list-style-type: none"> Development of long term relationships with suppliers to reduce disruptions to the supply chain
<i>Customers</i>	<ul style="list-style-type: none"> Quality of products Compliance with sustainability standards Supply chain and traceability of product 	<ul style="list-style-type: none"> Networking sessions One on one meetings Annual reports Company website Visit to estates and mills 	<ul style="list-style-type: none"> Positive reputation Customer retention Increased market share
<i>Certification bodies</i>	<ul style="list-style-type: none"> Sustainability certification requirements 	<ul style="list-style-type: none"> Engagement surveys and dialogues Site visits and inspections 	<ul style="list-style-type: none"> Regulatory compliances Positive reputation and to showcase Jaya Tiasa's sustainability status

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Stakeholder Engagement conducted in FY2024



Stakeholders Engagement carried out around Hariyama Plantation

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Stakeholder Engagement conducted in FY2024



Stakeholders Engagement carried out around Simalau Plantation



Awareness briefing on Forest Management and Certification



Social Impact Assessment on Local Communities Residing at Long Jawe and Sang Anau

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Stakeholders meeting (FMU T/3371 and T/3370)

Environmental

Given the severity of climate change affecting mother earth, we recognize the gravity of practicing responsible stewardship of the environment. To this end, environmental protection measures and considerations have long been embedded in our manufacturing processes and day-to-day operations and we will continue to strive to incorporate enhanced steps to protect the environment we operate in.

Emission Management

Greenhouse Gas (GHG) Management

Our biggest source of emissions comes from Palm Oil Mill Effluent (POME). The discharged water produces methane gas which has 21 times more Global Warming Potential compared to other gases. To reduce methane gas emissions, the Group has constructed biogas plants in the mills. These biogas plants help to trap the methane gas.

The key to successful climate protection is the capacity to manage and monitor the GHG emissions along the whole production supply chain from the various stages of Fresh Fruit Bunch (FFB) production to Crude Palm Oil (CPO) production and the transportation of the products. The Group will disclose its GHG emissions from FY2025.

Air Pollution Control

The operation of our CPO mills produces harmful particulate matter from the waste gases produced by the mills. To reduce the dust emissions according to the requirements of the Environmental Quality (Clean Air Regulations) 2014, the Group has completed the installation of the air pollution control system, Electrostatic Precipitator (ESP) in two of our three mills, while the fourth CPO mill is already equipped with the wet scrubber technology since its commissioning.



Anaerobic Digester Tanks (Maujaya CPO Mill)



Biogas Flare Stack (Maujaya CPO Mill)

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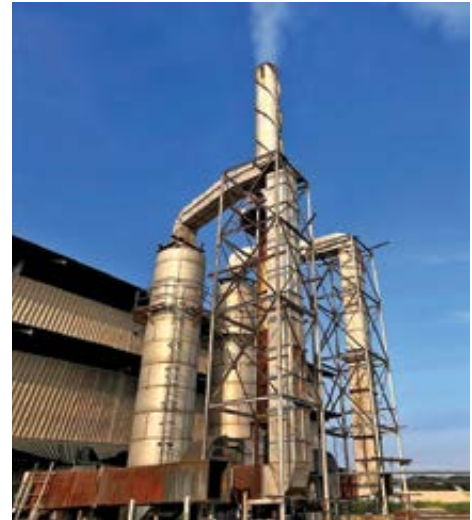
Energy Management

Energy Consumption

To be sustainable, our management is committed to energy conservation and the reduction of fossil fuel usage. We recycle oil palm and oil mill by-products such as press fiber and palm kernel shells for use as biomass fuel in the mills boiler. For FY2024, the boilers in our mills generated 105,723 GJ of electricity from those by-products which is equivalent to electricity generated from burning 10.15 million litres of diesel. The use of these biomass fuels significantly reduces the consumption of non-renewable fossil fuels and generates greater cost savings as those are cheaper.

