

## SUSTAINABILITY STATEMENT

### Managing Sustainability

Jaya Tiasa Group (“The Group”) remains committed to its vision of being Malaysia’s acclaimed enterprise in sustainable palm oil and wood based industry. Our sustainability framework remains focused on the three pillars of sustainability – Economic, Environment and Social (“EES”) as we incorporate Environmental, Social and Governance (“ESG”) considerations in our business operations and include definitive ESG performance and accountability in how we measure and disclose the Group’s performance. A testament to this are the several initiatives established to manage our commitment towards sustainability.

To achieve its vision, the Group strives to address and manage the following ESG matters:



### Scope of Sustainability Statement

The scope of this Sustainability Statement 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 2022 (“FY22”).

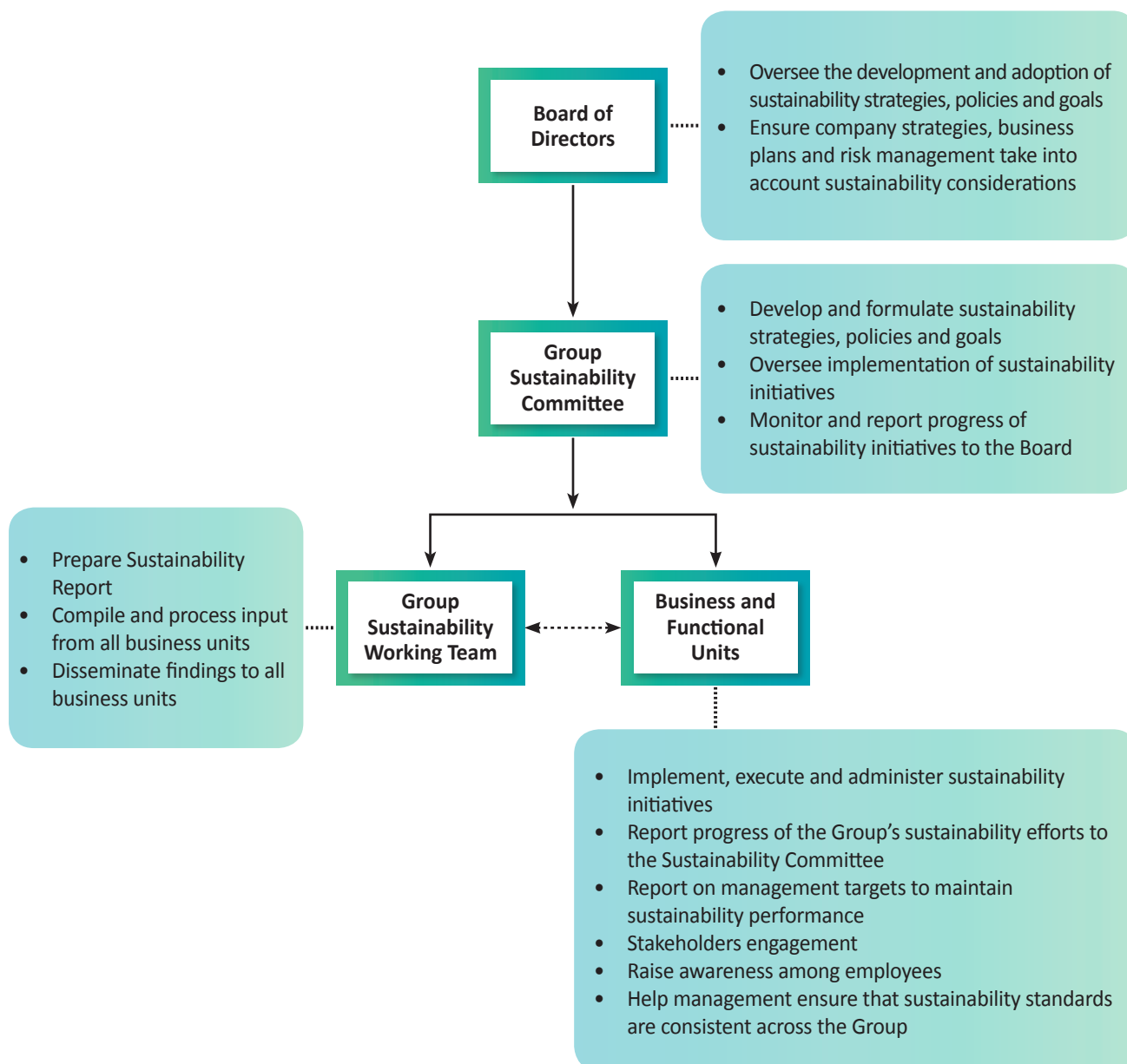
### Sustainability Governance Management Structure

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 company 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.



