

BUILDING RESPECT, RESOURCEFULNESS & RESILIENCE

SUSTAINABILITY REPORT 2021

www.fimacorp.com



Manufacturing Division
Holding Up



Plantation Division
Positive Play



SUSTAINABILITY REPORT

Our Approach to Sustainability

Sustainability is at the core of our business management and operations as we seek to create tangible and intangible value for our stakeholders. While our business strategies have a clear financial focus, we are mindful that our stakeholders have an increasingly keen interest in our environmental, social and governance performance.



We remain guided by the three key sustainability pillars – Environmental, Social and Governance (“ESG”) – in our sustainability journey to ensure long-term business growth. Sustainability management is paramount for us to maintain our licence to operate, foster an engaged, healthy and productive workforce and uphold our relationship with our partners and the local communities.

We define sustainability as incorporating responsibility and accountability in every business activity and process. This includes balancing our business goals with good corporate responsibility. To maintain our competitive edge, we remain dedicated to our customers, employees, the environment and the local communities, and to delivering quality services.

Our aim is to embed sustainable practices in our business decision-making, activities and processes as we strive to mitigate the negative impacts of our business operations and seek opportunities to continue to create value for our stakeholders. To achieve this, we are committed to minimising our environmental impact, upholding the highest level of ethical

business practices, prioritising the health and well-being of our employees and enriching the communities. We will also endeavour to ensure efficient resource management and adapt to changing consumer expectations to continue to stay relevant and generate long-lasting positive impacts.

Our commitment to continuously seeking improvement across our business operations and management amid challenges from the new norm sets us apart from our competition as we strive to make impactful efforts towards our ESG and economic performance.

For instance, consolidating data for this Report was a challenging process due to factors such as the different geographical aspects of the estates. Hence, we leveraged best sustainability reporting guidelines such as the Global Reporting Initiative “GRI” Standards as tools to develop a robust Report. We will continue to benchmark our operations and performance against international and industry best practices to ensure we deliver excellence and achieve business sustainability.



Navigating the Covid-19 pandemic

Since the beginning of the pandemic, our highest priority has been the health and safety of our employees. We had ensured our facilities are protected and well-managed to meet the needs of our customers and local communities, ultimately maintaining the continuity of our businesses.

To navigate the adverse effects of the pandemic, we deployed a range of measures including pre-emptive travel restrictions and enforcement of safety procedures that included mandatory personal protective equipment (PPE) across our facilities and offices. In addition, Covid-19 screening tests are provided to all plantation workers employed at our estates nationwide.

For our office-based staff, we immediately transitioned to working from home during the movement control order (MCO) and equipped our employees with the necessary tools to adapt to new ways of working such as digitalising internal and external meetings. We also worked towards ensuring the agility and security of our supply chains to minimise disruptions to our operations.

Our efforts in reducing the negative impacts of the crisis were not limited to only our employees but also benefited their families through provision of food supplies and contribution of digital tablets for their children to attend online classes.

While many countries are starting to ease out of lockdowns and are showing signs of recovery, the pandemic continues to impact businesses, health and livelihoods. Thus, we will remain vigilant in:

- ▶ Our approach and practices in relation to the health and safety of our employees and the communities in which we operate.
- ▶ Strengthening the resiliency of our supply chains to handle unexpected events in order to respond to and recover quickly from any disruptions.



Generated **258 MWh** of solar energy, avoided **227 tCO₂eq** = **27** homes' energy used for one year



Installed **12** rainwater harvesting tanks



Diesel consumption intensity for transportation in Malaysian estates increased by **12.5%** due to the estates' sustainable practices in transporting FFB



The establishment of an **Elephant Conflict Task Force** successfully helped to preserve the elephants while reducing human-elephant conflict in Terengganu. Positive results were also reflected in Ladang Aring in Kelantan, which had adopted some of the initiatives developed by the task force



To read more about our performance in the aspects of:
 Environmental: Please turn to page 50.
 Social: Please turn to page 60.
 Governance: Please turn to page 69.



100% of FimaCorp employees received performance reviews



Achieved **3,097** total training hours and **1,971** of our employees completed e-learning which included anti-bribery awareness



ZERO fatalities in FYE2021



PKN contributed **263** units of tablet devices to their employees' children to attend online classes during school closures



91.8% of PTNJL's suppliers were local

Engaging Stakeholders

GRI 102-21, 102-40, 102-42, 102-43, 102-44

As a multi-regional conglomerate with diverse business operations, it is vital for us to engage with our various stakeholder groups to understand their concerns and meet their needs. Stakeholders are groups that will impact or be impacted by our business decisions and activities. Engaging with stakeholders will help us define and execute our strategy to mitigate risks and identify opportunities along our value chain as we seek beneficial solutions for our stakeholders and business growth.

Most of our stakeholders' key expectations involve good returns, sustainable profit, business growth, regulatory compliance, transparency and accountability. We respond to our stakeholders in various formal and informal ways. In FYE2021, it was more important than ever to meet the needs of our stakeholders due to the pandemic. To navigate the challenges of Covid-19, we leveraged digital tools and online platforms such as email, online surveys and videoconferencing to listen to our employees and customers and meet the expectations of shareholders, regulators and business partners. This included hosting our Annual General Meeting virtually from our Head Office as we had done in the previous year.

Stakeholder	Engagement Platform	Key Concerns	Our Response
Employees 	<ul style="list-style-type: none"> Town hall Employee Engagement Survey Performance and career development reviews Labour unions Virtual meetings Intranet/internal communications 	<ul style="list-style-type: none"> Job security and wages Conducive workplace Career development Corporate activity Occupational health, safety and well-being Human & workers' rights protection Group's growth development 	<ul style="list-style-type: none"> Investing in the attraction, retention and development of a diverse and talented workforce. Offering diverse employment prospects, opportunities for development and competitive rewards and benefits. Providing a Whistle-blowing Policy and grievance procedures to address employees' cares and concerns. Ensuring Occupational Health and Safety Management Systems. Enforcing strict Standard Operating Procedure (SOP) such as temperature screening and hand sanitising to ensure the safety of employees, contractors and vendors at the workplace during the pandemic. Held town halls to brief employees on the SOPs implemented. Observing the Human Rights Policy. Ensuring integrity and anti-bribery training for staff.

Sustainability Report

Stakeholder	Engagement Platform	Key Concerns	Our Response
Shareholders and investors 	<ul style="list-style-type: none"> Virtual AGM Bursa announcements Corporate website Surveys Enquiries (through email) One-on-one meetings with fund managers 	<ul style="list-style-type: none"> Disclosure of timely, material and relevant information Financial performance & resilience 	<ul style="list-style-type: none"> Ensuring timely communication about our business performance and policies to gain the trust of our shareholders.
Customers 	<ul style="list-style-type: none"> Virtual meetings/ emails Audits Survey Training & support 	<ul style="list-style-type: none"> Changing needs of customers and consumers Business ethics Innovation Supply chain/ traceability issues Health & safety Certification 	<ul style="list-style-type: none"> Striving to be honest and fair in our relationships with our customers and to deliver the standards of products and services that have been agreed. Ensuring the safety and quality of the goods we produce and the services we provide. Striving for industry and international standard certifications to gain market credibility. Continuously analysing feedback, audits and surveys to identify key areas for improvement.
Communities 	<ul style="list-style-type: none"> Town hall with local residents Philanthropic activities/ Community volunteering 	<ul style="list-style-type: none"> Economic empowerment/ livelihood Community safety and health Environmental protection 	<ul style="list-style-type: none"> Providing job opportunities for the local communities and business opportunities for local suppliers. Continuously improving the standards of living of the local communities through upgrading of infrastructure and welfare contributions including aid during times of difficulty and/or disaster.
Memberships & associations 	<ul style="list-style-type: none"> Virtual meetings Association meetings/ Dialogues 	<ul style="list-style-type: none"> Advancing industry-specific matters with policymakers and other key stakeholders 	<ul style="list-style-type: none"> Actively engaging with members of the associations to continue to contribute to the industry by keeping each other informed and updated with the latest developments in the industry.
Suppliers 	<ul style="list-style-type: none"> Virtual meetings/ emails Audits Training & support 	<ul style="list-style-type: none"> Quality control Business ethics Supply chain transparency Sustainability requirements 	<ul style="list-style-type: none"> Upholding ethics and integrity to ensure fair procurement practices and establish long-term relationships with suppliers. Continuously equipping suppliers with updated regulatory requirements to ensure smooth business operations. Collaborating with suppliers to secure long-term availability of materials and to pursue future opportunities. Identifying areas for improvement based on auditors' reports and assessments.
National and local governments 	<ul style="list-style-type: none"> Virtual meetings Dialogues/ Consultations 	<ul style="list-style-type: none"> Licence to operate Compliance & regulations Land issues Level 'playing fields' for all sectors Local economic development programmes Corporate responsibility initiatives Industry-specific matters 	<ul style="list-style-type: none"> Actively engaging with federal and local governments as well as regulators on policy matters to advance industry-specific matters with policymakers. Continuously supporting national agendas to contribute to national development and economic growth.

Materiality Assessment

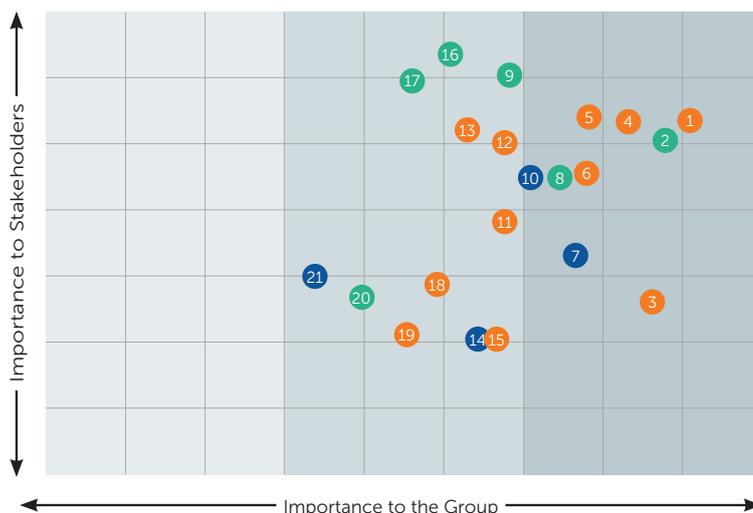
GRI 102-47

Materiality assessments are integral to our sustainability journey as they allow us to identify the ESG issues that matter most to our organisation and stakeholders. By conducting a materiality assessment, we are able to measure our Group’s performance in the ESG areas and the importance of each material issue to every stakeholder group.

Our first materiality assessment was conducted in FYE2019. Our most recent assessment was carried out by the Group Corporate Services Department in FYE2021, where we reached out to 3,732 stakeholders through an online survey and received 437 responses within a month. The results of the survey helped to form a materiality matrix in which the sustainability topics were weighted from the point of view of the stakeholders as well as feedback received from the Group Sustainability Committee and members of management. Due to the diverse contributions of each business division, the results of the materiality assessment were measured according to each division’s influence on the Group’s financial performance, their employee headcount and their prospective expansion potential. We also included a desktop review against current sustainability trends and peer reports as well as regulations and guidelines.

We identified 21 material issues and prioritised 10 issues that fall within the first quadrant of the materiality matrix. Prioritisation of issues allows us to focus on material matters that are extremely important to both the Group and stakeholders. Although Fire and Haze and Pesticide and Chemical Usage are not part of our prioritised issues, we have addressed these two topics in our Environmental Policy and Sustainable Agricultural Practices. To read more about our:

- Environmental Policy, please visit <http://www.fima.com.my/service-provider.html>
- Sustainable Agricultural Practices, please turn to page 51.



