Statement and Report on Corporate Responsibility and Sustainability

INTRODUCTION

Sustainability will always be integral to the Group’s business endeavours. This is reflected in our continued commitment to deliver shared value for our stakeholders through sustainable and responsible stewardship in all aspects of our business. The Group’s corporate responsibility (“CR”) blueprint of “Nurturing Sustainability” focuses on four pillars for continuous improvement in implementing best practices in accordance with Bursa Malaysia’s CR framework. These are categorised under Productivity and Innovations, Care for Environment, Investor in People and Returning to Community. These pillars mirror the Bursa Malaysia’s CR framework that emphasis on the Marketplace, Environment, Workplace and Community. The Group’s CR framework is our mantra or way of life as it continues to be immersed in our business model and daily operations towards producing palm oil products in a more responsible and sustainable manner. By ingraining these intertwined imperatives and a host of CR initiatives within our people and business dealings, the Group is confident of becoming an exemplary corporate player among responsible oil palm plantation companies whilst continuously exercising improvement initiatives. As the Group rolls out existing CR initiatives while introducing new ones, we are affirmed that our efforts will bring forth tangible outcomes that will deliver positive socio-environmental footprints and create shared value for our relevant stakeholders.
IN LINE WITH BURSA MALAYSIA’S CORPORATE RESPONSIBILITY & SUSTAINABILITY FOCUS AREAS FOR THE PLANTATION SECTOR

THE GROUP’S CORPORATE RESPONSIBILITY INITIATIVES AND ACTIVITIES CARRIED OUT IN THE REPORTING YEAR

MARKETPLACE

- Business sustainability
- Operational best management practices
- Sustainability certification
- Ethical code of conduct
- Procurement and standards for suppliers
- Facilitation payments
- Consumer awareness
- Fair trade
- Internal customer service
- Driving innovations
- Business risk management
- Corporate Governance
- Stakeholder engagements

ENVIRONMENT

- Continued resource stewardship and operational practices that deliver positive environmental footprints.
- Maintaining and enhancing conservation sites such as ‘Hundred Acre Wood’, riparian reserves and flood prone areas.
- Zero-burning in all new and replantings.
- Ongoing tree planting and rehabilitation on riparian reserves. 6,514 tree saplings planted in KIS estate.
- Promoting palm biodiversity awareness through 2014 Borneo Bird Festival. Crocodile relocation with Sabah Wildlife Department. Continued with integrated pest management.
- Best management practices for waste management in estates and mills.
- Quarterly ‘Greening Saturdays’ in HQ collected 900 kg of waste for 3Rs.
- Best practices for spills prevention, effluent treatment and zero discharge practices.
- Biogas capture in palm oil mill, biomass utilisation for power generation and GHG monitoring.
- Continued implementation of rain harvesting, drip irrigated nurseries, land irrigation with treated effluent and soil erosion control.
- Best management practices in place for waste management in estates and mills, practices in accordance to legal requirements.
- Sustainability-related certification ranging from CoP, MSPO and ISCC with environmental considerations.
- Implementation of environmental management plans in operating units spearheaded by in-house sustainability team.
- Integrated pest management and other operational environmental friendly BMPs.

WORKPLACE

- Employees engagement
- Respect human rights
- Occupational safety and health
- Provision of housing and amenities
- Working hours and minimum wage
- Education for guest workers children
- Diversity and inclusion
- Pay for performance
- Employees competency
- Competency trainings and retrainings
- Talent attraction, retention and development

COMMUNITY

- Stakeholder engagement
- Local communities
- Social Equity
- Community health and safety
- Sport excellence for youth
- Focus on breast health awareness
- Empowering women
- Education
- Basic health imperatives
- Collaboration with local tertiary institutions
- Volunteerism

- Hosted various stakeholder engagement including Walk with CEO programme.
- Extended assistance to the surrounding kampung communities in constructing community hall, roads and bridges.
- Policy in place: Human Rights Policy
- Carried out health outreach and conservation awareness in schools and rural villages in Sugut/Paitan.
- Focused on youth sport development through rugby partnership involving 80 schools and 2,500 students in reporting year.
- Collaborated with NGO and emphasis on grass-root breast health awareness (BiHA) targeting schools. Total of 150 students participated in BiHA activities organized.
- Promoting gender diversity with female graduates offered internship and job opportunities in plantation.
- Offered IJM scholarships to deserving students for local tertiary education.
- Providing basic medical and health assistance to rural communities.
- Provision of attachment trainings and internships for students with career opportunities.
- Promoted volunteerism among employees in various initiatives including blood donations and other outreach projects. Total of 243 pints donated in reporting year from 11 blood donation campaigns.

STATEMENTS CORRESPONDING TO THE GROUP’S CORPORATE RESPONSIBILITY INITIATIVES AND ACTIVITIES CARRIED OUT IN THE REPORTING YEAR

Statement and Report on Marketplace
Statement on Corporate Governance
Statement on Risk Management and Internal Control
Statement and Report on Environment & Resource Stewardship
Statement and Report on Workplace
Statement and Report on Marketplace
Statement and Report on Community
Statement and Report on Corporate Responsibility and Sustainability (cont’d)

**SUMMARY OF SOME CR RELATED ACTIVITIES CARRIED OUT IN REPORTING YEAR 2015**

- **Total number of trainings organised**: 342
- **Total pints of blood donated**: 243
- **Total school students attended breast health awareness**: 150
- **Total children of guest workers studying in IJM education centres**: 271
- **Total schools involved in rugby sport excellence**: 80
- **Total number of students involved in rugby sport excellence**: 2,500
- **Total number of stakeholder engagement activities**: 28
- **Total number of forest saplings planted**: 6,514
- **Total quantity of waste recycled at head office in Sandakan**: 900 kg