## SUSTAINABILITY STATEMENT

### Sustainability Governance Management Structure



### Targets and Achievements

Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
<b>Target 1: Economics</b>				
FFB Yield per Hectare (MT/HA)	12.0	Continuous Improvement	Product Quality, Economic Performance	28
<b>Oil Extraction Rate:</b>				
• Crude Oil Extraction	18.5%	Continuous Improvement	Product Quality, Economic Performance	28
• Palm Kernel Extraction	3.8%	Continuous Improvement	Product Quality, Economic Performance	28

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Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
<b>Target 2: Environmental</b>				
No new developments carried out on peatlands	All Plantations	Achieved	Climate Change, Responsible Sourcing and Traceability	29
Installation of Biomass boilers for energy generation	All CPO mills	Achieved	Climate Change, Waste Management and Pollution	29
Measurement of GHG emissions per year for the Group	All Operations	Ongoing	Climate Change, Waste Management and Pollution	29 - 30
Flora and Fauna Biodiversity Assessment	Assessment carried out for all plantations	Ongoing	HCV Protection	31 - 32
Management of effluent discharge	Within requirement (<20mg/L)	Achieved	Climate Change, Water Resources Management, Waste Management and Pollution	30
Set up methane capture plant in the CPO mills	CPO mills	Ongoing	Climate Change, Waste Management and Pollution	29
No land development through open burning	All Plantations	Achieved	Climate Change, HCV Protection, Waste Management and Pollution	29

Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
<b>Target 3: Community</b>				
Improve life of smallholders & local communities	Continuous Improvement	Ongoing	Community Engagement and Corporate Social Responsibility	35 - 36

Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
<b>Target 4: Employees</b>				
No child labour	No breaches of laws and regulations	Achieved	Labour Standards and Human Rights	33
No forced labour	No breaches of laws and regulations	Achieved	Labour Standards and Human Rights	33
Reduce work related lost time	Improved awareness	Continuous Improvement	Occupational Safety & Health	39

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Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
<b>Target 5: Certification</b>				
MSPO SCCS for all 4 CPO mills	Certified	Achieved	Sustainability Certification	40
MSPO certification for all plantations and CPO mills	Certified	Achieved	Sustainability Certification	40
Forest Management Certification for all Forest Management Units	By 2022	Ongoing	Sustainability Certification	41

## 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 nine SDGs that are considered most relevant to the Group and incorporated them into our Sustainability Framework.










## 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 FY22. These material issues have been prioritised 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.



## SUSTAINABILITY STATEMENT

Key Issue	Material Sustainability Matters	Link to UN SDG
ECONOMIC	<ul style="list-style-type: none"> <li>Product Quality</li> <li>Economic Performance</li> </ul>	SDG 8, 12  
ENVIRONMENTAL	<ul style="list-style-type: none"> <li>Climate Change</li> <li>High Conservation Value (HCV) Protection</li> <li>Water Resources Management</li> <li>Waste Management and Pollution</li> </ul>	SDG 6, 13, 15   
SOCIAL	<ul style="list-style-type: none"> <li>Labour Standards and Human Rights</li> <li>Human Capital Development</li> <li>Community Engagement and Corporate Social Responsibility</li> <li>Occupational Safety and Health</li> </ul>	SDG 1, 3, 8, 10    
GOVERNANCE	<ul style="list-style-type: none"> <li>Compliance with Legal and Other Requirements</li> <li>Grievance Procedures</li> <li>Sustainability Certification</li> <li>Responsible Sourcing and Traceability</li> </ul>	SDG 12, 16  

## 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.

Overview of Stakeholder Engagement conducted in FY22

Stakeholder Group	Areas of interest	Methods	Frequency	Outcomes
Shareholders and Investors	<ul style="list-style-type: none"> <li>MSPO certification</li> <li>MSPO SCCS</li> <li>Future plans</li> <li>Progress and compliance with sustainability standards</li> <li>Pollution</li> <li>Deforestation</li> <li>Pesticide and chemical usage</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly meeting</li> <li>Annual general meeting</li> <li>Company website</li> <li>Engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>Every 3 months</li> <li>Once a year</li> <li>Periodic</li> <li>Once a year</li> </ul>	<ul style="list-style-type: none"> <li>Positive reputation and a better understanding of Jaya Tiasa's sustainability status, progress and initiatives</li> <li>Good relationship with shareholders</li> </ul>