Environmental

2 Climate Risk	16 Fire and Haze
9 Water Impact and Waste Management*	17 Pesticide and Chemical Usage
8 Greenhouse Gas ("GHG") Emissions*	20 Biodiversity & Deforestation in Plantations

Social

1 Human & Workers' Rights Protections	11 Product/ Service Safety, Quality & Certifications
3 Innovation & Technology Excellence	12 Social Care & Workers' Welfare
4 Sustainable and Traceable Supply Chains*	13 Benefits/Remuneration
5 Occupational Safety, Health and Well-being	15 Employment Support & Economic Activity for Local Communities
6 Equality and Diversity*	18 Evaluation of Suppliers/ Contractors/ Vendors
	19 Community Investment

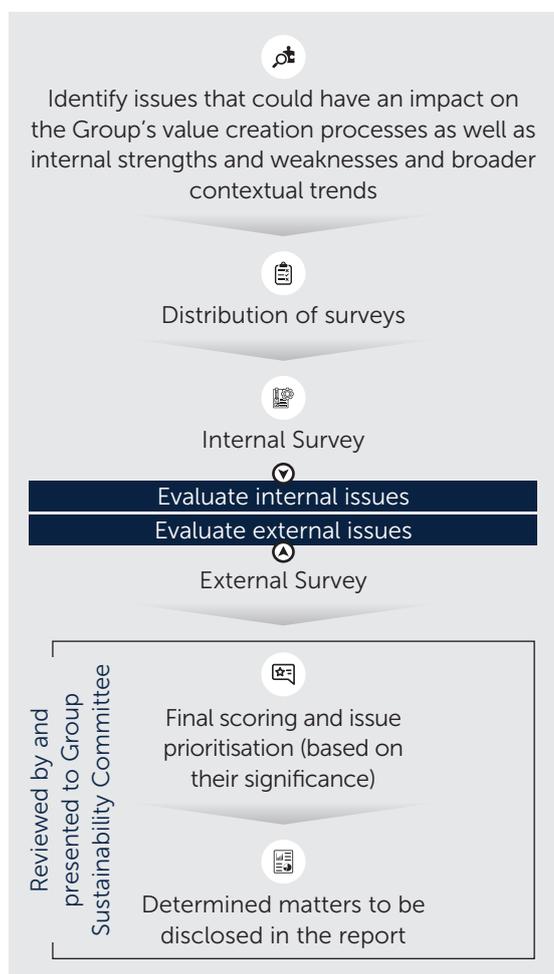
Governance

7 Anti-Fraud, Bribery & Corruption	14 Grievance Resolutions
10 Code of Ethics & Governance	21 Grievance Mechanism

■ Prioritised matter

*Note: The names of these material matters have been updated after the survey was concluded. In the survey, the material matters were referred to as:

- (i) Water impact.
- (ii) GHG emission, discharge & waste management.
- (iii) Sustainability & Traceability Supply Chains.
- (iv) Equal treatment/ Gender Equality.



Sustainability Report

Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (“SDGs”) are a set of 17 global goals agreed by world leaders from the UN member states in 2015. The goals aim to create a better world by 2030 by ending poverty, fighting inequality and addressing climate change through contributions from the member states.

We have aligned our material matters with our prioritised SDGs, enterprise risks and our contributions to further strengthen our sustainability agenda.

SDG	Material Matters
 <p>No Poverty End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> Human & Workers’ Rights Equality & Diversity Benefits & Remuneration
 <p>Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> Pesticides & Chemical Usage Product/Service Safety, Quality & Certifications
 <p>Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> Human & Workers’ Rights Grievance Mechanism Grievance Resolutions Community Investment
 <p>Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> Occupational Safety, Health & Well-being Code of Ethics & Governance Anti-Fraud, Bribery & Corruption Innovation & Technology Excellence
 <p>Responsible Consumption and Production Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> GHG Emissions Water Impact & Waste Management Sustainable & Traceable Supply Chains Pesticides & Chemical Usage Evaluation of Suppliers/Contractors/ Vendors
 <p>Climate Action Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> Biodiversity & Conservation GHG Emissions Water Impact & Waste Management Pesticides & Chemical Usage
 <p>Life below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> Biodiversity & Conservation Water Impact & Waste Management Code of Ethics & Governance Sustainable & Traceable Supply Chains
 <p>Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> Biodiversity & Conservation GHG Emissions Water Impact & Waste Management Fire & Haze Pesticides & Chemical Usage Code of Ethics & Governance



To read more about our key enterprise risks, please refer to the Statement on Risk Management and Internal Control on page 98.

Many of our goals and values are aligned with the SDGs. However, FimaCorp endeavours to contribute to the goals by prioritising eight SDGs that are most relevant in our present-day business activities and in line with our corporate strategy and goals. The eight SDGs are:



We contribute towards the goals through:

- ① Our direct business activities – the products we produce and the way we produce them
- ② The use by host governments of the taxes we pay
 - The creation of economic and social value in the communities where we operate by creating local jobs, supporting local supplier development and providing opportunities through training and other investments
- ③ The efforts undertaken to reduce our environmental footprint

Key Risks	Our Contribution
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Human resources policies on minimum wages and fair pay Economic empowerment/livelihood via creation of employment and business opportunities for local communities
<ul style="list-style-type: none"> Sustainability Regulatory Health & Safety 	<ul style="list-style-type: none"> Potential higher yield and extraction through adoption of good agricultural practices Responding to the increased demand for affordable protein Maintaining high food safety standards Welfare contributions as well as aid during times of adversity and/or disaster
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Supporting employees' personal and professional development through training programmes Philanthropic initiatives, especially in the areas of education and youth development Well-being of local communities
<ul style="list-style-type: none"> Investment: Acquisitions, Divestment, Joint Ventures and Projects Geopolitical Risk Health & Safety Regulatory Integrity 	<ul style="list-style-type: none"> Positive contribution to economic growth in the countries in which we operate, e.g. via taxes, job creation and other contributions Ensuring good, healthy and safe work environment Strong stance against forced or compulsory labour and child labour
<ul style="list-style-type: none"> Health & Safety Natural Environment Investment: Acquisitions, Divestment, Joint Ventures and Projects Sustainability 	<ul style="list-style-type: none"> Commitment to implementing and maintaining supply chain transparency and adherence to international standards (MSPO, ISO, etc.) Water and waste management Use of renewable energy and efficiency of energy use. We are increasing the use of renewables in our energy mix and reducing our carbon footprint Adoption of good agricultural practices
<ul style="list-style-type: none"> Natural Environment 	<ul style="list-style-type: none"> Use of renewable energy Water and waste management such as tackling water scarcity through waste water efficiency and treatment programmes Adoption of good agricultural practices Efficient use of energy and other natural resources
<ul style="list-style-type: none"> Natural Environment Regulatory Sustainability 	<ul style="list-style-type: none"> Zero tolerance approach to illegal, unreported and unregulated ("IUU") practices Commitment to implementing and maintaining supply chain transparency and adherence to international standards
<ul style="list-style-type: none"> Natural Environment Regulatory 	<ul style="list-style-type: none"> Use of renewable energy Efficient use of energy and other natural resources Water and waste management Adoption of good agricultural practices

ENVIRONMENTAL



Managing the Group's environmental impacts through sustainable practices is a moral and social imperative as well as an economic necessity. As natural resources are finite, efficient resource management will not only limit our carbon footprint but may also lead to significant operations and financial benefits for the Group as a whole. We acknowledge that any non-compliance will expose FimaCorp to various risks including operational, financial, legal and reputational risks.

Environmental Policy

We are guided by the Group's robust Environmental Policy, which outlines our approach and commitment to managing our environmental impacts across our business divisions. The policy, which is available on our corporate website, ensures that we comply with all relevant environmental regulations, legal criteria, guidelines and codes of conduct specific to our operations. The policy also aims to:

- increase environmental awareness within the Group through training and knowledge-sharing
- implement effective environmental protection strategies
- encourage efficient use of natural resources and minimise raw material wastage
- enable the Group to collaborate with local communities and stakeholders in resolving environmental issues
- educate suppliers and vendors about the Group's commitment to environmental management and protection
- continuously advocate and actively support zero burning activities within the Group's plantation operations

Our environmental management is focused on Plantation. Manufacturing generally has limited impact on natural habitats.



For more information on our Environmental Policy, please visit our corporate website at <http://www.fima.com.my/service-provider.html>

Biodiversity Management

GRI 304-1, 304-2, 304-3, 304-4

Biodiversity management is vital for the longevity of our businesses. It will enable us to continue operating over the long term and create value while minimising health risks to our operations' surrounding local communities. Due to the business nature of our Plantation division, we are aware that our operations may directly or indirectly impact the ecological systems and the local communities who are in close proximity and rely on the environment for their livelihoods. Thus, we strive to ensure all our operations coexist in harmony with the surrounding environments in which they operate.

Minimising our negative impacts on biodiversity is the responsibility of all our people. We aim to operate responsibly from the perspective of regulatory compliance and social and environmental protection, as well as biodiversity and natural resources conservation. In this regard, we remain guided by our policies and practices to ensure we protect and conserve the ecological systems that are within or close to our operations.

Our internal standards and practices are not only in line with relevant regulations and permits, but they also comply with the requirements of relevant industry regulators to minimise, mitigate and remediate the negative effects of our business operations on the communities and the environment. Our approaches are also aligned with the Global SDG 15 ('Life on Land').

Sustainable agricultural practices

To protect biodiversity, we implement sustainable agricultural practices which include conservation areas, soil management, biological pest control, human-elephant conflict management and mechanisation.

Conservation areas

In our oil palm estates, we prioritise biodiversity conservation by setting aside protected buffer zones alongside riverbanks to serve as wildlife corridors. These buffer zones are also meant to provide sanctuary and natural habitats for migratory birds, elephants and other forest-dependent

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Our protected areas cover a total of 564.36 hectares, consisting of conservation areas, buffer zones and steep slopes.

species. Our protected areas cover a total of 564.36 hectares, consisting of conservation areas, buffer zones and steep slopes.

We employ several measures throughout the value chain including conducting Environmental Impact Assessment ("EIA") prior to any new plantation development, or as may be required by relevant legislation. Our last EIA was in FYE2020 for our greenfield development, Fima Sg. Siput Estate Sdn Bhd, in Perak, whose approval conditions required good practices and guidelines concerning riparian buffer zones, air quality and water management as well as forest conservation areas. In Indonesia, our subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), has also established water catchment zone within our plantations, where chemical applications are strictly prohibited to facilitate the rehabilitation and preservation of natural vegetation.

Soil management

We practise soil management by planting leguminous cover crops, such as *Mucuna bracteata*, *Calopogonium mucunoides* and *Calopogonium coeruleum*, to improve soil properties and lower carbon dioxide emissions. The *Mucuna bracteata*, an Indian leguminous plant, helps to reduce soil erosion, especially on slopes, and improves our soil quality through natural soil fertilisation and aeration

processes. This is due to its nitrogen-regulating properties which help to lower soil temperatures during hot seasons. Its rapid growth also helps to prevent weed growth.

Vetiver grass is utilised for improved soil management by mitigating erosion near ponds, bunds and field drains. Its deep roots are noted for their strong resistance to heavy metals, phosphates, nitrates and agricultural chemicals. We also do not plant on steep regions i.e those with a slope of more than 20 degrees. Additionally, we employ double terracing wherever possible or practical to preserve the top soil and reduce erosion.

In addition to grass and cover crop planting, PTNJL practises a zero-waste approach by applying Empty Fruit Bunches ("EFB") and compost to add nutrients to the soil and reduce our dependency on inorganic substances.

Biological pest control

We employ biological pest control methods, such as introducing beneficial plants which attract insects that feed on pest larvae. Among the plants are *Turnera subulata*, *Antigonon leptopus* and *Cassia cobanensis*.

We use barn owls to suppress the population of rodents, which is a major pest problem in oil palm estates. Owls are natural predators which feed upon rodents, making it one of the best biological methods to control rat population.

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We have set up barn owl boxes across our estates where possible.



Sustainability Report: Environmental

Human-Elephant conflict management

Elephant encroachment is a common problem in oil palm plantations. Asian elephants (*Elephas maximus*), which are listed as 'endangered' on the IUCN Red List, often encroach on our oil palm estates in Peninsular Malaysia.

To prevent this, we adopt land use planning approaches such as planting crops like bananas to increase food availability in their habitats. We continuously look for ways to improve human-elephant conflict management, including monitoring elephant movements, restoring wildlife corridors and constructing trenches to reduce incidences of crop raiding and damage as much as possible while preserving the elephants' natural habitats. We are also working closely with the Department of Wildlife and Natural Parks (Jabatan PERHILITAN) to install GPS collars on the elephants to track and monitor their movements.

The establishment of an Elephant Conflict Task Force in FYE2020 has led to a major reduction in damaged crops in human-elephant conflict management in our estates in Terengganu. Jointly formed by Cendana Laksana Sdn Bhd and eight other estates from three nearby localities, the task force aims to find workable solutions to mitigate the economic impact of crop loss to elephants while maintaining the biodiversity of the ecosystems. Following efforts such as understanding the local ecology and monitoring and recording elephants' movements in affected areas, we are pleased to report that crops damaged by elephants have decreased by 54.2% in Ladang Cendana. Similar efforts adopted by Ladang Aring in Kelantan have also led to a reduction of damaged crops by 48.1%. Inter alia, Ladang Aring has setup solar alarm lamps to detect intrusions at frequented areas. We will continue to monitor the progress and look for sustainable solutions to the conflict.

Mechanisation

To increase efficiency and workers' safety, the Group employs mechanisation in its oil palm plantation operations, particularly for in-field collection and application of fertiliser. As part of our estate planning processes, all our new developments are equipped with infrastructure that will facilitate in-field mechanisation.

Waste Management

GRI 306-2

Proper waste management is critical for maintaining our licence to operate. Hence, we actively seek opportunities to prevent or minimise waste through reusing, recycling, energy recovery and safe waste disposal to reduce environmental and health risks. Treating waste as a resource also improves efficiency and reduces costs. For instance, our Manufacturing division subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN"), no longer purchases or offers water in single-use plastic bottles. Instead, water-filling stations have been installed for the convenience of employees.

As of 31 March 2021, our total waste was 207,288 MT. Hazardous waste and residual products recovered from our operations are transported and disposed of by licensed contractors, in accordance with stringent industry standards and statutory requirements. During the year under review, we had zero reported incidences of non-compliance and fines.



