From innovating to offering STAYING RESILIENT
Reporting Scope and Boundaries:

1. Mewah International Inc (“Mewah” or the “Group”) has worked unswervingly to integrate corporate sustainability across every aspect of our business and to make a difference. This is our forth (4th) sustainability report since we first published our first sustainability report in year 2017. Through the sustainability report, we endeavour to provide our stakeholders with updates and insights of the Group sustainability performance. We want to reiterate the commitments we made in our Sustainable Palm Oil Policy, the understanding of our approach towards building a more sustainable business as well as the key sustainability measurements that we have put in place at our operating sites.

2. We have sought to seek guidance from the Global Reporting Initiative (GRI) Standard index for boundary settings, focusing on performance data and reporting on aspects which are most significant, as reflected in Mewah Sustainability Framework and the Group Sustainable Palm Oil Policy. We also support and integrated the 17 United Nations Sustainable Development Goals (SDGs) into the Group’s business strategies.

3. In this Sustainability Report 2020, we stay focus in the five (5) focus areas and twenty (20) core areas as defined in Mewah Sustainability Framework. We seek to strengthen this framework by continue promoting sustainability and putting sustainability at the heart of our business and leadership. In order to define the contents of this report, we have worked with all the relevant stakeholders in our supply chain to identify key risk areas. Such data is collected and analysed to further discern, and design improvement plans qualitatively and annually. We believe that sustainability development can only achieved through working together to create a better shared future for our people, our communities, and our planet.

4. The focal points of this report are our upstream and downstream palm oil processing and manufacturing plants in Indonesia, Malaysia, and Singapore. It covers performance data for the calendar year 2020 and historical numbers are shared to facilitate performance analysis as well as the measurement of key performance indicator & milestones that we set for 2020. In relation to the Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO) supply chain, the reporting will be based on policy implementation, traceability milestones and progress in Traceability to Mill (TTM) & Traceability to Plantation (TTP). The performance data will also focus on identifying material ESG (Environmental, Social, and Governance) factors in all our manufacturing sites. We believe that we must continue to improve our ESG performance in tandem with our business growth and that is the cornerstone of the Group’s long-term success.

5. There has been no restatement of information in the scope of our reporting from the previous report. We commit to progressively extend the scope of our reporting to cover other business segments more comprehensively in forthcoming reports as we increase our reporting capacity and understanding of our new businesses.
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Board of Directors’ Statement for 2020

We are pleased to introduce the 2020 Mewah Group Sustainability Report. This is the fourth (4th) annual sustainability report since we first published the Group’s Sustainability performance in 2017. The purpose of this report is to provide a comprehensive, thorough, and transparent overview of our on-going Sustainability efforts in our business, measured against objectives and targets we have set based on the identified material Environmental, Social & Governance (ESG) factors where we have direct impact on environments, societies, and economies.

The framework of Mewah’s sustainability reporting is consistent with Singapore Exchange’s (SGX) Guidelines and Rule on Sustainability Reporting. These guidelines are in line with increasing investor demand for sustainable returns. We are cognizant of our responsibility to use our global scale and influence for betterment of this ecosystem. We strive to use leadership towards achieving positive change in every part of the world we operate in, towards delivering on our commitment to make sustainable palm oil a commonplace and towards building a more sustainable future for our communities and our planets.

The theme of this Sustainability Report is “Staying Resilient”. We are at a key moment in the evolution of sustainability in global businesses. The COVID-19 pandemic is a wake-up call for all businesses having revealed that markets and supply chains are fragile and susceptible to disruptions. The COVID-19 induced crisis are creating new and unfamiliar stressors such as challenges for the students in underdeveloped region to access education, unprecedented mental health consequences due to lockdowns, and increased risks to maintaining healthy natural ecosystems that are essential to human health. The Board is conscious towards the importance of ESG initiatives, particularly in a post-pandemic era and acknowledge that any shortfall in the adoption of ESG practices by businesses can create significant impediments towards larger objective of achieving United Nations Sustainable Development Goals (SDGs) by 2030. For Mewah’s leaders and managers, the true symbol of resilience is the ability to withstand such stresses and to bounce back from adversity. Given the close link between the environment and human health, livelihoods, water and food security, the Board is determined to endure key sustainability efforts in environmental protection, conservation as well as sustainable management in all our levels of our operations. Our post Covid-19 recovery plans include alignment with long-term emission reduction goals factoring in resilience to climate change and catalysing the shift towards sustainable sourcing.

Environmental Protection & Stewardship has been the top priority under Mewah’s Sustainability Framework. We believe that a more resilient business also depends on successful adoption of sustainability practices. Articulating our ambitions for sustainable energy, we took a strategic step 2 years back to invest in cogeneration plants to support our major refineries. The investment in cogeneration technology at our refineries has significantly reduced our consumption of externally generated energy and as a result reduced Greenhouse Gas (GHG) emission footprint of our operations. Furthermore, it has presented the Group with a valuable opportunity to strengthen our commitment to energy conservation and effective climate change mitigation.

This year we are pleased to observe zero fatal accidents and lower lost time injury rate (LTIR) in our operations. We recognize the need for more people-centred recovery plan that focuses on safety, health, and well-being. In accordance with our Health & Safety policy, we aim to maintain and improve the health of our employees. The long-term goal is to create a safe and comfortable work environment in which each employee can reach their full potential. We want to make Mewah an attractive workplace for our employees by ensuring every employee is healthy and safe both physically and mentally.

Looking ahead, the Board is fully committed to continue working closely with Management by doing more to increase economic, environmental, and social resilience for ensuring long-term sustainable success of Mewah. We continue to maintain our commitment to support and contribute towards the 17 SDGs that are closely integrated to the identified material ESG factors defined under the Group Sustainability Framework. We have achieved success during a challenging 2020 and we aim to continue staying resilient in 2021. We are fully committed to work together with the Management ably supported by the Group Sustainability Team in our journey towards continuously shaping a more sustainable business and enriching lives through positive influence on our people, our environment and our society that underpin Mewah’s sustainability strategy.
About Mewah Group

Mewah Group is a global agribusiness, focused on edible oils and fats with refineries and processing facilities in Malaysia and Singapore, established brands and sales to customers in over 100 countries. We are strategically positioning ourselves to become a global consumer products business by expanding range of consumer products, offering specialised applications and customer solutions while consolidating our position in oils and fats business.

We are one of the largest edible oil processors in the world by capacity. Our business activities include edible oil refining, specialty fats and biodiesel. Featuring integrated operations throughout the edible oils and fats value chain, from sourcing and processing of raw materials to packing, branding, merchandising, shipping and distribution of the products. We are growing at an impressive rate with more than 2,600 employees under Mewah’s wings.

Our operations are integrated throughout the value chain from sourcing of raw materials, refining, processing, packing, branding to marketing and distribution to end customers under our own brands. Our range of consumer products include cooking oils, margarine, rice, sweetened condensed creamer, evaporated milk, cheese, soap, detergent, and premix powder. We are continuously working on expanding the products range.

SALES AND MARKETING OFFICES
Malaysia, Singapore, Australia, China, Russia, Turkey, India, Ivory Coast, Thailand, USA, Benin, Ghana, Uganda, Mozambique and Cameroon

MANUFACTURING OPERATIONS
Malaysia, Singapore, Indonesia

Malaysia
- 4 refining and processing plants
- 2 packing plants
- 1 biodiesel plant
- 1 dairy manufacturing plant

Singapore
- 1 packing plant

Indonesia
- 1 refining and processing plant
- 1 milling plant*
- 1 plantation*

*S Plantation and milling plant in Indonesia are insignificant to the Group
Corporate Profile

Our operations are integrated throughout the value chain from sourcing of raw materials, refining, processing, packing, branding to marketing and distribution to end customers under our own brands.

An INTEGRATED AGRI-BUSINESS focused on edible oils and fats

Mewah

Upstream
- Plantation*
- Milling*

Midstream
- Refining palm oil
- Specialty oils

Downstream
- Consumer packs
- Branding
- Private Label
- Sale / marketing
- Distribution

Bulk
- Sourcing of raw materials
- Refining and processing
- Refined products

Consumer Pack
- Sourcing of refined products
- Packing and branding

Bulk segment produces and sells vegetable-based edible oil and fat products in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items.

Consumer Pack segment produces vegetable-based edible oil and fat products, in consumer pack form and sell under own brands and under the brands of third parties, primarily to importers and distributors at destination markets.

* Plantation and milling plant in Indonesia are insignificant to the Group
Our range of consumer products include cooking oils, margarine, rice, sweetened condensed creamer, evaporated milk, cheese, soap, detergent and premix powder. We are continuously working on expanding the products range.

Sales volume of 4.8 million MT

Long established and well recognised brands – OKI & MOI

Total refining capacity of 3.5 million MT annually

Customer Products Range

Sales marketing & distribution

Sustainability Report 2020
Mewah’s CEO is responsible for overseeing the overall implementation of our Sustainable Palm Oil Policy. The implementation of the Group sustainability strategies including but not limited to policy implementation, sustainability certifications, stakeholder engagement, corporate governance and reporting are delegated to the Sustainability Department. The Group Sustainability Lead is responsible for spearheading the overall strategy of our sustainability agenda and responsible for leading the development and execution of the company sustainability initiatives.

The Sustainability Team consists of the representatives of our employees globally, combining a wide range of relevant local and technical expertise across Malaysia, Indonesia, and Singapore. The Team is responsible for supporting policy & sustainability framework implementation; benchmarking and sharing best practises and ensuring compliance of our supply chain. Sustainability practises are embedded into daily operations. Line management including factory managers and the operations team in each manufacturing units are empowered to improve factory operations, support, and engage the employees and communities in collective action across the full spectrum of sustainability.
COVID-19, as a pandemic is impacting institutions around the world. Its scope and areas of influence e.g., economic dimensions also mean that it poses a major threat towards achieving the UN Sustainable Development Goals (SDGs). It has transformed the consumers’ attitudes and willingness to respond to environmental challenges and sustainability factor. Having said that, the pandemic has underlined the importance of critical ESG factors and more concerted efforts are needed to ensure further adoption of ESG initiatives at all levels.

At Mewah, we strive to keep our business resilient without compromising the people and planet needs. We are taking cognizance of the importance of sustainable investments among our socially conscious investors, and we have continued to putting emphasis on the implementation of ESG initiatives that outline in Mewah’s Sustainability Framework.

The pandemic, as the most wide-reaching public health crisis has enables us to reexamine our priorities in business strategies. We always keep continuous dialogue with our stakeholders and receive feedbacks from our stakeholders with regards to our business strategy as well as to review the materiality assessment matrix annually. During the review, we take into account the four (4) Principles of Reporting of the GRI standard, namely stakeholder inclusiveness, sustainability context, materiality and completeness.

In 2020, we made several adjustments to the materiality assessment matrix. We put the 17 UN SDGs at the center of our materiality assessment, pinpointed goals that are relevant to our business conduct and are analyzing our impacts in achieving these goals.

The matrix below illustrates the specific topics that we and our stakeholders deem important. Issues plotted towards the top right corner are the most material issues, while the ones in the bottom left section are seen as less important in relative terms. We have identified SDG 9 (“Industry, Innovation and Infrastructure”) and SDG 12 (“Responsible Consumption and Production”) as the top priorities to our business. The SDG 9 and SDG 12 are concerning quality and safety of our products. We also identified SDG 8 (“Decent Work and Economic Growth”) as one top priorities for our internal and external stakeholders. As a global agri-business in edible oils & fats, SDG 3 (“Good health and Well-being”) has become the central to our business resiliency and we are adopting to a Sustainable Palm Oil Policy that act as the backbone in our raw material sourcing. Our stakeholders have assigned greater importance to SDG 1 (“Eradicating Poverty”) and SDG 2 (“Improving food security and end hunger”) which we believe deserves more emphasis, given the current circumstances where the pandemic has led to loss of income and leading vulnerable segments of society and families to fall below poverty line.

Materiality Assessment

Materiality assessments are formal exercises aimed at engaging stakeholders to find out how important specific environmental, social and governance (ESG) issues are to them. The materiality assessment outcome allows us to identify key economic, social and environmental issues that will help us in our planning in designing our sustainability agenda and program. There are 7 steps in our materiality assessment process:

1. **Defining internal and external stakeholders**
2. **Conduct initial stakeholder outreach**
3. **Identify and prioritize what we want to measure**
4. **Design materiality assessment survey form**
5. **Launch survey and start collecting insights**
6. **Analyze the results/insights**
7. **Put those insights into action**
Overview of Mewah Sustainability Framework

At Mewah, sustainability is part of everything we do and building a sustainable business is part of our value proposition. We believe that Environmental, Social, Governance (ESG) investing is the right way forward. There are many studies done by the academia as well as anecdotal evidence suggests that Companies that are ESG compliant tend to behave in a more responsible manner, protect stakeholders’ interest in terms of governance structure and care for environment as well as community that a company serves.

Mewah is committed to building sustainable and long-term business growth, while leading and shaping positive change for our marketplace and customers, our employees, the communities we operate in and the environment. We believe that Environmental, Social, Governance (ESG) investing is the right way forward. There are many studies done by the academia as well as anecdotal evidence suggests that Companies that are ESG compliant tend to behave in a more responsible manner, protect stakeholders’ interest in terms of governance structure and care for environment as well as community that a company serves.

We regularly review our sustainability strategy against the risk and opportunities we face today and foresee in the horizon. Our sustainability strategy focuses on five (5) key focus areas in Mewah’s Sustainability Dashboard:

I. Environmental Protection and Stewardship
II. Responsible Supply Chain
III. Product Quality and Safety
IV. Valuing our People
V. Community Support

The implementation of Mewah’s Sustainability Framework is governed across various levels, from the Board and Management to Head of business units. Our goal is to embed sustainability across the supply chain and throughout organization. The Sustainability Department has been assigned to engage with our suppliers and customers to comply with our Sustainable Palm Oil Policy. At the same time, the Head of Business Units are responsible to proactively engaging our employees in day-to-day corporate sustainability efforts with the target to create a stronger link between the values of our employee and their daily work for us.

The five (5) focus areas and thirteen (13) core areas of Mewah Sustainability Framework:
Mewah Sustainability Roadmap

- Launched Sustainable Palm Oil Policy
- Started on-site supply chain verification program

2014

- Rolled out Mewah Sustainability Dashboard
- Established Grievance Mechanism
- Hosted Supplier Engagement Workshop

2016

- Commenced Traceability to Plantation Assessment
- Published 1st Sustainability Report 2017

2017

- Hosted Stakeholder Engagement Program – Women & Child Protection
- Published business Code of Conduct
- Published of TTP Summary Report
- Customized support for HIMEP suppliers

2018

- To roll out an improved Sustainable Coconut Oil policy
- To collaborate with multi-stakeholders on coconut oil sustainability programs.
- To drive labour assessment program in supplier sites.

2019

- Implemented NDPE Master Plan
- Achieved 100% TTP & Deforestation-Free supply chain for selective customers
- Completed NDPE Implementation Reporting Framework (IRF) assessment at all refineries

2020

- Achieved 100% TTM
- Achieved 77% CPO TTP & 75% CPKO TTP
- Initiated HIMEP
- Conducted Environmental Risk & Social Impact Assessment

2021

- Customized support for HIMEP suppliers
- Published business Code of Conduct
- Published of TTP Summary Report
- Hosted Stakeholder Engagement Program – Women & Child Protection
- Published business Code of Conduct
- Published of TTP Summary Report
- Customized support for HIMEP suppliers
Key Highlights of Sustainability Performance in Year 2020

- **100%** Production Waste Recycled
- **Zero** Workforce Fatalities
- **Engaged** >1,200 Independent Smallholders
- **Integrated** 17 SDGs across Business Operation
- **Zero** Fire Incidents At Our Operations
- **100%** CPO/CPKO Traceability to Mill
- **80%** CPO Traceability to Plantation
- **76%** CPKO Traceability to Plantation
- **Closed/Suspended** 12 Grievance Cases
- **34%** Reduction in Electricity Consumption
- **Collaborate with** 8 Non-Profit Organization
- **Zero** Use of Paraquat
- **Improved Livelihood in** 8 Villages
- **34%** Reduction in Electricity Consumption
- **Collaborate with** 8 Non-Profit Organization
- **Zero** Use of Paraquat
- **Improved Livelihood in** 8 Villages

**CPO & CPKO SUPPLY BASE SUSTAINABILITY CERTIFICATION**

- **>26%** RSPO Certified Mills
- **>35%** RSPO Certified KCPs
- **>71%** MSPO Certified Mills
- **>6%** ISCC Certified Mills

Sustainability Report 2020
Mewah’s COVID-19 Response:

The COVID-19 outbreak in 2020 is an unprecedented event that will in some way touch everybody on the planet. It has brought a wave of grief, uncertainty, and fear to the world. This was heightened with the imposition of a lockdown in dozens of countries across the world while keeping social distancing and leading isolated lives is an additional risk factor for the mental stress that many of us are going through, particularly for the younger and older generation.