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Stakeholder Group	Areas of interest	Methods	Frequency	Outcomes
<i>Local Communities</i>	<ul style="list-style-type: none"> <li>• Opportunity for employment</li> <li>• Complaints and grievances</li> <li>• Smallholders</li> <li>• Community development</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Grievances and complaints channel</li> <li>• Formal and informal meetings</li> <li>• Social impact assessments</li> <li>• Community programs</li> </ul>	<ul style="list-style-type: none"> <li>• As and when necessary</li> <li>• Periodic</li> <li>• Once a year</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Employment for qualified and eligible locals</li> <li>• Improved road access</li> <li>• Contributions to the community and local schools</li> <li>• Better social relation with the Group</li> </ul>
<i>Workers</i>	<ul style="list-style-type: none"> <li>• Occupational health &amp; safety</li> <li>• Working conditions, facilities, safety and training</li> <li>• Wages/remuneration</li> <li>• Complaints and grievances</li> <li>• Employee social and welfare care</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly meeting</li> <li>• Morning roll-call</li> <li>• Regular training</li> <li>• Notices</li> <li>• Covid-19 SOPs</li> </ul>	<ul style="list-style-type: none"> <li>• Every 3 months</li> <li>• Daily</li> <li>• Periodic</li> <li>• Periodic</li> <li>• At all times</li> </ul>	<ul style="list-style-type: none"> <li>• Better understanding of company policies</li> <li>• Safer working environment</li> <li>• Improved awareness of health &amp; safety issues</li> </ul>
<i>Employees</i>	<ul style="list-style-type: none"> <li>• Job satisfaction and development</li> <li>• Remuneration</li> <li>• Health and safety</li> <li>• Communication of company's policies and practices</li> </ul>	<ul style="list-style-type: none"> <li>• Annual appraisals</li> <li>• Training sessions</li> <li>• Workshop for discussions</li> <li>• Sports and recreation club</li> <li>• Company intranet, newsletters</li> <li>• Covid-19 SOPs</li> </ul>	<ul style="list-style-type: none"> <li>• Once a year</li> <li>• As required</li> <li>• As required</li> <li>• Periodic</li> <li>• Periodic</li> <li>• At all times</li> </ul>	<ul style="list-style-type: none"> <li>• Employee retention</li> <li>• Better understanding of the company's policies and values</li> </ul>
<i>Government and regulatory authorities</i>	<ul style="list-style-type: none"> <li>• Compliance with legal requirements</li> <li>• Support government transformation policies and initiatives</li> <li>• Occupational Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>• Formal dialogues and meetings</li> <li>• Annual reports</li> <li>• Site Visits</li> <li>• Engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>• As and when necessary</li> <li>• Once a year</li> <li>• Periodic</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Supportive of the Government's policies and initiatives</li> <li>• Protection of the environment</li> <li>• Positive reputation amongst investors</li> </ul>
<i>Suppliers / Smallholders</i>	<ul style="list-style-type: none"> <li>• Compliance with sustainability requirements</li> <li>• Product quality</li> <li>• On time delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and informal meetings</li> <li>• Dialogues and appraisals</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable production</li> <li>• On time delivery of materials</li> </ul>
<i>Customers</i>	<ul style="list-style-type: none"> <li>• Quality of products</li> <li>• Compliance with sustainability standards</li> <li>• Supply chain and traceability of product</li> <li>• Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>• Networking sessions</li> <li>• One on one meetings</li> <li>• Annual reports</li> <li>• Company website</li> <li>• Visit to estates and mills</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Periodic</li> <li>• Once a year</li> <li>• Periodic</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Positive reputation</li> <li>• Customer retention</li> <li>• Increased market share</li> </ul>
<i>Certification bodies</i>	<ul style="list-style-type: none"> <li>• Occupational safety and health</li> <li>• Human and consumer rights</li> <li>• Social and environment impact</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement surveys and dialogues</li> <li>• Site visits and inspection</li> <li>• Constructive partnership</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Once a year</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Increased market share</li> <li>• Compliance with policies</li> <li>• Audit and certification</li> <li>• Knowledge sharing</li> </ul>

## SUSTAINABILITY STATEMENT

### Stakeholder Engagement conducted in FY22



Briefing with external stakeholders of Long Busang



Briefing with external stakeholders of Long Singut



Briefing with external stakeholders of Lassa Plantation



Briefing with external stakeholders of Daro Jaya Plantation

## ECONOMIC

### Product Quality (SDGs-12 Responsible Consumption and Production)

It is the policy of the Group to produce quality palm oil and timber related products to the satisfaction of our valued customers.

Our quality focus starts from every aspect of our best agricultural practices and milling activities right until our products are delivered to the satisfaction of our valued customers. We continue to invest in the latest technology and high-end machineries to ensure higher efficiency and to produce high quality products for our customers. In each of our mills, we have fully-equipped laboratory to monitor the quality of our finished products.

### Economic Performance (SDGs-8 Decent Work and Economic Growth)

In the reporting year, our employees (through their various services in the Group) were recipients of RM89.9 million in employee benefits. The Group also contributed over RM96.7 million to the government through various taxes, cesses and logs royalty.

From the total revenue of RM810.8 million, 20% or RM162.6 million was channeled to the purchase of spare parts, diesel, fertilisers and chemicals, repair and maintenance and payment of utilities and office supplies to meet the needs of the overall business. Inevitably, this has helped the local economy both directly and indirectly. The Group also actively purchased FFB from surrounding plantations and smallholders to the tune of RM52.5 million during the year.

## ENVIRONMENTAL

As our business is closely associated with natural resources, we recognize the importance 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.



## SUSTAINABILITY STATEMENT

### Climate Change (SDGs-13 Climate Change)

#### Peatland Management and Fire Prevention

In view of the frailty and the importance of peatland when it comes to carbon storage and its other multiple benefits such as biodiversity maintenance, carbon water storage and regulation, the Group has taken the stance to strictly prohibit the clearance and development of peatlands for new plantations regardless of depth.

To conserve and for better management of water and drainage in the peatland, a series of weirs and water gates were constructed across the collection drains to regulate the water level in the field and significantly reduce carbon emission. To comply with the MSPO standards, the water level in the collection drain is maintained at a range of 35cm to 60cm and at 30cm to 50cm for groundwater table in the field.

#### Deforestation

The Group ensures 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.

Since 2015, the Group did not clear any land for new oil palm plantation development.

#### 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 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.

#### Zero Burning Policy

In compliance with environmentally friendly practices as well as the principles and criteria set out in the MSPO standards, the Group adheres to a strict zero burning policy and enforces it without exception.

