

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 is 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

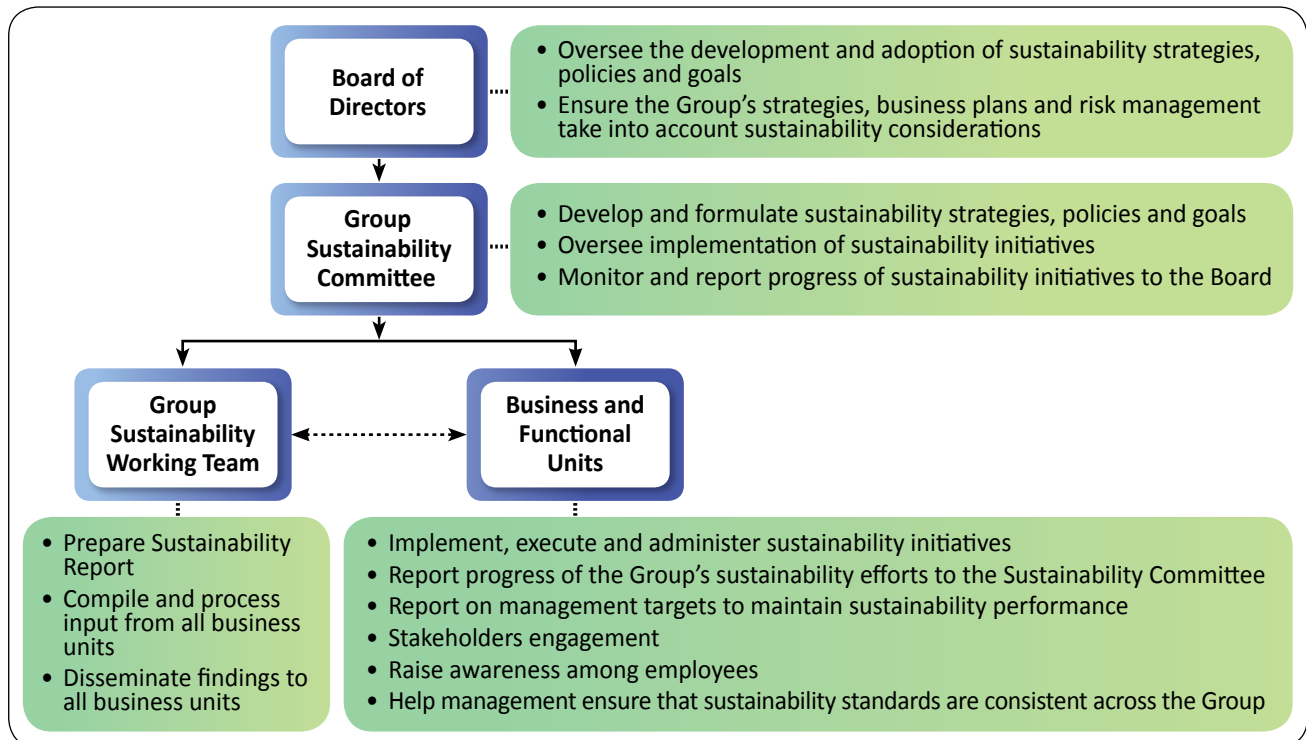
The scope of this Sustainability Statement encompasses the Group’s oil palm plantation operations, palm oil mill operations and timber operations, and focuses on the things that are most material to both our organization and stakeholders for the financial year ended 30 June 2023 (“FY23”).