At Mewah, we are people first. Wherever and whenever we can, we are actively supporting those who continue to have their lives changed or impacted by COVID-19. As an agri-business and being recognized as an essential service in the countries that we operate, we have an important role to play in this crisis. Our highest priorities are the safety of our employees, customers, partners and products health and safety. Since the start of the pandemic outbreak, we have implemented best practice precautionary and hygiene measures at all our operating sites. At the same time, we rolled out a stricter sanitation protocols, social distancing, travel restrictions and making the arrangement of remote meetings and work-from-home (WFH) arrangement for our employee.

With these precautionary measures and necessary government approvals in place, our production continues as normal. Our employee on-site continues to work closely with our customers to ensure fulfillment of our sales obligation and continue to support our local communities in such demanding circumstances.

COVID-19 Management and Enforcement

Since the start of the pandemic, our Business Continuity Committee (BCC) has been continuously assessing and appropriately responding to the crisis as it develops. Safe management briefings among employees and local communities have been conducted regularly to support the government’s direction to control this spread of disease.

Free face masks and sanitizers are made accessible at all manufacturing sites. At the same time, regular cleaning and disinfection, temperature checks, and social distancing procedures are adopted across all business operation. We have reinforced hygiene and exposure guidelines with our employees. If we become aware that an employee is ill or had direct or indirect contact with someone with COVID-19, we will immediately implement our isolation and sanitization protocols and will begin any necessary quarantines, in line with guidance from local health officials.

Prevention Procedures at Workplaces

Cognizant of the unprecedented circumstances and the challenges presented, we decided that the welfare of our workers was of paramount importance and that we would take all necessary measures to find equitable solutions for our people. To keep our workforce safe, half of our employees are taking turn to work remotely to minimize workplace exposure. The use of various digital communication channels, including emails, conference calls, automation, and process improvements have helped us to overcome the demanding situations. To ensure a safe and smooth transition to the workplace, we introduced team split, staggered working, and break hours plan. Our employees are permitted to return to office in accordance with the designated workweek. It has been proven that our employees’ productivity is remarkably resilient despite the reduction of on-site headcounts.

The welfare of our employees is our top priority. We will always respect our people’s rights and ensure that everybody is able to work safety on-site and return home safely, regardless of the circumstances. We have increased the significance of sanitation in the workplace. Hand sanitizers are available throughout the workplace, cleaners were asked to perform routine disinfection at high contact points frequently, and hand-washing posters with catchy messages were placed at all common areas to promote better health and hygiene at work. Safe distancing is also heavily emphasized, the mandatory 1-meter social distance is marked with tape and notice paper at various locations such as meeting room, lift, and pantry. The BCC is assigned to take accountability to conduct inspections and checks to ensure compliance, remedy non-compliance, and keep records of inspections and checks.
The first fear that we have is whether the business can sustain and whether we can keep our workforce. Our employees fear the same. While we need our production team to continue attending to work on-site, we are also concerned about their health & well-being. It is very contradicting and confusing particularly for human resource (HR) department as we are responsible to keep the employees stay engaged, productive, and resilient.

Communication is important. Action team was set up and a few small teams established to support every section. All communications, whether big or small is mentioned in the action team so that the same will be circulated to the small teams. We mention mental health from time to time so that the respective manager can look for symptoms and offer help when needed.

We make it simple for all employees by introducing QR code feedback form to collect feedback and suggestions for our employees. At the same time, various policies are introduced, some are extensions from the government requirements such as social distancing, movement restriction and group screening. We have also integrated COVID-19 protocols into our working culture by providing free masks and sanitisers to all employees and making it mandatory for employee's health self-declaration before entering workplace. Every reported symptom is handled with care so that we take prompt precaution measure to contain potential virus spread.

In line with recommendations to reduce large gatherings and increase social distancing, we have asked most of office-based employees to work remotely. We are promoting virtual meeting and training to limit face-to-face interaction. It turns out that the average training hours per person increased by 20% in 2020 as compared to the previous year, as virtual training are easy to access and capable to reach more.

Today, we have been fighting this threat for slightly over a year, and not a single soul was being retrenched. We believe that our people are the core value of our organization. We will not be able to manage better without the support from everyone. We will continue to increase the support to our people who have work tirelessly and around the clock to keep our business running smoothly in this demanding circumstances.

NORAN FAUZIAH BTE HAROUN, MEWAHOLEO INDUSTRIES SDN BHD, MANAGER, HR & ADMINISTRATION
Mewah’s Covid-19 Response:

**Food Security and Availability**
The concern about food security due to COVID-19 pandemic is escalating. World Food Programmes (WFP) estimates that COVID-19 pandemic has dramatically increased the number of people facing acute food insecurity in 2020. Due to the remoteness of plantation and palm oil mill operation in Indonesia, we recognize our role in ensuring the employees and communities have ready access to stable food and nutrition supply even during travel restrictions. Our strategies to support the community include provision of basic dietary needs, adequate medical supplies, educational awareness campaigns, and support in food crop cultivation.

Aside from oil palm cultivation, the local communities depend on other food crops and freshwater fish farming to support their livelihoods. In commemoration of 2020’s World Environment Day, PT ADS released 2,000 Patin fish seeds into the Tempino River and planted Penang trees on the edge of the reservoir. The release of fish seeds into the Tempino River is an effort to preserve and revive the ecosystem of the Tempino River as many of the locals in Desa Tanjung Pauh village are dependent on fish farming as a source of food and source of income. As results, it enhances the locals’ fish farming production and establish a stronger food resilience amidst the COVID-19 pandemic.
We Stand Together
In March 2020, Sabah had the third-highest number of confirmed cases nationwide while Tawau was declared as one of the COVID-19 “red zone” cities in Malaysia.

Our subsidiary company, Mewah Datu Sdn Bhd, at Lahad Datu, donated 2 units of Life-Support Ventilators that worth more than RM100,000 to Tawau General Hospital in response to the acute shortage of medical supplies faced by the hospital. The ventilator is a lifesaving breathing machine for the critically ill patients of COVID-19.

Embraced the Use of Face Mask
Face masks block the spread of respiratory droplets that can carry the novel coronavirus. It is a disease-control personal protective equipment (PPE) that has been proven that, when used properly, it can reduce transmission by somewhere between 50% and 85%.

Since April 2020, our subsidiary company, PT Angso Duo Sawit made continuous contribution of face masks for the 280 villagers in Tanjung Pauh Village, Jambi Province, battling the ongoing pandemic outbreak in Indonesia. The masks were handed over to the Head of Village at its office and had been allocated to the communities.
Focus Area 1:
ENVIRONMENTAL PROTECTION AND STEWARDSHIP

ENVIRONMENTAL RESILIENCE
STAYING AHEAD OF THE WAVE
Focus Area 1: Environmental Protection and Stewardship

Our Commitment and Progress:

Our Key Sustainability Efforts:
We make investment in providing infrastructure development and amenities such as bore well and providing clean drinking water for our employees and locals. We work to ensure everyone within and in the surrounding of our business operation has access to clean water and safely managed sanitation services.

Our Key Sustainability Efforts:
We have put in place renewable energy resources in our major refineries as clean energy initiative to improve the use of renewable energy sources and reduce greenhouse gas emissions.

Our Key Sustainability Efforts:
During the pandemic, population living in rural areas face higher risk of exposure to COVID-19 that mainly due to poor sanitation conditions. We recognize the important role that we are playing, and we have invested in building public infrastructure to ensure communities in our surrounding are inclusive, safe, and resilient.

Our Key Sustainability Efforts:
Urgent actions are needed to combat climate change and its impacts. We have a strict monitoring against every aspect of our operations, which include GHG emission, efficient use of water, waste generation, fire and peat management as to minimise environmental impacts that are detrimental to the planet and people health.

At Mewah, Environmental Management has been a key focus for us for many decades as we strive to optimise productivity and long-term sustainability in our business. We focus our efforts on key areas where our portfolio and business scale allow us to have the biggest impact that offer the biggest opportunities for our business. Over the years, we have initiated several sustainability initiatives aimed at minimizing our manufacturing footprint. At our upstream operations, we are also implementing a number of programs aimed at forest conservation, protecting biodiversity and minimising adverse impact on the environment.

Our efforts in this area help contribute to UN SDG 6, 7, 11 and 13 which aim to promote sustainable use of energy and combat climate change & its impacts. We drive collaboration throughout our supply chain to reduce our climate impact associated with our raw materials processing until delivering our products to the hands of our buyers.

This focus area covers our impact on various environmental footprints in terms of:

1) Carbon Management
2) Water management
3) Waste management
4) Biodiversity Management
5) Fire management
6) Pest management

The processing of edible oils is complex and energy intensive. Mewah's processing plants differ in capacity, capability, and range of products. This brings about different environmental footprint in different facilities. Therefore, each plant has different greenhouse gas (GHG), water and waste emissions.
Carbon footprint is defined as the total amount of greenhouse gases (GHG) that is produced directly and indirectly with our manufacturing activities. The standard unit of measurement for carbon footprint is carbon dioxide equivalents (CO2e). GHG Emissions is an all-encompassing measurement for the carbon footprint and energy efficiency in our production.

At Mewah, we are mindful that increasing carbon footprint has profound effects on the environment. We are committed to progressively reduce greenhouse gas (GHG) emissions by identifying significant pollutants and emissions and implementing plans to mitigate or minimise them.

The primary contributing factors of GHG emissions in our production sites are:

i. Electricity consumption,
ii. Chemical consumption,
iii. Fuel consumption.

Our GHG emissions from our production activity are calculated using the ISCC methodology and RSPO PALM GHG Calculator. It includes data from all processing facilities under Mewah Group, i.e. refineries, biodiesel plant, consumer pack plants, palm oil mills and plantation. These numbers are compiled monthly, evaluated and projects are in place to further improve these consumption figures.

1.1.1 GHG EMISSIONS IN OUR PRODUCTION SITES

Our greenhouse gas emissions (GHG) index depicts the results of quantity of GHGs emitted per metric ton of product processed or packed in our manufacturing premises. The measurement is in kilograms of carbon dioxide-equivalent per metric ton of product (kg CO₂e/MT). In 2020, the GHG emission intensity achieved in our downstream operation is 38.63 kgCO₂/MT production. On the other hand, the electricity consumption has reduced by 34%, down from 11.37 kWh/MT production to 7.54 kWh/MT production.

In our palm oil mill operation, the average annual GHG emission intensity is measured at 614.02 kgCO₂/MT CPO produced.

In plantation operation, the most significant GHG emissions sources are land-use change and peat subsidence. The overall net GHG emissions at our plantation is measured at 65,446.95MT CO₂ equivalent in 2020.

As we keep expanding our business and investments, we are mindful that minimizing GHG emissions in our operations is the top priority within our sustainability framework. As such, in managing our day-to-day business, we remain committed to low carbon operations and evident from our target for GHG emissions. We seek to reduce our GHG emissions by being more efficient in our production abilities as well as seeking more environmentally friendly sources of energy.
1.1.2 ENERGY EFFICIENCY IN OUR PRODUCTION SITES

Articulating our ambitions for a sustainable future, energy efficiency has been one of the top priorities of Mewah Group in the way we develop and manage our business. For the past two decades, we have continuously innovated, invested in green technology and improved our operating efficiencies. Since 2018, driven by our commitment to play integral part in mitigating the effects of climate change, one of our refineries introduced high efficiency air-cooled compressor and high efficiency natural circulation high pressure boiler to our palm oil refinery plant. These projects are part of our low carbon strategies with the aim to achieve higher energy and resource efficiency.

The Group made a bold move in 2019 to invest in cogeneration plant replacing packaged boiler in our major refineries. Cogeneration technology is an energy-efficient solution for facilities that require both thermal energy and electricity. The operational efficiencies realized by cogeneration plants provide great benefits to both industries and consumers. It uses less fuel and emits lower amounts of pollution when producing electrical and thermal energy than stand-alone electrical and thermal energy facilities. The new cogeneration plant investment is an example of our action in using energy more efficiently.

GHG Emissions and Sinks at Plantation (MT CO₂ eq)

<table>
<thead>
<tr>
<th>Focus Area 1: Environmental Protection and Stewardship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Conversion</td>
</tr>
<tr>
<td>60,782.24</td>
</tr>
</tbody>
</table>

The diagram above illustrates the GHG emissions and sinks at the plantation. The data shows the contribution of each component to the overall emissions and sinks, helping to identify areas for improvement in energy efficiency and environmental protection.
**Focus Area 1: Environmental Protection and Stewardship**

**Core Area 1: Carbon Management**

### 1.1.3 AIR EMISSION MANAGEMENT

The first palm oil refinery under the Group was established in 1980s, it situated near to Kampung Hulu Rinching, Semenyih. Over the years, Ngo Chew Hong Oils & Fats (M) Sdn. Bhd. (NCHM) has contributed to the economic growth by providing job opportunities and bringing spin-off advantages to more than 92,000 populations in Semenyih.

In 1990s to 2000s, the town of Semenyih has developed from heavy industrial area to a mix of residential and light industrial area. NCHM is within the close vicinity of residential area, Kampung Hulu Rinching. As such, we are determined to play our role to minimize environmental impacts from our operation to safeguard our neighbours’ health. One of the key efforts in air management is by carrying out regular odour emission assessment.

During refining process, volatile smell composites might be released to the air. The volatile matter is commonly identified as Palm Fatty Matter Vapour, a non-hazardous substance contained in palm oil.

The odour intensity level in surrounding areas of NCHM is assessed by an independent air quality and odour management specialist. To minimize odour from the generation of Palm Fatty Matter Vapour, NCHM has installed an Alkaline Closed Loop (ACL) Vacuum system in its physical refining plant in 2019. The outcome from this investment is promising as we have observed a significant reduction of odour intensity level in surrounding factory areas.

<table>
<thead>
<tr>
<th>Sampling Location</th>
<th>Odour Intensity Measured at NCHM (D/T*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before Installation of ACL System</td>
</tr>
<tr>
<td>Visitor Parking Area</td>
<td>0 - 2</td>
</tr>
<tr>
<td>Open Space Nearby Mosque Kampung Hulu Rinching</td>
<td>0 - &lt;2</td>
</tr>
<tr>
<td>Entrance to Ecohill 1</td>
<td>0</td>
</tr>
<tr>
<td>Open Space Nearby Orphanage Home</td>
<td>0 - 7</td>
</tr>
<tr>
<td>Nearby Ecohill Welcome Centre</td>
<td>0</td>
</tr>
<tr>
<td>Ascotte Boulevard, Parking Area Near Jalan Semenyih</td>
<td>0</td>
</tr>
<tr>
<td>Eco Majestic: Roundabout Near East Gate</td>
<td>0</td>
</tr>
<tr>
<td>Eco Majestic: Gentlebre</td>
<td>0</td>
</tr>
<tr>
<td>Eco Majestic: Tenderfields</td>
<td>0 - &lt;2</td>
</tr>
<tr>
<td>Eco Majestic: Roundabout Near North Gate</td>
<td>1 - &lt;2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D/T</th>
<th>Word Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Noticeable</td>
</tr>
<tr>
<td>7</td>
<td>Objectionable</td>
</tr>
<tr>
<td>15</td>
<td>Nuisance</td>
</tr>
<tr>
<td>31</td>
<td>Nauseating</td>
</tr>
</tbody>
</table>

* D/T – Dilution to Threshold

The results illustrated a significant reduction of the perceived odour intensity. Overall, the perceived odour concentrations reduced to 0 D/T with just one count of 4 D/T at NCHM’s Visitor Parking Area. The implementation of the ACL Vacuum has proven to effectively minimize odour emission to our neighbours.
Focus Area 1: Environmental Protection and Stewardship

Core Area 2: Water Management

1.2.1 OUR FOCUS & ACTION PLAN

Water is a vital resource for our operations and the communities in our supply chain. We acknowledge the clean and assailable water is critical for the well-being of communities, wildlife, and aquatic ecosystem. We also recognize that water availability is becoming an increasingly important issue in the face of climate change and we are constantly looking at ways to improve our water management & minimize our water footprint.

The water footprint maps and measures how, when and where we use freshwater resources. In Mewah, we have put in place integrated water footprint assessment as part of the group sustainability initiative and business strategy through:

I. Setting quantitative water footprint reduction targets in all manufacturing sites
II. Apply standard terminology & calculation methods
III. Monthly assessment on quality & quantity of wastewater discharge

Our action plan in reducing our water consumption includes:

I. Consistently assessing water-related impacts and risks across our supply chain.
II. Identify uses of water in our factories and set targets to reduce freshwater use.
III. Continue to improve conservation efforts (water-saving efforts) at our factories.

We are implementing various water saving initiatives to improve our water footprint across our factories. The efforts made so far recorded consumption efficiency at 0.21 m³/MT product for all the manufacturing sites in year 2020.

In 2017, we set a long-term goal and formulate strategy to improve water intensity from 0.19 m³/MT product to 0.15 m³/MT product by year 2025.

Protecting Our Water Source
Water is a vital resource for our operations and the communities in our supply chain. We strive to continue to improve our water efficiency by recycling and reusing where appropriate in the palm oil production process. The quality of water discharged from our refineries and palm oil mill are constantly monitored to make sure the discharge quality in within compliance of national environmental limit.