Total Waste in FYE2021:

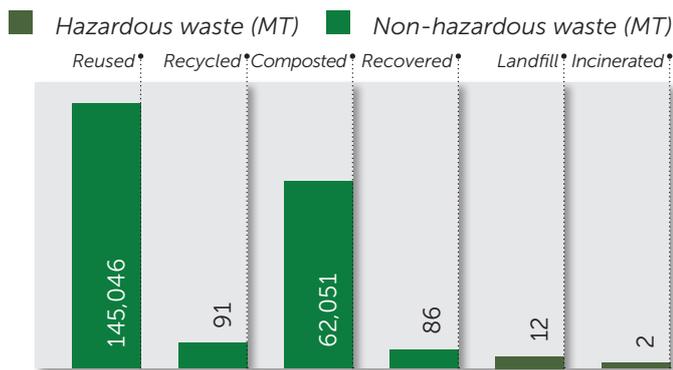
207,288 MT

207,182 MT
Plantation

106 MT
Manufacturing



Methods of Disposing of Hazardous and Non-Hazardous Waste in FYE2021



Notes:

- Hazardous waste refers to waste that is considered hazardous as legislated by the relevant laws and regulations in the countries in which we operate.
- For three-year waste management data, please refer to Performance Data on page 199.



Reused waste are materials that are used as the same material again.



Recycled are waste converted into reusable material.



Composted is a decayed organic material used as fertiliser.



Recovered waste are materials that have been recovered or diverted from landfills.



Incinerated is a treatment process involving the combustion of waste, which may also include energy recovery from the heat produced.



Landfill is a system of garbage and trash disposal in which waste is buried between layers of earth.



Zero discharge through the recycling of waste and by-products in our palm oil mill operations.

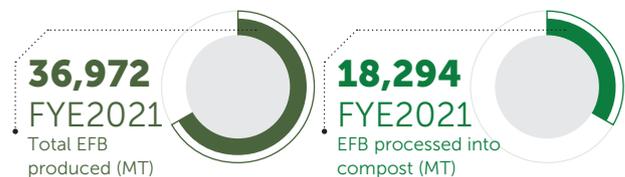
Plantation

Our Plantation division complies with a ‘zero-discharge’ policy that mandates recycling waste and by-products as far as possible. Our palm oil mill in Indonesia produces EFB and Palm Oil Mill Effluent (“POME”), which are recovered and reprocessed into fertiliser, compost and energy feedstock. We also ensure that our POME is properly treated before it is mixed with shredded EFB to produce compost.

POME discharged from the mill must not be reintroduced into the environment in its raw form due to its high acid content and rich nutrient content, which leads to high levels of Biochemical Oxygen Demand (“BOD”). Due to our efficient POME treatment, our average BOD reading for POME during land application is typically within the permissible discharge limits of <5,000 parts per million (ppm).

Our POME collected from the mill is first treated in on-site open ponds and far from other water sources to prevent contamination. The organic material in the wastewater is

broken down naturally by the anaerobic and aerobic mechanisms of bacteria. This process eliminates the need to add any chemicals before POME is mixed with shredded EFB and other biomass waste by-products to make compost. Apart from constant monitoring by PTNJL’s management and the local authorities, we ensure strict compliance with the local regulatory rules to prevent contamination of other water sources and mitigate any risk and repercussion.



Water Impact

GRI 303-1, 303-2, 303-3, 303-5, 306-1, 306-5

Water is a finite natural resource. Extreme weather events such as floods and droughts, as well as water shortages due to steadily rising aggregate water demand by a growing population, may adversely impact our business continuity and the communities and the biodiversities in which we operate. It is thus imperative for us to use water resources efficiently.

Water impact is an important material topic for the Group. The Group remains focused on efficient water management by reusing water throughout our operations where possible and ensuring strict regulatory compliance. Any water-related consequences such as pollution or degradation can potentially result in penalties, regulatory sanctions and/or public liability. In FYE2021, there were zero non-compliances committed in relation to water and discharge management.

We are incrementally improving our water impact disclosures, and we aim to include our water discharge data disclosure in the near future.

Water consumption

We source our water from utility water, harvested rainwater and treated surface water such as lakes and rivers, as well as borewells that are within the proximity of our operations.

Where feasible, efforts have been made to achieve water sustainability by putting in place technology and facilities to harvest rainwater and recycle water. We continuously measure, monitor and identify possibilities to reuse and recycle water at our facilities and premises.

Rainwater harvesting is one of our significant efforts to ensure water sustainability. We have invested in and installed 12 rainwater harvesting tanks with an aggregate

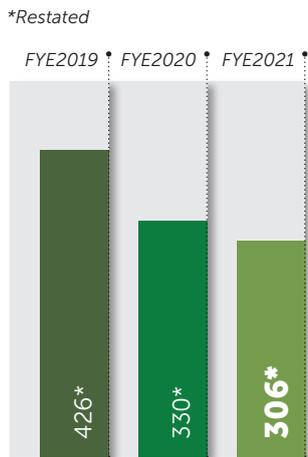


Sustainability Report: Environmental

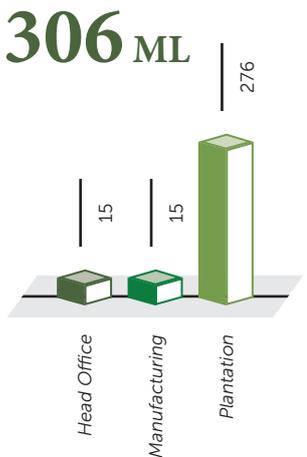
capacity of 12,000 litres in all our workers' quarters across our plantation operations. Rainwater harvesting is now a standard green feature in all new developments of our workers' quarters wherever possible. During the year under review, we also installed a rainwater harvesting tank on the rooftop of our Head Office. The harvested rainwater is used for washing cars, in the surau and landscape irrigation. In FYE2021, our rainwater collection increased by 46.2% to 9,500m³ from 6,500m³ collected in FYE2020. The Group's water withdrawal and consumption are guided by its environmental impact, financial impact and operational purposes (estates).

Overall, FimaCorp's water consumption decreased by 7.3% in FYE2021 due to lower water consumption in the Plantation division, and PTNJL's water consumption decreased by 3.6% compared to the previous year due to 11.0% less FFB processed. Thus, it increase the water intensity per tonne of FFB processed by 8.3%. We will continue to monitor and measure our water usage, especially in our mill operations in Indonesia.

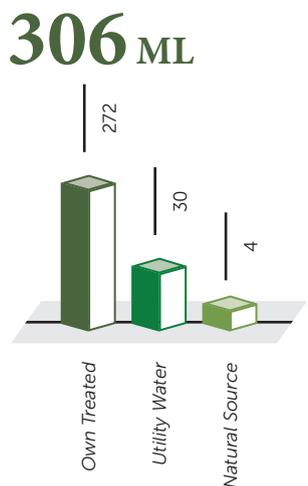
Water Consumption (ML)



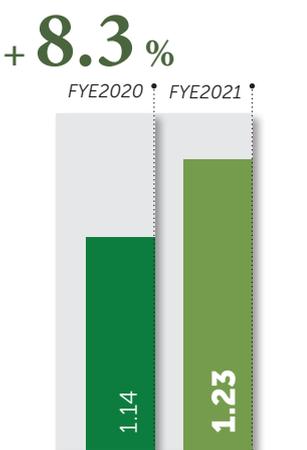
Water Consumption by Division (ML)



Water Consumption by Source (ML)



PTNJL - Water (m3) Intensity per Tonne FFB Processed



Note: Own treated water refers to surface water. Natural source refers to borewell water.

Effluents

At FimaCorp, our aim is to always keep the regulators informed on the progress and impacts of our projects by submitting water quality monitoring reports. In the Plantation division, we strive to keep track of the pollution levels caused by the plantation site clearing and constantly monitor the impacts of our operations on the surrounding rivers. All our operations ensure the quality of effluents discharged comply with the necessary local regulatory requirements. Going forward, we will further strengthen our effluents management by disclosing our water and effluents discharge in the future.

In Perak, Fima Sg. Siput Estate Sdn Bhd manages its effluents within the parameters established by the Department of Environment ("DOE") in the EIA approval conditions. Inter alia, the EIA approval stipulates that our water quality must be below or under Class IIA. The estate also engages an external accredited laboratory to take samples of its surrounding water qualities and sediment basin discharges at specific points along local rivers on a monthly basis, as required by the DOE. We are pleased to report that the Total Suspended Solids ("TSS") from the estate's water and effluent samples taken from six locations were within the DOE's requirement of 50 mg/litre throughout the year under review.

Note: According to Malaysia's Department of Environment, Class IIA means conventional treatment is required. For more information, please refer to <https://www.doe.gov.my/portalv1/wp-content/uploads/2019/05/Standard-Kualiti-Air-Kebangsaan.pdf>

Spotlight Story

Model Estate

Ladang Sg. Siput, a 2,000 hectare greenfield development in Perak, was selected by the Perak State DOE as a model estate due to its adoption of good environmental practices. The estate also abides by the Land Development, Pollution Prevention and Mitigation Measures (LDP2M2) or pollution control mitigation strategies. These obligations are integrated into the EIA approval conditions and are subject to periodic audits by the DOE, which ensures that the estate is meeting its commitments.

Ladang Sg. Siput will be developed in three phases with a net development area of 1,116 hectares (after buffer, steep and conservation areas). The planting programme commenced in the first quarter of the current financial year, and about 40 hectares have been planted. The first phase of planting on approximately 500 hectares is expected to be completed by the end of the current financial year. According to the DOE approval conditions, the estate is required to submit environment monitoring reports including external audits to the DOE on a monthly, quarterly and triannual basis.



During the year under review, the DOE found that the estate had a zero non-conformance, zero observations for improvements and endorsed the good practices employed at Ladang Sg. Siput. The good practices are:

Good Practices

Access road stabilisation	Proper domestic waste management
Best Management Practices	Proper chemical storage
Installed rain gauge on-site for accurate management of rainfall	Proper and sufficient signage on-site
Biomass stacked along the terrace to reduce soil erosion	EIA approval conditions displayed at site office
Proper scheduled waste management	

5 Best Management Practices

Best Management Practices (BMPs) are a set of voluntary agricultural practices that can maximise the productivity and sustainability of agricultural operations while protecting and enhancing natural resources. Ladang Sg. Siput embraced the following BMPs to ensure reduced sediment and prevent erosion:

- Constructed earth drain along buffer zone area to allow surface runoff flow towards a sedimentation basin before going into the river.
- Built a sedimentation basin with geotextile to reduce sediment from entering nearby rivers and prevent erosion on slopes.
- Installed silt fence to prevent soil erosion on slopes and enable rehabilitation works.
- Built a silt trap to prevent soil erosion and reduce TSS entering the earth drain.
- Planted legume cover crops to prevent broken terrace paths, reduce soil erosion, produce biomass and enhance the soil, and fix atmospheric nitrogen for subsequent crops.

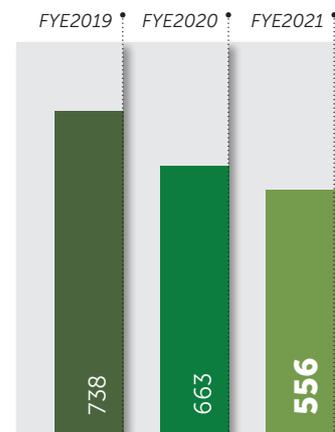
Energy and Emissions Management

GRI 302-1, 302-3, 302-4, 302-5

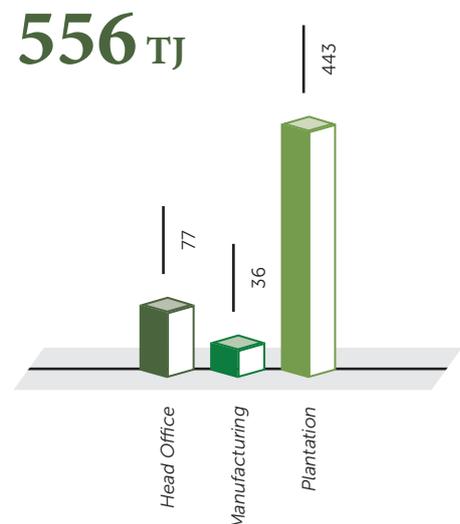
Energy management or energy efficiency not only reduces the use of natural resources and carbon emissions, but also reduces operational cost. Efficient energy consumption is a key business concern in all our operations, where each business division has its own energy consumption intensity.

As fuel is a significant operating cost in the Plantation division, our operations are continually focusing on reducing this cost by investing in fuel-efficient equipment, preventive maintenance programmes, technology and improved vehicle utilisation. We have also implemented various energy optimisation projects and initiated new studies, which upon implementation are expected to reduce the Group's energy consumption moving forward.