Diesel Consumption Reduction Project at CPO Mills

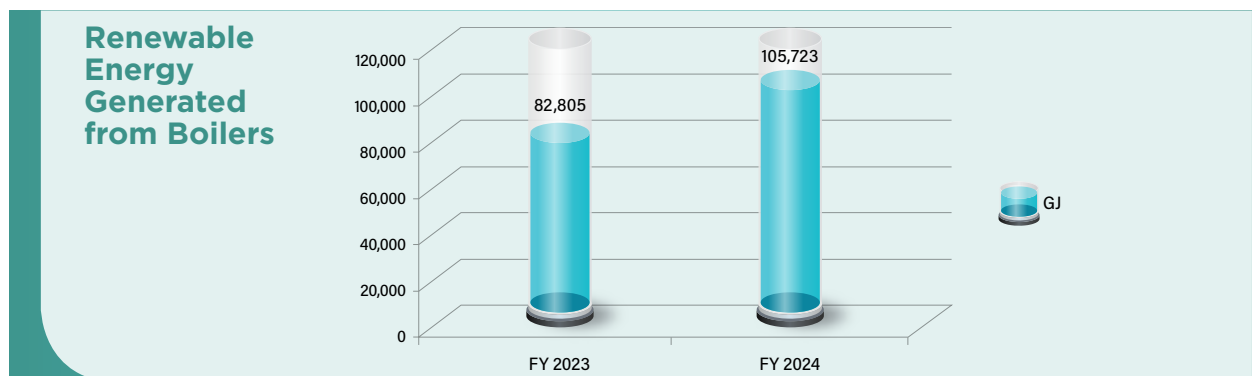
To increase the efficiency of the steam turbines at the CPO mills, the Group carried out improvement works by replacing EFB presses and installing conveyors to transport pressed and shredded EFB from the press station to the boiler station. By promoting the usage of renewable energy from the steam turbines, our four CPO mills were able to reduce the consumption of diesel by about 12% in FY2024. In terms of Litres of Diesel per MT FFB processed, the four mills reduced the usage from 1.39 litre per MT FFB in FY2023 to 0.97 litre per MT FFB in FY2024, which was about 30% reduction. The reduction in diesel consumption is equivalent to a reduction of about 500 MT GHG per year.



Scrubber system (Hariyama CPO Mill)



ESP system (Wealth Houses CPO Mill)

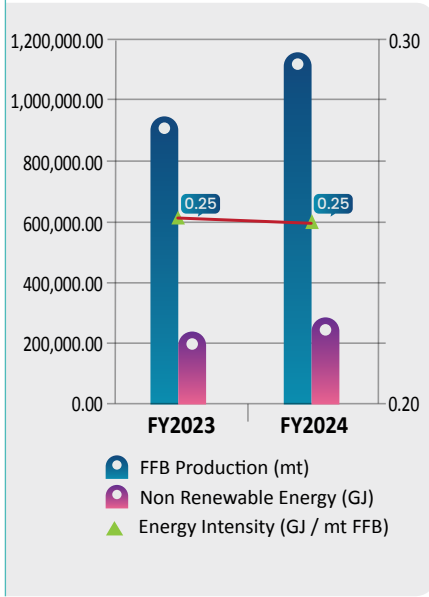


Energy consumption for the Group:

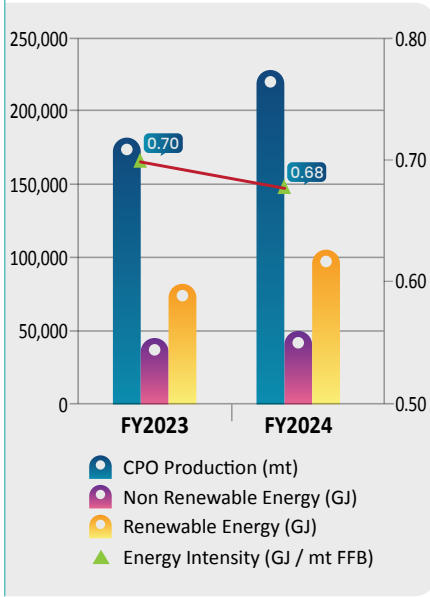
Energy Type	Operation	Unit of Measurement (UoM)	FY2022	FY2023	FY2024
1) Non-renewable energy	OPP	GJ	Not recorded	236,995.00	287,643.00
	CPO Mill			44,469.00	48,979.75
	FMU			131,067.00	109,970.07
	LPF			3,965.00	3,779.26
2) Renewable energy	CPO Mill	82,805.00		105,723.00	
3) Purchased electricity	OPP	913.33		854.32	
Total			500,214.33	556,949.38	
Energy Intensity	OPP	GJ/MT Product		0.25	0.25
	CPO Mill			0.70	0.68

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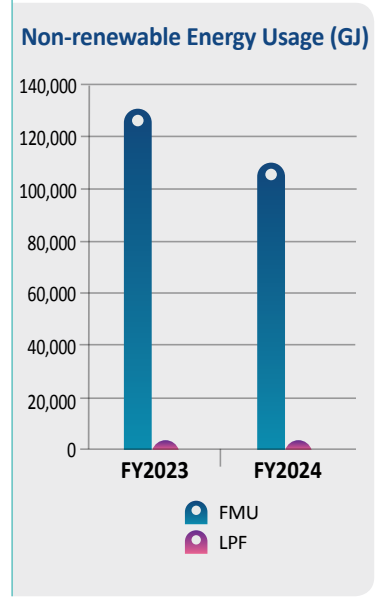
Oil Palm Plantation (OPP) Energy Consumption and Intensity:



CPO Mill Energy Consumption and Intensity:



FMU and LPF Energy Consumption:



Peatland Management

The Group ensures implementation of the best management practices to maintain the stability of the ecosystem in the environment in which we operate and that our agricultural operations comply with the following:-

- No planting on land with high biodiversity value;
- No planting on protected and forest reserve land;
- No new development on peatland regardless of depth; and
- No development in high carbon stock forest.