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Remarks:
1. In Malaysia, the permissible limits of BOD and COD for refinery for river discharge are at 50 ppm and 200 ppm respectively.
2. In Indonesia, the permissible limits of BOD and COD for palm oil mill for river discharge are 100 ppm and 350 ppm respectively.
Palm Oil Mill Operations

The palm oil milling operation accounts for most of the water consumption in palm oil processing life cycle. A palm oil mill usually draws water supplies from local waterways and wells for FFB processing and household use.

In 2020, the water consumption intensity at our palm oil mill is reported at 1.29 m³ per MT FFB processed. The water intensity is significantly lower than what was reported in 2019 at 1.75 m³ per MT FFB. This is owing to multiple water conservation initiatives introduced at the palm oil mill.

The wastewater, palm oil mill effluent (POME) is released into local waterways after treated. The discharged water quality is strictly in compliance with the local environmental limits that has been regulated with purpose to minimise the risk of disturbance to the aquatic environment as well as the pollution of ground water. The annual average BOD and COD level in our palm oil mill operation are reported at 48ppm and 144ppm respectively, that follows all relevant local thresholds in 2020.

We are consistently exploring options to improve carbon footprint and water footprint in our palm oil mill operations. One of the key plans is to install a methane gas capturing plant in the palm oil mill to reduce GHG emission from our operation.
Provision of Safe and Clean Water

Availability and access to clean water, sanitation, and hygiene (WASH) services is fundamental to fighting the virus and promoting the health and well-being of our employees and our neighbouring communities. Our mill subsidiary, PT Angso Duo Sawit (PT ADS) adopts comprehensive measures to ensure the availability of clean groundwater for the surrounding communities of Tri Sakti sub-village of Tanjung Pauh village KM 30. We make efforts in providing infrastructure development and amenities such as bore well and providing clean drinking water for our employees and locals. We work to ensure everyone within and surrounding our business operation has access to clean water and practice water best management practices to reduce wastage.

Freshwater Quality Sampling at Plantation Operations

We are committed to protect natural waterways through buffer zones.

Through the Monitoring and Measurement Program (MMP), our subsidiary, PT Jambi Batanghari Plantations carried out freshwater biota survey (e.g., Plankton Survey and Benthos Survey) at upstream, center, and downstream of Sungai Batanghari, Sungai Jebus, and Sungai Paluh. The purpose of this program is to assess whether there is an indication of pollution in these rivers. We did it by measuring the plankton and benthos communities in the water bodies. These tiny organisms usually are commonly used as indicators of the biological condition of waterbodies. They are reliable indicators of water quality because they spend all or most of their lives in water, and they are easy to collect and differ in their tolerance to pollution.
Sustainable waste management planning is a massive task that involves scientific knowledge, logistical planning, and understanding in order to balance the impact on our environment and the cost effectiveness of the process.

In recent years, waste problem in ASEAN particularly plastic waste gained global attention. Annually hundreds of millions tonne of indecomposable plastic waste ended up in landfill, worldwide. Environmental pollution, as well as health effects arisen drastically followed by the uptrend of irresponsible disposal of waste. We are taking waste management seriously in our estate.

At Mewah Group, we are adopting a comprehensive waste management blueprint that outline action plan to understand our waste streams, to measure/baseline current waste generation and to complete a facility-wide waste operations assessment. The objective of our water management plan is to assure a sustainable waste material management in our production sites by putting in place effective measures.

1) Our waste is divided into 4 main categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Type of Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>General Waste</td>
</tr>
<tr>
<td>B</td>
<td>Scrap Waste</td>
</tr>
<tr>
<td>C</td>
<td>Production Waste</td>
</tr>
<tr>
<td>D</td>
<td>Schedule Waste</td>
</tr>
</tbody>
</table>

2) The amount of waste generated by each category is monitored and attention is brought to the amount generated.

3) Identify the 5 Rs’ components in managing waste: Refuse, Reduce, Reuse, Recover and Recycle.

i. **Refuse**: Refuse to receive unnecessary materials will help to eliminate waste from the very beginning. It is simply about saying no and looking into reusable alternatives.

ii. **Reduce**: Focus to improve efficiency. To establish practices that are capable to reduce the amount of waste we generate to help the environment.

iii. **Reuse**: Practice to reuse materials without change whether for the original or a different application instead of throwing them away or pass those unused materials on to others who could use them.

iv. **Recover**: To set up ways to recover the energy values contained within the waste material.

v. **Recycle**: Many of the things we use every day can be recycled. Recycled items are put through a process that makes it possible to create new products out of the materials from the old ones.
Focus Area 1: Environmental Protection and Stewardship

1.3.1 REFUSING PLASTIC WASTE


Since 2019, Mewah introduced “plastic-free campaign” in all our operating sites with the purpose to bar the use of plastic bags and polystyrene food ware. A practical guide was set up and awareness campaign was built to educate our employees on the presence of plastic and its harmful effects on the environment.

1.3.2 REDUCING GENERAL WASTE

The concept of waste minimization is fundamental in our waste management. We encourage our employees to use recyclable and bio-degradable bags and containers, e.g., reusable cloth bag.

Reduce, Reuse and Recycle (3R Programme) of domestic waste is currently implement in PT JBP. Waste segregation, trainings, signage, collection points and workshops are incorporate into our operations. Recyclable domestic waste collected such as plastic and cardboard will then undergo careful segregation and measure before sending to authorised waste collector.

Reusable cloth bag is one of the initiatives introduced in our estate, to reduce single-use-plastics and disposal of these materials. At time, a total of 38kg of plastic, 39kg of cardboard and 12kg of other recyclables are saved from landfill.

1.3.3 REUSING SCRAP WASTE

We have a program in place to first reuse all possible scrap waste produced, including mild steel, tin, zinc, etc., before being sold for recycling. This cost-effective practice ensures that these natural resources are fully utilized before being disposed.

1.3.4 RECYCLING PRODUCTION WASTE

At refineries, Spent Bleaching Earth (SBE) is the major source of waste generated from production. It contains 20-25% of residual oil. Due to the high oil content in the Spent Bleaching Earth, its disposal can be considered an environmental hazard, as it is highly flammable. 100% of SBE generated from our refineries are recycled either as raw material for another manufacturer or used as biomass.

At our palm oil mill operations, the common waste generated from FFB milling process are solid biomass waste and liquid waste. Solid waste comprises empty fruit bunches (EFB) of oil palm, fibre, and shells. Palm Oil Mill Effluent (POME) is the liquid waste generated from mill. Both solid and liquid waste is either being recycled or reused as organic fertilizer or fuel. We aim to achieve zero waste by 2023 – that is to have 100 percent of solid and liquid waste from FFB milling process reused and recycled.

1.3.5 RECOVERING SCHEDULE WASTE

Spent nickel, hydraulic oil, lubricant oil, and waste solvent are some of the examples of waste which are generated from our production activities. These by-products are highly regulated and they have to be disposed of at recovery sites as designated by the Department of Environment (DOE). We have complied with these schedule wastes, which are recovered and treated by licensed contractors. The recovery of such schedule wastes involves the removals of harmful or/and contaminated substances, in certain instances, the recovery of valuable resources.

1 Bleaching earth is an adsorptive cleansing agent used in bleaching process to remove impurities and colour pigments in the CPO.
Focus Area 1: Environmental Protection and Stewardship

Core Area 3: Waste Management

Our 2020 Waste Footprint
Production waste accounts for 80% of the overall waste generated in our operation. The spent bleaching earth (SBE) generated from our refinery business makes the largest contribution to our waste footprint. It accounts for more than 50% of the total waste footprint. 100% of SBE generated from our refineries are recycled either as raw material for another manufacturer or used as feedstock for biodiesel production.

General waste, scrap waste and schedule waste are 10%, 8% and 2% respectively of total waste footprint.

- Spent bleaching earth (SBE);
- Spent filter aid;
- Empty can/carton/ lid/tin plate skeleton;
- Palm oil mill effluent;
- Empty fruit bunch;
- Palm kernel shell.

- Contaminated packaging;
- Wood;
- Food Waste.

- Jerry can;
- Used flexibag;
- Recycle paper;
- Metal waste/drum;
- Damage tin & old zinc.

- Chemical glass bottle;
- Solvent waste;
- Spent special fluid e.g. hydraulic oil/gear oil/lubricant;
- Spent nickel;
- Lab trash.
Biodiversity is the foundation of the ecosystem services that humans rely on.

Across the world, biodiversity has been significantly altered by human pressure, including land- and sea-use change, direct exploitation of organisms, climate change, and pollution. According to the World Economic Forum’s 2020 Global Risk Report, “biodiversity loss” has been rated as the second most impactful and third most likely risk for the next decade. The current rate of extinction is tens to hundreds of times higher than any other time in human history. Biodiversity loss has serious implications for humanity, from the collapse of food and health systems to the disruption of entire food supply chains.

Biodiversity conservation and forest protection have been a major focus of our environmental efforts in our estate. Under our High Carbon Stock (HCS) and High Conservation Value (HCV) commitments, we focus on maintaining and restoring riparian buffer zones throughout all our operations in recognition of its importance in our ecosystem. We have identified and conserved lands made up of HCV and HCS areas. We have taken a landscape approach to conservation (beyond the boundaries of our concession) through community conservation partnership with external partner.

**Riparian Buffer at our Plantation**

HCV assessment have been performed to identify the key conservation areas. Subsequently, a monitoring plan is developed in accordance with the outcome of HCV assessment.

A total of 35.82ha of riparian is set aside in our estate as buffer zone, where development is prohibited. Demarcation and signage are set along the designated areas, together with awareness training for our workforce. Natural vegetation is maintained alongside both riverbank and serve as erosion control and natural filter form surface runoff or sedimentation. Wildlife is known to utilise riparian buffer zone as prime habitats and encourage healthy river ecosystem.

**High Conservation Areas**

A total of 79.63 ha of HCS areas is set aside in our estate. These HCS areas are made up of riparian areas along the major rivers and pocket jungles and these areas are forbidden from further development and hunting. The pocket jungles can regenerate and gradually encourage the utilisation of its natural inhabitants. Signage are being placed in the surrounding areas and awareness trainings are conducted to our employees and local community to further imprint the importance and management of this area.

**Water Table Monitoring on Peatland**

Peatlands are important natural carbon storage and play significant roles in the ecosystem. To ensure efficient land use on existing plantation on peatland and safeguard the long-term productivity of land, we adopt Best Management Practices (BMPs) in the oil palm cultivation. Peatland planting without proper water table monitoring would increase drying of organic matters and hence escalate the fire potential. Water table in our estate is currently managed in accordance to local regulations, at 40-60cm below soil surface to prevent rapid decomposition rate of peat. Peat subsidence is also constantly monitor in blocks that are planting on peat.
Species Identification at PT JBP
Flora and fauna species identification enables us to understand the species diversity in our estate, and thus monitoring our impacts toward these precious livings. Through HCV assessment, comprehensive species identification is carried out in PT JBP. The list of species was examined against International Conservation Union’s Red List (IUCN). Total 282 species of plants and 11 species of mammals discovered within the vicinity of our estate.

<table>
<thead>
<tr>
<th>Category</th>
<th>Least Concern</th>
<th>Near Threatened</th>
<th>Vulnerable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammalia</td>
<td>LC</td>
<td>NT</td>
<td>VU</td>
</tr>
<tr>
<td>Least Concern</td>
<td>LC</td>
<td></td>
<td>VU</td>
</tr>
<tr>
<td>Near Threatened</td>
<td>NT</td>
<td></td>
<td>VU</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>VU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avian</td>
<td>Least Concern</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Deficient</td>
<td>DD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Least Concern</td>
<td>LC</td>
<td></td>
<td>VU</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>VU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reptilia</td>
<td>Least Concern</td>
<td></td>
<td>VU</td>
</tr>
<tr>
<td>Data Deficient</td>
<td>DD</td>
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<tr>
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<td>Amphibian</td>
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<td>Vulnerable</td>
<td>VU</td>
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<tr>
<td>Plantae</td>
<td>Not Evaluated</td>
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<td>Least Concern</td>
<td>LC</td>
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<td>VU</td>
</tr>
<tr>
<td>Vulnerable</td>
<td>VU</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IUCN Status of Species Found in PT JBP

- **22.5%** Least Concern
- **1.6%** Vulnerable
- **3.4%** Near Threatened
- **1.7%** Not Evaluated
- **70.8%** Data Deficient
Focus Area 1: Environmental Protection and Stewardship

Core Area 5: Fire Management

Zero Burning
Transboundary haze in the past affected number of Southeast Asia countries, caused poor visibility, schools closure, business stunted and health complications. We are committed to ensure peat fire and its environmental impacts are being taking seriously in our estate.

At PT JBP, we have put in place an effective fire prevention plans and control measures at our operations and the surrounding landscapes. We commit to conduct replanting using environment conscious method and adhering to the ASEAN’s Zero Burning Policy at the same time. The traditional method of slash-and-burn is strictly prohibited and is replaced with chipping, which promotes nutrient recycling.

We actively socialize the importance of zero burning practices with adjacent local communities while ensuring safeguards are in place to address risk of fires at our oil palm plantation. Through our empowerment programme and trainings, our staffs form a team of in-house fire fighters (with 15 personnel per 1,000 ha of land) namely Team Elite Damkar. This will enable immediate and quick response in occurrence of fire.

Firefighting: Everybody’s Responsibility

Multi-stakeholder Collaboration
Smouldering peat fire is a challenge to be put off, the combustion might spread unknowingly to the neighbouring peatland without realise. We recognize that it is a collective effort by all stakeholders in prevention of peat fire (Karhutla). PT JBP collaborates with our neighbouring communities - Kades Jebus, Sungai Aur and Gedong Jaya, to form a fire prevention team (Masyarakat Peduli Api). The purpose of collaboration between local authorities i.e., Polsek and Danramil is to instil education and training for the local community in fire emergency response.

The hotspot forecast, weekly weather forecasts and warnings, are received to enable early detection of any fire risks and occurrence and suppression to avoid disastrous fire occurrence. In addition, fire alert system with technology, such as LIVE CCTV by Regional Police of the Republic of Indonesia (Polda) and satellite image from Indonesian National Institute of Aeronautics and Space (“LAPAN”), are helping us in fire management.

Fire Prevention and Monitoring
Driven to ensure effective fire prevention measures, PT JBP is vigilant in implementing systems and intensifying efforts at fire prone areas. Fire hotspots and occurrences are being monitored in PT JBP. Physical precautionary measures include fire watch towers, portable fire pumps, water conservations, and fire patrols are introduced during dry season.
Integrated Pest Management

Pest and diseases in oil palm plantation could affect the wellbeing of palm, and timely management can avoid any potential outbreak also financial loss. Conventional chemical treatment might effectively treat pest and diseases in short, yet the consequences often put environment and human health at higher stake in the long run.

Integrated Pest Management (IPM) is a component of Good Agricultural Practices ("GAP"), which incorporates a use of cultural, biological, mechanical, and physical controls, to minimise use of chemicals including chemical fertilizers and pesticides at PT JBP. Through implementation of IPM, agrochemical consumption can be significantly reduced, and ensure safety of our workforce, local communities, and the environment where we operate.

- a. Beneficial plants, such as *Tunera subulata* is planted alongside the planting blocks and nursery to encourage natural predators of pest.
- b. Pheromone trapping of rhinocerous beetles at nursery to reduce the breeding.
- c. Barn owl nests are set at several locations as natural predators to control rat population.
- d. Routine mechanical weed control to reduce usage of herbicides.
- e. Phase-out Paraquat and hazardous chemicals that fall under the WHO Class 1A & 1B and Stockholm & Rotterdam Conventions.
- f. Utilize oil palm effluents and residue as inorganic fertilizers in the plantations.
Focus Area 2: RESPONSIBLE SUPPLY CHAIN

SUPPLY CHAIN RESILIENCE STAYING NIMBLE
Focus Area 2: Responsible Supply Chain

Our Commitment and Progress:

Our Key Sustainability Efforts:
The fight against poverty is not a task of charity; it is an act of uprightness and the key to unlocking human potentials. Palm oil has played a huge role in reducing rural poverty in top producing countries, Malaysia and Indonesia. It has helped to lift millions of people out of poverty and contributes to the attainment of SDGs.

Our Key Sustainability Efforts:
To conserve and safeguard the marine ecosystem, we implement and enforce the main conventions and regulations adopted by International Maritime Organisation (IMO) in our shipping operation, which cover all aspects including ship design, equipment, construction, manning, ship operation and waste disposal.

Our Key Sustainability Efforts:
We pledge to conserve biodiversity by identifying, protecting, maintaining areas of high conservation value (HCV). This would include critical areas that contain significant concentration of biological value, ecological, social, and cultural values.

Our Key Sustainability Efforts:
At Mewah, we have set up a public grievance platform as well as a grievance mechanism for all stakeholders in our supply chain to raise their concern or report any breaches of our policies. It serves as a transparent communication channel for us to promote peaceful and inclusive sustainability development.
Mewah is committed to the implementation of a responsible and sustainable palm oil and sustainable coconut oil supply chain. We established a Sustainable Palm Oil Policy and Sustainable Coconut Oil Policy with sustainability commitments entailing the company’s entire palm oil and coconut oil supply chain. These Policies establish mechanisms to ensure that palm oil and coconut oil in Mewah’s supply chain will be free from links to deforestation, peat planting, and exploitation of human rights.