#### Monitoring

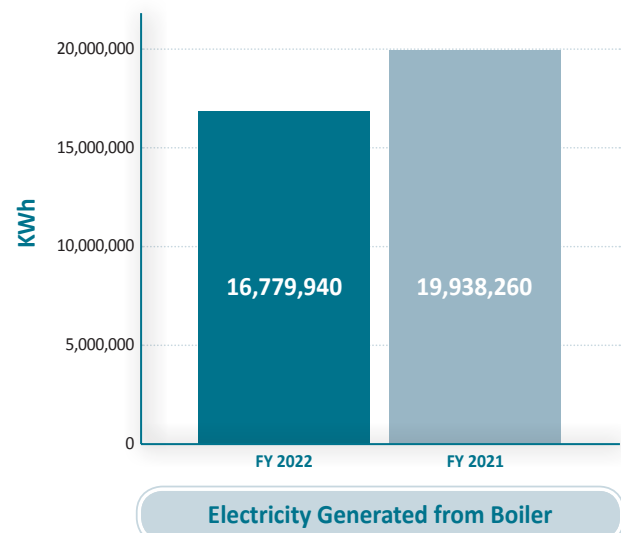
During the dry seasons, employees in all our plantations are directed to vigilantly lookout for any fire breakouts in the surrounding vicinity. Employees are continuously trained (extensive mock fire drills are conducted regularly) on how to control and manage fires. We have setup weather stations throughout 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 five consecutive years.

#### Greenhouse Gas 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 biogas plants constructed in the mills. These biogas plants help to trap the methane gas.

#### 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 FY22, the boilers in our mills generated 16.8 million KWh of electricity from those by-products which is equivalent to electricity generated from burning 5.60 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.





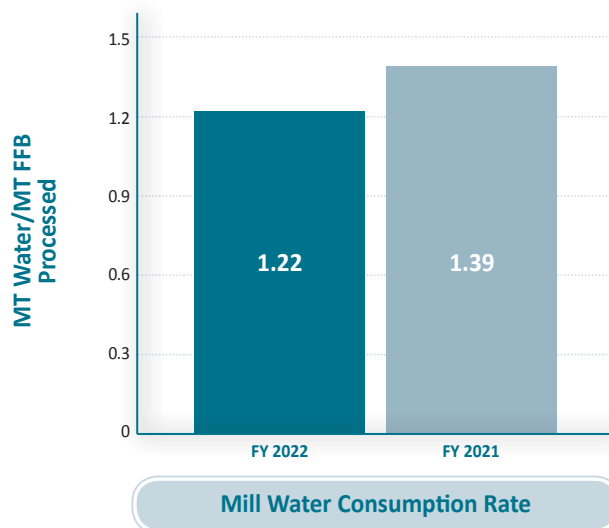
## SUSTAINABILITY STATEMENT

### Water Resources Management (SDGs-6 Clean Water and Sanitation)

The Group's water management strategies center 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 were put in place: -

- The installation of water gates to control and maintain water levels for palm tree irrigations. In addition, water level was 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.



### Waste Management and Pollution (SDGs-6 Clean Water and Sanitation, 13 Climate Change)

#### 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 FY22, 100% of the POME discharge from our mills was treated to meet local regulatory requirements (<20mg/L) prior to discharge. There is no incident where our POME discharge is over the limit and is harming the waterways.

#### 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 fiber and palm kernel shell are burnt in boiler to generate electricity. Recycling of nutrient rich biomass such as Empty Fruit Bunch (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, external application of high amounts of potassium is required. Using bunch ash as a source of potassium is more advantageous and preferable since it helps to neutralize soil acidity (*Gurmit et al. MohdTayeb, 2002*).



By-products generated and recycled from milling operations:

By-product	Total Quantity Generated and Recycled (MT) in FY22	Method of Recycling
Bunch Ash	3,912	Organic fertilizer
Press Fiber	98,897	Biomass fuel for boiler
Palm Kernel Shell	10,989	Biomass fuel for boiler

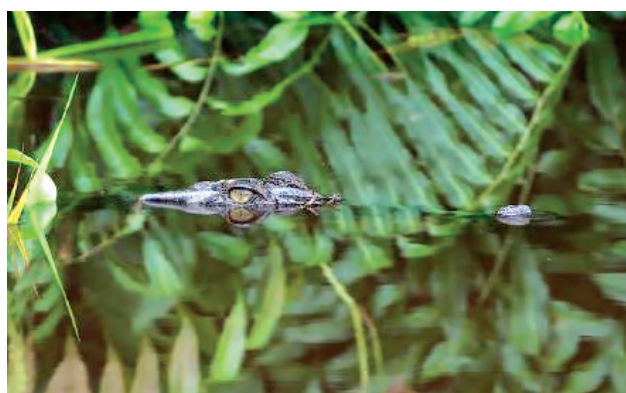
Scheduled wastes generated from the operations and biohazard wastes are stored, labelled and disposed of by licensed contractors in adherence to the government regulations.

## SUSTAINABILITY STATEMENT

### High Conservation Value (HCV) (SDGs-15 Life on Land)

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 discourse, 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 Biodiversity Assessment for all of our oil palm estates covering a total land bank of 83,483 ha and with buffer zones of 11,335 ha. We had also conducted High Conservation Value (HCVs) Assessment for our Forest Management Units (FMUs). The findings from these assessments would help to determine the most effective length and in-depth research required for an effective HCV monitoring and management. We have 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.