In line with our Sustainability Policy, the Group is strictly adhering to the principles of No Deforestation, No Peat and No Exploitation (NDPE). Since 2015, the Group did not clear any land for new development.

In FY2024, we report a total of 125,908,000 m2 of buffer zones area in our oil palm plantation and the setup of 44 peat monitoring stations for more effective monitoring of the peatland conditions throughout our oil palm plantations, including the fixing of piezometers and subsidence post to monitor water levels and subsidence rates of the peat land.

As in the preceding financial year, there was no occurrence of field fire for FY2024.



Riparian Buffer Zone

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Buffer Zone (Wealth Houses Plantation)



Peat Subsidence Station (Eastern Eden Plantation)

Fire and Haze Prevention

The impacts of fire can be catastrophic, including commercial loss, loss of life, air pollution and loss of biodiversity. Fires possess long-term commercial risk and the potential losses from any such outbreak to the Group are high. Wider risks of fire include threats to climate change goals that could easily derail the Group from achieving economic and environmental sustainability.



Fire-fighting equipment (Hariyama Plantation)

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The Group has established an Emergency Response Team (ERT) in all plantations and mills and they are regularly trained to ensure their readiness to respond in times of emergency. A standardized Emergency Response and Preparedness Procedure (ERPP) was adopted throughout the Group to ensure everybody would be on the same page in regards to handling different types of emergency. The Group had also invested in fire-fighting equipment like diesel water pump in the plantations and fire hydrant system in the mills.



Fire-fighting equipment (Hariyama Plantation)



Fire-fighting drill by BOMBA (Wealth Houses CPO Mill)

Zero Burning Policy

In compliance with environmentally friendly practices as well as the requirements set out in the Natural Resources and Environment Ordinance (NREO) and the sustainability certification standards, the Group adheres to a strict zero burning policy and enforces it without exception.

The Group also prohibits open burning during replanting. The biomass produced from the clearing of old palms would be left on the fields to decompose to provide natural nutrients to the soil.



Deboling & Chipping process for replanting preparation (Simalau Plantation)

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Monitoring

During the dry seasons, employees in all our plantations and FMUs are directed to vigilantly lookout for any fire breakouts in the surrounding vicinity. Employees are continuously trained (extensive mock fire drills are conducted regularly) on how to control and manage fires. We have setup weather stations throughout the plantations to gather micro-climate information for regular fire safety risk assessment and ensure that adequate fire safety measures are put in place. Our continuous efforts have proven to be fruitful as there were no reported fire related incidents for seven consecutive years.



Fire Tower (FMU T/3370)

Deforestation

As a pledge to ensure we adhere to our sustainability commitments, sourcing from responsible and traceable third-party is a priority as it allows better visibility and transparency to identify risk areas, diagnose problems and resolve issues within our supply chains. It is vital to know where our FFB comes from and ensure the sources are not linked to deforestation and labour exploitation. In other words, our supplier must also be committed to No Deforestation, No Peat, and No Exploitation (NDPE).

No.	Description	UoM	FY2022	FY2023	FY2024
1	Percentage of FFB from sustainable sources	%	Not recorded	99.71	99.68
2	Percentage of FFB traceable to plantation			100.00	99.68

Biodiversity

Wildlife Survey and Monitoring

The Group has implemented guidelines to identify and protect “Rare, Threatened and Endangered” (RTE) species of forest flora and fauna, including features of special biological interest such as seed trees, salt licks, nesting and feeding areas in the FMUs. The Group continues to invest in additional camera traps to enable improved in-house wildlife surveys and monitoring. These activities ensure that sustainability practices are implemented accordingly in our FMUs. We also have an internal assessment team that assesses and works on reducing the impact of logging towards the population of the mammals in the operation coupes, before and after logging.