The provisions in these policies apply to all Mewah’s operations worldwide, including our subsidiary companies. We expect all our third-party suppliers of raw materials to adhere to our sustainability policy commitments for their operations.

The Mewah’s Sustainable Palm Oil policy can be located at http://mewahgroup.com/Sustainability_PalmOilPolicy.html and we wish to reiterate our sustainability commitments:

1) To build a traceable and transparent supply chain;
2) To continue the journey of no deforestation and to commit no burning, protection of high conservation value (HCV) areas and high carbon stock (HCS) areas since 31st December 2015;
3) To reject new oil palm development in forested peatland plantation after 31st December 2015;
4) To respect human rights and to ensure protection of the rights of all workers;
5) To respect the rights of indigenous people and local communities to give or withhold Free, Prior and Informed Consent (FPIC) where oil palm plantation development takes place.

There are 6 specific objectives in Mewah’s Sustainable Coconut Oil’s commitments:

1) Improving smallholder livelihoods and incomes
2) Improving productivity
3) Enhancing supply chain traceability
4) Reducing deforestation and encroachment
5) Respect rights of indigenous people and local communities to give or withhold Free, Prior & Informed Consent (FPIC) where coconut plantation development take place.
6) Respect human rights and to ensure the protection of the rights of all workers.

Detailed information can be obtained at: https://mewahgroup.com/upload/Sustainability/Mewah%20Sustainable%20Coconut%20Oil%20Policy.pdf

Transparency and Accountability of Sustainable Palm Oil Policy and Sustainable Coconut Oil Policy

We are committed to transparency and accountability in our sustainability program. We note that both internal and external stakeholder groups are interested and involved in our engagement efforts.

Our efforts to improve transparency and accountability have been done through multiple channels such as:

1) Annual Sustainability Performance Reporting in accordance with GRI standard
2) Open Sustainability Dashboard & half-yearly palm traceability score update
3) RSPO Annual Communication on Progress (ACOP) Submission
4) Continual stakeholders’ engagement
5) Grievance-handling procedures
6) NDPE Implementation Reporting Framework (IRF)
Focus Area 2: Responsible Supply Chain

Core Area 2: Towards Full Traceability

The palm oil supply chain is complex and fragmented. The same applies to coconut oil supply chain. Every tier in the supply chain plays its essential role in forging a path to full traceability. Transparency in the supply chain is a critical aspect of sustainability since it increases the visibility of suppliers and it allows us to trace and identify the origin of our raw material.

For every ton of palm oil and coconut oil received into our factory, we trace to the exact location of the palm oil mills/crushers and the particulars of raw materials suppliers to the palm oil mills/crushers that supplying to us. Traceability data is necessary as it allows us to evaluate our suppliers’ performance against our Sustainable Palm Oil Policy and Sustainable Coconut Oil Policy. At the same time, we are establishing engagement with our suppliers with the objectives to improve the sustainability standards in our supply chain. This is done through traceability data collection, suppliers’ assessment, and educational workshops.

2.2.1 OVERVIEW OF MEWAH’S PALM OIL AND COCONUT OIL SUPPLY CHAIN

Oil Palm/Coconut Growers  
- Plantations  
- Smallholders  
- Dealers

Millers/Crushers  
- Third Party Mills  
- Kernel/Copra Crushing Plants

Delivery  
- Lorry Tanker  
- Vessel  
- Bulking Terminal

Refiners/Traders  
- Refineries  
- Traders  
- Terminal

End Consumers  
- Ingredient Manufacturers  
- Product Manufacturers  
- Deleas, Retailers

Upstream  
- Midstream  
- Downstream
2.2.2 MEWAH’S TRACEABILITY APPROACH

Since we rolled out the Sustainable Palm Oil Policy in 2014, we have been focusing greatly on supplier engagement initiatives to raise sustainability awareness across our suppliers to make certain that everyone is improved. As an independent palm oil refiner, we are fully aware that a large part of our footprint contributed by activities beyond our own operations. Therefore, our suppliers are playing an important role in forging a path towards in sustainable palm oil production.

How we do it?

Part A: Palm Oil Supply Chain
We actively trace raw materials supply flows from refineries back to palm oil sources to map our supply base, evaluate suppliers’ performance against our Sustainable Palm Oil Policy and to initiate engagement with our suppliers to make improvements whenever is needed.

Today, we are proud to announce that 100% of our CPO and CPKO are Traceable to Mill Party and Volume of CPO received into our refinery. We are determined to make sure that all our suppliers must fulfil the same condition as the fundamental entry requirement into our supply chain.

Part B: Coconut Oil Supply Chain
We actively trace raw materials supply flows from refineries back to coconut copra mills to map our coconut oil supply base. We are measuring suppliers’ performance against our Sustainable Coconut Oil Policy. The coconut oil sustainability is rather immature at this stage; hence, we are gearing up our resources to proactively engage with our suppliers to make improvements wherever is needed.

Today, we are proud to announce that 100% of our crude coconut oil (CCNO) are Traceable to Copra Mill (TTM). The definition of “traceable to copra mill” refer to the fulfilment on 5 key traceability criteria i.e., Parent Company Name of Copra Mill Party, Copra Mill Name, Copra Mill Address, GPS coordinates of Copra Mill Party and Volume of CCNO received into our refinery. We are actively socializing the traceability requirement with our suppliers and to set the traceability requirement as the fundamental entry requirement into our supply chain.

Evaluation of suppliers’ sustainability performance
With the purpose to evaluate and validate sustainability progress of our suppliers, we kick-started supplier verification program as early as November 2014. Over the years, we completed assessment to more than 130 CPO suppliers across different states in Malaysia and the reports are published on Mewah Sustainability Dashboard. In Mewah’s Traceability to Plantation (TTP) approach, a comprehensive field assessment will be carried out at every supplier’s mills to assess its Fresh Fruit Bunch (FFB) supply base and to evaluate its compliance to Mewah’s Sustainable Palm Oil Policy using our pre-defined Supplier Assessment Guidelines. In general, a palm oil mill’s fresh fruit bunch (FFB) may be supplied by hundreds of estates, growers, smallholders and dealers. TTP assessment is an educational tool as well as a “bridge” for Mewah to support the transformation of our suppliers. The primary objective of our TTP initiative is to lift up the sustainability standards of all our suppliers to a higher level. So far, there is no common definition of TTP in the palm oil industry. Our current approach on traceability to plantations establish on ensuring the availability and validity of Malaysia Palm Oil Board (MPOB) operating license from FFB suppliers. The rationale behind our requirement is to make sure that all FFB supplied to the palm oil mills are sourced legally.
Focus Area 2: Responsible Supply Chain

Core Area 2: Towards Full Traceability

Traceability to Plantation Approach (For Malaysian Palm Oil Mills)

<table>
<thead>
<tr>
<th>Traceability to Plantation</th>
<th>Volume FFB Supplied</th>
<th>Availability of MPOB License</th>
<th>Validity of MPOB License</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate/Plantation</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Smallholders</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dealers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Remark:
- Plantation - > 1,000 ha
- Smallholder - < 40.46 ha
- Smallgrower - 40.46 ha – 1,000 ha

Traceability to Plantation Approach (For Indonesian Palm Oil Mills)

<table>
<thead>
<tr>
<th>Supply*</th>
<th>Volume FFB supplied to mill (MT)</th>
<th>Parent Company Name</th>
<th>Registered Business Name</th>
<th>Location and Address</th>
<th>GPS Coordinate</th>
<th>Contact Person &amp; Contact Number</th>
<th>Availability &amp; Validity of HGU/IUP</th>
<th>Certification Status (ISPO/RSPO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plantation</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(if any)</td>
</tr>
<tr>
<td>FFB Agent/Broker/Dealer</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(if any)</td>
</tr>
<tr>
<td>Smallgrowers</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(if any)</td>
<td>(if any)</td>
</tr>
<tr>
<td>Independent smallholder Zones</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(if any)</td>
</tr>
</tbody>
</table>

Remark:
- Plantation - > 500 ha
- Smallholder - < 25 ha
- Smallgrower - 25 ha – 500 ha

2.2.3 COMMITMENT TOWARDS 100% TRACEABILITY

A 100% traceable supply chain is the ultimate objective that galvanises us to focus our efforts towards improving the sustainability program in our supply chain. Our traceability approach helps us in identifying the potential risks in our full supply chain while increasing our abilities in establishing constructive engagement with our suppliers.

We set out the CPO/CPKO traceability milestone alongside our Sustainable Palm Oil Policy in 2014. The milestones set mark specific points along our journey to fully sustainable supply chain. These points signal anchors in every period of our traceability targets that we strive to commit to our palm oil Buyers. In year 2020, we are able to provide 100% TTP products to selective customers.

We are working towards a 100% transparent, traceable and sustainable palm supply chain by 2022.
2.2.4 YEAR 2020 CPO/CPKO TRACEABILITY SCORE

The launch of our Traceability to Mill (TTM) exercise in 2014 and Traceability to Plantation (TTP) exercise in 2016 enabled us to reach out to a greater number of suppliers including millers, estates’ owners, dealers, and smallholders. The traceability data collected from TTM and TTP exercise allowed us to map all the palm oil mills that supply CPO and CPKO to our four refineries and the estates, dealers and smallholders that supply FFB to the mills.

In 2020, we maintain 100% TTM in our CPO and CPKO supply chain. Moving forward, we aim to continue working closely with all our esteemed suppliers for improvement in TTP score.

### Mill’s FFB Sourcing

<table>
<thead>
<tr>
<th>Percentage (%)</th>
<th>Supplier Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>5% Own Estate</td>
</tr>
<tr>
<td>18%</td>
<td>18% Third Party Estate</td>
</tr>
<tr>
<td>76%</td>
<td>76% Dealer</td>
</tr>
<tr>
<td>1%</td>
<td>1% Smallholder</td>
</tr>
</tbody>
</table>

### Refineries’ CPO Sourcing

<table>
<thead>
<tr>
<th>Percentage (%)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.5%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>4.3%</td>
<td>Indonesia</td>
</tr>
<tr>
<td>0.2%</td>
<td>Papua New Guinea</td>
</tr>
</tbody>
</table>

### Refineries’ CPKO Sourcing

<table>
<thead>
<tr>
<th>Percentage (%)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>79.5%</td>
<td>Malaysia</td>
</tr>
<tr>
<td>9.6%</td>
<td>Indonesia</td>
</tr>
<tr>
<td>9.4%</td>
<td>Thailand</td>
</tr>
<tr>
<td>1%</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>0.5%</td>
<td>Philippines</td>
</tr>
</tbody>
</table>

### Year 2020 Mewah’s Refineries Supply Chain Statistics

**Group Traceability Statistic (%)**

<table>
<thead>
<tr>
<th>FFB (Palm Oil Mill)</th>
<th>Supplier</th>
<th>Traceability to Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PT ADS</td>
<td>MOSB</td>
<td>100%</td>
</tr>
<tr>
<td>MOSB</td>
<td>NCHM</td>
<td>100%</td>
</tr>
<tr>
<td>NCHM</td>
<td>MDSB</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CPO (Refineries)</th>
<th>Supplier</th>
<th>Traceability to Mill</th>
<th>Traceability to Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOSB</td>
<td>MOIPG</td>
<td>100%</td>
<td>80.23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CPKO (Refineries)</th>
<th>Supplier</th>
<th>Traceability to Kernel Crushing Plant</th>
<th>Traceability to Mill</th>
<th>Traceability to Plantation</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOSB</td>
<td>MOIPG</td>
<td>100%</td>
<td>100%</td>
<td>75.60%</td>
</tr>
</tbody>
</table>

Remark:
1. PT ADS – PT Angso Duo Sawit
2. MOSB – Mewah Oils Sdn Bhd
3. MOIPG – Mewaholeo Industries Sdn Bhd
4. NCHM – Ngo Chew Hong Oils & Fats (M) Sdn Bhd
5. MDSB – Mewah Datu Sdn Bhd
Core Area 3: Stakeholder Engagement

“Supplier Empowerment for a Resilient Tomorrow

This is the fourth Mewah Group Sustainability Report. The palm oil industry has transformed more in the last 5 years than it has in the past 20 years, particularly the expectations on supply chain sustainability. Today, most of the large palm oil companies and consumer groups have adopted a Sustainable Palm Oil Policy (or No Deforestation, No Peat, and No Exploitation policy). The palm oil consumer groups are demanding for the highest transparency in the supply chain and assurance on deforestation-free palm oil. The need for unity from all relevant stakeholders in the palm supply chain in overcoming environmental and social challenges has never been more urgent.

As one of the largest independent refiners in Malaysia, we know that we have a critical role to play in safeguarding reputation of Malaysia’s palm oil regarding sustainability. One of the Mewah’s core values is the focus in stakeholder engagement and empowerment. We have put in place a robust system to make certain that all our suppliers are adequately engaged, and everyone is aware of the latest sustainability requirements. From the outset of our sustainability journey, we have consistently aimed to set the highest example in the industry and at the same time, increasing the ability and confidence of our suppliers to adopt good sustainable practices and access opportunities relating to sustainable development. Today, we are pleased to see that we have marked physical presence in more than 150 suppliers’ palm oil mills. On a side note, we are the first company who has publicised public summary reports of individual suppliers’ mills that captures key findings from our traceability to plantation (TTP) mill assessments.

A strong collective commitment within the industry and along the palm oil supply chains is critical for achieving transformation and to sustain the true values of sustainability agenda. Our imperative for the future is to continue support and engage our suppliers and peers in collective action across the full spectrum of sustainability.”

DANNY CHUA,
MEWAH OILS & FATS PTE LTD, GROUP SUSTAINABILITY TEAM LEAD

2.3.1 ASSESSMENT TO HIGH-RISK SUPPLIERS’ MILL

On a yearly basis, we will identify several high-risk suppliers and carry out assessment base on guidelines define in Mewah’s High Importance Mill Engagement Program (HIMEP). The major audit areas during our assessment to the high-risk supplier’s mill are:

A. Chemical stores – Storage, herbicide mixing areas, personal protective equipment (PPE), ventilation and security.
B. Field inspections – Herbicide application, harvesting sites, fertilizing operations, first aiders and boxes, and field observation of all operations are following the SOP.
C. Workshop – Safe working environment, environmental waste management.
D. Worker interviews – Safety and Health, religious, wages/pay and contracts, forced and child labour, first aid.
E. Line sites – Wastewater quality monitoring & improvement plan, align with BOD requirement BOD< 100 ppm, inspection of water discharge points.
F. Social impact audits – through contributions made, employment opportunities and grievance procedure.
G. FFB Traceability Data—to verify and validate FFB supplier’s information i.e. smallholders, dealers, estates.
Environmental Risk Analysis
We initiated environmental risk assessment to our suppliers since 2017. Today, we completed assessment on more than 250 CPO suppliers present in our supply chain. We adopt online forest monitoring and alert system – Global Forest Watch (GFW) and Global Forest Watch Pro (GFW Pro) in the environmental risk assessment.

The GFW platform enables us to identify potential deforestation risks in our own plantation operations as well as our supply chain. The desktop assessment is done through overlapping the TTP data of each supplier (collected during our TTP assessment) and other source of information such as peatland map, intact forest landscapes, tree cover loss etc.

Deforestation Monitoring
Since monitoring began in 2019, we have recorded zero illegal deforestation in our own plantation operation. We commit to restoration and reforestation activities in areas where there has been historical degradation on HCV or any non-compliant land clearing as well as to restore riparian areas and peatland within our concession following our commitment in the Sustainable Palm Oil Policy.

At the same time, we are working with multiple stakeholders including the NGOs in assessing our supply chain compliance to no deforestation commitment. All grievances raised are being handled in accordance with the grievance procedure. Suppliers that were found non-compliant in deforestation commitment are required to execute an acceptable recovery plan(s) to address non-compliance(s).

We began mill assessment exercise to high-risk suppliers’ palm oil mills since 2015. Through sustainability assessment program, we have achieved numerous success stories in our supply chain. Our capacity building programs were conducted on multiple channels such as field visitation, face-to-face meeting with Senior Management of suppliers’ group, sustainability workshop and collaboration program with Malaysia Palm Oil Board (MPOB).

As of December 2020, we have assessed to around 190 palm oil mills in our supply chain. Out of 190 palm oil mills, there are around 30% high-risk suppliers which is around 57 palm oil mills. Our aim is to achieve 100% on-site field sustainability assessment to all palm oil mills located in high-risk areas by year 2022.

Social Impact Assessment
In relation to respecting human rights and labour rights, Malaysia has ratified a total of 18 International Labour Organisation’s (ILO) Conventions. On top of the ratification, these conventions have been domesticated into national laws and regulations, including Employment Act 1955, Child and Young Persons Act 1966, Housing and Amnesties Act 1990, Trade Union Act 1959, Sabah Labour Ordinance 1950, and etc.