Estuarine crocodile (*Crocodylus porosus*) photographed in Sungai Trus of Simalau Plantation



Leopard cat (*Prionailurus Bengalensis*) was photographed during night survey in planted blocks of Lepah Plantation

Summary of IUCN List of Flora Species in the Group's areas of operation:

Conservation Status	FY22		
	Forest Management Unit		Oil Palm Plantation
	Penuan-Lebuwai FMU (T/3370)	Baleh-Balui FMU (T/3371)	
WLPO 1998 - Totally Protected	1	1	0
WLPO 1998 - Protected	19	21	23
IUCN - Critically Endangered (CR)	7	9	5
IUCN - Endangered (EN)	8	4	3
IUCN - Vulnerable (VU)	1	3	5
IUCN - Near Threatened (NT)	1	0	0
SPRL - Critically Endangered (CR)	0	0	0
SPRL - Endangered (EN)	3	0	0
SPRL - Vulnerable (VU)	3	1	0
SPRL - Near Threatened (NT)	1	0	0
CITES - App. I	0	0	0
CITES - App. II	0	0	0

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Summary of IUCN List of Fauna Species in the Group's areas of operation:

Conservation Status	FY22		
	Forest Management Unit		Oil Palm Plantation
	Penuan-Lebuwai FMU (T/3370)	Baleh-Balui FMU (T/3371)	
WLPO 1998 - Totally Protected	13	10	6
WLPO 1998 - Protected	29	28	26
IUCN - Critically Endangered (CR)	2	2	1
IUCN - Endangered (EN)	2	2	2
IUCN - Vulnerable (VU)	8	10	7
IUCN - Near Threatened (NT)	8	5	3
CITES - App. I	4	5	4
CITES - App. II	10	12	0

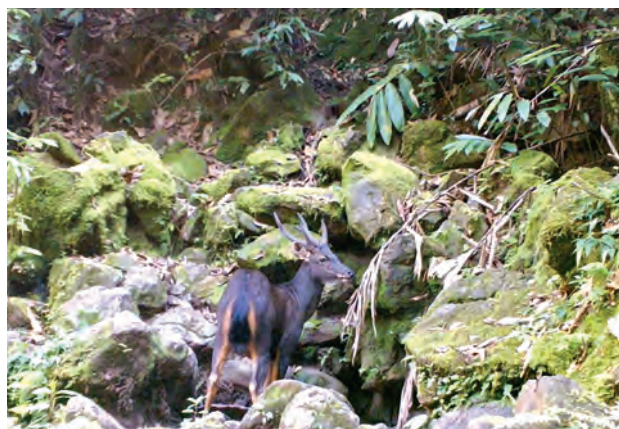
### HCV Protection Update

On biodiversity conservation in the FMU area, a total of 6 dry saltlicks have been identified to-date. Saltlicks possess high conservation value; it is a specific site where wild animals go to lick the naturally occurring salt deposits in order to supplement the essential minerals.

Out of the six (6) saltlicks, three (3) have been established, demarcated and camera trapped by our Honorary Wildlife Ranger (HWR) team for continuous monitoring annually. The outputs shall become part of the overall measurement on population dynamics of mammals in the FMU area.



Appointment of Honorary Wildlife Rangers (HWR)



Sambar Deer at a salt lick

### Pesticides, Chemical and Fertiliser Usage

In order to minimise the impact of our operations on the natural environment, it is essential to cut back on the reliance on fertilisers, pesticides and herbicides.

### Biological Insecticides and Pheromones

As part of our integrated pest management practices, we use biological insecticides and pheromones in place of chemical pesticides to control the population of pests. Biological insecticide such as DiPel is effective against more than thirty different kinds of pests and has minimal effect on the environment, animals and humans, and is biodegradable. Pheromones traps have proven to be an efficient and effective way to trap Rhinoceros beetles.

### Natural Predator

Beneficial plants such as *Cassia cobanensis*, *Turnerasubulata* and *Antigononleptopus* are planted to provide both shelter and supplementary food such as nectar to *Sycanus*, a type of insect that hunts the leaf-eating caterpillars and bagworms.

Surveillance and monitoring of pest outbreak is key to minimise the environmental and financial impact from excessive use of pesticides. Pesticides are used only when and deemed necessary against damaging outbreak.



## SUSTAINABILITY STATEMENT

### **Soil Enrichment and Fertiliser Reduction**

By recycling plant biomass as discussed in the waste management section earlier, the zero burning technique improves soil organic matter, moisture retention and soil fertility. This reduces the overall requirement for inorganic fertilisers and decreases the risk of water pollution through leaching or surface washing of nutrients.

## SOCIAL

At Jaya Tiasa, we believe our employees are our greatest asset. The health of our employees is directly linked to their productivity and satisfaction at work. We believe 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.

### **Labour Standards and Human Rights (SDGs-3 Good Health & Well-Being, 10 Reduced Inequalities)**

The Group is committed in 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;
- Adherence to our core values by our contractors and suppliers; and
- The passports of workers will be made available upon request and no workers will be retained against their will.

No incidences of forced or child labour have been found or reported.

### **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 were 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.

### **Foreign workers**

To mitigate the shortage of labour force during the pandemic and movement restrictions, we look towards retaining 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 us 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.

### **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. In addition to the typical employee benefits, we also provide annual bonuses, medical and insurance coverage and EPF 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.



## SUSTAINABILITY STATEMENT

### ***Diversity and Equal Opportunity***

Diversity brings strength and cultural understanding to an organization. In accordance with our Code of Conduct, equal employment opportunity is given to every employee regardless of religion, ethnicity, gender and other discriminatory factors. We value, respect and leverage the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional services to an equally diverse community.

There was no incident of discrimination and corrective action taken for the year.