Total Energy Consumption (TJ)



Energy Consumption by Division in FYE2021 (TJ)



Sustainability Report: Environmental

Energy management initiatives



1 Installation of solar panels at Head Office, PKN Bangi and Ladang Cendana

Heating, Ventilation and Air Conditioning (HVAC) maintenance to ensure that the rated capacity of the equipment is maintained

2

3 Replacement of lighting with LED lighting

Utilised mesocarp fibre, palm shell and shredded EFB as feedstock for steam boilers at PTNJL's palm oil mill. Excess energy is used to power workers' quarters, government facilities, schools and mosques

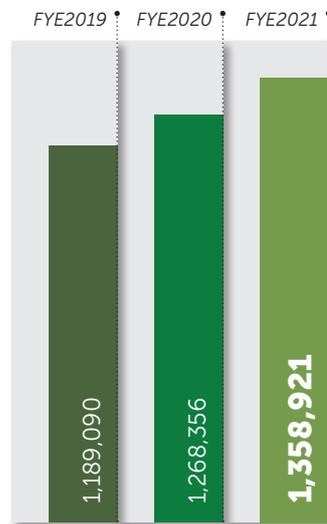
4

5 Reduced utilisation of genset diesel consumption during non-production time at PTNJL's palm oil mill

Fuel consumption

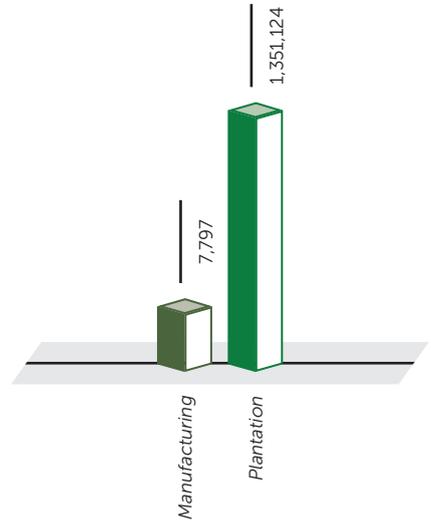
Our fuel consumption largely comes from boilers, generator sets and transportation. We measure our energy intensity based on the differences between our fuel consumption and levels of activities. During the year under review, our total fuel consumption increased by about 7.1% from 1,268,356 litres in FYE2020 to 1,358,921 litres.

Total Fuel Consumption (litre)



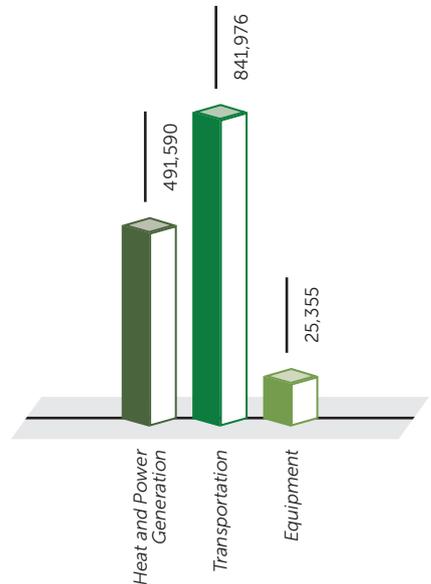
Fuel Consumption by Division (litre)

1,358,921



Fuel Consumption by Type (litre)

1,358,921



Note: Fuel consumption consists of petrol and diesel.

In Plantation, we aim to achieve optimised fuel consumption by adopting several sustainable practices. These include ensuring that lorries are fully loaded when transporting FFB, making sure estates harvest in accordance with their plans and closely monitoring estate vehicle fuel usage.



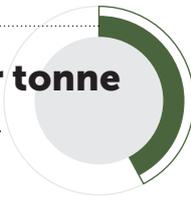
Our estates in Malaysia, which use external transporters, recorded a 12.5% increase in diesel consumption per tonne of FFB compared to the previous year. However, the diesel consumption intensity in our Indonesian estates, which use their own transport to the mill, increased by 3.5% due to a reduction in the FFB produced. This decrease in production was primarily due to declining yields from older areas and a reduction in the size of mature areas. Due to the different topographies of the estates, FFB transportation was chosen as the most suitable metric to measure diesel consumption.

Malaysia Plantation - Transportation Diesel (litre) Intensity per Tonne FFB Produced

+12.5%

1.82 litres per tonne FFB in FYE2021

1.62 litres per tonne FFB in FYE2020

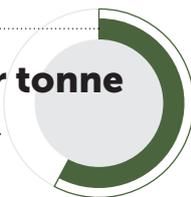


Indonesia Plantation - Transportation Diesel (litre) Intensity per Tonne FFB Produced

+3.5%

2.49 litres per tonne FFB in FYE2021

2.40 litres per tonne FFB in FYE2020



Electricity consumption

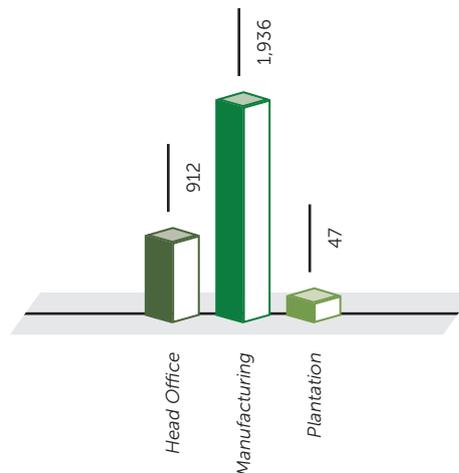
Our electricity consumption has been on a downward trend over the past 3 years, and this is attributable to a combination of increased utilisation of solar-generated electricity and factors related to the nature of business operations. In FYE2021, our electricity consumption reduced by 26.6% from 3,946MWh in FYE2020 to 2,895MWh. The low productivity in Manufacturing and the shift towards renewable energy in Head Office also contributed to the Group's lower electricity consumption and Scope 2 carbon emissions. Electricity consumption in Manufacturing dropped by almost 29.0% while our Head Office recorded a 30.1% reduction due to a lower occupancy rate in the building and less usage of air-conditioning during lockdown



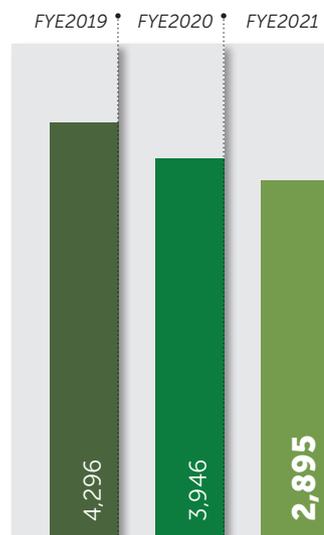
periods. Electricity consumption refers to purchased electricity from the national grid and does not include electricity generated from our own operations.

Electricity Consumption by Division in FYE2021 (MWh)

2,895 MWh



Electricity Consumption (MWh)



Climate Risk and GHG Emissions

GRI 305-1, 305-2, 305-5

Climate change is one of the major challenges facing our generation. Regulations and legal requirements are also evolving in a bid to encourage climate-friendly behaviour. The Group is no exception when it comes to generating GHG, and given its potential implications on our business, we acknowledge the need for us to transition to a low-carbon economy by, among others, investing in renewable energy and reducing process-related emissions, wherever viable. We believe that these actions will pay off in the long run, benefiting both the environment and our operations.

Across our businesses, we focus on actively reducing our GHG emissions by driving operational efficiencies, lowering fuel consumption, phasing in renewables and installing new energy-efficient technology or equipment. We have also been managing our emissions from an energy intensity perspective, whereby the Group's main source of scope 1 emissions is diesel and Scope 2 is purchased electricity.

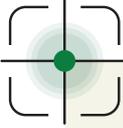
Sustainability Report: Environmental

Our GHG emissions disclosures are in respect of:



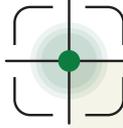
Scope 1

Direct emissions from our business operations, e.g. transportation, heat & power generation and equipment.



Scope 2

Indirect emissions, e.g. purchased electricity.



Estate Application

Plantation activities that generate carbon gains and losses such as planting oil palms, frond piles, fertilisers and POME.

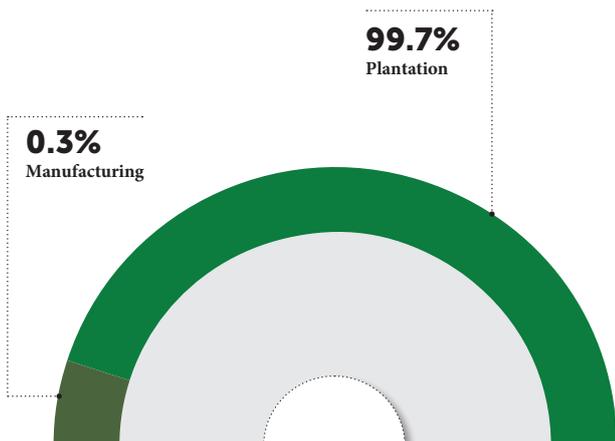
Carbon Emissions (tCO₂eq)



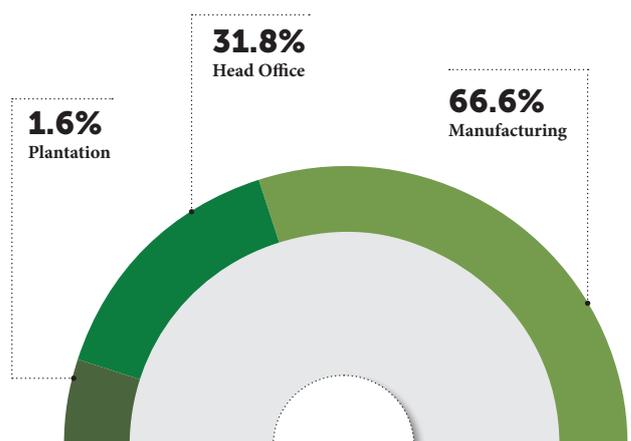
* This data does not include Fima Sg. Siput Estate Sdn Bhd.

Total Group tCO₂eq

Carbon Emissions Scope 1 FYE2021



Carbon Emissions Scope 2 FYE2021



Solar power

Ongoing initiatives are in place to lower our GHG emissions, including expanding the rollout of solar PV installation across the Group's operations. To date, the Group has invested RM1.00 million in solar PV systems to improve our energy efficiency and operational cost.



Generated
257 MWh

Avoided
227 tCO₂eq
equivalent to 27 homes' energy used for one year

Source: United States Environmental Protection Agency (EPA)

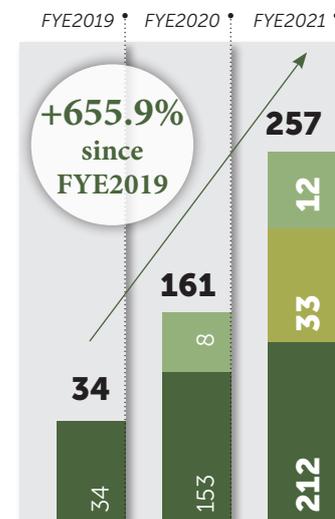
Saved
RM131,239.88
per annum

In FYE2021, solar PV systems were also installed at PKN's warehouse. In FYE2018, we installed a 25kW solar PV system in our Head Office building in Kuala Lumpur. The capacity was subsequently expanded to a 185kW in the following year. In FYE2021, the building generated 212MWh, equivalent to savings of RM108,099 per annum.

In Plantation, solar PV systems were installed at the workers' quarters and the office complex in Ladang Cendana in Kemaman, Terengganu, saving 605kWh on average per month, equivalent to tCO₂eq avoidance of 0.052 homes' energy use for one year.

Solar Power Generated according to Division (MWh)

- Head Office
- Manufacturing
- Plantation



SOCIAL



We recognise our obligations as a responsible member of the communities in which we operate, and we seek to build positive long-term relationships and mutual respect by engaging with our employees and the broader community, which in turn will help us understand and manage the impact of our activities. Our engagement and contributions take a number of forms, in an effort to support their – and our – long-term sustainability.



Good Social Practices Policy

FimaCorp remains guided by its Good Social Practices Policy in creating positive impacts for its employees and the communities in which it operates. Our partners, suppliers, contractors and vendors are also encouraged to support the policy, which outlines our commitment to upholding the human rights of our employees, contractors, their families and the communities. We ensure our daily business activities are in tandem with the principles set out in the Universal Declaration of Human Rights, the core conventions of the International Labour Organisation and national laws applicable to our operations.

Our commitment to human rights includes:

- Rejecting all forms of slavery, forced or child labour
- Providing a fair, safe and healthy working environment to ensure our employees are free from unlawful discrimination, harassment or victimisation
- Respecting the rights of employees to associate freely
- Recognising and respecting the cultural values and heritage of the communities in which we operate, securing a social licence to operate
- Being responsible stewards of the natural resources in our operations and reducing harmful effects through innovation, waste elimination and reuse, as stated in our Environmental Policy

We strive to attract and retain a diverse and talented workforce, build a healthy and supportive working environment and invest in developing our employees' skillsets to help them succeed in their roles and support their career goals. We also play an active role in creating value for communities. Our operations contribute to the prosperity of local communities by providing employment and supporting local enterprises, as well as through our investments in community development projects, philanthropic activities and employee-driven initiatives.



