

SUSTAINABILITY REPORT



INVESTOR IN PEOPLE

People is the key success component in achieving sustainable business goals. Without their expertise, talent and dedication, the Group will not be where it is today. The Group remains focused on empowering its workforce with equal opportunities for personal and career development along side with the provision of decent and safe work environment, culture and tools to support and drive their professional growth towards building a high performing team.



Respect for Human Rights

The Group is committed to protect the rights of its people and to treat them with dignity in line with all relevant legal requirements and regulations, and with key reference to the Universal Declaration of Human Rights. The Group had taken a proactive approach to ensure that internationally-recognised human rights and workplace standards are upheld across all our operations. The Group endeavours to adhere to the standards and practices that were aligned with international principles, such as the International Labour Organisation's (ILO) core labour standards and United Nations Guiding Principles on Business and Human Rights, subject to the restrictions of the governing laws and regulations of the countries where the Group operates. The Group's commitment is reflected in its Human Rights Policy, of which more information can be found in the Group's website.

The commitment to respect human rights is applicable to all the Group's operations and its supply chain. The commitment and practices on upholding human rights were socialised to all relevant stakeholders, including the entire workforce, contractors, suppliers and the neighbouring communities.

RESPONSIBLE RECRUITMENT

The Group's operations in Malaysia employed guest workers who are primarily from Indonesia. The Group is vigilant on the potential risks of forced labour and practices direct hiring through the appropriate Government approved channels to prevent exploitation and wrong dissemination of information to the guest workers. The Group also ensures that no recruitment fees are imposed in the recruitment process and all written contracts are briefed in their language to ensure workers understand and accept terms and conditions of work voluntarily. The Group prohibits any form of forced and bonded labour, including the withholding of workers' travel documents, wages, passports and any personal belongings without their consent. In the Malaysian operations, guest workers can decide as to how and where they want their passports to be kept. The Group had provided passport lockers in every operating unit in the Malaysian operations, to enable the guest workers free access to their passports without any restrictions. Moving forward, the Group will continue to monitor the process and expect the same practice is adopted by the third-party suppliers.