Workforce by Gender	FY22	FY21
Female	22%	22%
Male	78%	78%
Total	100%	100%

Workforce by Categories	FY22	FY21
Management	4%	4%
Executive	15%	11%
Non-Executive	81%	85%
Total	100%	100%

### ***Health, Social Care and Workers Welfare***

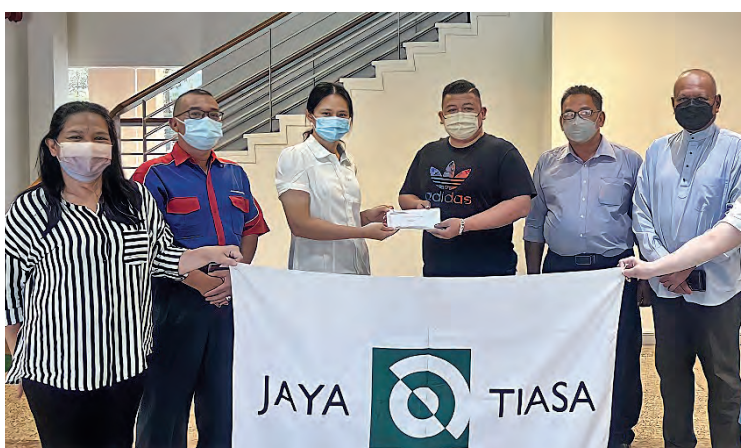
Continuous improvement of the health and well-being of our employees are certainly one of our top priorities. Through our Sports and Recreation Club (SPARC), recreational events, sports activities and company functions are regularly organised throughout the year for our employees with the aim of promoting 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. However, for the past two and half years the pandemic woes and the movement restrictions have curtailed most of the face-to-face activities.

We fully recognise the right of children to education and have already set up a few kindergartens under the KEMAS project in our plantations. We are also in the midst of setting up the Community Learning Centres (CLCs) in our plantations. CLCs are built in collaboration with the Indonesian Consulate to provide education for the Indonesian children.

In addition, the welfare of our estate and mill workforce is provided for with 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.



A clinic at a CPO mill treating a local villager



Monetary Aid for our staff, Mr Khairuzzaman

## SUSTAINABILITY STATEMENT

### Human Capital Development (SDGs-10 Reduced Inequalities)

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 necessary knowledge, skills and competencies needed to work effectively.

Despite the pandemic and movement restrictions, we continue to enhance our employees' skills and knowledge through signing them up to attend online training courses. All internal trainings were carried out under strict adherence to the Covid-19 Standard Operating Procedures.

Field training is also frequently organized to upgrade the technical and functional skills of workers at the operating units.

Description	FY22
No. of trainings	499
Total no. of training hours provided	1,205

Examples of seminar/workshop related to sustainability certification, environmental protection awareness, safety and health and good agricultural practices include the following:-

Date	Workshop/Seminar	No. of Participants
03-04.08.2021	Chemical Spill Response Management (Online)	3
15.12.2021	Training on Occupational Safety & Health in Forest Industries (Online)	18
21.01.2022	Pruning And Sanitation & Safety – SOP, Good Agricultural Practice & Guideline	15
28.02.2022	Authorized Entrant And Standby Person For Confined Space (Refresher)	28
18.03.2022	Program Advokasi Pencegahan Kemalangan Tahun 2022 (Online)	66
13-17.06.2022	Course for Certified Environmental Professional in Scheduled Wastes Management (CePSWaM)	2
20-24.06.2022	Course for Certified Environmental Professionals In the Treatment Of Palm Oil Mill Effluent (CePPOME)	1



Accident Prevention Training



Authorised Entrance and Standby Person for Confined Space Training

### Community Engagement and Corporate Social Responsibility (SDGs-1 No Poverty, 8 Decent Work and Economic Growth)

#### Community Well Being

The Group continues to support the local communities associated with our operations through the offering of job opportunities, fair pay and by minimising all environmental and social impacts. We help to create direct employment for the local people and currently about 50% of the Malaysian staff at our mills and plantations are from the local communities. Our employees are also encouraged to take part in community and charitable activities. Over the last 12 months, our efforts included donation of



## SUSTAINABILITY STATEMENT

medical equipment to Sibü General Hospital and donation to Sibü Kidney Foundation through recycling. In addition to this area of focus, our blood donation drives are conducted yearly to replenish the blood supplies of the local hospitals and blood banks.

The Group has, in FY22, contributed funding in cash and in-kind not just to our own workers affected by tragedies and losses but also towards enhancing the social well-being of the community through supporting initiatives related to educations, health care, arts and culture, sports, community development, the underprivileged, disability groups and more.