For more information on our Good Social Practices Policy, please visit our corporate website at <http://www.fima.com.my/service-provider.html>

Human and Workers' Rights

GRI 412-2

Human rights training and awareness are part of the Malaysian Sustainable Palm Oil ("MSPO") standards' requirements. Training and capacity building, which are integral to our Plantation business, are key areas that require ongoing focus.

During the year, there were a number of media reports alleging poor labour practices in several companies within the plantation and glove industries in Malaysia. While no concerns were identified in our own plantation operations, as a precautionary measure we reviewed our operating procedures relating to, inter alia, working hours, wages, forced and child labour to ensure that all relevant labour standards were adhered to.

Our guest workers are mostly from Indonesia, India and Bangladesh, and they constitute 3.8% of the Plantation division's total workforce. As such, we continuously strive to ensure that we do not engage in any form of unlawful discrimination in our recruitment and employment of guest workers and that their legal rights are duly respected. We ensure that prior to hiring, the basic terms of employment are provided or briefed to them in their native language. We fully bear the costs of recruitment, i.e. fees for working permit, levy, medical report/ FOMEMA, etc. Passports and other forms of personal identification remain



in the guest worker's possession at all times and are never to be withheld by us or any third party. In addition, there is no difference in wages between guest and local workers. Salary deductions are only made for salary advances and statutory contributions to EPF and SOCSO. Furthermore, they are provided with comfortable housing complete with basic amenities including recreational spaces and internet connection.

Our position in the respective industries in which we operate provides us with the opportunity to address human rights risks through sharing of best practices and participating in industry networks on the matter. We illustrate below how we view our own role when dealing with human rights issues:

The Group strongly rejects all forms of slavery and forced, bonded and child labour across our operations. We strictly comply with the minimum legal working age requirements in the countries we operate in, and we closely monitor the development of the relevant local labour laws. We expect our vendors and service providers to adhere to ethical business conduct consistent with our own, and are committed to working with them to fulfil this common goal.



Zero reported cases of breach of human and workers' rights.

Freedom of Association

GRI 402-1, 407-1

We respect the right of our workers to have freedom of association, and to participate in labour unions and collective bargaining, in compliance with local laws. To this end, we are dedicated to working closely with the labour unions and we ensure all negotiations are undertaken in good faith. Our collective agreements in PKN, which are revised every three years, were last revised in May 2020. We typically inform the union one month before effecting any significant operational changes that could affect them, as stated in the collective agreements.



In our own operations: we ensure that local and international labour standards are complied with to ensure no human trafficking or breaches of human rights

With suppliers and customers: we ensure traceability and social compliance through surveys and audit procedures

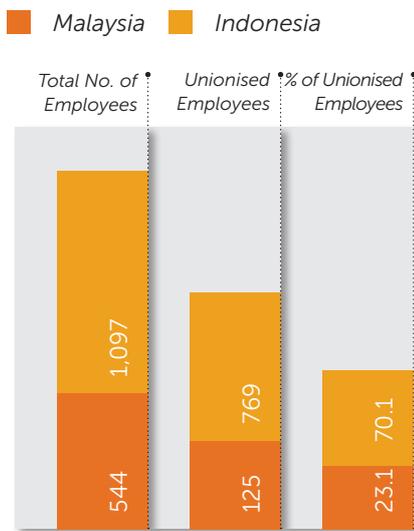
Broader issues facing our segments of industry: human rights issues require collective and concerted efforts from all stakeholders. The Group remains committed to engagement with regulators, NGOs and relevant stakeholders to identify and address potential adverse impacts that may arise as a result of our own activities or our business relationships, whether directly or indirectly

- Labour standards, employee benefits, occupational health and safety
- Traceability, social compliance
- Human rights legislation

Sustainability Report: Social

Among the provisions covered in our collective bargaining agreements are grievance and disciplinary procedures, paid time-off, paid maternity leave, severance and separation benefits, wages and performance management.

As of 31 March 2021, 54.5% of our employees were in labour unions and the Group did not experience any situations with the unions that disrupted our business operations.



Whistle-blowing Policy

GRI 102-17

The Group's Whistle-blowing Policy serves as a guideline for employees and all other stakeholders to report any fraudulent or illegal act or misconduct without fear of reprisal. We make every effort to protect the confidentiality of anyone who files a report of such nature. All our operations have grievance mechanisms in place that are accessible, accountable and fair, with consequence management in place such as official warnings, suspension and dismissal of guilty individual(s), following proper investigations. The Group Internal Audit and Group Human Resource Departments have the authority to conduct investigations of reported incidents.



Anyone who wants to file a complaint may send an email whistleblowing@fima.com.my and the Whistle-blowing Policy is accessible via <http://www.fima.com.my/service-provider.html>.

Covid-19 Response: Prioritising Workplace Safety and Employee Well-being

Key actions during the year included:

- Implementing a number of processes and protocols such as social distancing measures, more frequent cleaning and disinfecting, thermal scanning, distribution of face masks and hand sanitizer to all employees;
- Adopting remote working for corporate and other office-based employees with suitable technologies;
- Tracking and reporting suspected and confirmed cases of Covid-19 in the workplace, with associated cleaning regimes;
- RTK Antigen tests for 193 plantation workers across all estates in Peninsular Malaysia;
- Support for our workers in the form of distribution of essential care packs and food parcels;
- MySejahtera scanning at all Malaysia operations.

Diversity

GRI 102-8, 202-2, 401-1, 405-1, 406-1

The strength of our workforce comes from diversity and reflects the communities in which we operate. The Group's stance on diversity is guided by its Good Social Practices Policy. We hire and promote based on merit and performance and do not discriminate against age, race, gender, nationality, religious belief or disability. All our employees are expected to respect each other's cultures and differences to inculcate a non-discriminatory and harmonised work culture. We are pleased to report that there were zero reported cases of discrimination in FYE2021.



79.5% of our plantation workers in Malaysia are locals.

Employing people from diverse backgrounds gives us access to diversity of thought, capabilities and experience when making decisions on how to drive our business forward. It is a big challenge for the Group to hire female employees due to the nature of the job functions such as manual work in our plantations. Hence, the female take-up rate for these jobs appears to be significantly lower. While our Group workforce is balanced with 23.5% of our team members female, there is room to strengthen the gender balance in management roles.

The Board of FimaCorp comprises one woman and five men. There is an opportunity to improve at the senior management and middle-management levels where women hold 20.0% and 9.1% of positions, respectively. Moving forward, we intend to improve the number of women in our organisation, at all levels, taking into account the specific circumstances of that division, including the nature of our operations and cultures in the countries in which we operate.



Diversity of workforce

We support local employment in the countries in which we operate. In FYE2021, our local employment rate was 96.5%, and 100% of the Group's senior management were locals.

The majority of our workforce is in Plantation, which makes up 82.0% of the Group's total workforce. Employees aged between 30 and

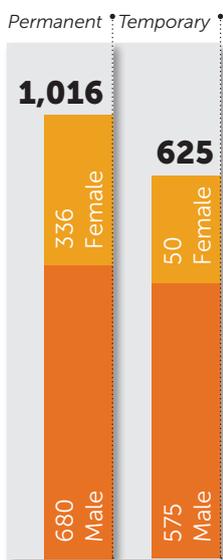
50 represent 61.2% of the Group's total workforce. Our Indonesian operations employ 66.8% of the Group's total workforce. Most of our employees are permanent employees, who represent 61.9% of the Group's total headcount. The remaining workforce are temporary employees hired on a contract basis, mostly in the Plantation division. We normally offer to renew their employment contract based on legal and performance review.

In FYE2021, our local employment rate was 96.5%.

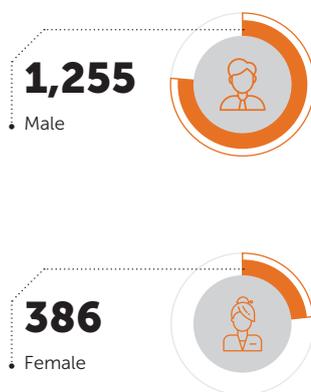


Headcount

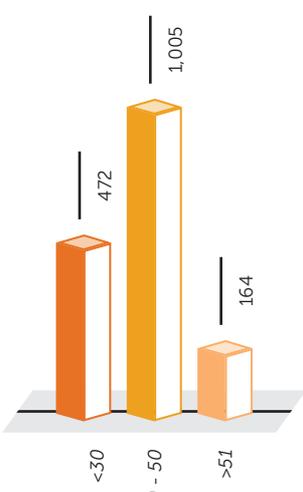
Employees by Employment Contract and by Gender



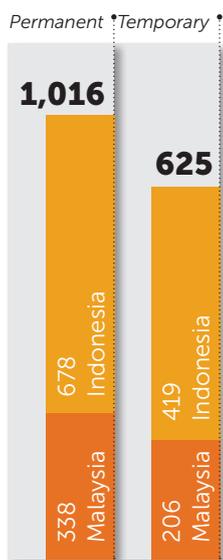
Gender



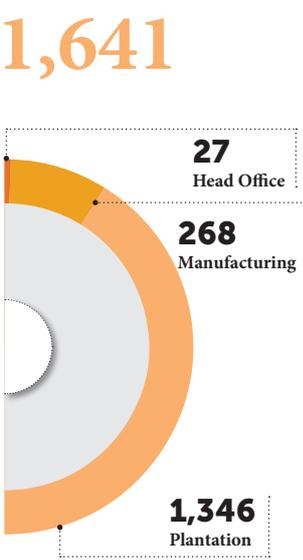
Age Group



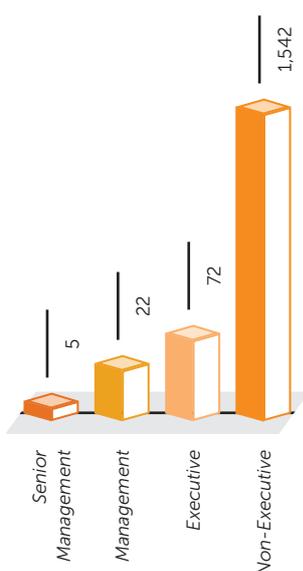
Employees by Employment Contract and by Country



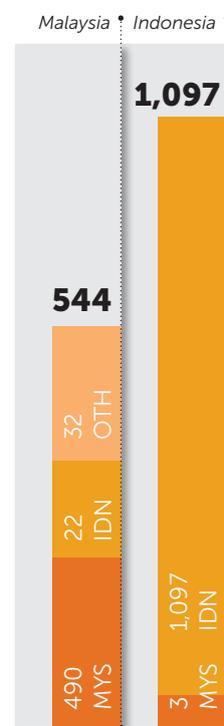
Division



Position



Nationality



Note: Others (OTH) include guest workers from Bangladesh and India.

Note: For more information on our Diversity of Workforce, please refer to Employee Performance Data on pages 202 to 206. For the Group's Board diversity, please refer to the Corporate Governance Overview Statement on page 74.

- (i) Employment contract refers to a contract with an employee and is recognised under national law.
- (ii) Permanent contract is an employment contract for an indeterminate period.
- (iii) Temporary contract is an employment contract that ends when a specific time period or task ends.

Sustainability Report: Social

New hires

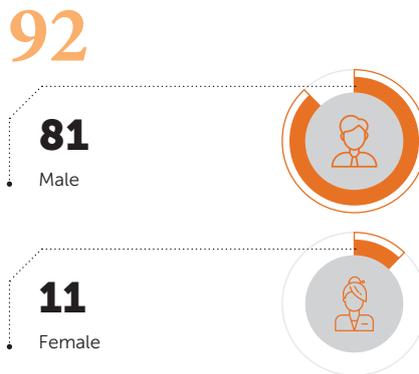
The Group's total new hires in FYE2021 was 92 compared to 550 in FYE2020. Due to the disruptions from the pandemic, the employment process of new guest workers as well as the renewal of guest workers' contracts in the Plantation division were interrupted.

As highlighted earlier, we do not permit nor tolerate any form of forced, bonded or child labour in our operations and we comply with the legal minimum age of working and prioritise local workers during recruitment. We acknowledge that there have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in loose fruit collection and other light tasks. To address this issue, spot checks are conducted regularly at the fields and facilities such as creches are provided where parents can leave their children while they go to work. Each employee's profile and identity documents are maintained in our HR data system, and we continuously monitor compliance with the minimum legal working age requirements enforced by the local authorities in the countries where we operate our businesses. All employees work on their own free will and without coercion.

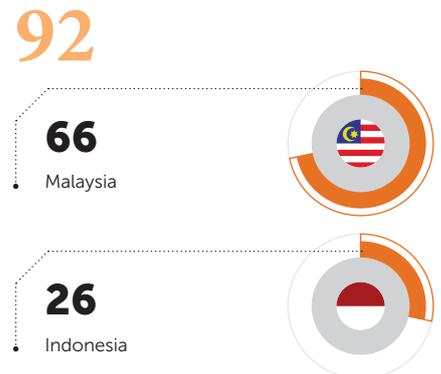
All new employees undergo an induction programme to help them familiarise themselves with all aspects of the Company and the Group, and to understand the responsibilities of their new role, the culture of our business and the processes they need to follow, as well as our expectations of ethical conduct. They are also provided with the Employee Handbook before or as soon as they start their new job. The Handbook provides new employees with information about their conditions of employment as well as the standards of professional behaviour expected.