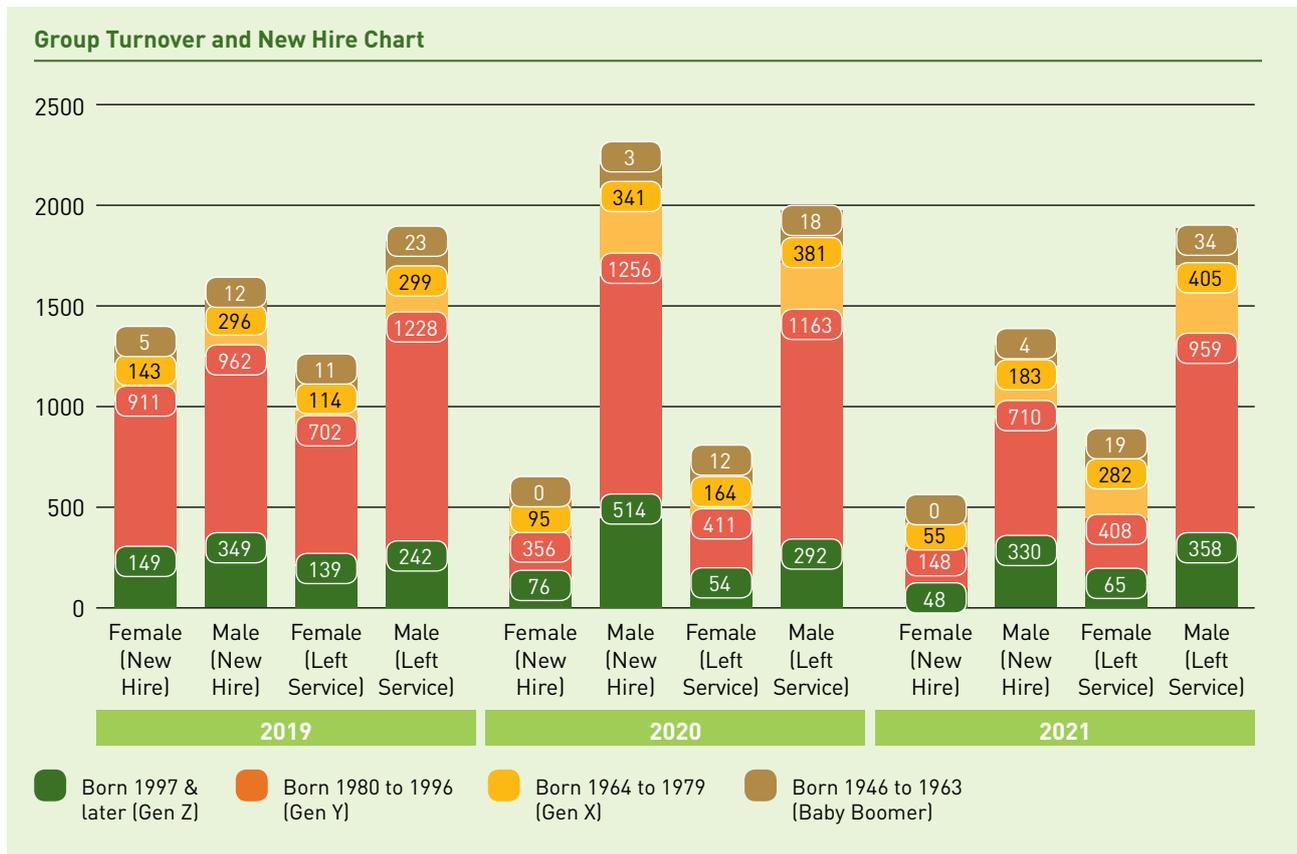
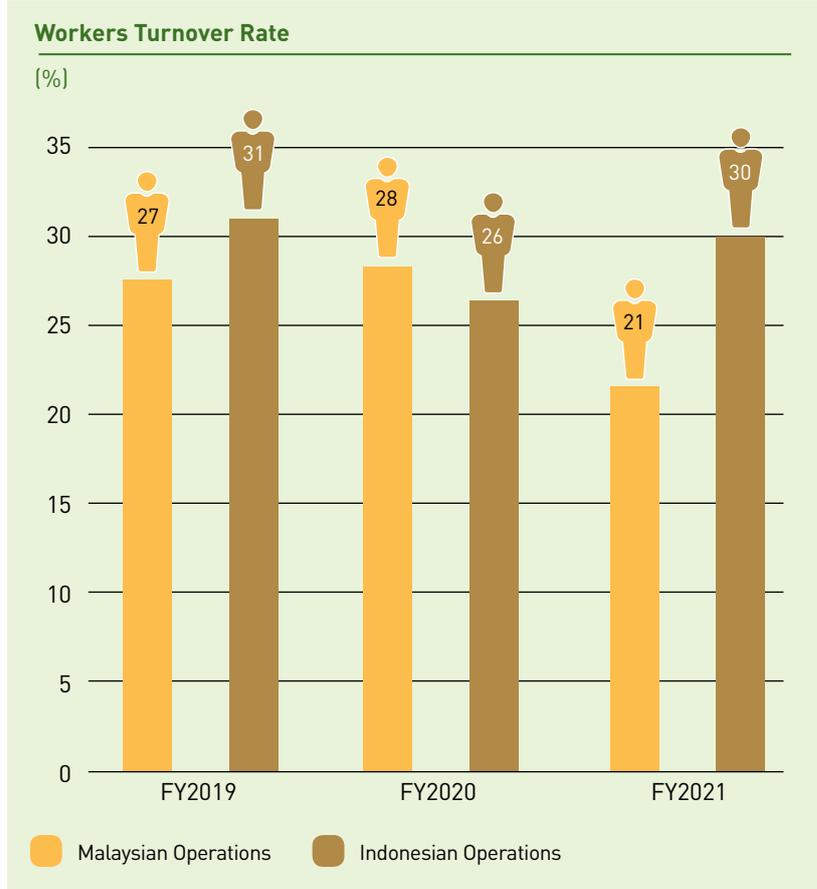
PEOPLE ASSETS AND TALENT RETENTION

In the reporting year, the Group employed more than 9,000 people as at 31 March 2021. Employability is based on qualification and the ability required for the work to be performed. This commitment is governed under the Group's Diversity and Inclusion Policy. However, priority of hiring was given to locals whenever possible, to continue creating job opportunities and deliver positive multiplying economic impacts to the local communities.