The Mewah’s Sustainable Palm Oil Policy conveys our strong commitment to protect the rights of workers. All our workers are the core of our business. Hence, to further strengthen our position, we have developed and put in place policies, guided by international standards as set out in the United Nations (UN) Guiding Principles on Business and Human Rights, ILO conventions, UN Global Compact (UNGC) and the Universal Declaration of Human Rights and its covenants.
Core Area 3: Stakeholder Engagement

We understood that our workers are the backbone of our company, to which we have the responsibility of ensuring that we provide them with a decent and safe place to live and work. We have invested into systems and facilities to promote a more harmonious work and social relations in our operations. Apart from there, we are devoted to improving the infrastructure in our neighbourhood and communities such as housing, power supplies, water, roads, mosques, and schools. The purpose is to create a motivated workforce in our companies.

In order to making sure our suppliers’ mills are legally responsible and accountable to advocate human and labour rights in Malaysia, we have also developed our own set of assessment checklist to address social challenges and identify gaps in our suppliers’ site and supply chain.

At the same time, we also make mandatory for our suppliers to consider food security as part of FPIC and SIA processes. All our suppliers must commit to mitigate impact on food security and to demonstrate individual initiatives taken to improve livelihood for neighbouring communities.

2.3.2 SUPPLIER GROUP LEVEL SUSTAINABILITY ENGAGEMENT PROGRAM

As part of our NDPE Implementation Program, we introduced Supplier Group Level Engagement Program since 2019. We selected 10 critical supplier groups in our supply chain that responsible for the supply of 50 palm oil mills that account for 20% of palm oil production volume in our supply base. The program serves as a platform for us to communicate mill assessment findings with our supplier. The targeted audience for this program is, i.e., owners or senior management, group sustainability department and other relevant leaders in the organization. It allows us to raise prompt awareness to the mill to undertake responsibility of its own supply chain’s transformation, as well as to stand in as the leader in leading transformation within its supply base.

2.3.3 MEWAH’S SUSTAINABILITY DASHBOARD

We actively maintain an online sustainability dashboard on our company website since 2016. The main purpose is to ensure we are responsive to our stakeholder sustainability concerns in our supply chain. The dashboard provides updates on traceability declaration data, grievance log and policy’s commitments, as well as the certification status of our factories.
Supplier engagement is beyond the traceability exercise. The main objectives of supplier engagement are to create awareness to our upstream suppliers, to increase interaction between our suppliers & buyers, to spread responsible palm oil practices and to build up supplier capacity to adapt sustainability practices.

Our focus is to continuously raise the standard of the palm oil industry by sharing our experience, technical expertise, and knowledge by providing training and technical assistance to ensure that our suppliers have the right skills and motivation to deliver our goals.

We see three crucial benefits from Supplier Engagement Program:

i. Multi-stakeholders approach - The opportunity to socialize our Sustainable Palm Oil Policy with our direct suppliers.

ii. A platform to discuss the implications and requirement of adopting similar policies.

iii. A platform to create awareness of the market demands for the need to delink our palm oil supply chain from deforestation, oil palm development of peatland and human rights abuses.

Supplier Engagement Workshop on ISPO

We introduced the Indonesian Sustainable Palm Oil (ISPO) Certification to our suppliers through a training workshop hosted in Jambi. During the workshop, we focus on the role and importance of ISPO and provide technical guidance to our suppliers in pursuing ISPO certification. We sought to raise awareness among suppliers that ISPO is a critical puzzle in improving sustainability performance in the Indonesian palm oil industry.
2.3.5 SMALLHOLDERS – BIG IMPACTS

Smallholders are important stakeholders in our sustainability journey as they account for 40% of world’s palm oil production. Improving smallholder inclusiveness in our supply chain is one of the top priorities in our sourcing strategy. Our strategy centralizes in empowering smallholders as an essential prerequisite for increased inclusiveness. This is achieved through cooperatives, training, and financial support.

Today, PT ADS sources about 5% FFB directly from independent smallholders surrounding Jambi province. In line with our sustainability commitment, we seek to enhance engagement with our smallholder suppliers to provide knowledge and assistance in implementing sustainable practices in their operation.

Aside from hosting workshop to increase sustainability awareness among smallholders, we educate the smallholders in adoption of sustainable agricultural practices in oil palm cultivation.

We assist more than 1,200 independent smallholders surrounding us in improving their livelihoods, providing them with knowledge and resources in improving productivity while mitigating the negative environmental and social impacts.

Mewah has made substantial investment in infrastructure improvement, i.e. road, bridge, drainage, etc, to improve the market access from smallholders’ estates. In addition, we provide free supply of seedling and organic fertilizers to encourage more sustainable cultivation of oil palm surrounding the palm oil mill.

2.3.6 MULTI-STAKEHOLDERS ENGAGEMENT APPROACH

SASPO

SASPO (Support Asia for Sustainable Palm Oil) Green Member

Since 2018, one of our subsidiaries, Ngo Chew Hong Edible Oils Pte Ltd collaborated with SASPO to promote demand for sustainable palm oil.

SASPO (Support Asia For Sustainable Palm Oil) was founded in 2016 by seven founding members: ASEAN CSR Network, Ayam Brand, Danone, IKEA, Unilever, Wildlife Reserves Singapore and WWF-Singapore. The alliance is the first business initiative in ASEAN focusing on sustainable palm oil. Through capacity building, workshops and educational resources, SASPO aims to lower the barriers for businesses to adopt sustainable sourcing policies.
Focus Area 2: Responsible Supply Chain

Core Area 4: Grievance Mechanism

We initiated the supply chain Grievance Procedure on our Sustainability Dashboard since Jun 2016. The Grievance Procedure serves as a platform for stakeholders in our supply chain to address concerns or to report a complaint with regards to violation of our Sustainable Palm Oil Policy implementation. It defines the process of handling grievances made against Mewah’s palm business, including all direct & indirect suppliers.

Our intention is to provide a positive, clear-cut, and comprehensive response to any reported sustainability grievances that are relevant to our Sustainable Palm Oil Policy implementation to ensure a transparent and open investigation process. We value the input of stakeholders in helping to achieve the objectives of the policy and in enhancing transparency throughout our supply chain.

New sustainability grievances with verified proof of deforestation and/or peat development will result in suspension of the supplier at a Group level. The Group Sustainability Department will support suspended supplier to comply with four (4) minimum supply chain re-entry requirements for Mewah to consider resuming sourcing activity. The 4 minimum supply chain re-entry requirements are:

1. Immediately halt all planting activities and/or implement an immediate management directive Stop Work Order on non-compliant development areas.
2. Acknowledge liability and implement an immediate group-wide moratorium to rectify the subject allegation e.g., land clearing, peatland planting, labour exploitation.
3. Publish a group wide NDPE (‘no deforestation, no peat, no exploitation’) policy to reassure commitment towards NDPE’s pledge.
4. Formalize engagement with a reputable & reliable third-party consultant, produce time-bound action plan towards recovery (“recovery plan”) to ensure appropriateness, & effectiveness as well as compliance.

As of December 2020, we have registered a total number of 31 verified & unverified grievance cases in our supply chain. Out of 31 cases, 6 cases were closed with resolution. We announced “suspension” or “termination in sourcing” from 6 supplier groups due to verified non-compliance to our policy.

The following summary chart provides the latest statistic on status of grievance cases logged in our sustainability dashboard:
Our Approach towards Responsible Supply Chain

We have defined 5 key elements into Mewah Sustainable Sourcing Guide:

I. Sustainable Palm Oil Policy: Our commitment. Action plan
II. Traceability Milestones
III. Quality Certification: e.g., ISO, HACCP, Codex
IV. Sustainability Certification e.g., RSPO, ISCC, MSPO, ISPO
V. Grievance Procedure: In-place grievance platform for all stakeholders

Our Sustainable Shipping Initiatives

Sustainability is firmly embedded in our daily business operation, including maritime transport. Green shipping is the concept of sustainable development applied to the shipping sector, incorporating environmental and social responsibility. At Mewah, we are committed to improving the sustainability of our shipping operations and to moving the maritime industry towards a sustainable future.

Since year 2019, we announced compliance to a Sustainable Shipping Policy. In this policy, we reinstate our commitment to relevant laws and regulation, security, occupational safety and health, human and labour rights, ethical business conduct as well as confronting climate change. A Labour Compliance Checklist has been put in place in our ships to ensure compliance with Maritime Labour Convention 2006.

Our initiatives in driving sustainable development in shipping operation includes:

1. Reducing GHG emissions and other air pollutants, notably (SO\textsubscript{x} and SO\textsubscript{2}), nitrogen (NO\textsubscript{x}) and particulate matter (PM) emissions;
2. Providing safe, healthy working environments on ships
3. Promoting human and labour rights

We support the measure taken by International Maritime Organization (IMO) to reduce permissible SO\textsubscript{x} from 3.5% m/m (mass per mass) to 0.5% m/m beginning in January 2020. Starting from August 2019, all our ships have converted to only consume low-sulphur fuel oil.
Focus Area 3: PRODUCT QUALITY AND SAFETY

MARKETPLACE RESILIENCE STAYING ON TREND
Focus Area 3: Product Quality and Safety

Our Commitment and Progress:

Our Key Sustainability Efforts:
The driving forces behind our Group Research & Development model are the passion for innovation and the satisfaction of fulfilling customers’ needs. We create sustainable solutions to work with our customer in improving its products formulation to achieve cost efficiency. Additionally, we strive to turn our customer’s input into innovation to develop product concepts that fit the consumers’ needs and preferences.

Our Key Sustainability Efforts:
Responsible consumption and production is about improving quality of life without increasing the environmental burden. We are acutely aware of the importance of sustainable sourcing as well as responsible production our business operation. Mewah’s factories are certified with international recognized quality and sustainability certifications to give assurance to our Buyers that our products are processed and produced responsibly with high level of transparency.
Focus Area 3: Product Quality and Safety

Core Area 1: Our Commitment to Customers

The Mewah’s reputation is founded on delighting our consumers and customers with consistently high product quality that meets their needs and expectations. As such, Product Quality and Safety for our consumers is always our top priority. We aim to develop, produce and market a consistently high product quality which meets the expectations of our customers, consumers and regulators.

We have taken a number of good initiatives in ensuring our product quality and food safety through:

1. Offering products and services that meet or exceed consumer expectation and preference.
2. Complying with all internal and external food safety, regulatory and quality requirements
3. Adopting a zero-defect, no-waste attitude by everyone in our company
4. Making quality assurance a group-wide objective.

Responsible Marketing and Advertising

While we ensure ethical practices are adopted across our business operation, we support responsible marketing and advertising of our products and service. We comply with applicable laws and regulation nationally and internationally, governing marketing communication to children and related data collection. This also includes implementation of global marketing recommendations, WHO Recommendations on Marketing of Foods and Beverages to Children as well as our commitment of not targeting children in our sales and marketing activities.

We participated in health and nutrition educational programmes together with underprivileged students, aged 7 – 13. Our volunteers provided guidance to them in understanding food labels and making healthier food choice. Through this program, these students were exposed to nutritional knowledge behind food labels, healthy lifestyle, and making healthier decision about food.
Focus Area 3: Product Quality and Safety

Core Area 2: Quality Management System

On top of all essential quality and sustainability certification requirements, we are committed to comply with all legal and regulatory requirements and through the rigorous application of our Quality Management System. We undertake to focus on continuous improvement of these quality management systems by ensuring:

- Continual improvement of the operation & processes
- Competent workforce that fosters innovation in workplace
- Stringent raw material sourcing
- Clean, hygienic & excellent processing
- Efficient transportation and delivery
- Prompt and responsive customer service
- Compliance to applicable laws and regulations
- Safe working climate with minimum impact on environment

Good Milling Practices

Freshly harvested FFB are usually delivered to the mills for processing within 24 hours in order to preserve the quality of the fruits. In the milling process, the FFB are first going through sterilization process by applying high-pressure steam, upon which the enzyme lipase in FFB will be deactivated and the palm fruits will be detached from the palm bunches. The palm fruitlets will then be crushed in a pressor to yield CPO and palm kernel. The biomass waste and wastewater are then cleared and separated from the CPO through centrifugation technique. The pure CPO emerging from the centrifuge is then transports to storage tank before delivering to a refinery for further processing.

Good quality FFB can be achieved through implementation of Good Agricultural Practices (GAP) in the plantations. A 100% ripe grade FFB will contributes to a significant increase in mill oil extraction rate (OER) and improves the quality of CPO produced.

Quality of CPO can be determined by its physical properties (i.e., odour, colour, viscosity) and chemical characteristics such as iodine value (IV), free fatty acids (FFA), moisture & impurities contents (M&I) and deterioration of bleachability index (DOBI). The quality control of CPO at palm oil mill relies primarily on the quality of FFB. Sorting out the unsuitable FFB (i.e., under-ripe fruit, over-ripe fruit, empty bunches, and long stalks) will maximize the extracted CPO yield and kernel yield. We have also introduced several others quality improvement and quality control strategies at our palm oil mill, that includes maintenance of machinery (timely corrective maintenance and strict follows in preventive maintenance schedule) and upskills of our workers.

Production of Low 3-MCPD and low GE Palm Oil

3-monochloropropanediol (3-MCPD) is becoming a major concern in the palm oil industry as it is classified as food processing contaminant and probably carcinogenic to human. In year 2018, the European Food Standards Authority (EFSA) revised the safe intake of contaminant 3-MCPD and Glycidyl Esters (GE) levels. Mewah is aware of consumer concerns about the food safety and health aspects of our palm oil products. We have been actively addressing the 3-MCPD/GE issue through our efforts in minimizing the occurrence of MCPD precursors and optimising our refining techniques. We aim to tackle the issue holistically so to provide assurance to our consumers in our products and to safeguard our consumer health.

Mineral Oil Hydrocarbon (MOH) in Palm Oil

The levels of mineral oil hydrocarbon (MOH) namely, mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH) are a concern in agricultural raw materials. Such contaminants are found across several food products, including vegetable oils, such as soy and sunflower, and it can enter food through packaging materials, additives or during storage.

Since 2018, European Governments have been considering regulating the levels of MOSH and MOAH in palm oil. At the same time, some food companies have established limit in the palm oil starting from 2020. Although there are no European regulations on MOSH and MOAH at present, our objective is to ensure levels of MOSH and MOAH are as low as feasibly possible in the raw materials we source as well as in the product we produce.

MOSH and MOAH cannot be removed by physical refining process. Therefore, the only way we can limit its presence is to enforce control at source. One key solution is to work with our suppliers to conduct an overview of all lubricant use on site and to explore feasibility to convert all lubricant/special fluid i.e. great oil, hydraulic oil and engine oil from non-food grade to good grade.
“Edible oils processing will potentially lead to mineral oils hydrocarbon (MOH) contamination. MOH contamination may occur at all stages of supply chain, from cultivation, transportation, milling, refining, storage, to packaging. The concern on food safety is gaining prominence particularly in post-COVID-19 era. The policy makers alongside the health specialists are constantly stressing the importance in minimizing MOSH/MOAH content in edible oils and fats. Even though the MOH level is not regulated, a few of our buyers have reached out to Mewah on the approach to control and mitigate MOH level in our palm/lauric oil processing.

To address the issue and control at source, we engaged closely with our palm oil/lauric oil suppliers to increase awareness and seek collaboration in adopting MOH mitigation plan. We shared educational materials, and Code of Practices (CoP) for mitigating MOH contamination in palm oil/lauric oil processing. Additionally, we carried out Supplier Compliance Survey to assess, review, and evaluate suppliers’ commitment.

We recognized that conversion of food grade lubes might not be the only solution, but good milling practices are also the critical pieces of puzzles. Besides, good lube/grease management and timely preventive maintenance at all critical control points (CCPs) during milling/crushing process could significantly mitigate the risk of lube oil leakages and contact with products. In year 2020, we commenced MOSH/MOAH assessment at suppliers’ sites. At the same time, several rounds of quality testing were carried out to distinguish quality of raw materials.

We believe our approach will yield longer term benefits by bringing suppliers and customers together to improve the quality of our products and by shaping a resilient supply chain.”

NG SENG BEE,
MEWAH OILS & FATS PTE LTD, GROUP SUSTAINABILITY TEAM
Focus Area 3: Product Quality and Safety

Core Area 3: Quality and Sustainability Certifications

Certification marks the evidence that a product conforms to applicable standards, and that there is a program of ongoing factory inspections.

Mewah’s factories are certified to Food Safety System Certification Scheme FSSC 22000, a Global Food Safety Initiative (GFSI) benchmarked standard and Good Manufacturing Practices GMP+, an international recognized certification scheme that defines conditions relating to production facilities as well as for storage, transport, trade and monitoring activities.