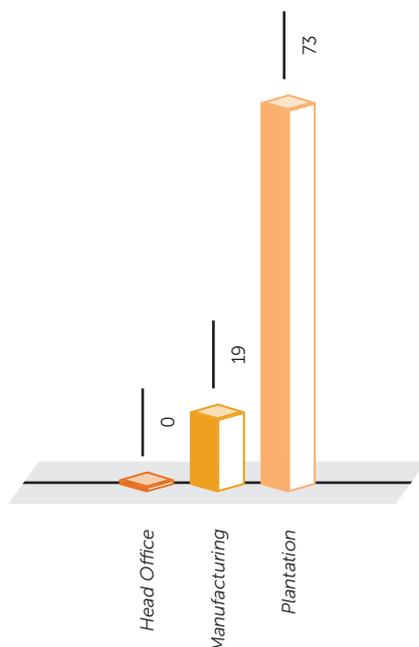
New Hires by Gender



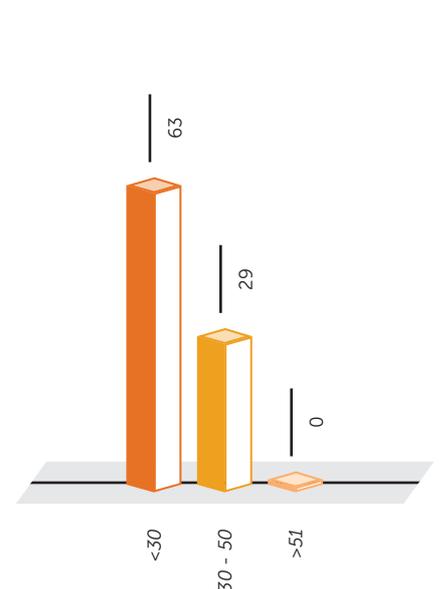
New Hires by Country



New Hires by Division



New Hires by Age Group

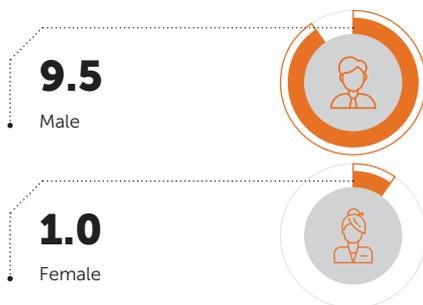


Turnover

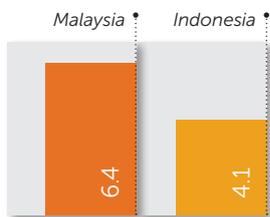
During the year under review, the Group recorded a turnover rate of 10.5%, lower than the previous year's 28.8%. Despite the economic challenges brought about by the pandemic, the Group was able to retain the headcount of our permanent workforce and maintain their benefits, such as medical coverage, this year. We also provided additional support to non-executive staff to ease the pressures on their families.

Total Turnover Rate: 10.5%

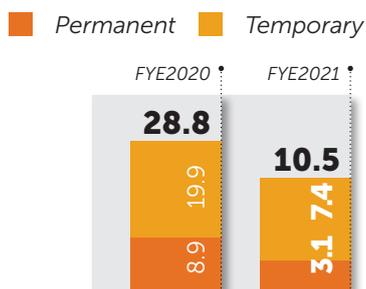
Turnover Rate by Gender (%)



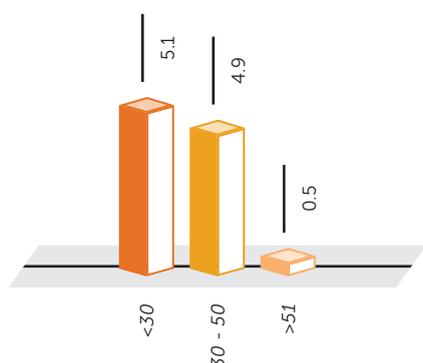
Turnover Rate by Country (%)



Turnover by Employment Contract (%)

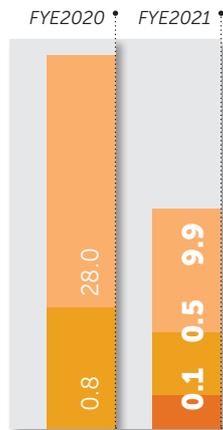


Turnover Rate by Age Group (%)



Turnover Rate by Division (%)

■ Head Office
 ■ Manufacturing
 ■ Plantation



Employee turnover in Plantation division for FYE2021 related primarily to the inability of our guest workers to return to Malaysia after their short break due to border closures. Improving retention is a critical priority for the Plantation division and as such, the division has ramped up efforts in building and upgrading workers' living quarters and estate infrastructure which are complete with basic amenities, sundry shops, recreational spaces, places of worship and internet connection, as well as providing rewards for high-performers.

Employee Engagement and Development

GRI 401-2, 404-1, 404-3

Employee engagement enables the Group to meet the needs of its people and shape a high-performing workforce. A highly engaged workforce helps to attract and retain the best talent, ensuring long-term sustainable business growth. The Group pursues a policy of active and open communication with its employees and an emphasis on keeping all parties promptly and thoroughly informed builds trust and mutual respect. Employees are kept regularly informed on important events and decisions by Group Human Resources, as well as directly by their line managers. Our engagement programmes normally include social events such as family days, sports activities and festive gatherings, but could not be organised due to the mandated social restrictions brought about by the pandemic.

We also recognise the importance of training and supporting our people. We strive to develop our employees to reach their maximum potential through training, job rotation and internal promotion opportunities. Training allocation is available annually for our employees to participate in internal or external workshops and seminars. We believe that a mixture of on-the-job learning, external training and upskilling programmes will develop targeted skills and knowledge for a specific role.

In FYE2021, we adapted to the pandemic situation by encouraging virtual training and workshops for our employees. We recorded a total of 3,183 hours of training, which was 49.9% or 3,170 training hours less than the previous year's due to disruptions from the pandemic. These included restrictions on job training and skill enhancement for non-executives, which impacted the Group's total training hours.

Headcount

1,641

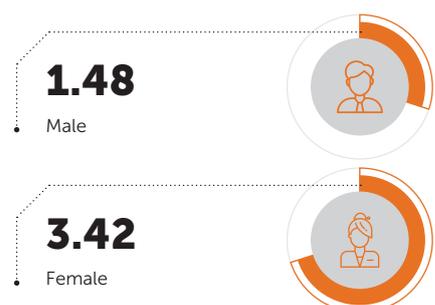
Total Hours

3,183

Average Training Hours per Employee

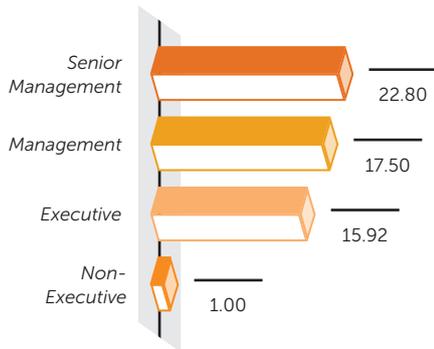
1.94

Average Training Hours by Gender



Sustainability Report: Social

Average Training Hours per Employee Category



Note: Data for Senior Management included training hours for the Managing Director, who also sits on the Board. For more information on training for the Board of Directors, please turn to page 78 in the Corporate Governance Overview Statement.

Benefits

The Group practises minimum wage payment in compliance with the local labour laws of the countries in which we operate. There is no gender discrimination in our minimum wage payment across the Group. In addition, employees are compensated for overtime in accordance with local laws.

We offer competitive benefits, which involve fixed and variable components according to employee job grade, taking into account of performance, qualifications and/or experience. Each location within the Group has its own locally defined employee benefit scheme. Overall, we offer a set of benefits to our eligible employees. We also offer a competitive remuneration package to our temporary workers. For eligible employees, the benefits include:

- Contributions to retirement fund
- Medical benefits for outpatient, specialist and hospitalisation treatment for employees, spouses and eligible children
- Group term life and personal accident insurance
- Maternity and paternity leave
- Mobile phone expenses
- Professional association membership fees
- Uniforms
- Alternative working hours
- Provision of comfortable housing with basic amenities such as recreational spaces and internet connection to our plantation workers

In addition, PTNJL also provides free transportation for the workers' children to nearby local schools. There is also a crèche at the estate which is subsidised by the company that caters to the needs of the plantation staff and workers. The provision of these facilities has enabled women to join PTNJL's workforce and, to some extent, has reduced the number of children accompanying their parents to the fields due to a lack of supervision at home.

Performance management

Our employees receive an annual performance review, which serves as an effective communication platform to gather feedback, share ideas, identify areas for improvement and recognise individual training and development needs. Every employee is given a set of annual key performance indicators, which, along with their annual performance and contribution, determines their annual increment, bonus and/or promotion.



During the year under review, 100% of our employees received their performance reviews.



Occupational Safety and Health (OSH)

GRI 403-1, 403-2, 403-7, 403-9, 403-10

Due to the nature of our business operations, operating safely, sustainably and responsibly is crucial for our sustainable growth. We continuously seek to inculcate a culture that protects people from harm and improves their health and well-being.

The Group remains guided by its Occupational Safety and Health Policy besides ensuring strict compliance with all the relevant local laws, regulations and requirements that uphold best practices in occupational safety and health. Safety and health training are continuously implemented for all our employees, visitors and contractors to prevent workplace injuries and fatalities. Further to that, regular preventive and scheduled maintenance is conducted in all our facilities and plants. We also ensure necessary repairs and replacements are carried out when required.



The health and safety of our employees is managed by each business division’s health and safety committee, which consists of management and employee representatives, in compliance with local regulatory requirements. These committees are responsible for the health and safety management of their staff, including managing, investigating and resolving reported incidences.

Emergency preparedness

As a responsible employer, we are committed to providing a safe and healthy workplace for our workers. In addition to providing first aid training to relevant personnel, our facilities are equipped with the necessary tools such as first aid kits, firefighting systems, adequate response plans and other safety programmes. We also conduct safety briefings at worksites prior to the start of daily activities to remind workers of the potential hazards and the importance of personal protective equipment.

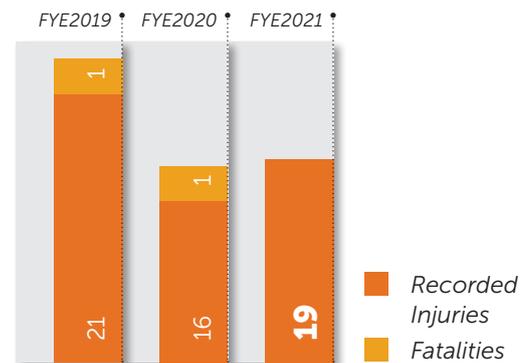


Zero fatalities in FYE2021.

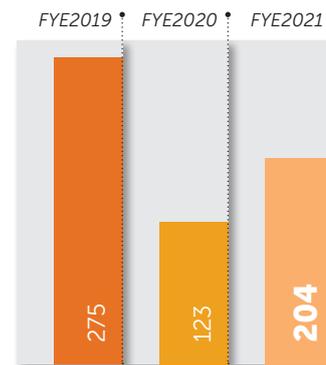
OSH performance

In FYE2021, while we recorded zero fatalities, the total number of injuries increased to 19 and as such, our Lost Time Injury Frequency Rate (“LTIFR”) increased from 4.40 to 5.34. LTIFR is a methodology recommended by the Malaysian Department of Occupational Safety and Health (DOSH) to consider ‘lost time injury’ as incidents resulting in an absence of more than five working days. Our recorded injuries in FYE2021 were mostly due to falling objects, logistical and physical factors and tools. Meanwhile, our accident rate was 11.23, up from 9.26 per 1,000 workers, with the majority of the accidents occurring in the Plantation division. The Group is committed to providing continuous training and education to the workers as part of our initiatives to reduce the number of accidents in the future.

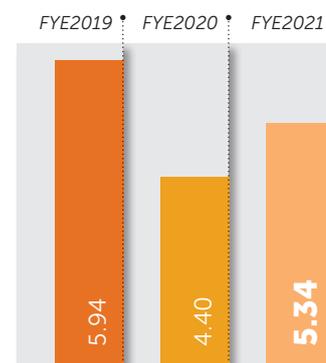
Total Injuries



Injuries by Absent Days



Lost Time Injury Frequency Rate (LTIFR)



Note: Per 1 Million Hours Worked.

Sustainability Report: Social

Community Investment

GRI 203-2, 413-1

With businesses across Malaysia and Indonesia, the Group has a local footprint in many communities. Our approach to community engagement is driven and managed by our businesses to ensure value is created in ways that best fit with their operations and geographic spread.

During the year, the Group continued its community care and involvement with various contributions in the form of donations, sponsorships and support in kind to charitable bodies and local community endeavours. Our Indonesian subsidiary PTNJL has made considerable investments in its local communities through support for education, healthcare, housing and general infrastructure. PTNJL also funds the monthly allowance of teachers and imams and supports local programmes such as Puskesmas nutrition programmes. In Malaysia, PKN contributed 263 units of tablet devices to their employees' children to enable them to attend online classes during school closures due to the pandemic.