Setup camera trap in Apan Bangat salt lick



Apan Entelit salt lick



Camera traps setup at Apan Lubang

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Photos captured by the camera traps in the FMUs



Great Argus Pheasant (*Argusianus argus*)



Blyth's Hawk (*Spizaetus alboniger*)



Red-billed Malkoha (*Phaenicophaeus javanicus*)



Bornean Red Muntjac (*Muntiacus muntjak*)



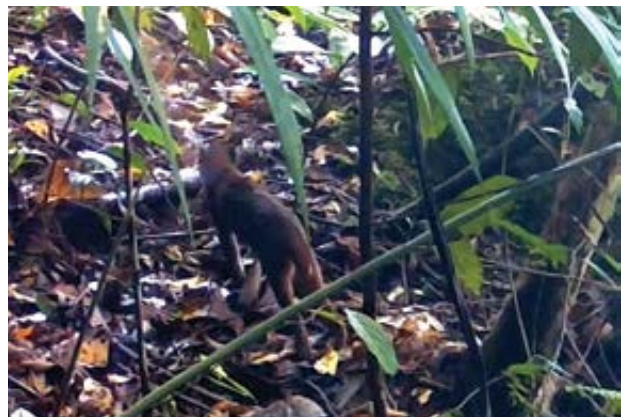
Pig-tailed Macaque (*Macaca nemestrina*)



Bornean Sun Bear (*Helarctos malayanus*)



A rare encounter with the Roughneck Monitor Lizard (*Varanus rudicollis*)



Bornean Bay Cat (*Catopuma badia*)

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Wildlife Protection Patrolling Team

The patrolling team conducts ground checking in the base-camps, along logging roads and logging skid house area to monitor and prevent unauthorized activities such as hunting and poaching, wildlife trading and rearing of RTE birds and animals by the FMU workers.



Wildlife protection briefing with communities residents around FMU T/3370 and T/3371



Explanation of protected animals and protected plants from Wildlife Ranger to workers and their families



In-house Training - explanation of protected animals and plants



Briefing to workers and villagers about the importance of protected areas for protected animals and plants

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Buffer Zones Demarcation and Signboards

One of the measures the Group has implemented to protect the riparian buffer zones and other High Conservation Value Area (HCVA) is to demarcate those areas. The Group has also set up signboards at various locations such as at the entrance to licensed boundaries, High Conservation Value Areas (HCVA), rivers and junctions to villages and logging base camps to emphasize on the severity of hunting, poaching and unauthorized activities.



Fieldwork on painting the boundary of the buffer zone in the Penuan-Lebuwai FMU (T/3370)

Baleh Watershed Wildlife Connectivity Project

The Baleh Watershed Wildlife Connectivity Project was to establish a wildlife corridor connecting Baleh National Park and Hose Mountain National Park in Sarawak and Kayan Mentarang in Indonesia. This significant biodiversity conservation project was a collaboration between the Group and the Forest Department Sarawak, World Wildlife Fund (WWF), UNIMAS and Sarawak Energy. The conclusion of this project in 2023 culminated with the publication of a pictorial book titled “Caught on Camera! WWF – Malaysia’s Camera Trap Photos in Sarawak” by WWF-Malaysia in 2024.



Recce Survey Team for Baleh Watershed Wildlife Connectivity Project

High Conservation Value and Biodiversity Assessments

A High Conservation Value (HCV) is a biological, ecological, social or cultural value of outstanding significance or critical importance. HCV areas which are more relevant to the Group encompass natural habitats that are either rich in biodiversity and are home to endangered flora and fauna species; or that are fundamental to the needs of local communities or to preserving their cultural identity. Global discourse on palm oil and logging activities is often tied to heavy biodiversity loss as well as significant changes in land composition and ecosystems. To mitigate such loss and damages, we have the responsibility to uphold and practise sustainable business operation to prevent any undue risks on the environment for the benefit of the present and future generations.

The Group had conducted the Biodiversity Assessment for all of our oil palm estates covering a total land bank of 83,483 ha and with buffer zones of 125,908,000 m². We also conducted the High Conservation Value (HCVs) Assessment for our FMUs and LPFs. The findings from these assessments would help to determine the most effective in-depth research required for an effective HCV monitoring and management. We further imposed a policy of “zero tolerance” towards killing, harming any of the endangered/protected species listed under the International Union for Conservation of Nature (IUCN) and Protected Animals from Wild Life Protection Ordinance, 1988.