In addition, our refineries are certified with multiple sustainability certifications such as RSPO Supply Chain Certification, ISCC Certification and a member of Sedex having passed the ethical audit SMETA.
## Certification Status of Mewah’s Manufacturing Sites

<table>
<thead>
<tr>
<th>Category</th>
<th>Name of Certification</th>
<th>Factory</th>
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<td><strong>Sustainability</strong></td>
<td>RSPO SCC</td>
<td>MOSB, MOIPG, NCHM, MDSB, Bremfield, MOI Foods, NCHS</td>
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<td>MOSB, MOIPG, NCHM, MDSB, Moi Foods, Bremfield</td>
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<td>MOSB, MOIPG, MDSB, Bremfield</td>
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<td><strong>Sustainability</strong></td>
<td>ITALIAN NATIONAL SCHEME (INS)</td>
<td>Bremfield</td>
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<td><strong>Sustainability</strong></td>
<td>SEDEX Smeta 4 Pillars</td>
<td>MOSB, MOIPG, Moi Foods</td>
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<td><strong>Sustainability</strong></td>
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<td>MOIPG</td>
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<tr>
<td><strong>Food Safety</strong></td>
<td>FSSC 22000</td>
<td>MOSB, MOIPG, Moi Foods, Bremfield</td>
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<td><strong>Food Safety</strong></td>
<td>ISO 22000: 2018</td>
<td>MOSB, NCHM, Bremfield</td>
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<td><strong>Food Safety</strong></td>
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<td>MOSB, MOIPG, NCHM, MDSB, Bremfield, Mewah Dairies, Moi Foods</td>
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<td><strong>Food Safety</strong></td>
<td>GMP (Codex Alimentarius)</td>
<td>MOSB, MOIPG, NCHM, MDSB, Bremfield, Mewah Dairies, Moi Foods</td>
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<td><strong>Quality</strong></td>
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<td><strong>Quality</strong></td>
<td>Halal</td>
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<td><strong>Quality</strong></td>
<td>Kosher</td>
<td>MOSB, MOIPG, NCHM, MDSB, Bremfield</td>
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</table>

**Remark:**
MOSB – Mewah-Oils Sdn. Bhd., Port Klang
MOIPG – Mewaholeo Industries Sdn. Bhd., Pasir Gudang
NCHM – Ngo Chew Hong Oils & Fats (M) Sdn Bhd, Semenyih
MDSB – Mewah Datu Sdn. Bhd., Lahad Datu
NCHS – Ngo Chew Hong Edible Oil Pte Ltd, Singapore
Focus Area 3: Product Quality and Safety

Core Area 3: Quality and Sustainability Certifications

3.3.1 SUSTAINABILITY CERTIFICATION

**Roundtable on Sustainable Palm Oil (RSPO)**
RSPO, founded in year 2004, is a multi-stakeholder organization that unites stakeholders from 7 sectors of the palm oil industry (oil palm producers, processors or traders, consumer goods manufacturers, retailers, bank/investors, environmental and social non-governmental organisations) to develop and implement global standards for sustainable palm oil. RSPO has been a major driving force behind the development of better management practices and a more precise focus on sustainability.

Mewah has been an active member of RSPO since year 2008. All our refineries are certified under RSPO Supply Chain Certification Standard (SCC). Our palm products are delivered under Segregation (SG) and Mass Balance (MB) supply chain models.

**Malaysian Sustainable Palm Oil (MSPO)**
The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organized smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.

Today, all Mewah’s refineries and biodiesel plant are certified under MSPO Supply Chain Certification Standard (SCCS). There are 2 supply chain models under MSPO SCCS i.e. Segregation (SG) and Mass Balance (MB). The MSPO SCCS is designed to deliver confidence and credibility to the customers and consumers that the Malaysian origin palm oils are produced sustainably.

**International Sustainability & Carbon Certification (ISCC)**
The International Sustainability & Carbon Certification (ISCC) is an international certification system covering all kinds of bio-based feedstocks and renewables to cater to various markets such as the bio-energy, food, feed, and chemicals sectors. It incorporates sustainability criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability.

Our main refineries and biodiesel plant are ISCC-certified with compliance to the requirements of European Union's Renewable Energy Directive (RED).

**Sedex SMETA Compliance**
Sedex (Supplier Ethical Data Exchange) is a not-for-profit, membership organization that works with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains.

SMETA (Sedex Members Ethical Trade Audit) is Sedex’s social auditing methodology, which assesses a site based on their organisation’s standards of labour, health and safety, environment, and business ethics. It uses the Ethical Trading Initiative (ETI) Base Code and the local law as its monitoring standards. The 4 Pillars SMETA are:

i. Labour Standards,
ii. Health & Safety,
iii. Environmental Sustainability
iv. Business Ethics.

Sedex certification is a global benchmark for human right. Our main refineries are long certified by Sedex as all our major customers are entrusted in this certification.
3.3.2 PRODUCT QUALITY & SAFETY CERTIFICATION

Hazard Analysis and Critical Control Points (HACCP)
At Mewah, we seek to ensure our product quality and food safety standards. All our manufacturing sites are complying with HACCP certification standard. The HACCP certification standard addresses chemical, physical and biological hazards as a preventative measure from raw material production, procurement and handling, to manufacturing, distribution and finished product. Seven basic principles are introduced in HACCP plans in order to prevent hazards, including hazard analysis, Critical Control Point (CCP) identification, establishing critical limits, monitoring procedures, corrective actions, verification procedures, and record-keeping and documentation.

FSSC 22000
All our refineries are FSSC 22000 certified. FSSC 22000 is an ISO-based food safety management system that is recognized by Global Food Safety Initiative (GFSI). It provides a framework for effectively managing our food safety responsibilities. All our refineries are FSSC 22000 certified that demonstrates that all our manufacturing sites are having a robust Food Safety Management System in place that meets the requirements of our customers.

ISO 9001:2015
ISO 9001 is an internationally recognized Quality Management System (QMS) to assure our customers that our quality management systems are constantly assessed and approved by the accredited certification body. By implementing an effective ISO 9001 as a sound foundation in our business, we are constantly striving to improve the efficiency and productivity in our manufacturing processes.

Biodiesel Quality Standards
Biodiesel has emerged as an alternative, biodegradable, and renewable fuel which can be used in transportation sector without any modifications of internal combustion engines. Our biodiesel products’ quality conforms to both local and international standards for Fatty Acid Methyl Esters (FAME) and Refined Glycerine (RG) as stated below:

1. European Standards - EN14214
2. Malaysian Standards - MS2008
4. United States Pharmacopoeia - USP42
5. European Pharmacopoeia - EP8.0

Sustainability Report 2020
Focus Area 3: Product Quality and Safety

Core Area 4: Product Development and Innovation

Mewah R&D Solutions Sdn. Bhd. (previously known as Innovation and Knowledge Management Centre) was established in 2019 with a view to augment all research and development activities. The organisational structure results in better accountability, proper cost allocation, market competitiveness and gain synergies. Development of services, palm-based products and the people are key organisational objectives.

Supported by state-of-the-art facilities with advanced applications, Mewah R & D Solutions is well-equipped to design products solutions that meet the dynamic landscape and the rigor of the marketplace. Our full range of pilot plants from upstream to downstream products which allow us to run trials on our distinctive formulations, meeting discerning customer requirements. Our capability includes fats and oils processing equipment, soap pilot plant, chocolate milling/refining and world-class technologies such as, enzymatic inter-esterification that help to enhance our research and development capabilities. The laboratory is well and truly supported by wide-ranging analytical equipment, which will be used to test the new products at each and every stage of their development while facilitating, enhancing and supporting our research and development efforts.

Application and sensory facilities are well equipped to ensure that solutions are tested using industry standard food preparation equipment. Staffed by qualified food practitioners at the Application Centre, we can assist customers with product concepts which meet their requirements across different customer segments.

In the area of non-food R&D activities, we utilize different quality vegetable oil for the development of soap bar products and are capable of formulating in accordance to market requirements. Over many years of embracing only good manufacturing practices, the Company recognizes the challenge of pursuing a balance in product innovation and quality. It maintains unwavering conformance to stringent food safety and hygiene standards. Our continued investments in R&D breed constant innovation of sustainable products alongside quality and we believe we have the capabilities of translating our passion for R&D into what our customers’ value.

As being an innovation company MSOL provides research services, product development and innovation activities. MSOL always look for sustainable market trend where our customers feel indulgence. The aim is to develop palm-based product solutions.

Our pilot plant and application kitchen at R&D department.
Mewah R&D Solutions has an extensive range of capability to successfully execute the business plan. This includes pilot plant, analytical and applications equipment. Services included:

- Analysis of product requirements.
- Formulating possible solutions and the thorough analytical testing of these.
- Pilot plant production of potential solutions/products.
- Further analytical testing of these "finished" products.
- Applications testing of the potential solutions/productions.
- Analytical, performance and sensory evaluation of final food products (e.g., baked goods, fried food, condiments, confectionery, ice desserts).
- Provide R&D services.
- Developing new to Malaysia products.
- Research to value-add minor components found in the palm oil value chain.

Innovative Solutions, Distinctive Value

Equipment, Processes and Infrastructure

Outstanding, Competent People
“As the head of R&D Department, I am responsible to help the company maintain its competitiveness. We are keeping a close eye on product developing trends and on what our competitors are doing. R&D is therefore also about market analysis and to grasp a sound understanding of current conditions within a specific sector or market.

We provide all types of solution on bakery, confectionery, frying, premix, and non-food for our customer. Our focus is always on creation and innovation as well as co-development with our customer. We are capable to manufacture products with emerging trends such as label friendly, non-hydro, non-trans, and low 3MCPD/low GE palm products.

 Aside from the above, MSOL provides research services, product development and innovation strategies. We embrace sustainable market trend where our customers feel indulgence. On a side note, we are working closely with industry professionals and universities to enhance our business value.

Our people possess innovative, creative knowledge and way of alternative thinking. The outstanding research team and state-of-the-art facilities are the foundation of our organisation to deliver innovative solutions by creating distinctive value.”

DR PRAKASH ADHIKARI,
MEWAH R&D SOLUTIONS SDN. BHD, R&D HEAD, SPECIALTY FATS
Focus Area 4: VALUING OUR PEOPLE

WORKPLACE RESILIENCE STAYING MINDFUL
Our Key Sustainability Efforts:
We offer a suite of health initiatives to help our people maintain a healthy lifestyle such as health awareness programs and sport activities. Every year, we provide free medical and dental services for all our employees.

Our Key Sustainability Efforts:
No incidents of discrimination or abuse were reported in the year. For Mewah, gender equality and women’s empowerment deliver tangible business benefits by widening the pool of experience and expertise across our supply chain and in our workforce.

Our Key Sustainability Efforts:
Mewah employ thousands of people across our operating sites in Indonesia, Malaysia and Singapore. Human capital is the fundamental success of our group. We promote sustained, inclusive and productive employment for our employees with fair compensation, safe environment and social protection.

Our Key Sustainability Efforts:
Reducing inequality is our long-term sustainability goal. We commit on a Labour Policy to empower and promote the social and economic inclusion of all our employees, irrespective of age, sex, race, ethnicity, religion or other status. We aim to use our influence over our own supply chains, which connect us to millions of people, to advance and promote equalities and human rights wherever we operate.
Mewah Group recognizes that people are our most important resources to grow our business. This drives our approach to attract, develop, and retain the best people and to develop their careers. We divide this focus area into 3 subsections: Human Rights and Labour Policy, Training & Development, and Health & Safety.

**Human Rights and Labour Policy**
- Provide guidelines to our employees to help them conduct their actions in accordance with the company primary values and ethical standards.

**Training & Development**
- Improve employees’ competencies and maximize their potential for career development.

**Health & Safety**
- Improve Health and Safety of employees and contractors.
At Mewah, we are committed to provide fair and equitable opportunities to all level of employees with no discrimination to gender, race, nationality, religion, age, marital status, ethnicity, union membership and caste.

The following analysis of gender from our employment data shows that the representation of women makes up to 29% in our workforce. We strive to promote gender equality at workplace and balanced female representation in each employment categories.

Amplifying the female voice at workplace
The International Women Day on 8th March celebrates the advancement of women and appreciation of the multi-faceted roles that women play in our families, workplaces, and communities. At Mewah, we celebrate the accomplishments of women through a variety way of encouragement and empowerment initiatives of women in workplace success.

The Women’s Empowerment Principles:

1. Establish high-level corporate leadership for gender equality;
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination;
3. Pay equal wages for equal work and experience regardless of employee's gender
4. Ensure the health, safety and well-being of all women and men workers;
5. Provide fair parental leave policy to enable mothers and fathers in finding a functional balance between their work and personal life;
6. Provide public speaking opportunities for female employees both internally and externally;
7. Ensure high achieving women at workplace are recognized equitably in succession planning;
8. Promote equality through community initiatives and advocacy;
9. Measure and publicly report on progress to achieve gender equality;

Please find detailed information in Mewah’s Gender Equality Policy at: https://mewahgroup.com/upload/Sustainability/Mewah%20Group%20Gender%20Equality%20Policy.pdf
Mewah’s Human Rights and Labour Policy and Code of Ethics are the reference documents that define our employment policies, guide our action and align the Group’s ethical principles to the daily professional life for our employees and contractors.

A. HUMAN RIGHTS AND LABOUR POLICY

**No Forced Labour and Free Choice of Employment**
- No forced, bonded (including debt bondage) or indentured labour and slave labour, or human trafficking
- Ethical recruitment

**Non-Discrimination in Employment**
- No discrimination against our employees based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status
- Any employment-related decisions must be based solely on lawful and non-discriminatory criteria

**No-Exploitation of Child Labor and Protection of Children Rights**
- No hiring of child labour under any circumstances
- Protection of children’s right and their wellfare
- No working at night or expose to hazards for young employee between age of 16-18

**Freedom of Association and Collective Bargaining**
- Respect our employees’ rights to form, join or not to join a trade/labour union

**Compliance of Laws & Regulations in Working Hours, Benefits and Wages**
- We commit to adhere to the stricter of applicable laws & regulations, industry standards, relating minimum wages, working hours, overtime, and employee benefits
- Provide a safe and healthy workplace
- Continuously developing employee skills and capabilities and providing opportunities for career advancement

**Human Treatment and Uphold Gender Equality**
- Protect our employees from any acts of physical, verbal, sexual or psychological harassment, bulling, abuse or threats in the workplace
- Form of threat and inhuman treatment including discrimination, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of our employee

Please find detailed information in Mewah’s Human Rights and Labour Policy at: [https://mewahgroup.com/upload/Sustainability/MEWAH%20GROUP%20HUMAN%20RIGHTS%20AND%20LABOR%20POLICY%202021.pdf](https://mewahgroup.com/upload/Sustainability/MEWAH%20GROUP%20HUMAN%20RIGHTS%20AND%20LABOR%20POLICY%202021.pdf)
Self-Social Risk Assessment
To monitor our progress in implementation and adoption of human rights and labour rights related policies, we developed our own set of human rights due diligence tool to address social challenges in the industry and identify gaps in our operations. The assessment was conducted by Sustainability Team together with our HR personnel, through documentation review, workers interview, and site audits.

The self-assessment enables us to assess the human rights/social performance against national/international standards, conventions, and agreements, and provide inspiration for continuous improvement. This assessment evaluates our operations based on the principles on internationally proclaimed human rights (i.e. UN Global Compact principles).

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<thead>
<tr>
<th>Social Risk</th>
<th>Social Aspects</th>
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<td>Grievances Mechanisms</td>
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<td>Work Conditions</td>
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<td>Equal Opportunity (No Discrimination)</td>
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<td>Forced labour</td>
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<td></td>
<td>Workplace safety and health</td>
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</tbody>
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B. CODE OF ETHICS
We have in placed Code of Ethics to help our employees to act in accordance with the company primary values and ethical standards:

i. Comply with laws, rules and regulations.
ii. To maintain confidential, proprietary information
iii. To have no conflict of interest
iv. Fair dealing
v. No insider trading
vi. Cannot accept gifts, bribes, and kickbacks in dealings with stakeholders.

The Code of Conduct is codified in our employee handbook.

Whistle Blowing Policy
Mewah Group is committed to achieving highest standard of corporate compliances and ethical standards in its dealings. We encourage our employees to play their part in improving overall effectiveness and success of the organization. By creating an atmosphere of openness and trust, we encourage the employees to use internal mechanism for reporting of any malpractice, illegal acts or omissions by any of our employees or ex-employees.

We have a whistle-blowing committee that is led by the Senior Management. All matters reported will be reviewed and if required, investigated by the committee. Meanwhile, the investigation and the identity of whistle-blower will be kept under the terms of strict confidentiality. We will not tolerate any harassment or victimization of the whistle-blower.

Please find detailed information in Whistle Blowing Policy at:

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Holding trust in heart, putting passports in hands

The culture of withholding workers’ passport or other personal documents restricts freedom of movement. In line with Mewah’s commitment towards “No Exploitation” of workers, we initiated and implemented passport return initiative by provision of safety locker facility for our migrant workers to safe keep their passports. The locker keys are kept by the workers and they are able to access their passport without restriction. By ending the practice of passport retention, we create more sense of security and trust with our migrant workers.
We continuously assess, develop, and strengthen our human capital in order to ensure that we have the right competencies, capabilities, and passion to drive our mission and to actualize our vision. Human talent is one of the most important resources that the company has. We believe that our people are our most powerful catalyst for growth. By developing and investing in our employees, we are creating important propellers and foundations for our future growth. The company will only succeed by having employees who are willing to invest their time and energy into the growth of the company.