The entire workforce in the Group is on a full-time basis. Management personnel, non-executive staff and local workers are permanent employees, while guest workers employed in the Malaysian operations are on a fixed term contract basis. Most senior management positions in the Group are held by Malaysians, and key operatives are based at the Group's headquarters and regional offices.

| Categories | FY2019 | | FY2020 | | FY2021 | |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Female | Male | Female | Male | Female | Male |
| Top Management | 0 | 2 | 0 | 2 | 0 | 2 |
| Senior Management | 0 | 2 | 0 | 2 | 0 | 1 |
| Management | 2 | 29 | 2 | 33 | 2 | 32 |
| Junior Management | 9 | 33 | 10 | 32 | 10 | 31 |
| Executives | 33 | 142 | 39 | 149 | 36 | 148 |
| Non-Executives | 166 | 441 | 160 | 461 | 157 | 430 |
| Workers | 3,052 | 6,116 | 2,950 | 6,300 | 2,433 | 5,806 |
| Total | 3,262 | 6,765 | 3,161 | 6,979 | 2,638 | 6,450 |

Both the number of employees hired and resigned were reduced in this reporting year. The Group also observed a lower turnover rate for all employees compared with the previous reporting year. Higher turnover rate was observed for Gen-Y and most of them were from the workers category. On average, the turnover rate for employees (excluding the workers category) was 8.4%, lower than both the previous reporting year (FY2020: 10.6), and the national average of 11%. Workforce recruitment and retention are challenging in the plantation industry due to the remoteness of the operations and the nature of plantation tasks. The Group recognised the importance of retaining quality employees than to recruit and train for a replacement employee of the same quality. Besides offering competitive remuneration and promoting a conducive working culture and environment, the Group will continue to nurture its young talent and empower them to explore adoption of innovative technologies in the operations.



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Empowering Women at Workplace

The Group actively promotes the employment of women in the plantation industry. There were 29% of female employees in the Group holding various executive (from junior management to middle management) and non-executive positions, and a larger number were engaged in the field as sprayers, loose fruit collectors, maintenance and for upkeep works as well as that of household helpers. There were 22% of women in the management roles, and the Group also has 3 female directors on its Board of Directors, bringing in different sets of experience and expertise which help to enhance the governance of the Group.

The Group understands female employees faced various challenges and often family-oriented concerns. Day care centres and kindergartens are available in operating units to support the Group's female employees and their children. The Group also observed both maternal and paternal leaves in accordance with the local laws and requirements.

Women Committee

Women Committees were established in every operating unit with the assistance from the management. The representations were from the workers category and management to promote female participation and advancement in the workplace. The Women Committees also functioned as a grievance platform to manage and discuss issues specifically affecting women such as sexual harassment complaints and provide support for domestic violence victims. In the reporting year, hobby-oriented workshops such as face mask making classes, health related briefings and get-together activities were organised by the respective women committees in the operating units.



Women committee meeting in the Minat Teguh Estate



Training and Development

With 90% of the Group's workforce being in the workers category and with more than 20% annual turnover rate, it is imperative that competency or job specific trainings and retraining are regularly conducted. All employees were trained and re-trained under a structured skills development programme based on the individual training needs and the types of jobs performed.

Every operating unit organised its own annual training calendar to ensure that the training was carried out on a regular basis throughout the year. In addition, the scopes of training were extended and involved the relevant external parties, including the contractors and external crop suppliers. Due to the restrictions of movement during the COVID-19 pandemic, most of the training were organised virtually. The Group also encouraged its people to enhance their capabilities and knowledge through participation in various external webinar training programme, as well as the virtual conferences and seminars, which are useful to their job.