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Flora and Fauna Species from the Oil Palm Plantations (OPP) and FMUs



Cat Gecko (*Aeluroscalabotes felinus*)



Bornean Anglehead Lizard (*Gonocephalus borneensis*)



Pulchrana picturata is a species that can be commonly found along small river banks in the FMU



Poisonous Rock Frog (*Odorrana hosii*) can be found along streams in the FMU



Black Flying Squirrel (*Aeromys tephromelas*)



Masked Palm Civet (*Paguma larvata*)



Long-tailed Macaque (T/3370)



Crested Serpent Eagle (T/3371)



Rhinoceros Hornbill (T/3371)



Whiskered Treeswift (T/3370)



Pitcher plants (*Nepenthes ampullaria*) can be found abundant in the Green belt area (Daro Jaya Plantation)



Pedada (*Sonneratia alba*), a protected species can be found in Mangrove forest along the coast of Pulau Bruit

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Biodiversity Indicators:

No.	Conservation Status	Operation	UoM	FY2022	FY2023	FY 2024		
1)	Percentage of existing operations assessed for biodiversity risks	FMU	%	Not recorded	100	100		
		OPP	%		100	100		
2)	Size of all habitat areas protected	FMU	M2		385,710,000	464,600,000		
		OPP	M2		125,908,000	125,908,000		
3)	Size of all habitat areas restored	FMU	M2		377,732,000	377,732,000		
4)	IUCN Red List and National Conservation List							
a)	Critical endangered species – Flora	FMU	Number		21	21		
	Critical endangered species – Fauna				6	4		
b)	Endangered – Flora				16	16		
	Endangered – Fauna				12	10		
c)	Vulnerable – Flora				7	7		
	Vulnerable – Fauna				20	17		
d)	Near threatened – Flora				0	0		
	Near threatened – Fauna				22	20		
e)	Critical endangered species – Flora				OPP	Number	5	5
	Critical endangered species – Fauna						1	1
f)	Endangered – Flora	3	3					
	Endangered – Fauna	2	2					
g)	Vulnerable – Flora	5	5					
	Vulnerable – Fauna	6	6					
h)	Near threatened – Flora	0	0					
	Near threatened – Fauna	7	7					

Assessment Plot Establishment for Rare, Threatened and Endangered (RTE) Flora Species

Wildlife Survey and Monitoring

The main objective of this project is to determine the availability of RTE flora species in the conserved Water Catchment Area of Camp Mantan (Baleh-Balui FMU T/3371). We are also establishing an assessment plot to become a “Training Forest” for tree identification training and to expose our Forest Surveyors with the knowledge of RTE flora species; including specimens collection and tree identification techniques.



Sap or resin used for tree identification



Tree diameter measurement

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Tree tagging works



Leaves of Marsawa Jala (*Anisoptera reticulata*)



Data collection



Group photo of committee team at the Water Catchment Area at Camp Mantan (T/3371)



Tagged trees attached with aluminium tags



Mersawa Jala (*Anisoptera reticulata*) tree



Selangan Merah (*Shorea kuntsleri*) specimen



The majestic Meranti Sarang Punai (*Shorea parvifolia*) tree

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Flowering twigs of Bintangor (*Calophyllum* sp.)



Explaining some of the key identification features of Selangan Merah (*Shorea kuntsleri*)

Pesticides, Chemical and Fertilizer Usage

In recent years, driven by increasing awareness of the adverse environmental effects and health concerns associated with excessive use of chemical inputs such as pesticides, herbicides and fertilizers in agriculture, we have shifted and reduced our reliance on such usage.

One significant development is the use of Bunch Ash as fertilizer. Bunch Ash is a 100% organic by-product produced from Empty Fruit Bunches (EFB). In FY2024, the application of Bunch Ash amounted to 9,637.21 MT, marking a substantial increase of 55.31% usage compared to FY2023. This increase reflects a commitment by our Group to sustainable agricultural practices that enhance resource efficiency to mitigate the environmental impact of palm oil production.



Workers packing bunch ash before delivery to estate



Bunch ash produced from EFB

Biological Insecticides and Pheromones

Our approach to pest management integrates sustainable methods, notably through the application of biological insecticides rather than the conventional chemical pesticides. For instance, we utilize JQ-BT, a biological insecticide containing *Bacillus thuringiensis*. This product is effective in targeting the larvae of *Lepidoptera* pests, including Tirathaba, caterpillars, and bagworms, thus supporting biodiversity and reducing reliance on harmful chemicals. Another use of bio-pesticide, BREVA, also serves as an environmentally friendly alternative for managing significant pests like Tirathaba and bagworms, further reinforcing our commitment to sustainable pest control.

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Natural Predator and Ecosystem Services

In addition to biological insecticides, we incorporate natural predators as part of our Integrated Pest Management (IPM) strategy. Beneficial plants such as *Cassia cobanensis*, *Turnera subulata*, and *Antigonon leptopus* are extensively cultivated to provide habitat and nectar for natural predators. These plants help maintain ecological balance by supporting predators like *Sycanus*, which naturally regulate the pest populations. This method not only enhances biodiversity but also stabilizes ecosystems within the plantation.