Blood Donation Campaign



Donation to Sibü Kidney Foundation (SKF) through Recycling Program



Donation of Medical Equipment to Sibü General Hospital

### Occupational Safety and Health (SDGs-3 Good Health & Well-Being)

Safety and Health has always been our utmost priority. To safeguard the health, well-being and safety of our employees, the following precautions and measures were established:

- Promotion of a safe working culture through the conduct of safety briefings and safety awareness campaigns for both employees and contractors;
- Personal Protective Equipment (PPE) is provided for those working in environments exposed to hazards and risks. Full compliance with the use of PPE is mandatory and strictly monitored;
- Implementation of standardised health and safety program and policies across all the Group's operations. These programs and policies are continuously reviewed, monitored and fully implemented;
- Having safety and health committee in place and hold regular committee meetings and to encourage active employees' participation in the meetings;
- All of our foreign workers are registered and covered by SOCSO or SKKPHA;
- Regular safety education programs are conducted to enable employees to understand the requirements of the Occupational Safety and Health Administration (OSHA) and to boost safety and health awareness and knowledge to work safely;
- Safety and warning signs are displayed everywhere on the sites to ensure staff and workers are well aware of the possible dangers and hazards in the working environment;
- Regular workplace safety inspections are carried out to ensure potential hazards are identified and corrected to prevent incidents, injuries and illnesses;



## SUSTAINABILITY STATEMENT

- Third party service recognised by Department of Occupational Safety & Health (DOSH) is engaged to perform workplace assessments on:
  - a) Chemical Health Risk Assessment (CHRA);
  - b) Noise Risk Assessment (NRA); and
  - c) Local Exhaust Ventilation (LEV) Inspection
- All our CPO mills have clinics where workers can receive free healthcare;
- Medical and physical checkups and audiometric tests are regularly conducted for employees exposed to dangerous chemicals, pesticides and high noise levels;
- Regular inspections of the employees' housing and welfare facilities are carried out to ensure that sanitation, health and drainage standards are maintained according to the Group's policy; and
- Implementation of strict Covid-19 SOP throughout the Group such as the compulsory usage of face masks at the workplace including at the sites, providing face masks to all site staff, and providing hand sanitisers, disinfecting fogging machine and disinfectant solution to all offices. In FY22, a total of RM295,913.78 had been spent on the provision of Rapid Antigen Test Kits, masks, disinfecting fogging machine and disinfectant solution to reduce the transmission of the virus and provide a safe workplace for our staff.



Regular safety and health meetings



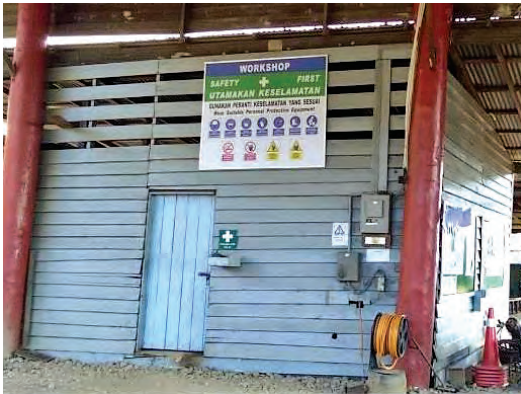
Regular training program to improve workers' safety at the workplace



Mandatory and full compliance with the use of PPE



## SUSTAINABILITY STATEMENT



Safety and warning signs



On-site NRA



On-site LEV inspection



On-site CHRA



Site audit by DOSH officers

As mentioned above, during the reporting year, specific SOP and guidelines were implemented to reduce the risk of Covid-19 infection among staff and workers. Some of the measures at our offices, estates, mills, timber camps and warehouses include:

- Providing masks to all site staff;
- Providing hand sanitisers at the entrances of offices;
- Requiring all staff and workers to undergo health screening, and in the event of quarantine, they are required to report and declare their status to the HR department;
- Developing detailed guidelines on handling staff and workers who are tested positive for Covid-19. The infected worker is required to undergo the mandatory quarantine period set by the Ministry of Health (MOH) and report to MOH via MySejahtera;



Covid-19 Awareness Briefing



## SUSTAINABILITY STATEMENT

- Foreign workers are required to undergo a total of three (3) Rapid Antigen Tests. If the test results are negative, they are to work but live separately from other workers for a period of 10 days;
- Training, creating Covid-19 awareness and inculcating hygiene practices, which includes frequent hand washing and sanitization through the Group's online portal;
- Conducting virtual meetings and webinars;
- Compulsory usage of face masks at all work offices and sites; and
- Disinfecting/sanitising workplaces twice daily.

### Vaccination Drive

Between July 2021 and early 2022, we conducted a series of Covid-19 vaccination drive with the aim to vaccinate all our employees, especially the migrant workers against the virus. During that period, more than 5,000 doses of vaccine were administered to our employees at our mills and plantations.



Vaccination drive

### Safety and Health Performance

The Group devotes continuous efforts in accident prevention by conducting "Hazard Identification, Risk Assessment and Risk Control (HIRARC)" on all our operations. With HIRARC, we are able to identify, assess/measure and minimize the hazards and risks of any workplace and its activities.

Every accident is formally investigated to determine the root cause and to prevent the recurrence of such incidents. The details and conclusion of the investigation are included in the Accident Investigation Report (AIR). All the occupational injuries, diseases and poisoning in the workplace will be reported to the nearest Department of Occupational Safety & Health (DOSH) office within seven (7) working days.

Incident Rate Per 1,000 Workers	Rate
2021	0.49%
2022	0.38%

Apart from all the control measures, the management has put in place, various SOP, trainings and refresher courses such as firefighting skills, fire drills, first aid, emergency response plan, chemical handling and so forth which are being introduced to the employees on a regular basis.

## GOVERNANCE

### Compliance with Legal and Other Requirements (SDGs-16 Peace, Justice and Strong Institutions)

At Jaya Tiasa, it is also our utmost priority that we practise and uphold high standards of corporate conduct. We strive to ensure that all business and operational affairs are carried out ethically, transparently, with integrity and accountability and in full compliance with the laws and regulations.