Virtual training was conducted for employees located in different operations

Fair Remuneration and Benefits

The Group strives to provide decent living and fair remuneration that support the development of the local communities. The Group is committed to pay fair wages to its employees and ensures that it meets at least the applicable minimum wages based on normal working hours, in the regions where the Group operates. The stipulated minimum wages are summarised in the table below.

| Country/Region | | Monthly Minimum Wages | | | | |
|---|---------|-----------------------|-------|-------|-------|-------|
| | | 2013 | 2016 | 2019 | 2020 | 2021 |
| Malaysia | | | | | | |
| Sabah | RM | | | | 1,100 | 1,100 |
| Sabah (Areas under the jurisdiction of Municipal Council of Sandakan) | RM | 800 | 920 | 1,100 | 1,200 | 1,200 |
| Indonesia | | | | | | |
| Bulungan | Rp.'000 | 1,875 | 2,254 | 2,865 | 3,109 | 3,109 |
| Kutai Timur | Rp.'000 | 1,765 | 2,276 | 2,894 | 3,140 | 3,140 |
| Lampung | Rp.'000 | 1,150 | 1,763 | 2,386 | 2,589 | 2,674 |

Tasks on the plantations are typically productivity-based that are either remunerated daily or by piece rates. The Group ensures that the piece rates are calculated to meet at least the stipulated minimum wages. During the low crop season, the workers were re-assigned to other work in order to achieve the minimum wages. While during the high crop season, the workers were provided with productivity bonuses when they exceeded their volume targets.

Wage payments were made timely and wage records were countersigned by the workers to acknowledge receipts and they were briefed to understand how the payments were calculated. Employees' performances were appraised annually with discretionary salary increments and bonuses awarded accordingly. In addition, the Group practices a gender equality policy on wage payments and

all employees were remunerated fairly without discrimination.

For eligible employees, benefits such as long-term incentive programmes involving share options were granted based on the annual performance appraisals, organisational performance and governed by the established By-laws of the Company. Other benefits, such as housing, free healthcare, transportation to schools for their children, utilities, sports facilities, places of worship and day care centres were also provided in the operating units. For employees who had served for more than 20 years, their contribution was dully recognised with the Group's Long Service Awards. In the reporting year, 27 employees in the Malaysian operations were awarded with the Long Service Award.



Semi-detached houses for workers living in plantation

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The Group provides a community-living environment that is safe, conducive and connected. Houses were equipped with facilities for water, sanitation and electricity. The Group continued to upgrade and conduct regular maintenance works on the existing housing facilities while constructing new houses in stages. With the enforcement of Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446) in Sabah, the Group will re-evaluate workers' facilities to ensure compliance to Act 446.

The Group also encourages its employees to participate in sports with the provision of sporting facilities such as football fields and in door facilities in the operating units. Friendly matches and outdoor activities were organised to foster teamwork among the employees.



Morning stretching exercises at PTS mill



20-year Long Service Award for employees in the Malaysian operations

Freedom of Association and Collective Bargaining

The Group respects the rights of its employees to form organisations and join trade unions of their choice and recognises their rights to bargain collectively. Through joint consultative platforms, the management is able to engage with its workforce and mutually address remuneration and social related concerns. The Group also encourages its employees to voice their concerns and ensure collective agreements that reflect their concerns.

In the reporting year, 408 of the employees in the Group's Indonesian operations are members of various unions. For operations where formal unions do not exist, communication and engagement were through the joint consultative committee ("JCCs") and other similar bipartite platforms for its employees to raise their concerns.