We continued to support the PROTÉGÉ programme by the government, which assists undergraduate interns to acquire relevant job-specific skills and embrace organisational and work culture through on-the-job placements and skills development. During the year under review, we invested more than RM200,000 in the programme and offered internships to 99 undergraduates, spread across the Group. The interns were exposed to various work experiences and skills such as practical job exposure and soft skills to build interpersonal skills. Allowances and benefits were given during the programme.



PKN invested more than RM200,000 in the PROTÉGÉ programme.

Covid-19 Response: Initiatives in Support of Communities



FimaCorp's Head Office and PKN donated 1,360 boxes of face masks to the Malaysian Relief Agency.

Malaysia

- FimaCorp and PKN donated **1,360** boxes of face masks worth **RM102,000** to the Malaysian Relief Agency for all hospitals nationwide.
- Fima Technology Sdn Bhd provided free disinfection cleaning services to Masjid Saidina Umar Al-Khattab in Kuala Lumpur.
- FimaCorp donated **400** bags of food and essential items to the poor and needy in Kampung Bharu, Kuala Lumpur.
- PKN contributed **263** units of tablet devices to their employees' children to attend online classes during school closures.

Indonesia

- Contributed a cash donation of more than **RM4,000** to Dinas Pemberdayaan Perempuan and Perlindungan Anak for social service activities in Northern Kalimantan.
- Disinfected several public areas, e.g. halls, mosques and clinics as a community service.
- Distributed food to workers and the local community in the Sei Menggaris area which included:

567 bags of 10kg rice



4,153 bags of 5kg rice



11,600 packs of instant noodles



2,310 packs of 1 litre cooking oil



GOVERNANCE



Upholding good governance is fundamental for the sustainability of any business organisation. At FimaCorp, we are guided by our corporate values in ensuring responsible business practices. We uphold accountability, ethics and integrity while integrating sustainability with responsibility. Underpinning our responsible business practices are robust policies and frameworks as well as operational efficiency that ensure continuous value creation for our stakeholders.

Governance

GRI 102-29, 102-20, 102-31, 102-32

Due to the nature of our businesses, most of our activities are highly regulated by laws that are related to health, safety, environment and community impacts. As such, we remain committed to complying with the laws and regulations of the countries in which we operate. To further deepen our commitment to the health and safety of our stakeholders and environmental conservation, we strive to go beyond regulatory rules and compliance, where feasible, to ensure we deliver excellence.

Given that our operations span two countries, it is vital for us to uphold the highest possible standards of governance to ensure we maintain our social licence to operate. To this end, we have in place a comprehensive system of stewardship and accountability that is compliant with all applicable rules, regulations and standards, as well as internal and external policies.

Our commitment is demonstrated through good corporate citizenship, zero tolerance for fraud, bribery and corruption, a sustainable and traceable supply chain and ensuring the safety, quality and standards of our products by meeting local and international standards.

Sustainability Report: Governance

The Group's governance framework provides a solid structure for effective and responsible decision-making within the organisation. The Board has oversight of the risks and opportunities arising from our activities and is responsible for setting the direction, strategies and financial objectives of the Group, having regard to the interests of shareholders, stakeholders and the wider community. The Board is supported by dedicated Board Committees, each with its own charter setting out its roles and responsibilities. The Audit & Risk Committee ("ARC"), the majority of whom are independent directors, assists the Board in fulfilling its oversight responsibilities for the Group's sustainability practices. The ARC reviews risks that could materially affect our ability to achieve our strategic objectives, and is responsible for ensuring that management addresses those risks by implementing appropriate mitigation measures. Our legal, tax and finance teams also work closely with our businesses to help them identify, understand and comply with local laws and fiscal regulations. The effectiveness of the Group's internal controls and processes are reviewed by internal audit.

The Group Sustainability Committee, which reports to the ARC, steers the Group's sustainability activities. It is presently chaired by a Senior Independent Non-Executive Director of Fima Corporation Berhad, thus ensuring that we have Board-level oversight of the critical sustainability issues affecting the business and how they should be managed.

The Committee comprises staff from Group Corporate Services ("GCS") based in Head Office. Team members from GCS are responsible for developing the sustainability reporting formats and data collection.

They are also responsible for supporting and advising (including training) all business units on the development and implementation of any improvement/efficiency projects and reviewing the progress thereof.

The day-to-day management of sustainability commitments and implementation of programmes is guided by divisional leadership. The divisions are also responsible for adopting sustainability strategies tailored to their operating needs, as well as providing the resources needed for their implementation.

They align their brands, technologies and sites involved to sustainability in line with the specific challenges and priorities of their business portfolio. Each division prepares its sustainability report to the Head Office on a monthly basis, which is then collated and presented to the ARC on a quarterly basis. The report includes topics such as safety, environment, attrition and compliance issues.

We have an established enterprise risk management process that allows us to identify and evaluate risks and opportunities by both severity of impact and probability of occurrence. This evaluation also includes non-financial risks and opportunities such as regulatory, integrity and reputational risks. Each business unit has developed policies and procedures to comply with the minimum control standards established for specified processes, including methods to mitigate risk, monitor compliance and take corrective actions.



For more information on:

- i. The Group's Board of Directors and the Group Sustainability Committee, please refer to the Corporate Governance Overview Statement on pages 74 to 87.
- ii. The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 91 to 101.

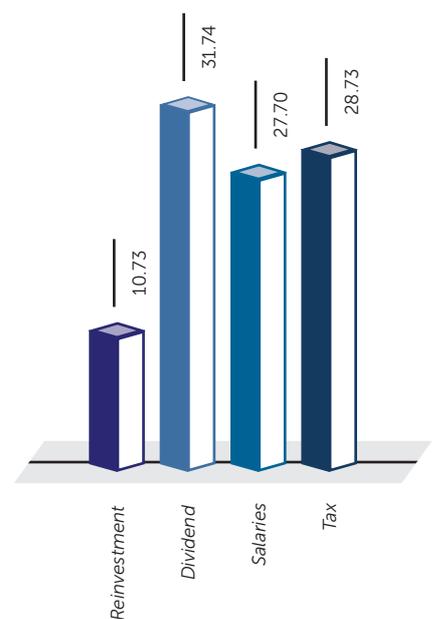
Responsible Business Practices

GRI 201-1

Apart from providing employment to more than 1,600 people in two countries, we also contribute by paying direct and indirect taxes that help to support the funding for public services by government institutions. These include local and government taxes, social security contributions on the wages of our employees, SST and customs duties and property taxes. The taxes we pay are therefore an important part of the socioeconomic impact that we have on the development of the communities where we operate. Our contributions reflect our commitment to responsible growth and creating sustainable value for all our stakeholders.

We are aware of investors' rising interest in ESG matters and as such, we have formally integrated ESG into our ERM framework which will further reinforced consideration of ESG elements into all our decision making processes.

Value Distribution to Stakeholders (RM million)





PKN has attained ISO 37001:2016 Anti-Bribery Management Systems certification.

Anti-Fraud, Bribery and Corruption

GRI 205-2, 205-3

FimaCorp has zero tolerance for any form of fraud, bribery and corruption and constantly communicates its Anti-Bribery Policy to its employees across all levels through training and awareness initiatives. Our Anti-Bribery Policy prohibits the Group and its officers, employees, agents and service providers from giving or offering, soliciting, receiving or agreeing to receive any gratification in exchange for a favour or to secure any improper advantage. All third parties are required to acknowledge and comply with the Anti-Bribery Policy before entering into a business relationship with FimaCorp. Anti-corruption clauses are also included in all contracts and procurement policies. We treat any violation of the policy seriously and will undertake necessary actions, including disciplinary action, cessation of business/contractual relationship and reporting to the authorities.

In FYE2021, several employees of a Group subsidiary were investigated for their alleged involvement in theft and corrupt practices. Although the investigation of the employees related to corruption did not result in any confirmed incidents of corruption, certain internal controls needing improvement were identified and have been addressed by management. Since 2020, all relevant employees have been required to complete the Group's anti-bribery course (either by e-learning or workshops) and at regular intervals thereafter. Our

training materials are updated to ensure they remain engaging and relevant to the risks encountered by the employees. Senior management also conducts periodic reviews of mandated authority limits to strengthen transparency and integrity. Furthermore, all employees are required to attest on an annual basis that they have and will continue to comply with the Group's Anti-Bribery Policy and to report any concerns that they may have. Likewise, we expect our suppliers and contractors to uphold the same high ethical standards as our people.



To read more about our Anti-Bribery Policy, please visit our corporate website at <http://www.fima.com.my/service-provider.html>

Cybersecurity

GRI 418-1

Safeguarding data protection and cybersecurity is paramount for the sustainability of the Group. Any breaches of data privacy will severely impact our reputation and daily operations, exposing the Group to legal and financial risks. We do not tolerate any leakage of confidential information or illegal manipulation of information, and we continuously seek to minimise the risk of technological disruption by leveraging synergetic opportunities with technological partners to innovate and strengthen our digital-proofing strategies.

We take threats of malicious software, phishing attacks and spam seriously, and we constantly review our cybersecurity systems to ensure



There were zero breaches of data privacy and information during the year under review.

our IT network and information and communication assets are protected. Apart from installing and updating antivirus or firewall software periodically, our security systems include system access control, change management, security incident management, system development and periodic maintenance review and update. The product life cycles of software and hardware and warranty policies are reviewed annually.

We also have in place plans and procedures which are audited to ensure they remain updated and relevant. These include IT disaster recovery plans for IT systems and infrastructure, as well as procedures for power outage, maintenance and site safety. Additionally, we ensure there are adequate service level agreements with external service providers. There were zero breaches of data privacy and information during the year under review.

Sustainable and Traceable Supply Chain

GRI 102-9, 204-1

Ensuring a sustainable and traceable supply chain is integral to our diverse business operations across two industries. Any disruptions to our supply chains will affect the production of our business divisions, exposing the Group to legal, financial and reputational risks. This requires responsible procurement and sourcing to enable us to deliver sustainable solutions for our customers, suppliers and the community at large. Hence, we actively engage with our suppliers throughout the procurement process, from tendering and bidding to surveying and inspecting sites. Our constant communication with suppliers covers a comprehensive range of topics including cost efficiencies and environmental and social compliance, enabling us to enhance transparency and traceability.

Sustainability Report: Governance



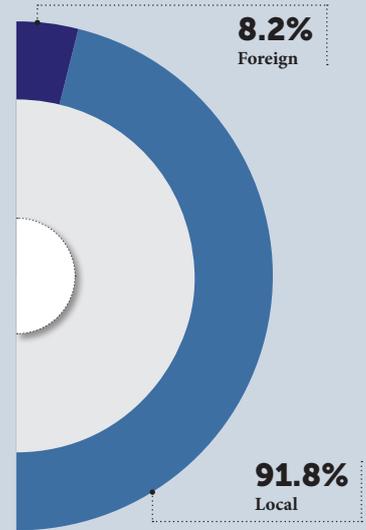
Supporting local procurement

We aim to make a positive and sustainable contribution to the well-being and prosperity of the communities in which we operate by providing employment and business opportunities. We also train local employees at our job sites, providing technical training and skills to improve workers' wage-earning potential. In addition, we support local suppliers and entrepreneurs through purchasing local goods and services. In Indonesia, 91.8% of procurement contracts for goods and services have been awarded to local companies. In addition, 20.4% of the FFB processed by the palm oil mill is purchased from smallholder farmers and third-party growers.



In FYE2021, 91.8% of PTNJL's suppliers were local.

Local Procurement (%)



Licences and Permits

In FYE2021, the Group's businesses maintained 97 licences and permits required in order for them to operate in compliance with the requirement of the governing authorities. Plantation division holds the most licences and permits due to stricter regulations and higher standards.

Upholding Quality, Standards and Certifications

GRI 102-12, 102-13

To maintain safety and quality standards throughout our supply chains, our businesses stay current with new regulations, industry best practices and marketplace conditions. Each business has its own documented policies and procedures that the business should exercise for specified processes. To ensure compliance with these requirements, we are subject to several audits and inspections.

Plantation

Since FYE2020, 100% of our fully develop Malaysian estates are MSPO-certified. However, PTNJL's application for the Indonesian Sustainability Palm Oil (ISPO) certification is currently pending due to an ongoing legal suit. Other significant certifications and standards achieved by this division are ISO50001:2011 and ISO 14001:2015.



Malaysia Sustainable Palm Oil (MSPO)

All 11 Malaysian estates are MSPO-certified. The MSPO ensures responsible management of palm oil plantations, smallholdings and palm oil processing facilities. The MSPO certification also covers human and workers' rights protection. To maintain the MSPO certification, selected employees were sent for training to ensure we meet the necessary standards set by the Malaysian Palm Oil Certification Council, which cover responsible practices including human and workers' rights.