Mewah is committed to grow with our people and make the company a vibrant workplace. We provide our employee with a work environment that supports professional and personal development, offer a variety of career opportunities and create high-performance and collaborative team.

Football team formed by our employees at PT JBP

Focus Area 4: Valuing Our People

Core Area 2: Training & Development

<table>
<thead>
<tr>
<th>Attract</th>
<th>Engage</th>
<th>Develop</th>
<th>Retain</th>
<th>Reward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding</td>
<td>Communication</td>
<td>Performance</td>
<td>Career Progression</td>
<td>Intrinsic Reward System</td>
</tr>
<tr>
<td>Recruiting</td>
<td>Direct Engagement</td>
<td>Management</td>
<td>Succession Planning</td>
<td>Total Reward</td>
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<tr>
<td>Selecting</td>
<td>Team Engagement</td>
<td>Competencies</td>
<td>Talent Reviews</td>
<td>Pay for Performance</td>
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<tr>
<td>Onboarding</td>
<td>Recognition</td>
<td>Leadership</td>
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<td>Grading</td>
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<td></td>
<td></td>
<td>Development</td>
<td></td>
<td>Salary Structure</td>
</tr>
</tbody>
</table>

Training & Development

Sustainability Report 2020
4.2.1 RECRUITMENT AND RETENTION

Hiring and retaining talented employees are crucial to the success and growth of any business. Today, with the competition for talents growing more intensive, our recruitment focuses not only on job skills but also on positive personal attributes such as leadership.

Retention is also the key to a successful healthy work culture of any vibrant and dynamic organisation. Retention means less disruption and more stability. This translates to a sustainable workforce who creates a sustainable work culture and a successful organisation orientated towards its workforce.

These practices include listening to and respecting our employees’ feedback on their concerns and ideas, setting up performance-based rewards and a direct engagement platform by assisting them with their career development. We recognize too that our employees must feel engaged, valued, and appreciated.

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**Employee Turnover Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23.20</td>
</tr>
<tr>
<td>2017</td>
<td>17.60</td>
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<tr>
<td>2018</td>
<td>16.50</td>
</tr>
<tr>
<td>2019</td>
<td>18.48</td>
</tr>
<tr>
<td>2020</td>
<td>14.59</td>
</tr>
</tbody>
</table>

**Employees by Year of Experience**

- <0.5 years: 7%
- <2 years: 15%
- <5 years: 34%
- <10 years: 23%
- >10 years: 21%

Mewah International Inc.
4.2.2 RECOGNIZING AND REWARDING PERFORMANCE

We recognize every employee is vital to the growth and progress of the company. Our recognition and reward framework aim to retain and motivate the talent needed to grow and sustain our business.

We constantly seek to establish clear communication between managers and employees about what they are expected to accomplish. The performance-based system is a continuous process where managers and employees set goals through annual tasks & objectives (T&O) exercise. The T&O set is then translated into departmental T&O and individual employee T&O so that every employee is aligned to our overall objective of building a sustainable business.

4.2.3 TRAINING AND EDUCATION

Training and education are investments in human capital that delivers benefits to both employee and employer. We support our employees in their work and career goals by identifying training needs and development opportunities. The most important form of development is on the job training whereby the supervisor will identify key stretch goals and regular sit-downs with the employee to ensure consistent feedback on their key objectives.

We have designed training and education program which aim to equip our employees with relevant skill sets and competencies for their roles and responsibilities. For instance, all our employees are given opportunities to attend monthly “Brown Bag Lunch” session and the 7 Habits of Highly Effective People® Programme that are specifically designed to develop the technical skills, abilities, and habits of human effectiveness. Our “Brown Bag Lunch” sessions deliver series of training topics ranging from commercial perspective, IT, cyber security, safety, and health to sustainability awareness. We aim to give opportunities to every employee to realize their potential in order to pursue their careers with Mewah.

Virtual Long Service Award Ceremony as form of recognition of our employees' dedication during their service at Mewah
Workplace safety is everybody’s concern. Any work-related injury or loss of life is unacceptable to us. At Mewah, health & safety of our employees is always our top priority. We want Mewah to be an attractive workplace for our employee by ensuring all employee is healthy and safe both physically and mentally. With over 3,000 people employed in our palm oil operations, we understand that we should take this opportunity to provide good livelihoods and develop opportunities to all our workers and their families.

In addition to our Sustainable Palm Oil Policy, we have put in place Group Health and Safety Policy, Human Rights and Labour Policy, and Gender Equality Policy. We expect all our own operating sites to adhere to all of these policies.

To ensure that safety is properly addressed, we have a specific Group Safety Policy in place in all our operating sites with the following guidelines:

1. Comply with the current legal and other related and applicable health & safety requirements, regulations, approved codes of practice, standards and guidelines in countries we operate;
2. Establish an Occupational Safety and Health Management System at all operating units;
3. Formulate, establish, communicate, implement and maintain safety management systems at work;
4. Provide employees with adequate knowledge and training to ensure competency in performing their tasks to maintain a safe and healthful working conditions;
5. Prevent and minimize any potential adverse safety & health impacts arising from our operations, product and services;
6. Ensure continuous improvements in total safety & health management system.

All our policies are set out to ensure that our business is conducted in an ethical manner, that our employee’s human rights are respected, that everyone are treated equally and work in a safe environment. Most importantly, all our employees return home to their family as healthy as they were when they arrived at work.

The factory managers in our manufacturing sites are focusing on efforts and initiatives to strengthen our safety culture. Key performance indicators that tie employees’ performance bonus and remuneration to their health and safety performance have been set to instill a behavioral-based safety culture, support increased safety awareness, and improve safety practices.

“Our employees are our most important tangible resources.”
Safety Framework
Mewah Group Safety Framework is established as the guiding safety principle that aims to improve safety performance in our factories. Our targets of zero accident and zero fatality have been emphasized in the Key Performance Indicators (KPIs) for all levels of employees.

The Mewah Group Safety Framework focuses on 6 core areas:

A. Plant design
B. Safety procedure
C. People focus
D. Training & awareness
E. Emergency management
F. Enforcement

All Accidents are Predictable, Preventable & Unacceptable

Continuous Monitoring & Improvement

All Accidents are Predictable, Preventable & Unacceptable
Managing and Improving Workplace Safety

Improving health and safety at our workplace has been our key performance plan in 2020. We have unveiled a number of new initiatives to further strengthen our safety culture. This includes implementation of a robust safety framework to identify, correct and control hazards on an ongoing basis, a more inclusive health, safety and environment (HSE) program and evaluation of the effectiveness of overall factory safety management practices.

Ergonomic Risk

Ergonomic risk factors are the aspects of job that lead to a biomechanical stress on the worker. At Mewah, we are actively engaging with our workers to address ergonomic risk factors at our workplace. We have taken multiple measures including mandatory occupational ergonomics training to support our workers from ergonomic risk that cause wear and tear on body and injury that resulting from repetition, awkward postures.

Group Safety Portal

In October 2020, the Group rolled out an automated and centralized Safety Portal. The Safety Portal serves as one-stop portal as to boost safety awareness among our employees. The purpose is to provide an easy-to-use, highly accessible and real-time statistic platform. The Portal encompasses a wide range of safety information that includes accidents & near misses’ statistic, accident reports, training material and other important safety-related materials. To ensure successful implementation and making sure we gain maximum value from the Safety Portal, a Group Safety Committee was established to review effectiveness of the content and make necessary recommendation for improvement.

Today, the employees across the organization can now access a full range of safety knowledge via the Group Safety Portal. The safety officers at respective operating sites are taking the opportunity to socialize safety news and announcement related to COVID-19 precautionary measures during the pandemic period.

Safety Portal Features/Functions

- **Statistical Data**
  - Incident management
  - Risk and locations management

- **Training Material**
  - Safety training curriculum
  - Training hours

- **SOPs Sharing**
  - Process management
  - Emergency respond plan

- **Announcement/Memo**
  - From top management
  - Latest news on current affairs

- **Best Practices Sharing**
  - Comments features

- **Reports Sharing**
  - Accident reports
  - Audit reports

- **Observation card/Safety Suggestion**
  - Findings in each department
  - Unclosed findings
  - Safety suggestions

- **Forum/Interaction Groups**
  - Comments features
Aside from Group Safety Portal, we have implemented “Merit and De-merit Point System” at all manufacturing sites since 2019. This system is to reward good behaviour while penalise safety non-conformances at the same time. The objective is to urge everybody that we are all accountable and responsible to oneself and as a collective unit to create a safe, healthy, and conducive working environment. At the same time, we discourage any forms of actions that may lead to workplace hazard.

Another program that we have embarked on is the Observation Card program. Safety observations are counts of the number of safe and unsafe actions or conditions in a work area at a specific time. In this program, we empower all employee to play a part in promoting safe and healthy working environment with routine safety behavioural observations. The primary goal is to identify the positive and negative behaviour of our employees and utilizing the data to apply corrective action plan and improve safety at our workplace.

In year 2020, a total of 394 safety observation has been reported across our factories. Each observation card is logged into centralized system, Safety Portal, for all employees’ notice. By utilizing this data, our safety department can develop and implement correction action plans by addressing trends and areas that require improvement from the observation reports.

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**Observation Card Methodology**

- **Scan**
  - Identify safety coaches
  - Develop behaviour observation checklist
  - Conduct observation using checklist

- **Act**
  - Recognize safe behaviour
  - Offer constructive feedback

- **Follow up**
  - Record at-risk behaviour
  - Inform management
  - Management follow-up

- **Evaluate**
  - Repeat the observation
  - Determine if at-risk behaviour persists
  - Assess if the follow-up has been effective

---

**Lost Time Injury Rate**

(per 200,000 working hours)

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.0</td>
</tr>
<tr>
<td>2017</td>
<td>2.4</td>
</tr>
<tr>
<td>2018</td>
<td>2.2</td>
</tr>
<tr>
<td>2019</td>
<td>2.6</td>
</tr>
<tr>
<td>2020</td>
<td>1.49</td>
</tr>
</tbody>
</table>
Every accident case is followed by a root-case analysis to review its cause and actions to prevent reoccurrence. The reviews are reinforced with continued efforts in training and PPE use to minimize, if not eliminate risks. Safety Committee is formed at every factory to oversee the factory’s production safety management and employee safety and health. The Safety Committee is responsible for ensuring that practices are in line with Mewah’s Group Safety Policy.

To support this safety framework, we are implementing numerous major workplace safety programs to improve workplace safety. To measure the effectiveness of these programs, we have adopted a measurement of both leading and lagging indicators. We choose to focus not only on lagging indicators (e.g. Lost time injury rate) that report on the outcomes of safety initiatives, but also give equal consideration to leading indicators (e.g. training, safety audits, safety suggestions) that measure our employee safety behaviour and mind-set. By engraining safety as a part of a culture and habit, we hope to minimise unsafe employee behaviour.
Focus Area 4: Valuing Our People

“A good Safety Manager is also a good Safety Mentor.

For over 29 years, I have spent virtually all of my life and career associated with Health and Safety portfolio. Employees form the backbone of our company and as a SHE Manager, I share the responsibility of assuring a safe workplace for my colleagues.

It was not easy to instil safety culture from ground up. Often, it is challenging influence everyone to change their perceptions towards safety. A successful safety culture starts with implementation of a robust safety policy and a solid health & safety framework. The mindset of “That’s the way we always do it” must be eliminated for good reason.

Throughout my working experience, the functions of a SHE Manager is as if a roller-coaster ride that embraces all different modes of feeling such as excitement, happiness, fear, and anxiety which are hidden somewhere. Every now and then, we observed “unnecessary” accidents that can be avoided at a renowned factory despite having the most qualified SHE Manager. As the saying goes, “You can lead a horse to water, but you can’t make him drink”. The logic of a successful safety program is simple that - when safety procedures and policies are operating effectively, and everyone is working together to minimize risk, the number of incidents at workplace will be greatly reduced.

In 2020, the total number of reported major accidents in the group had reduced by 56% and the lost-time injuries (LTI) days had down significantly by 51% y-o-y. We are proud of the improvement, but our good work will not stop here. We know that there are still a lot can be done to strengthen safety culture and enhance safety awareness in the group.

My aim in the coming years is to continue working hard to provide coaching for the co-workers and to share my life experiences with the juniors. As the Chinese Proverb says, “Give a Man a Fish, and You Feed Him for a Day. Teach a Man To Fish, and You Feed Him for a Lifetime”. I want to bring out the best from the next generation and to sustain Mewah as a decent and safe place to work.”

P. RAJENDRAN AL PALANIANDY,
MEWAH-OILS SDN. BHD. SAFETY, HEALTH & ENVIRONMENT MANAGER

Leading Indicators:
1. Safety Training
2. Behavioural Audit
3. Drills & Safety Audit
4. Hazard & Near Miss Reporting
5. Employee Involvement in Safety Programs
6. Periodical Equipment/Machinery Maintenance
7. Perception Surveys on Safety Suggestion and Safety Observation
8. Hazard Identification & Risk Assessments
9. Reward/Recognition

Lagging Indicators:
1. Accident Investigation
2. Lost Time Injury
3. Man-days Loss
4. Injury Frequency and Severity
5. Reported Incidents
4.3.1 HEALTH, SAFETY & ENVIRONMENT (HSE) CAMPAIGN IN ALL PRODUCTION SITES

To keep abreast of the health & safety awareness in our employees, we periodically conduct both in-house and external safety trainings in all production sites. In addition, every site will hold a week-long HSE Campaign Program annually. The primary objective of this campaign is to create organized efforts and procedures for identifying workplace hazards that aims to reduce accidents and exposure to adverse situations.

It also provides training of personnel in accident prevention, accident response, emergency preparedness, and use of protective clothing and equipment.

We maintain our focus on safety and are following through with our efforts to strengthen our safety culture. Key performance indicators that link employees’ remuneration to their health and safety performance are now being set to instill a behavior-based safety culture, support increased safety awareness, and improve safety practices.

4.3.2 HEALTHIER LIFESTYLE BEGINS FROM WORKPLACE

We commit to keep our people safe and health as it is directly linked to their productivity and satisfaction to work with us. The pursuit of workplace wellness accelerates in light of COVID-19 pandemic. The changes to new lifestyle, and physical safety measures in place across the world, can lead to both work and non-work-related emotional stress, as we experience disruption from normal routines and colleague interactions. Working remotely or working from home blurs the line between workplace and home.

Despite physical health programs and company sport events are disrupted during the pandemic, we offer a suite of online health initiatives to prevent burnout and keep our employees motivated. We invite speakers to give virtual fitness class, virtual stress management workshop, healthy diets guidance, and quality sleep to boost mental and physical health of our people.

Virtual Fitness Class: Stretch and Rejuvenate

We invited exercise physiologist to guide our employees in stretching body and relaxing the mind. Our employees are also offered with practical tips to manage their muscle aches and body pain leading from improper postures during their working life at home.

Online Healthy Diet Talk: Eat Right, Know What’s Right

The lockdown during pandemic upends usual eating habits of many individuals. While we encourage our employees to stay at home and reduce social gatherings, we promote healthy eating habits and balanced diet in our employees’ daily routines. In the talk, we invite nutritionist from ProAge Singapore to equip our employees with nutrition knowledge and guidance in making wiser food choices.

Online Quality Sleeping Workshop: Snooze, Snooze

The pandemic does not affect every individual in the same way. The consequences from economic, physical health, mental health, and emotion have spread far and wide, and pose significant impediments to sleep. With the unprecedented changes in our life, it is understandable that the importance of sleep is flying under the radar. Quality sleep is critical to promote emotional wellness and mental health. To ensure our employees are staying resilient and remain healthy when resume work, we look out of all aspects of their lifestyles, including sleep.

Anti-Narcotics Workshop at PT JBP in collaboration with National Narcotics Board, Jakarta
Focus Area 5: Community Support

Community Resilience: Staying Connected to One Another
Focus Area 5: Community Support

Our Commitment and Progress:

Our Key Sustainability Efforts:
We commit to fight hunger and eliminate food waste in the communities surrounding our operation. When we stop food waste, we take a big step toward ending hunger. We have put in concerted efforts primarily through community support programmes to instil good habits to reduce food waste. One example, our refinery in Pasir Gudang is working with local authority to recycle food waste from our factory by way of composting food waste scraps into organic soil nutrients.

Our Key Sustainability Efforts:
Education is an essential catalyst for positive change in society. We support local schools with educational materials as well as provide free tuition for children from underprivileged families. We are endeavour to do our best to enable all children in our communities for an opportunity to access to mainstream education.

Our Key Sustainability Efforts:
The Global Goals can only be met if we work together. Over the years, we built effective partnership with a number of local non-profit organizations so as to enable us to reach out more people in need and extend greater impact to the societies.

The genesis of both, Corporate Social Responsibility (CSR) and Environmental, Social & Governance (ESG) standards, is the same – adoption of practices and policies by companies that are intended to have a positive influence on the world.

In today’s socially aware world, the success of a company is not solely measured by its financial performance that is the sales and profits but also by its purpose. At Mewah, we are taking on the responsibility to give back and create a positive impact in society. We passionately believe in being a good citizen and proactively engage with the community which we operate it. We are mindful of the expectations from our consumers, employees and stakeholders who are constantly look to us for real action against some of the community’s pressing issues.