Grievance Procedure and Whistle Blowing Channel

The Group does not tolerate any violations of human rights principles and will address in a fair, effective and consultative manner any grievances or complaints. The Group's guidelines and grievance procedures to handle social related issues are stated in the Group's Social Manual. The grievance procedures provide a non-discriminatory and fair treatment framework for all involved stakeholders. The Group encourages an open culture in which workers and managers or supervisors can resolve grievances directly at the operational level. The Group also provides anonymous whistle blowing channels as platforms to report violations against procedures without the fear of repercussions. Complaints can be lodged manually using the complaint forms from the respective operating units' offices and addressed to any head of operating units or departments in the Group or email to ijmplt@ijm.com. Another channel for reporting grievances in relation to sexual harassment or domestic violence is through the Women Committees in the operating units, where the committees were trained in handling such issues.



Employees Engagement and Communication

The Group's management regularly engaged its employees through various platforms. Induction programme was formulated to ensure the Group's policies and procedures were briefed and adopted by the newly recruited employees during their orientation periods. Besides, consultative meetings, town-hall engagements and surveys were organised to help management to understand and identify the strengths and opportunities towards creating a better workplace. Joint Consultative Committee ("JCC") meetings together with safety and health committee meetings were organised every three months to discuss various aspects relating to the workplace and living environment. The workers' representatives in the committee were freely elected by the workers in their respective operating units.



JCC meeting in Sabang Palm Oil Mill-1



Bipartite meeting in Lampung estate

CHILDREN'S PROTECTION AND WELL-BEING

The Group adhered to the minimum age of employment and prohibits the employment of child labour in the operations. The minimum age of employment is defined by law and is made known to the recruitment team, operations, suppliers and contractors throughout the Group's business supply chain. Awareness programme was also often conducted for parents to understand the importance of education and to keep their children out of the fields.



Education and Childcare

Plantations are generally located in remote areas and near villages with little access to education. Basic education and day care centres were provided at the operating units to ensure the workers' children had access to basic education and young children were taken care of during working hours. Transportation for children in the operations to the local schools and learning centres were provided by the respective operating units.

The Group continues to upkeep and maintain the 4 existing Humana Learning Centres and 2 units of Community Learning Centres in the Malaysian operations. In addition, the Group operates 25 day care centres and 6 kindergartens to cater for the children in the operating units.

Amid the COVID-19 pandemic, most of the time the classes were conducted virtually, or through in situ dissemination of homework and reading materials, which enabled the children to home study. Notwithstanding the above, SOPs were strictly adhered to protect the schoolchildren when the learning centres were allowed to re-open.

In the Indonesian operations, the Group continued to financially support the local schools and its teachers who provide education for local students in the locations where the Group operates, that includes schools in Sajau Pura Village, Rimba Hijau, Bual-Bual, Pulau Miang, Desa Kerayaan and Desa Susuk Dalam.



Day care centre in Prima estate



Schoolchildren were frequently reminded on self-hygiene and sanitation



Healthcare and Nutrition



Vaccination programme for young children



Supplements provided for expectant mothers

The employees living in the operating units have access to free healthcare facilities in the sites. Qualified Doctors or medical staff were stationed in the clinics in the operations and provide basic healthcare and first aid treatments to the employees and their dependents living in the operating units. Visiting Medical Officers ("VMO") often conducted programmes and visits especially for women and children. In addition, the Group ensured that expectant and breastfeeding mothers were reassigned from work that may be hazardous such as chemical spraying or fertilisation applications.

Vaccination and health checks for children in plantations were also conducted by the clinic nurses and by the local health department officers. Supplemental food was distributed to the workers' children for their better health and well-being in the Indonesian operations.

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OCCUPATIONAL SAFETY AND HEALTH

The Group recognised its responsibility in a creating strong safety culture that promotes an injury-free workplace to safeguard the well-being of its employees. The Group's commitment in securing a safe and healthy workplace for all employees and contractors engaged at work is reflected in the Group's Environmental, Occupational Safety & Health Policy.

The Group adopted a proactive and preventative approach to safety and health through workplace risk mitigation measures, health initiatives and safety training programmes to keep the people safe and healthy in the workplace.