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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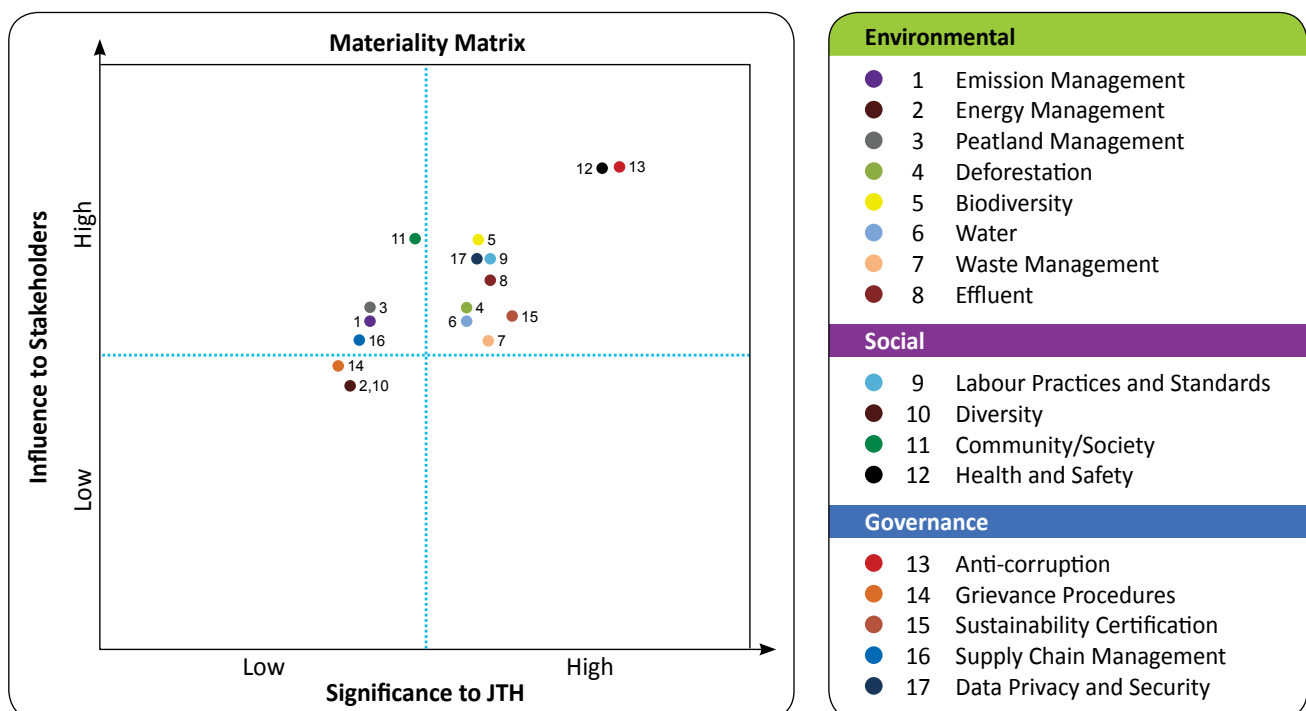
Sustainability Governance Management Structure



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 FY23 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	30
Set up methane capture plant in the CPO mills	At selected CPO mills	Achieved	Emission Management	30
Set up air pollution control system - Wet Scrubber	At selected CPO mill	Achieved	Emission Management	30
Set up air pollution control system - Electrostatic Precipitator (ESP)	At remaining CPO mills	Ongoing	Emission Management	30
Installation of Biomass boilers for energy generation	At all CPO mills	Achieved	Emission Management, Energy Management , Waste Management	30, 40
No new developments carried out on peatlands	At all plantations	Achieved	Emission Management, Peatland Management, Deforestation, Supply Chain Management	31
Flora and Fauna Biodiversity Assessment	For all plantations and FMUs	Achieved	Biodiversity	32
Management of effluent discharge	Within requirement (<20mg/L)	Achieved	Emission Management, Effluent, Water Resource Management	40
Implement 3R initiative (Reduce, Reuse and Recycle) in waste management	At all plantations, CPO mills and FMUs	Ongoing	Waste Management	40
Target 2: Social				
No child labour	No breaches of laws and regulations	Achieved	Labour Practices and Standards	41
No forced labour	No breaches of laws and regulations	Achieved	Labour Practices and Standards	41
Human Capital Development	Continuous improvement	Ongoing	Labour Practices and Standards	42
Improve livelihood of smallholders & local communities	Continuous improvement	Ongoing	Community/Society	45
Prevention of work-related injuries and diseases	Zero fatality and continuous reduction in accident rate	Continuous Improvement	Health and Safety	46