We always strive to make a difference and continuously ingrain sustainability in our development, focusing on the long-term and ensuring that we grow the right way as a business through various programs and initiatives that uplift our neighboring communities and safeguard the environment. We are aware of the direct and indirect impact of our business activities on the livelihoods and quality of living of the individuals in our neighboring communities. We want to maintain positive relationship with our neighborhoods and at the same time, contribute positively to the community in which we operate. Our CSR approach is therefore to ensure that we bring lasting benefits to the communities and sustain an open, honest, and mutually beneficial relationship. In line with this approach, our people are committed to address the needs of neighboring communities by regular engagement to understand the concerns and priorities that our stakeholders have.
CSR was the precursor to ESG. Without CSR, there would be no ESG. While ESG criteria aims to make a business’ efforts measurable, CSR seeks to make a business accountable. In Mewah, we are adopting to a CSR framework that has been set up to measure the impacts and outcomes of our activities. It is a form of self-regulation ensuring our actions have yielded a positive impact on the environment, consumers, employees, communities, and the public sphere.

Our community objectives are:

A. Active Volunteerism of our Employee
B. Supporting the Next Generation
C. Disaster Relief

The objective of quantifying the impacts, outcomes, and values of our programs is to assure our stakeholders that our CSR activity continues to deliver our community objectives with desirable outcomes for example, an increase in the number of beneficiaries, a greater percentage of happiness index and a higher employee participation rate as well as an improved livelihoods and food security of our communities.

### Year 2020 – Summary of Mewah’s CSR Achievement

#### Supporting Our Next Generation

<table>
<thead>
<tr>
<th>Support Special Children</th>
<th>Donation for Orphanages</th>
<th>Support in Children’s Education Fund</th>
</tr>
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</table>

#### Disaster Relief

<table>
<thead>
<tr>
<th>Support locals and employees during COVID-19 pandemic</th>
<th>Fundraising and donation for Fire Victims</th>
</tr>
</thead>
</table>

#### Active Volunteerism of Our Employee

<table>
<thead>
<tr>
<th>Improve livelihood of Neighboring Villagers¹</th>
<th>Smallholders Capacity building</th>
<th>Collaborate with Non-Profit Organisations²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support Underprivileged Families</td>
<td>Visit and donate to Old Folks Home</td>
<td>Blood Donation</td>
</tr>
</tbody>
</table>

Remarks:
1. Villages include Kampung Rinching Ulu in Semenyih; Kampung Telok Nipah & Kampung Perigi Nenas in Klang; Tanjung Pauh Village & Sungai Bahar Village in Jambi; Sg Aur, Jebus, & Gedong Karya Village in Jambi.
2. Non-Profit Organisations include Care Haven Children Home, Indian Community Development Association Bangi, Kechara Soup Kitchen, Sherun Old Folks Home & Handicap, Xi Le Er Special Children Care Center, Persatuan Kebajikan Yu Shan, Semenyih Alternative Riding Club, and Sailun Salimbai Orphanage.
Focus Area 5: Community Support

A. ACTIVE VOLUNTEERISM OF OUR EMPLOYEE – TO CREATE POSITIVE IMPACT IN OUR COMMUNITIES

Community and people-centred in all that we do. At every place that we operate, we facilitate self-reliance through the provision and support of education, healthcare, and infrastructure. Our priority is to enrich the lives of the people around the touchpoints that we have established.

We believe that everyone can contribute and make a difference to the community and lives of others. In this regard, we motivate our employees to volunteer in giving back to the community. We partner with the local communities, bring together numerous CSR programs to support the needs of the communities. Our long-term goal is to create a spirit of “active volunteerism” in our employee that not only bringing together our neighbouring communities but also contributes to the holistic development of our people in terms of compassion, character building, and improved morale within the organization.

B. SUPPORTING OUR NEXT GENERATION

The year 2020 has not been easy for today’s young generation. The education has been disrupted in most of the places and children have been separated from their family and friends. After COVID-19 pandemic, we know that we cannot simply hope that things will go back to the normal. In this regard, our CSR initiatives focus in supporting our next generation to realize their potential and to enable them an opportunity to help shaping the future, and that their efforts and input are valued and supported.

The fundamental belief in our community objective is the believe that every child deserves a chance at a life filled with love, laughter, friends, and family. We often hear the obstacles face by the young people in reaching their full potential – due to a lack of access to resources, finance, education, information, and communication technologies. Our works primarily focus in improving access to inclusive and quality education for all, we strongly believe that education is a cornerstone for empowering individuals and communities to break out of poverty and build meaningful lives in long term.

This year, a number of activities have been held internally e.g., fund-raising activities and externally e.g., foods, groceries and stationaries distribution to the children charitable organization. Our employee also using their knowledge to support the underprivileged students through free tuition classes. From time to time, we were heartened to see the passion and perseverance among the young generation at rural communities who are working at its best to change their life through education. We know that this is where we can play our role in supporting them through our endeavors to help them in alleviating the disablement and at the same time, giving the less fortunate children a hope for a brighter future.

C. DISASTER RELIEF

Giving a helping hand to disaster victim is always one major part of the Mewah’s CSR strategy. Although we never want to see disaster happen, we often get ourselves prepare for the unexpected. A disaster occurring can disrupt our neighbouring communities and where our employees work and live in. Looking back at the past events, our people have been always reacting compassionately in donations and activities to aid disaster relief and rehabilitation.

In our disaster relief strategy, we have proactively put together a fast aid “disaster relieve plan” that aim to alleviate the suffering of our neighbourhood at soonest in the event of unexpected disaster. At the same time, we are ready to go above and beyond to ensure resources will be available to keep our employees safe, protect their facilities and perform recoveries during a disaster response. On a side note, within the company itself, we are adopting to a Business Continuity Plan that intends to work diligently to ensure that all our operation units are aligned, leadership has signed off on the processes, and the right support is allocated should an unexpected event occur.

"The hunger for love is much more difficult to remove than the hunger for bread."
- Mother Teresa
Focus Area 5: Community Support

Educating Youths in Implementing 17 United Nations Sustainable Development Goals (UN’s SDGs)

Education is one of UN Youth 2030’s key priorities. It is important for the Nation to advocate quality and inclusive education for our young generation. The objective of #Youth2030 is to put our hopes for a better world that rest on the youth, by strengthening commitments to meet young people’s needs, help them to realize their rights and recognize the positive contribution by our youth as agents of change.

In our efforts towards the global vision, Mewah Group is a proud partner of Enterprise Singapore’s (ESG). We are taking the revolutionary step with the partnership to launch the Global Ready Talent Programme Internships. Since 2019, we have engaged with more than 200 students from Temasek Polytechnic (TP) Singapore through providing internship opportunity in our organization and annual sustainability engagement program.

In 2020, we collaborated with TP Singapore on a virtual training for the students to share knowledge about how the environmental value and socio-economical value in the palm oil industry. We shared the implementation of 17 UN SDGs in our business strategies and raised awareness of the present global sustainability challenges i.e., climate change, forest fire, waste management, biodiversity loss and shift towards a green economy. We also took the opportunity to share the impacts and opportunities in the palm oil industry, sustainability challenges in the production of palm oil and sustainable supply chain management practices.

Please find detailed information at: https://mewahgroup.com/upload/Sustainability/Mewah%20Group_Year%202020_Educating%20Youth%20in%20Implementing%2017.pdf
Ramadan 2020 – Practicing Faith in Times of COVID-19

Ramadan has always been a time of the year that the fellow Muslim community looks forward to. In 2020, with all the fear, isolation and uncertainty, a heavy shadow looms over a period of awaited peace and joy. Our Muslim employees and communities are making greater than usual sacrifices in the Ramadan 2020, with movement control/ travel restriction compliant with safety measures imposed nationwide to curb the spread of COVID-19.

The CSR initiatives rolled out by Mewah during the Ramadan have positively influenced hundreds to thousands of people in Malaysia and Indonesia. The highlight of the CSR activities held in Jambi, Indonesia during Ramadan was its contribution of meal and nutrition distribution to the Sailun Salimbai Orphanage in Tempino, Jambi. Additionally, our employees in Mewah-Oils Sdn Bhd volunteered for a 2-days CSR program to raise fund and distribute free groceries to address poverty at several rural areas in the Selangor state. The prime focus of the donation is to support the unprivileged including the single parent, low-income families who have lost sources of incomes during the pandemic and the disabled.

With an innovative approach in executing CSR initiatives, Mewah is proud of our Ramadan CSR initiatives that are part of our long-term CSR strategy.

The CSR committee from Mewah-Oils Sdn Bhd lending a helping hand to the underprivileged families in Selangor during Ramadan 2020.

Ramadan CSR initiatives by the CSR committees from PT Angso Duo Sawit at Sailun Salimbai Orphanage, Jambi.
Focus Area 5: Community Support

Corporate Disaster Relief Program – Giving a Hand to Fire Victims

On 23rd January 2020, there was two massive fire outbreaks happened at Kg. Sepagaya & Kg. Sri Aman Bumiputra, Lahad Datu. The fire Department took more than two hours to control the blaze at each scene. The disaster had destroyed 13 houses and 1 mosque. Hundreds of villagers were affected as they were forced to seek temporary shelter in a homeless situation.

Our employees from Mewah Datu Sdn Bhd initiated several fund-raising programs for the purpose of rebuilding houses for the villagers as well as supported the victims through in-kind sponsorship through donation of necessities such as food, clothing, shelter and medical care. In addition, our people went on-site to help the villagers to develop fire safety plan and to conduct emergency exercises at the new home.

Our people visited the scene of destroyed houses and mosque.

We made in-kind sponsorship to the fire victims to ease their daily expenses.

“I would like to give thanks to Mewah Datu who contributed to the fire victims in Long House at Kg Sepagaya, Silam. Alhamdullilah, with sponsor of money and necessities, it helped to ease the burden on victims. May Allah bless you all.”

BAHARIN BIN ALI AKBAR,
KG SEPAGAYA SILAM, HEAD OF RUMAH PANJANG
Partnering with Non-profit Organizations – Our Relentless Helping Hands
Over the years, Mewah partners with various non-profit organizations that deliver on the communities’ needs. During the pandemic outbreak, we continue to make significant impacts to our neighboring communities as well as our employees by having successful and productive partnerships with the non-profit associations.

The Mewaholeo Industries Sdn Bhd has teamed with Care Haven Children’s Home, Sherun Old Folks’ Home and Xi Le Er Special Children Care Center Malaysia since 2017. We mobilize our employees to volunteer in various CSR activities and promote the culture of cross-sector collaboration and social responsibility. We have noticed important positive value in these group volunteer opportunities in long run as these activities are perfect for our employees bonding. Our aim is to connect people with causes and accelerate social good to realize the Group’s Mission & Vision.

Volunteered Tuition Class
After a successful run of free tuition classes in year 2019 with Kechara Soup Kitchen (KSK), we continue our volunteerism with the deprived children who do not have resources and access to private tuition. Providing quality education is a key component to enable all children in our communities for an opportunity to access to mainstream education. Through interaction with the children, they get inspired and unconditional support by our employee during the difficult times.
Rekindling the “Gotong-Royong” Spirit in Our Communities

The “Gotong-Royong” program is a concept of “mutual cooperation” between our employee and the local communities. It aims to promote the culture of cooperation, collective work and social justice. It goes hand in hand with the spirit of community and neighborliness to improve the quality of living environment, provide basic housing infrastructure and support the local economy as a leverage for regional development.

In September 2020, our employee from Ngo Chew Hong Malaysia organized Gotong Royong programme in Kampung Hulu Rinching, Semenyih. It was not only a CSR program but a chance for our employee to be with the local community. A total of 40 employees along with the villagers worked together in cleaning the surround area of the Kampung.

In October 2020, our people from PT Jambi Batanghari Plantations collaborated with local authorities and villagers from Desa Jebus, Desa Sungai Aur and Desa Gedong Karya in Jambi on a “Gotong-Royong” initiative to carry out disinfection program at the public community area. We were delighted to see great participation and involvement of the local communities in this program that has significantly increase community awareness and enhance social potential of our neighborhoods.

Our volunteers and villagers cleaning up the public road entrance and drainage area in Kampung Rinching Hulu, Semenyih.

Disinfection program at our surrounding villagers, i.e., Desa Jebus, Desa Sungai Aur, and Desa Gedong Karya in Jambi
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Glossary

**Biological Oxygen Demand (BOD)**
The amount of oxygen used when organic matter undergoes decomposition by micro-organisms in a given water sample at certain temperature over a specific time period.

**Carbon Dioxide Equivalents**
Carbon dioxide equivalents (CO₂e) provide a universal standard of measurement against which the impacts of releasing different greenhouse gases can be evaluated.

**Effluents**
Water discharged from one source into a separate body of water, such as the refinery plant process water.

**Fresh Fruit Bunch (FFB)**
Fruit bunch that harvested from the oil palm tree. The weight of the fruit bunch ranges between 10kg to 40kg depends on the size and age.

**Global Reporting Initiative (GRI)**
A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

**Greenhouse Gas (GHG)**
GHG refers to gases that have the ability to trap heat in the atmosphere and keep the planet warm. The primary greenhouse gases in our atmosphere are Carbon Dioxide, Methane, Water Vapor, etc.

**Greenhouse Gas Emissions**
GHG Emissions is an all-encompassing measurement for the carbon footprint and energy efficiency in our production.

**High Conservation Values (HCV)**
The concept of High Conservation Value Forests (HCVF) was first developed by the Forest Stewardship Council (FSC) in 1999 as their ninth principle. The FSC defined HCVF as forests of outstanding and critical importance due to their environmental, socio-economic and cultural biodiversity and landscape value.

**High Carbon Stock (HCS)**
The high carbon stock (HCS) approach is a methodology to avoid deforestation in land development. The methodology was initially developed in a partnership between Greenpeace, TFT and Golden Agri Resources. The approach stratifies the vegetation on area of land into different classes using analyses of satellite images and field plot measurements. Each vegetation class is validated through calibrating it with carbon stock estimates in the above-ground tree biomass.

**International Sustainability and Carbon Certification (ISCC)**
ISCC is a sustainability certification system covering the entire supply chain and all kinds of bio-based feedstocks and renewables. It is officially recognized by the European Union under the European Energy Directive (“RED”).

**Mass Balance (MB)**
The mass balance system allows for mixing of RSPO certified and non-certified palm oil at any stage in the supply chain provided that overall company quantities are controlled. The mass balance model is designed in such way that volumes of RSPO certified product shipped will never exceed volume received by the end-user.

**Non-Governmental Organization (NGO)**
The term of NGO used in this report refer to grassroots and campaigning organizations focused on environmental or social issues.

**Peat**
Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peat lands, variously called bogs, moors, muskegs, pocosin and peat swamp forests.

**Roundtable on Sustainable Palm Oil (RSPO)**
RSPO is a multi-stakeholder organization that unites stakeholders from 7 sectors of the palm oil industry including the oil palm producers, processors or traders, consumer goods manufacturers, retailers, bank, environmental NGO and social NGO to develop and implement global standards for sustainable palm oil.

**Segregation (SG)**
The Segregation supply chain model assures that sustainable palm oil from different certified sources is kept separate from ordinary/conventional palm oil throughout supply chain.

**Stakeholders**
Stakeholders in this report refer to any group or individual who are affected by or can affect the company’s operations.

**Sustainability**
A term expressing a long-term balance between social, economic and environmental objectives.
About This Report

Scope of the Report
We adopted the Global Reporting Initiative (GRI) Standards at core level as our reporting framework since year 2018. It focuses on Mewah Group’s sustainability strategies and practices, highlighting the economic, environmental, and social aspects of the Company’s activities and developments.

The report covers all sustainability issues that deemed material by Mewah. We have chosen to focus our reporting in our downstream operations as this is our core business in Malaysia. It provides an overview of our approach, priorities and targets, as well as a baseline performance review in several key areas. This Report supplement our 2020 annual report that can be found on [http://www.mewahgroup.com/upload/AnnualReports/](http://www.mewahgroup.com/upload/AnnualReports/)

The report brings together our sustainability initiatives, including current and future direction. It is intended to be useful for our stakeholders – our customers, employees, shareholders, communities as well as being a communication tool to various interested parties about our approach to the social and environmental development.

Completeness
This report provides a complete overview of our core businesses within the established scope. The data in this report covers 1 Jan – 31 Dec 2020. Where possible, we have sought to include historical data as a benchmark. We believe that the data presented are a fair representation of performance and have included detailed notes in relevant sections to ensure transparency.

Assurance
This is the fourth Mewah Group’s Sustainability report. We have carried out extensive review with both internal and external stakeholders to identify gaps since the production of our first Sustainability report in Dec 2018. Materiality assessment has been incorporated into our report. The outcome from materiality assessment enables us to recognize the economic, social and environmental issues that shape our business success. Moving forward, we will continue to use this report to engage our stakeholders and to understand what form of assurance they would like to see in our subsequent reports.

Contact and Feedback
We welcome any feedback or questions:

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