Beneficial plant *Antigonon Leptopus*

Elaeidobius kamerunicus, a type of weevil, plays a crucial role in pollinating oil palm plantations, which directly impacts fruit production. To address challenges related to declining fruit-set and oil yield, we implement the hatch-and-carry technique. This technique involves relocating weevils from replanting areas to other parts of the estate to ensure effective pollination. By managing habitats that support *Elaeidobius kamerunicus*, we maintain consistent pollination and sustainable oil palm production, aligning with the objectives of High Conservation Value (HCV).



Elaeidobius kamerunicus found on oil palm's male flower



Oil palm's male flower inflorescence placed in weevil box

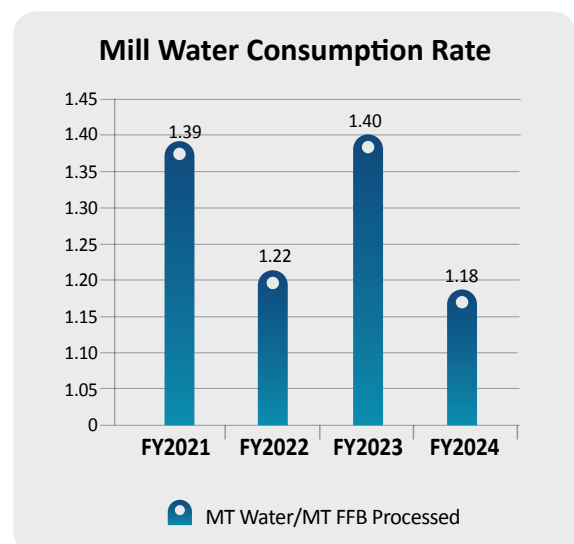
Water Resource Management

The Group's water management strategies are centered on the optimization of water usage, increasing the number of water sources, the reduction of water consumption and the identification of water pollution sources.

In accordance with the water management strategies, the following measures are put in place:

- The installation of water gates to control and maintain water levels for palm tree irrigations. In addition, water level is maintained at an optimum level in anticipation of potential shortfall of rain and to counter the risk of fire;
- The establishment of ponds, water catchment and water tanks at worker's housing area to store rain water;
- The setting up of water treatment plant for milling usage and daily consumption while maintaining strict water efficiency;
- The strict prohibition of the discharge of chemicals, solid wastes and used lubricants into the waterways;
- The practice of water sampling twice a year to monitor water quality in line with EIA measures and to ascertain it is potable (safe for drinking) and for other daily usages; and
- The maintenance of buffer zones along the natural waterways where spraying and manuring operations are strictly prohibited.

The Group monitors the usage of water, for domestic use as well as water consumed for FFB processing. In FY2024, 1.18 MT of water was used to process one MT of FFB, a contracted usage of 18.6% compared to the preceding financial year.



SUSTAINABILITY STATEMENT



Water Treatment Plant (Poh Zhen Plantation)



Water Treatment Plant (Sawai Plantation)

No.	Description	Operation	UoM	FY2022	FY2023	FY 2024
1	Total volume of water used	OPP	ML	Not recorded	Not recorded	399.29
		CPO Mill				39.24
2	Total volume of water used for processing	CPO Mill			1,339.56	1,432.54

Waste Management

The Group strictly observes the best practices in the handling and managing of waste at our sites. We take full precaution in disposing all waste products including domestic waste, agricultural waste, biomass or by-products generated by our oil palm plantations or oil palm milling sectors.

Biomass fuels such as press fibre and palm kernel shell are burnt in the boiler to generate electricity. Recycling of nutrient rich biomass such as EFB and POME sludge is a common practice within the Group. These EFB and sludge can be further processed to become bio-fertilizers thus reducing the need to acquire expensive agrochemicals which in turn save costs. Another useful by-product of EFB is Bunch Ash. As peat soil is highly deficient in potassium (K), external application of high amounts of K is required. Using bunch ash as a source of K is more advantageous and preferable since it helps to neutralize soil acidity (*Gurmit et al. Mohd Tayeb, 2002*).

By-products generated and recycled from milling operations:

By-product	Total Quantity Generated and Recycled (MT)		Method of Recycling
	FY2023	FY2024	
EFB	219,803	278,054	Mulching and organic fertilizer
Bunch Ash	6,205	9,637	Organic fertilizer
Press Fiber	129,015	163,205	Biomass fuel for boiler
Palm Kernel Shell	19,113	24,179	Biomass fuel for boiler

Scheduled wastes generated from the operations and biohazard wastes are stored, labelled and disposed of by licensed contractors in adherence to the government regulations.