In securing the safety and health of the employees and its relevant stakeholders, the following strategies were in place:

Implementing an inclusive OSH management system based on the prevailing legal requirements and guidelines

Adopting risk-based approach to identify, manage and take preventive measures on the potential hazards and risks in the workplace

Conducting refresher training on safe operating procedures and respective competency training to ensure the employees are technically competent in handling their job tasks

Conducting internal audits and inspections by in-house Safety and Health Officers

Organising regular dialogues and engagements with stakeholders on the safety and health related issues

Pursuing continuous improvement, i.e. reviewing the adequacy of safe operating procedures

OSH Performance

The Group's ultimate aim is to avoid incidents that will risk the employees' life and to achieve zero fatality cases. In the reporting year, the Group is pleased to observe zero fatality for both the Indonesian and Malaysian operations.

However, the total accidents with lost days increased in the reporting period. The Group also recorded higher Lost Time Injury Frequency Rate ("LTIFR") of 12.35 cases of accidents with lost days in one million hours worked, and 47.40 in the Group's Lost Time Injury Severity Rate ("LTISR"), which was the number of days lost in every one million man-hours worked. The majority of the injuries were caused by road accidents, thorn pricks, cuts from sharp tools, insect bites, eye injuries and irritations from falling debris, and injuries caused by mechanical hazards in the processing operations.

| | Total accidents with lost days | LTI Frequency rate (per 1,000,000 hours worked) | LTI Severity rate (per 1,000,000 hours worked) | Fatalities |
|--------|--------------------------------|---|--|------------|
| FY2019 | 168 | 8.29 | 31.57 | 0 |
| FY2020 | 149 | 7.11 | 29.96 | 2 |
| FY2021 | 239 | 12.35 | 47.40 | 0 |

Accident Mitigation and Safety Intervention

The Group placed great emphasis on the competencies of employees working at higher risk stations and behavioural safety to ensure the safety of employees in the Group. All employees working at higher risk stations or job tasks were trained and evaluated to ensure that they were competent in carried out specific job tasks. Additionally, supervision on the respective stations were tightened with working permits to ensure works were done in accordance with the safety procedures.

The Group also trained the employees to be able to respond to workplace accidents and had the knowledge or ability to respond and assist the people around them. Training on first aid, emergency response during fires, floods and accidents, as well as simulation training were conducted for all the people at the workplace including their dependents living in the operating units.



Total safety & health related training in FY2021:
389 training sessions with 16,108 participants



First aid training



Training on safe operating procedures in operating grabber

In addition, all newly recruited employees were trained under the safety induction programme to ensure the overall safety contents were covered prior to starting their work. Annual safety campaigns were also organised at every operating unit to promote safety awareness among the workers. Accident simulations and safety equipment demonstrations were performed during the safety campaigns.

The Group also regularly reviewed all the operations that posed safety hazards and with potential safety risks, especially on the operations where fatal accidents had occurred. The Group had ceased the usage of tractors in transporting people in the Malaysian operations, which posed high safety risk to the passengers. Dedicated passenger trailers were custom-made with appropriate safety features such as emergency exits and emergency brake system. In addition, the FFB trailers were design modified, with consent from DOSH, to have a designated sitting compartment for loaders, to ensure the safety of the loaders during crop evacuation operations.



Machinery Inspection



Noise monitoring at IPS Mill



Dedicated passenger trailer is used for ferrying workers in field



Work-Related Illnesses



Annual health surveillance for workers exposed to health hazards

The Group identified various work-related hazards and potential illnesses through the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) system and risks assessments such as Chemical Health Risk Assessment (“CHRA”) and Noise Risk Assessment (“NRA”). The Group ensures all the employees who are potentially affected by the working environment or exposed to chemicals hazardous to health were screened under the annual health surveillance programme. This includes their hearing assessments, blood and urine tests to ensure that the employees are healthy and fit for the job tasks. The records of

the health assessments were maintained to keep track on their health trend. In the reporting year, no work-related illnesses were reported.