### Ethical Business Conduct

The Code of Conduct and Ethics ("The Code") provides guidance on the standards of behavior expected of all employees of the Group, whereas the supplementary Directors' Fit and Proper Policy is formulated for newly appointed and existing directors. The Anti-Bribery and Corruption Policy developed in accordance with Section 17A Corporate Liability provision of Malaysian Anti-

## SUSTAINABILITY STATEMENT

Corruption Commission (MACC) Act 2009 further complements “The Code” and reinforces our zero-tolerance approach towards corruption in any form.

For the FY22, the Group was not subject to any of the following incidents:

- Non-compliance with laws and regulations in the social and economic area;
- Non-compliance with environmental laws and regulations; and
- Non-compliance with the financial standards and frameworks.

### ***Free, Prior, Informed and Consent (FPIC)***

Our business operations shall ensure our activities do not threaten or diminish the rights of others. Any conflict or land disputes shall be resolved in accordance with the FPIC process.

### **Grievance Procedures (SDGs-16 Peace, Justice and Strong Institutions)**

At Jaya Tiasa, the established grievance mechanisms are the Whistle-Blowing Policy and Complaint and Grievance Procedures. To ensure their effectiveness, the mechanisms are transparent, impartial, confidential and accessible.

The Whistle-Blowing Policy was established in 2014 to enable any party to raise genuine concerns about improper conducts committed by an employee within the Group through formal procedures and confidential channels provided, without risk of reprisal.

The Complaint and Grievance Procedures was set up in 2017 and is made available to all business units. The mechanism allows anyone to lodge a complaint or grievance which will be escalated to the management level for intervention and timely resolution.

For FY22, the Group did not receive any whistle-blowing, complaint or grievance cases.

### **Sustainability Certification (SDGs-12 Responsible Consumption and Production)**

#### **i) Malaysian Sustainable Palm Oil (MSPO)**

MSPO is a national sustainability scheme created by the Malaysian government and developed for oil palm plantations, smallholders and downstream facilities. The standards include: -

- the production of safe, high quality oil palm fruits;
- the protection of the environment;
- the safeguarding of social and economic conditions of owners;
- supporting the surrounding community;
- enforcing workplace health and safety excellence; and
- the implementation of best practices.

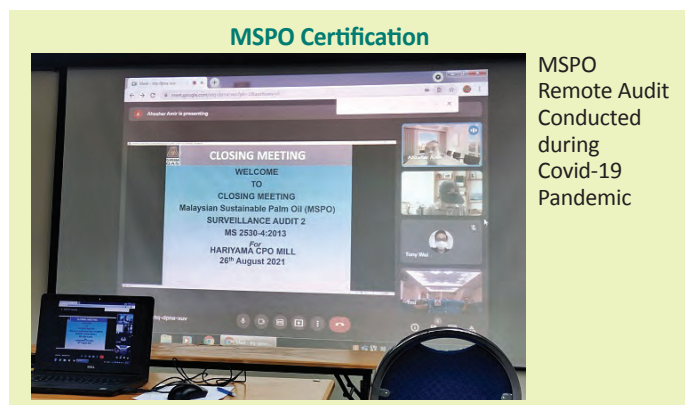
All of the Group’s plantations and mills have undergone the MSPO certification and are fully certified.

#### **ii) MSPO Supply Chain Certification Standard (MSPO SCCS)**

MSPO SCCS is a related national sustainability scheme for the sustainable production of palm oil throughout its supply chain. MSPO SCCS covers management requirements and traceability of its products from raw materials to processing and manufacturing of palm oil and palm oil-based products and aims to deliver confidence and credibility that the palm oil raw material originates from sustainably-managed oil palm planted areas. The requirements include:-

- a Sustainability Policy;
- management representative;
- record-keeping;
- operating procedures;
- internal audits and management reviews;
- resource management;
- traceability; and
- claims, complaints and grievances.

All of the Groups CPO mills have attained MSPO SCCS.



## SUSTAINABILITY STATEMENT

### iii) Forest Management Certification

Forest Management Certification (FMC) by third party verification is an internationally recognized system to ensure responsible forest management. The Sarawak State Government has made it mandatory for all long-term forest timber licenses to obtain FMC by 2022. Pursuant to this policy, the Certification Department is established towards managing and obtaining the certification for all of our timber license areas. Two of our Forest Management Units (FMU) have undergone the Stage 2 audit in June 2022.

#### Forest Management Certification (MCI & SFM)



PSP Inspection, Coupe 2 of Penuan-Lebuwai FMU  
(Stage II Audit)



PSP Inspection, Coupe 1 of Baleh-Balui FMU  
(Stage II Audit)



Inspection of Workplace Safety & Health at  
Baleh-Balui FMU (Stage II Audit)

### Responsible Sourcing and Traceability (SDGs-12 Responsible Consumption and Production)

To ensure we adhere to our sustainability commitments, sourcing from responsible and traceable third-party is a priority. It is vital to know where our FFB comes from and we need to 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). In FY22, we are able to achieve 100% Traceability to Plantation (TTP) and 98.98% of FFB came from sustainable sources.

### MOVING FORWARD

The Group will continue to uphold our commitment towards sustainability in our policies and business practices and address any new emerging concern on ESG. The interest of all stakeholders will also be adequately dealt with to ensure everyone mutually benefited from the sustainability initiatives implemented.