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Objectives	Targets	Status of Targets	Address by Specific Material Sustainability Matter	Page Reference
Target 3: Governance				
Prevent bribery and corruption	To train all employees on anti-corruption, Zero-tolerance	Ongoing	Anti-corruption	49
MSPO certification	All plantations and CPO mills	Achieved	Sustainability Certification	50
MSPO SCCS	All CPO mills	Achieved	Sustainability Certification	50
Forest management certification	All FMUs	Achieved for 2 FMUs Ongoing for 1 FMU	Sustainability Certification	51

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.



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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 FY23. 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 	SDG 6, 7, 13, 15    
SOCIAL	<ul style="list-style-type: none"> Labour Practices and Standards Diversity Community/Society Health and Safety 	SDG 1, 3, 8, 10, 11     
GOVERNANCE	<ul style="list-style-type: none"> Anti-corruption Grievance Procedures Sustainability Certification Supply Chain Management Data Privacy and Security 	SDG 12, 16  
ECONOMIC	<ul style="list-style-type: none"> Product Quality Economic Performance 	SDG 8, 12  

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 FY23

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 FY23



Awareness Briefing on Forest Management & Forest Management Certification by the Forest Department with RH Lawan Community, Nanga Ramong, Sg Gaat



Stakeholders Meeting for Mengiong Entulu FMU (T/3372)



Social Monitoring on Local Communities Residing In and Around T/3370 & T/3371

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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.

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 biogas plants constructed 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 FFB production to CPO production and the transportation of the products. We are working to compile, quantify and analyze these data sets to identify significant sources of emissions and develop plans and mitigation measures to manage our carbon footprint.

Air Pollution Control

The operation of our CPO mills produces harmful particulate matter from the waste gases produced by the mills. The Group has embarked on the installation of the air pollution control system, Electrostatic Precipitator (ESP) in three of our mills as part of our environmental quality (clean air) project to minimize the environmental impact brought by our mill operations, while our fourth CPO mill is already equipped with the wet scrubber technology since its commissioning.



Anaerobic Digester Tank



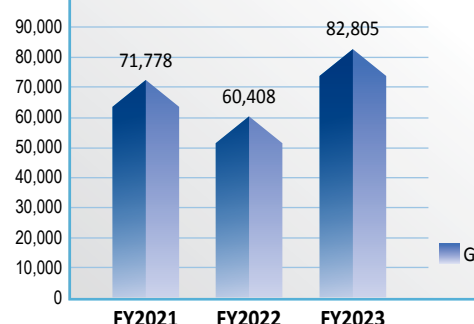
Biogas Flare Stack

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 FY23, the boilers in our mills generated 82,805 GJ of electricity from those by-products which is equivalent to electricity generated from burning 7.95 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.

Renewable Energy Generated from Boilers



Energy consumption in FY23 for the Group:

Energy Type	Consumption			
	Plantation	Mill	FMU	LPF
Non-renewable Energy	236,995.00	44,469.00	131,067.00	3,965.00
Renewable Energy	-	82,805.00	-	-
Purchased Electricity	237.61	-	-	-
Total (GJ)	237,232.61	127,274.00	131,067.00	3,965.00

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Peatland Management

The Group ensures that we implement 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.

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

In FY23, we report a total of 12,590.80 ha of buffer zones area in our oil palm plantation and the setup of 16 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.



Buffer Zone at Lepah Plantation



Piezometer and Peat Subsidence Pole

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 and could easily derail the Group from achieving economic and environmental sustainability.