The Group provides free basic medical care and dispensary services in the operating units which are managed by qualified hospital assistants or medical staff. The medical staff are responsible to provide first aid responses and basic medical attention for both occupational and non-occupational requirements. The medical staff are also responsible to conduct periodic health monitoring for workers whose lines of work are at risk of work-related illnesses. During emergencies and serious cases, transportation or ambulance is used to send the patients to the nearest government medical facility. Health programmes to prevent and control the transmission of dengue and other contagious diseases were implemented. Regular cleaning-up and fogging activities were organised to ensure the living environment and sanitation conditions were satisfactory and to prevent the transmission of the dengue virus. In addition, routine inspections were also carried out by the estate’s medical staff to ensure the surrounding hygiene standards were maintained and to identify any potential health issues or risks at the housing areas.

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Security in Operations

The Group worked closely with related local government agencies to safeguard the estates and associated facilities to provide a secure environment for the employees living in the operating units. Internal security personnel were involved to enhance the security patrolling and formed the 'Rukun Tetangga' patrol teams in order to be always watchful and alert on the surrounding areas within the various plantations. Security is also a highlighted topic of discussion during the JCC deliberations held quarterly.

In addition, the Group had adopted the lock-down policy in its operations to safeguard and protect its employees and their families during the COVID-19 pandemic. Main entrances at operating units were securely guarded and all other entrances were closed to monitor the movements of the people and tightened the security checks during this control period.



MANAGING COVID-19 CRISIS

The Group proactively adapted to the pandemic situations with prevailing SOPs and guidelines to ensure the people remain safe and healthy. Furthermore, the Group adopted the voluntary lockdown strategy where all movements in the operations were restricted and any visitation to the operations were subjected for prior approval from the Management. There is no doubt that adopting such strict SOPs will require collective efforts from all the employees and to some extent, has resulted in personal sacrifices, to protect the people from the disease while ensuring business continuity with minimal disruptions. The Group is grateful on the dedication and perseverance of its people during this unprecedented time, and together navigated through the complex challenges amid this COVID-19 pandemic.

In the reporting year, 9 employees in the Malaysian operations and 63 employees in the Group's Indonesian operations were unfortunately tested positive for COVID-19. However, with strict measures and timely response mechanisms, the Group was able to break the chain of COVID-19 transmissions and all the affected employees recovered and returned to work.

The COVID-19 pandemic has affected our daily lives with behavioural changes and new norms. Among the preventive actions and mitigating measures undertaken to help contain the potential spread of the virus and ensure the well-being of the employees were as follows:

- 

Daily online meetings among the Crisis Management Committee members to update and discuss various issues in reference to the disease.
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Sanitising the common areas and workplaces regularly.
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Reviewing and updating SOPs and precautionary practices to guide operations during the COVID-19 pandemic and adapting to the prevailing government policies.
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Providing clinical face masks to employees and appropriate PPE for medical staff in the estate clinics and employees carrying out the regular screening of symptoms.
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Implementing social distancing and avoid physical meetings, wherever possible.
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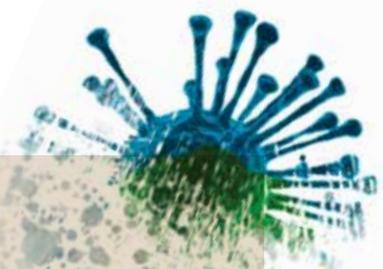
Conducting swap tests on the employees in the operations.
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Ensuring sufficient supplies of essential food at on-site food store.
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Screening of COVID-19 symptoms such as checking body temperature and other COVID-19 symptoms on a daily basis by specially trained staff or medical staff.
- 

Distributing essential food supplies to employees in operating units.
- 

Supporting emotional well-being through online wellness programme.



Health screening at the mill's entrances



Morning health checks



Daily workplace sanitisation



Practice social distancing in the operations and Humana Learning Centre



COVID-19 swap tests for employees in the operations



Distribution of food supplies for employees in the operating units



Distribution of face masks and briefing to workers



Sanitisation at housing areas in the operating units



Ensuring sufficient food supplies in the operating units during MCO