Scheduled Waste Store

SUSTAINABILITY STATEMENT

Waste management Indicators:

No.	Description	UoM	FY2022	FY2023	FY 2024
1	Waste diverted from disposal	MT	Not recorded	374,505.21	476,416.63
2	Waste directed to disposal			182.71	892.33

Effluent Management

POME is the waste water discharged from the processing of FFB. POME has high acidity, high biological oxygen demand (BOD) and high levels of organic matters which can pollute the waterways if left untreated. By using the aerobic and anaerobic ponding system, the treated water can be discharged safely into the environment. In FY2024, 100% of the 1,176.88 ML of POME discharged from our mills was treated to meet local regulatory requirements (<20mg/L) prior to discharge. There is no incident where our POME discharge and BOD levels were over the limit and harming the waterways.

Description	UoM	FY2022	FY2023	FY2024
Total volume of water (effluent) discharged	ML	Not recorded	863.65	1,176.88



Water discharge point for Effluent Waste Water Treatment



DOE inspection and record for the discharge point



Water discharge sampling by DOE



Water samples taken for external lab analysis

The Prestigious "Premier of Sarawak Environmental Award" (PSEA)

The Group participated in the 11th PSEA 2023-2024 themed "Incorporating Environmental Sustainability into Practices" and submitted our Self-Evaluated Environmental Performance Report in April 2024, the result of which would only be released six months later. Our participation further demonstrated our keenness towards environmental stewardship and sustainability.

SUSTAINABILITY STATEMENT



Site inspection by NREB (Wealth Houses Plantation)



Site inspection by NREB (Sawai Plantation)

Social

The responsibility to manage the key relationships with our workforce and the societies we operate in is central to our business. We believe our employees are our greatest asset. The health of our employees is directly linked to their productivity and satisfaction at work. Clear engagement with employees coupled with career development opportunities will improve personal performance, business productivity and product quality. We recognise the potential in each employee and the benefits of a diverse workforce. We are also convinced in contributing back to society.

Labour Practices and Standards

The Group is committed to ensuring the dignity and rights of our workers are respected in line with the Malaysian Labour Law and the United Nations' guiding principles on human rights. These commitments are outlined below:

- Practice of non-discrimination during recruitment, employment, dismissal or promotion regardless of gender, race, religion, marital status and political affiliation;
- Strict prohibition of any form of harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental and physical coercion;
- Strengthening of mutual cooperation between worker and employer;
- Encourage open discussion and recognition;
- Improvement of workers' health and safety levels;
- Respect the rights of the community in accordance with the UN Declaration on the Rights of Indigenous Peoples. Social Impact Assessments are conducted on local communities that are directly or indirectly affected by our business operations;
- Practice of zero tolerance on the use of child or forced labour, slavery or human trafficking in any of our operation sites and facilities; and
- Adherence to our core values by our contractors and suppliers.

No incidence of substantiated complaints concerning human rights violations was reported in FY2024.

SUSTAINABILITY STATEMENT

Recruitment and Retention

To meet future challenges and remain competitive, we strive to be an attractive employer with the ability to retain the best people. With the competition for talents growing more intense, the following safeguarding measures are put in place:

- The conduct of road shows and placements of advertisements in local newspapers to encourage the local communities to be part of the Group;
- New recruits are given orientation and training;
- Employment and development of employees are based on individual skills, talent, experience and the behavioral attributes of a person;
- Remuneration pay package is tailored according to employee's level of performance; and
- Same career progression opportunity for everyone who is competent and contribute to the success of the Group.



Karnival Kerjaya MYFuture Jobs

Category	No. of Employee		
	FY2022	FY2023	FY2024
Total number of employee turnover by category:			
Manager	Not recorded	3	8
Executive		15	27
Non-Executive		84	148
Total		102	183
Percentage of contractors/temporary staff:			
Contractor	Not recorded	0.77	0.63
Temporary		0.08	0.21

Foreign workers

The oil palm and timber operations are largely dependent on foreign workers (mainly from Indonesia) to take over the physically demanding works.

- All workers are covered under the purview of "Workers Minimum Standards of Housing and Amenities Act 1990";
- All levy fees, visa applications and transportation costs are borne by the Group to reduce their financial burden;
- Only foreign workers with valid work permits are hired; and all statutory payments and just wages are made in a timely manner; and
- All foreign workers are covered under SOCSO or SKKPHA.

SUSTAINABILITY STATEMENT

Health, Social Care and Workers Welfare

Continuous improvement of the health and well-being of our employees is certainly one of our top priorities. Through our Sports and Recreation Club (SPARC), recreational events, sports activities and company functions are regularly organised throughout the year for our employees with the aim of promoting and fostering teamwork and rapport among employees as well as encouraging work-life balance and healthy living. We always encourage all our employees to participate in all SPARC programmes which include the annual dinner, festive gatherings, sports competitions, donation drives and more.