The Group has established 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 standardised Emergency Response and Preparedness Procedure (ERPP) was adopted throughout the Group to ensure everybody is on the same page in regards to handling different types of emergency. The Group has also invested in fire-fighting equipment like diesel water pump in plantations and fire hydrant system in mills.

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.

In accordance with Natural Resources and Environment Ordinance (NREO), the Group's LPFs has also enforced zero burning for land clearing.

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 six consecutive years.



Fire Tower at FMU T/3371

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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). In FY23, we are able to achieve 100% Traceability to Plantation (TTP) and 99.71% of the FFB came from sustainable sources.

Biodiversity

Wildlife Survey

The Group continues to invest in the conservation of important flora and fauna in Sarawak. A key step taken in FY23 was the additional setup of camera traps for our FMUs, which aims to enhance internal capability to undertake independent wildlife survey, researches and conservation measures in line with the Sustainable Forest Management (SFM) policies. To ensure our sustainability practices are implemented accordingly in our FMUs, we 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.



Honorary Wildlife Rangers (HWLR)

The Group has committed to be a part of the HWLR program held under the Sarawak Forest Corporation (SFC). To enhance our current capacity, the FMU has sent 5 more potential candidates, comprising of 2 FMU managers and 3 Security personnel to undergo the HWLR training course, to support our existing 5 HWLR, upon their appointment.



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Patrolling by In-House Honorary Wildlife Rangers

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 “Rare, Threatened and Endangered” (RTE) birds and animals by the FMU workers.



FMU Policies and Signboard

The Group has established policies and set up signboards at various locations such as at the entrance to licensed boundary, High Conservation Value Area (HCVA), rivers and junctions to villages and logging base camps to emphasize on the severity of hunting, poaching and unauthorized activities.



Establish boundary marking around 100m buffer from the edge of core HCVA

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Baleh Watershed Wildlife Connectivity Project

The Baleh Watershed Wildlife Connectivity Project is a significant biodiversity conservation project in which the Group works together with the Forest Department Sarawak, World Wildlife Fund (WWF), UNIMAS and Sarawak Energy. This has been an ongoing project since 2019 and its main objective is to establish a wildlife corridor connecting Baleh National Park and Hose Mountain National Park in Malaysia and Kayan Mentarang in Indonesia.



FMU surveyors with Forest Department Sarawak personnel and 2 locals during their field work in Long Unai

Phenology Survey of Dipterocarp Trees in FMU Areas

Phenology survey of Dipterocarp trees identifies the location of fruiting of the Dipterocarp trees and conducts phenology survey on the selected trees to collect the seeds (if any) around our FMU areas, is another effort by the Group on forest conservation to restore the degraded Dipterocarp forest.



Field visit to Penuan-Lebuwai FMU by the Restoration and Industrial Forest Division of the Forest Department Sarawak

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 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.



Nesting Tree at FMU T/3371

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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 12,590.80 ha. We had also conducted High Conservation Value (HCVs) Assessment for our FMUs and LPFs. 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.



Nesting Tree at FMU T/3371



Salt lick at LPF24



Salt lick at FMU T/3370



Batang Baleh at FMU T/3370



Tiger Orchid at FMU T/3371



Samba Deer at LPF24



Rhinoceros Buceros at FMU T/3370



Sun Bear at FMU T/3371



Pig Tailed Macaque at FMU T/3371

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Brown Wood Owl at FMU T/3371



Slow Loris at FMU T/3371



Clouded Leopard at LPF24



Crested Serpent Eagle at FMU T/3371

Oriental Darter (*Anhinga melanogaster*) commonly found at Bakun Lake near Long Bulan

Hylarana Picturata at T/3370, Sg Putai

Size and Location of Habitat Areas Protected or Restored:

Area	Gross Area ('000 m ²)	Habitat Area/Protected ('000 m ²)					Restored	
		High Conservation Value Area (HCVA)	Stream Buffer Reserve (SBR)	Terrain IV (TIV)	Internal Buffer Zone (IBZ)	Others	Forest Reserve ('000 m ²)	Total Trees Planted
Penuan-Lebuwai FMU (T/3370)	1,321,460	0.942	20,790	79,430	0	0	445.0	25,059
Baleh-Balui FMU (T/3371)	2,150,880	0.648	35,400	115,830	0	6,200	145.0	10,128
Mengiong-Entulu FMU (T/3372)	649,740	0.314	5,890	7,720	105,790	0	36.2	1,960

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Summary of Conservation List of Flora Species in the Group's FMUs:

Conservation Status	Flora		
	Forest Management Unit		
	Penuan-Lebuwai FMU (T/3370)	Baleh-Balui FMU (T/3371)	Mengiong-Entulu FMU (T/3372)
WLPO 1998 - Totally Protected	1	1	1
WLPO 1998 – Protected	12	21	15
IUCN - Critically Endangered (CR)	7	9	5
IUCN - Endangered (EN)	9	4	3
IUCN - Vulnerable (VU)	1	3	3
IUCN - Near Threatened (NT)	0	0	0
IUCN – Least Concerned (LC)	16	18	20

Summary of Conservation List of Flora Species in the Group's Oil Palm Plantations:

Conservation Status	Flora							
	Oil Palm Plantation							
	Daro Jaya	Kabang	Lassa	Lepah	Pulau Bruit (Wealth Houses, Eastern Eden & Poh Zhen)	Sawai	Simalau	Hariyama
WLPO 1998 - Totally Protected	0	0	0	0	0	0	0	0
WLPO 1998 - Protected	5	6	5	4	10	5	7	13
IUCN - Critically Endangered (CR)	0	0	0	1	5	0	0	1
IUCN - Endangered (EN)	1	0	0	1	3	0	0	0
IUCN - Vulnerable (VU)	2	0	0	1	5	0	0	1
IUCN - Near Threatened (NT)	0	0	0	0	0	0	0	0
IUCN - Least Concerned (LC)	6	6	5	0	12	5	7	7

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Summary of Conservation List of Fauna Species in the Group's FMUs:

Conservation Status	Fauna		
	Forest Management Unit		
	Penuan-Lebuwai FMU (T/3370)	Baleh-Balui FMU (T/3371)	Mengiong-Entulu FMU (T/3372)
WLPO 1998 - Totally Protected	13	10	13
WLPO 1998 – Protected	29	28	29
IUCN - Critically Endangered (CR)	2	2	2
IUCN - Endangered (EN)	4	4	4
IUCN - Vulnerable (VU)	6	8	6
IUCN - Near Threatened (NT)	8	5	9
IUCN – Least Concerned (LC)	21	21	22

Summary of Conservation List of Fauna Species in the Group's Oil Palm Plantations:

Conservation Status	Fauna							
	Oil Palm Plantation							
	Daro Jaya	Kabang	Lassa	Lepah	Pulau Bruit (Wealth Houses, Eastern Eden & Poh Zhen)	Sawai	Simalau	Hariyama
WLPO 1998 - Totally Protected	2	0	1	3	4	1	1	0
WLPO 1998 - Protected	11	8	11	9	11	11	13	13
IUCN - Critically Endangered (CR)	1	0	0	0	0	0	0	0
IUCN - Endangered (EN)	2	2	2	1	2	2	2	2
IUCN - Vulnerable (VU)	3	2	4	2	1	6	0	1
IUCN - Near Threatened (NT)	0	1	1	1	1	0	3	7
IUCN - Least Concerned (LC)	28	35	31	32	28	32	34	46

Pesticides, Chemical and Fertilizer Usage

In order to minimise the impact of our operations to the natural environment, it is essential to cut back on the reliance on fertilizers, pesticides and herbicides. Bunch ash, which is a 100% organic potash fertilizer is being recycled and used in some estates. In FY23, 6,205 MT of bunch ash were applied as organic fertilizer.

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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 cobanesis, Turnerasubulata and Antigonon leptopus are planted to provide both shelter and supplementary food such as nectar to Sycaus, 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.

Soil Enrichment and Fertilizer 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 fertilizers and decreases the risk of water pollution through leaching or surface washing of nutrients.



Beneficial plant Antigonon Leptopus

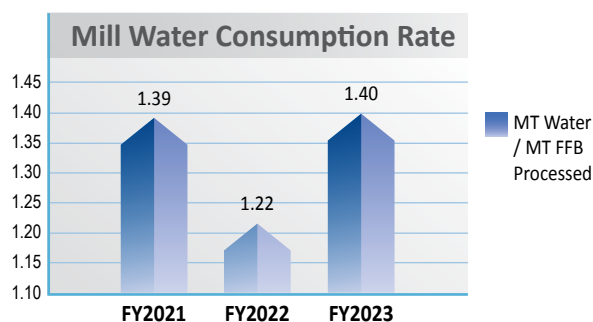
Water Resource Management

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 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 FY23, 1.4 MT of water was used to process one MT of FFB.



Water Treatment Plant in Hariyama Plantation

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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 the 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 (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. MohdTayeb, 2002*).

By-products generated and recycled from milling operations in FY23:

By-product	Total Quantity Generated and Recycled (MT)	Method of Recycling
Bunch Ash	6,205	Organic fertilizer
Press Fiber	129,015	Biomass fuel for boiler
Palm Kernel Shell	19,113	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

Scheduled wastes generated and disposed by the Group operations in FY23:

Operation	Scheduled waste generated (MT)	Scheduled waste disposed (MT)
Plantation	50.25	37.40
CPO Mill	10.56	7.66
FMU/LPF	0.82	0.82
Total	61.63	45.88

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 FY23, 100% of the 955,665 MT 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 are over the limit and harming the waterways.

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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 Practices and Standards

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; and
- Adherence to our core values by our contractors and suppliers;

No incidences of substantiated complaints concerning human rights violations have been 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 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.



Job Fair in Mukah

SUSTAINABILITY STATEMENT

Total number of employee turnover by category:

Category	No. of Employee
Manager	3
Executive	15
Non-Executive	84
Total	102

Percentage of contractors/temporary staff:

Contractor	Temporary Staff
0.77%	0.08%

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 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. 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 in FY23:

Position	Training Hours
Manager	3,796
Executive	8,532
Non-Executive	7,947
Total	20,275

SUSTAINABILITY STATEMENT

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 Participant
10-11.08.2022	Training on the RIL Guidelines for Ground-Based Timber Harvesting in the State of Sarawak	30
19-20.10.2022	Customised Train-The Trainer Program	15
15-17.11.2022	RECODA Program – Supervisory Development Program	22
08-09.12.2022	Attitude Make-Over Training for Top Notch Service	29
30-31.01.2023	Malaysian Sustainable Palm Oil (MSPO) MS 2530:2022 Internal Auditor Training	4
22-23.02.2023	Implementing 5S at Palm Oil Mill	29
01.03.2023	Bengkel Latihan Sistem Mypremisi Bagi Pemegang Lesen PYDT - Kilang Kelapa Sawit (KKS) Negri Sarawak	7
11-12.03.2023	Authorized Entrant and Standby Person for Confined Space	18
14.03.2023	Anti-Bribery and Corruption Awareness Training	186
10-11.04.2023	Environmental, Social and Governance (ESG) in Oil Palm Industry	3
25.06.2023	Using ChatGPT to Increase the Business Competency	21
27.06.2023	3M Buaya and Wildlife Protection Ordinance 1998	46



Training on Authorised Entrant and Standby Person for Confined Space



Training foreign workers on field work

SUSTAINABILITY STATEMENT

Diversity

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 were no incidences of discrimination and corrective action taken for the reporting year.