We fully recognise the right of children to education. We have set up a few nursery centres and kindergartens in our plantations to provide care and early learning for the children.

Oil Palm Plantation (OPP)	Centre	No. of Student
Lassa	Tabika KEMAS	23
Lassa	Nursery Centre (6 units)	81
Daro	Nursery Centre (4 units)	75
Hariyama	Nursery Centre (3 units)	44
Sawai	Nursery Centre (3 units)	24
Kabang	Nursery Centre (2 units)	16
Eastern Eden	Nursery Centre (3 units)	67
Poh Zhen	Nursery Centre (1 unit)	43
Simalau	Nursery Centre (1 unit)	11



Tabika KEMAS (Lassa Plantation Estate 2)

In addition, the welfare of our workforce is of utmost importance to us. We provide quality quarters, playgrounds, recreational and medical facilities among others. We have also set up clinics to provide basic healthcare for our workforce as well as the local communities.



Weekend walk

SUSTAINABILITY STATEMENT

Fair Pay and Performance Oriented Culture

We have been compliant with the National Minimum Wages Order since it was first introduced by the Malaysian government in 2012. We ensure that all employees are adequately compensated for their work and that wage payments are made in a timely manner and are clearly acknowledged by the workers. We also provide annual bonuses, medical and insurance coverage to eligible employees. Regular performance appraisals and evaluations are carried out to ensure high performing employees are rewarded and also, to promote motivation and performance upgrading for the rest.

Human Capital Development

The education and training system is the main platform for human capital development intervention. To sustain and achieve goals, the workforce is optimized through comprehensive human capital development interventions to provide the necessary knowledge, skills and competencies needed to work effectively.

Enhancement of employees' skills and knowledge through online and physical training courses remain our priority. Field training is also frequently organized to upgrade the technical and functional skills of workers at the operating units.

Total hours of training by employee category:

Position	Training Hours		
	FY2022	FY2023	FY2024
Manager	Not recorded	3,796.00	4,639.00
Executive		8,532.00	8,442.00
Non-Executive		7,947.00	9,196.00
Total		20,275.00	22,277.00

Examples of seminar/workshop related to sustainability certification, environmental protection awareness, safety and health, good agricultural practices, E-invoicing, corporate governance, cyber security, greenhouse gas protocol, firefighting and general topics useful for company staff include the following:

Date	Workshop/Seminar	No. of Participant
14.07.2023	Seminar on Introduction of Forest Carbon Activities in Sarawak	9
17.07.2023	Premier of Sarawak Environmental (PSEA) Training	50
28.07.2023	Strategic Tax Planning for Salaried Employees	10
04.08.2023	Corporate Governance in Compliance with Section 17A of MACC Act	18
08-09.08.2023	Palm Oil Milling Technology Exhibition & Conference (POMtec2023)	11
24.08.2023	Mental Wellness for Corporate Wellbeing	8
25.09.2023	Greenhouse Gas Protocol	37
07-09.11.2023	MPOB International Palm Oil Congress and Exhibition (PIPOC 2023)	12
21-24.09.2023	World Coconut Day Course 2023	3
30.11.2023, 05.12.2023	Getting Ready for E- Invoicing in Malaysia	52
11-12.12.2023	ESG Framework for Timber Companies and How to Set Up: Strategy and Management	7
11.01.2024	Cyber Security Awareness	186
19-22.02.2024	In House Training: Developing The Leader In You	149
22.02.2024	Safety In Handling Agrochemical	20
20-23.04.2024	Team Building For Excellence (Batch 1 and 2)	376
30.04.2024	Program Keselamatan and Kesihatan Pekerjaan Dan Dialog Bersama Persatuan/ Stakeholder	8
15-19.05.2024	Internal Combustion Engine Course for Engineer & Driver	36
12.06.2024	Fire Drill Training	50
27.06.2024	Critical Thinking & Problem Solving	11
27.06.2024	Latest Legal & Obligation of Compliance in HSE	4
28.06.2024	Anti-Sexual Harassment & Anti-Harassment in the Workplace	21

SUSTAINABILITY STATEMENT

Team Building Training

In 2024, the Training & Development Department organised a series of team-building sessions themed “One Team, One Dream”, aimed at fostering camaraderie, enhancing communication, and improving collaboration among employees. These events are crucial in strengthening interpersonal connections and motivating teams to achieve higher performance while aligning with the company’s overarching corporate values and philosophies.



Team building in Bintulu and Sibul, Sarawak



MPOB International Palm Oil Congress and Exhibition (PIPOC 2023)

SUSTAINABILITY STATEMENT



PSEA Training conducted by NREB



Loading and Safety Training



Triple Rinsing and Safety Training



Weeding and Safety Training