Percentage of employees by gender and age group for each category:

Gender	Manager	Executive	Non-Executive	Total
Male	5.13%	13.14%	61.63%	79.90%
Female	0.69%	6.72%	12.69%	20.10%
Total	5.82%	19.86%	74.32%	100.00%
Age Group	Manager	Executive	Non-Executive	Total
Below 30	0%	3.16%	18.37%	21.53%
30 – 50	2.91%	12.50%	43.01%	58.42%
Over 50	2.91%	4.20%	12.94%	20.05%
Total	5.82%	19.86%	74.32%	100.00%

Percentage of directors by gender and age group:

Gender	%	Age Group	%
Male	66.67	Under 50	11.11
Female	33.33	50 – 60	33.33
Total	100.00	Over 60	55.56
		Total	100.00

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.

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

Plantation	Centre	No. of Student
Lassa	Tabika KEMAS Jaya Tiasa Ladang 2 Daro A&B	26
Lassa	Nursery centre (V6, V10) – 3 units	46
Simalau	Nursery centre – 1 unit	20
Hariyama	Nursery centre (Village J27) – 1 unit	45
Poh Zhen	Nursery centre – 1 unit	32
Eastern Eden	Nursery centre – 3 units	67
Lepah	Nursery centre (Village 2 & 3) – 1 unit	64

SUSTAINABILITY STATEMENT



Tabika KEMAS in Daro Jaya 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.

Community/Society

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 road maintenance for local communities living around our operations, contributions to social activities during festive periods and special school activities, donations to old folk's home and orphanage, schools, churches and mosques, and providing amenities like water tanks to local communities. We organized four blood donation drives in FY23 and managed to collect a total of 138 pints of blood for the local blood bank.

The Group has, in FY23, contributed funding in cash and kinds 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.



Weekend walk

SUSTAINABILITY STATEMENT



Blood Donation Campaign



A visit to old folks home, Rumah Seri Kenangan



A collection drive for recyclable materials for Sibu Kidney Foundation

Health and Safety

Health and safety have always been our utmost priority. To safeguard the health, well-being and safety of our employees, the following precautions and measures have been 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;
- 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; and
- 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.

SUSTAINABILITY STATEMENT



Assessment by external parties



Safety and warning signs



Site audit by DOSH officers

SUSTAINABILITY STATEMENT

Health, Safety & Environment (HSE) Week

Providing a safe and healthy workplace has always been our fundamental duty as a responsible employer as we remain committed to conducting our business with primary emphasis on the health and safety of our stakeholders and the general well-being of the environment in which we operate. In conjunction with the HSE Campaign, the HSE Department held the HSE Week at Wealth Houses CPO Mill, in partnership with the Department of Safety and Health (DOSH), Department of Environment (DOE) and The Natural Resources and Environment Board (NREB) to raise awareness about occupational safety and health and environment protection and to promote the importance of safe working practices and environmental responsibility through a series of interactive and informative talks and training on the following topics:

- (a) Chemical Safety Handling
- (b) Environmental
- (c) Ergonomic & Manual Handling Awareness
- (d) ESG
- (e) Fire Fighting Training
- (f) Safety & Health
- (g) Scheduled Waste Management
- (h) Wildlife Protection Talk
- (i) Hearing Conservation Awareness Talk



SUSTAINABILITY STATEMENT

Health and Safety (H&S) 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.

No.	KPI	Reporting Frequency	Measure	FY23
1	Number of Work-related Fatalities	Monthly	#	0
2	Number of Work-related Accidents		#	22
3	Number of Employees Trained on H&S standards		#	1,106
4	Workplace Inspection (Health, Safety & Environment, HSE)		#	305
5	Internal Audit		#	15
6	Fatality Rate		#/1,000 workers	0
7	Incident Rate		#/1,000 workers	3.48
8	Total Number of Lost Time Injury (a) Oil Palm Operations (b) Timber Operations	Annually	#	506 45
9	Lost Time Incident Rate (LTIR) (c) Oil Palm Operations (d) Timber Operations		#/200,000 hours	0.36 3.90

No. of Health & Safety Committee Member					No. of Committee in Total
No.	Location	Male	Female	Total	
1	Oil Palm Operations	312	95	407	28
2	Timber Operations	37	1	38	4

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 are being introduced to the employees on a regular basis.

GOVERNANCE

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.

Anti-corruption

The Group adopts a zero-tolerance approach against all forms of bribery and corruption as set out in the Anti-Bribery and Corruption Policy, which states the Group’s commitment to:

- comply with the provisions of Section 17A Corporate Liability of Malaysian Anti-Corruption Commission (MACC) and the applicable law by inculcating integrity, transparency and accountability in all aspects of its business; conduct business with integrity, honesty and transparency;
- prohibit employees from soliciting, accepting, and offering bribes and any form of corruption;
- ensure all employees and business associates adhere to the Anti-Bribery and Corruption Policy and the related procedures; and
- promote a culture of integrity by providing channels set out under the Group’s Whistle Blowing Policy for reporting of any suspected acts of corruption and improper conduct.

For the FY23, there were no incidences of corruption and action taken.

SUSTAINABILITY STATEMENT

Employees trained on anti-corruption by employee category:

Category	%
Manager	73.73
Executive	25.87
Non-Executive	2.46



Anti-Bribery and Corruption Awareness Training

Grievance Procedures

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 FY23, the Group did not receive any whistle-blowing, complaint or grievance cases.

Sustainability Certifications

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 Group's CPO mills have attained the MSPO SCCS.

SUSTAINABILITY STATEMENT

MSPO Certification



MSPO Audit

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. Two of our FMUs, Penuan-Lebuwai FMU and Baleh-Balui FMU have been awarded the Malaysia Criteria and Indicators for Sustainable Forest Management Certification (MC&I SFM) under the Malaysian Timber Certification Scheme (MTSC), while Mengiong-Entulu FMU has undergone the required audits and is looking forward to attaining the certificate as well.

Forest Management Certification (MC&I & SFM)



From left: COO Dato' Wong Pack, CEO Dato' Jin Kee Mou and Mr Hii Sii Yew (former Forest Certification Senior Manager) to commemorate the award of the certifications



PSP Inspection (T/3372)

SUSTAINABILITY STATEMENT

Forest Management Certification (MC&I & SFM)



Scheduled waste store



Audit team (T/3372)

Supply Chain Management

The Group focuses on sourcing locally and supporting local small and medium sized enterprises (SMEs) to boost the nation's economic development where possible and applicable, and to share the best practices with local companies while taking ESG-related matters into consideration as well as create more employment opportunities and wealth generation among the local communities.

In FY23, 99.99% of the Group's purchases were spent on local suppliers.

Data Privacy and Security

Personal Data Privacy and Security Notice was established to guide the Group and all employees on the safeguarding of confidential information obtained during the course of their work to prevent potential breach of data privacy and leakage of confidential data that might lead to financial loss, business interruptions or tarnished reputation of the Group.

During FY23, the Group did not receive any substantiated complaints concerning breaches of customer privacy and losses of customer data.

ECONOMIC

Product Quality

It is the policy of the Group to produce quality palm oil 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

In the reporting year, our employees (through their various services in the Group) were recipients of RM101.7 million in employee benefits. The Group also contributed over RM20.9 million to the government through various taxes, cesses and logs royalty.

From the total revenue of RM855.0 million, 32% or RM274.5 million was channeled to the purchase of spare parts, diesel, vehicles, fertilizers 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 RM47.9 million during the year.

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 will mutually benefit from the sustainability initiatives implemented.