ISO 50001:2011 (Energy Management System)

PTNJL is accredited with ISO 50001:2011 for its energy management system (EMS). This certification is awarded to companies that have a robust EMS in place. The EMS is a tool that will enable PTNJL to implement continuous improvement plans to improve its energy efficiency and help preserve resources.



ISO 14001:2015 (Environment Management System)

PTNJL is ISO 14001:2015-certified for its sustainable environmental practices in the production of its CPO, CPKO and palm kernel.

Manufacturing

In April 2021, PKN was accredited with ISO 37001:2016 Anti-Bribery Management Systems. At the time of writing this Report, PKN was going through the final stage of the accreditation process to attain ISO 14298:2013 Graphic Technology Security Management of Security Printing Process certification.



ISO 27001:2013 Information Security Management

The accreditation reflects PKN's compliance with the highest international and security control standards to protect information against any security risks, underpinning the company's commitment to delivering excellence.

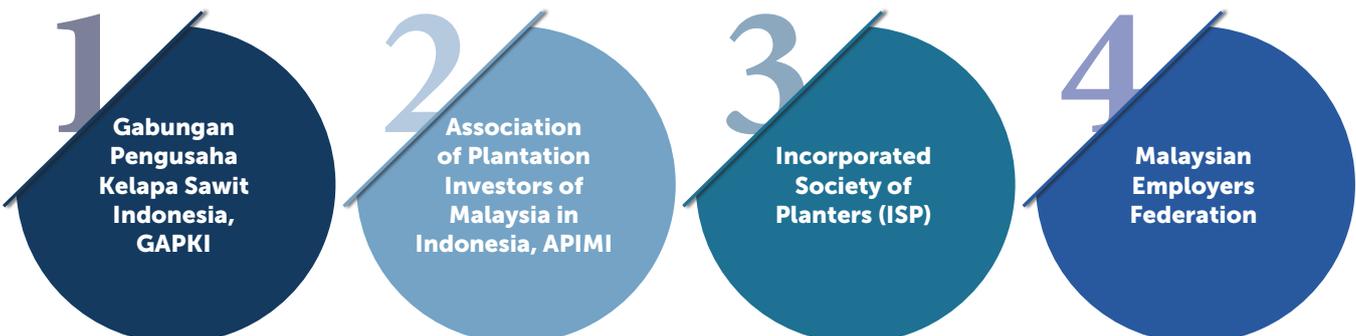


ISO 37001:2016 Anti-Bribery Management Systems

This certification strengthens PKN's commitment against bribery and corruption while validating the division's professionalism and capability in printing documents of high-level security and confidentiality.

Membership of associations

GRI 102-13



PERFORMANCE DATA

ENVIRONMENT

Waste Management

Total waste by type (MT)

Type	FYE2019	FYE2020	FYE2021
Hazardous	7	14	15
Non-hazardous	214,805	156,003	207,273
Total	214,812	156,017	207,288

Total waste by division (MT)

Division	FYE2019	FYE2020	FYE2021
Plantation	236	177	106
Manufacturing	214,576	155,840	207,182
Total	214,812	156,017	207,288

Total waste by disposal method (MT)

Disposal Method	FYE2021		
	Hazardous waste	Non-hazardous waste	Total
Reused	nil	145,046	145,046
Recycled	15	91	106
Composted	nil	62,051	62,051
Recovered	nil	85	85
Total	15	207,273	207,288

Total empty fruit bunches ("EFB") produced

	FYE2019	FYE2020	FYE2021
Total EFB produced (MT)	47,244	41,529	36,972
EFB processed into compost (MT)	27,155	4,710	18,294

Water Consumption (Megalitre)

Year	Water Consumption
FYE2019	426*
FYE2020	329*
FYE2021	306

*Restated

Performance Data

Water consumption by division (Megalitre)

Division	FYE2019	FYE2020	FYE2021
Head Office	13	16	15
Manufacturing	20	13	15
Plantation	393	300	276
Total	426	329	306

Water consumption by source (Megalitre)

Source	FYE2019	FYE2020	FYE2021
Own Treated	384	295	272
Utility Water	37	29	30
Natural Source	5	5	4
Total	426	329	306

Note:

Own treated water refers to surface water.

Natural source refers to borewell water.

Energy Consumption (TJ)

Year	Total Energy Consumption
FYE2019	738
FYE2020	663
FYE2021	556

Energy consumption by division (TJ)

Disposal Method	FYE2019	FYE2020	FYE2021
Head Office	108	103	77
Manufacturing	61	52	36
Plantation	569	508	443
Total	738	663	556

Fuel Consumption (litre)

Year	Fuel Consumption
FYE2019	1,189,090
FYE2020	1,268,356
FYE2021	1,358,921

Performance Data

Fuel consumption by division (litre)

Division	FYE2019	FYE2020	FYE2021
Manufacturing	7,590	6,142	7,797
Plantation	1,181,500	1,262,214	1,351,124
Total	1,189,090	1,268,356	1,358,921

Fuel consumption by type (litre)

Type	FYE2019	FYE2020	FYE2021
Heat and Power Generation	448,866	514,199	491,590
Transportation	708,972	726,696	841,976
Equipment	31,252	27,461	25,355
Total	1,189,090	1,268,356	1,358,921

Note: Fuel consumption consists of petrol and diesel.

Fuel Consumption Intensity**Plantation - Transportation Diesel (litre) Intensity per Tonne FFB production**

	FYE2020	FYE2021
Malaysian	1.62	1.82
Indonesian	2.40	2.49

Note: Three-year data for intensity will be in the next Sustainability Report.

Electricity Consumption (MWh)

Year	Electricity Consumption
FYE2019	4,296
FYE2020	3,946
FYE2021	2,895

Electricity consumption by division (MWh)

Division	FYE2019	FYE2020	FYE2021
Head Office	1,533	1,305	912
Manufacturing	2,723	2,600	1,936
Plantation	40	41	47
Total	4,296	3,946	2,895

Performance Data

Greenhouse Gas Emissions (tCO₂eq)

FY	Scope 1	Scope 2	Estate Application	Total
Carbon emissions				
FYE2019	8,601	2,866	10,920	22,387
FYE2020	8,147	2,632	7,799	18,578
FYE2021	7,670	1,988	10,178*	19,836

*This data does not include Fima Sg. Siput Estate Sdn Bhd.

Solar Power (MWh)

Year	Solar Power Generated
FYE2019	34
FYE2020	161
FYE2021	257

Solar power generated by division (MWh)

Division	FYE2019	FYE2020	FYE2021
Head Office	34	153	212
Manufacturing	nil	nil	33
Plantation	nil	8	12
Total	34	161	257

SOCIAL

Headcount

Headcount by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	480	518	472
30 - 50	1,058	1,056	1,005
>51	182	170	164
Total	1,720	1,744	1,641

Headcount by gender

Gender	FYE2019	FYE2020	FYE2021
Female	431	409	386
Male	1,289	1,335	1,255
Total	1,720	1,744	1,641

Performance Data

Headcount by position

Position	FYE2019	FYE2020	FYE2021
Senior Management	7	6	5
Management	26	27	22
Executive	65	78	72
Non-Executive	1,622	1,633	1,542
Total	1,720	1,744	1,641

Headcount by division

Division	FYE2019	FYE2020	FYE2021
Head Office	34	36	27
Manufacturing	290	287	268
Plantation	1,396	1,421	1,346
Total	1,720	1,744	1,641

Headcount by nationality

Nationality	FYE2019	FYE2020	FYE2021
Malaysia	526	563	493
Indonesia	1,169	1,156	1,116
Bangladesh	25	25	23
India	nil	nil	9
Total	1,720	1,744	1,641

Headcount by local employment

Country	FYE2019	FYE2020	FYE2021
Malaysia	567	622	544
Indonesia	1,153	1,122	1,097
Total	1,720	1,744	1,641

Employees by Employment Contract, Gender and Country**FYE 2019**

Employment Contract Country/Gender	Permanent		Total	Temporary		Total	Grand Total
	Male	Female		Male	Female		
Malaysia	215	131	346	180	41	221	567
Indonesia	706	252	958	188	7	195	1,153
Total	921	383	1,304	368	48	416	1,720

FYE 2020

Employment Contract Country/Gender	Permanent		Total	Temporary		Total	Grand Total
	Male	Female		Male	Female		
Malaysia	230	126	356	214	52	266	622
Indonesia	592	222	814	299	9	308	1,122
Total	822	348	1,170	513	61	574	1,744

Performance Data

FYE 2021

Employment Contract Country/Gender	Permanent		Total	Temporary		Total	Grand Total
	Male	Female		Male	Female		
Malaysia	212	126	338	172	34	206	544
Indonesia	468	210	678	403	16	419	1,097
Total	680	336	1,016	575	50	625	1,641

Note: All FimaCorp employees are full-time staff.

New Hires

New hires by division

Division	FYE2019	FYE2020	FYE2021
Head Office	6	1	nil
Manufacturing	93	75	19
Plantation	493	474	73
Total	592	550	92

New hires by gender

Gender	FYE2019	FYE2020	FYE2021
Female	64	43	11
Male	528	507	81
Total	592	550	92

New hires by country

Country	FYE2019	FYE2020	FYE2021
Malaysia	322	294	66
Indonesia	270	256	26
Total	592	550	92

New hires by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	322	320	63
30 - 50	261	227	29
>50	9	3	nil
Total	592	550	92

Turnover (%)

Turnover rate by gender

Gender	FYE2019	FYE2020	FYE2021
Female	26.8	26.2	9.5
Male	3.2	2.6	1.0
Total	30.0	28.8	10.5

Performance Data

Turnover rate by country

Country	FYE2019	FYE2020	FYE2021
Malaysia	9.0	8.9	6.4
Indonesia	21.0	19.9	4.1
Total	30.0	28.8	10.5

Turnover rate by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	12.7	14.3	5.1
30 - 50	16.7	13.9	4.9
>50	0.6	0.6	0.5
Total	30.0	28.8	10.5

Turnover rate by division

Division	FYE2019	FYE2020	FYE2021
Head Office	0.1	nil	0.1
Manufacturing	2.8	0.8	0.5
Plantation	27.1	28.0	9.9
Total	30.0	28.8	10.5

Average Training Hours

Year	Headcount	Total training hours	Average training hours per employee
FYE2019	1,720	5,971	3.47
FYE2020	1,744	6,353	3.64
FYE2021	1,641	3,183	1.94

Average training hours by gender

Gender	FYE2019	FYE2020	FYE2021
Female	3.88	5.32	3.42
Male	3.33	3.13	1.48

Average training hours by employee category

Employee category	FYE2019	FYE2020	FYE2021
Senior Management	18.29	12.67	22.80
Management	45.73	19.85	17.50
Executive	15.35	21.08	15.92
Non-Executive	2.19	2.46	1.00

Performance Data

Occupational Health and Safety

Total recorded injuries and fatalities

	FYE2019	FYE2020	FYE2021
Recorded injuries	21	16	19
Fatalities	1	1	nil

Injuries by absent days

	FYE2019	FYE2020	FYE2021
Absent days	275	123	204

Lost time injury frequency rate ("LTIFR")

	FYE2019	FYE2020	FYE2021
LTIFR*	5.94	4.40	5.34

Note: Per 1 million hours worked.

Unionised Employees

	Malaysia	Indonesia
Total No. of Employees	1,130	1,097
Unionised Employees	125	769
% of Unionised Employees	11.1	70.1

GOVERNANCE

Value distribution to stakeholders (RM million)

Stakeholders	FYE2019	FYE2020	FYE2021
Reinvestment	22.90	17.00	10.73
Dividend	33.90	30.05	31.74
Salaries	32.00	33.77	27.70
Tax	20.66	12.30	28.73

Supply chain – Procurement values (%)

Supplier/Country	FYE2019	FYE2020	FYE2021
	Indonesia	Indonesia	Indonesia
Foreign	6.6%	7.9%	8.2%
Local	93.4%	92.1%	91.8%

GRI CONTENT INDEX

GENERAL DISCLOSURES

GRI 102: General Disclosures

Disclosure Number		Page	Remarks
102-1	Name of the organisation	Front Cover	Fima Corporation Berhad (197401004110) (21185 P)
102-2	Activities, brands, products, and services	12, 29-43	Refer to the Group Corporate Structure, Management Discussion & Analysis and Segmental Report sections in this Report.
102-3	Location of headquarters	13	Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.
102-4	Location of operations	197-198	Refer to the Directory of Group Operations in this Report.
102-5	Ownership and legal form	13	FimaCorp is a public company listed on the Main Market of Bursa Malaysia Securities Berhad <ul style="list-style-type: none"> • Stock Name: FIMACOR • Stock Code: 3107 • Sector: Industrial Products and Services.
102-6	Markets served	35-43	Refer to the Segmental Report sections in this Report.
102-7	Scale of the organisation	12, 63, 202 23, 24, 29-43	Refer to the following sections in this Report: <ul style="list-style-type: none"> • Group Corporate Structure and workforce data in this Report. • Management Discussion & Analysis, Segmental Reports, 5-Year Group Financial Highlights.
102-8	Information on employees and other workers	63, 203	All FimaCorp employees are full-time workers. Total Permanent workers: 1,016 Total Temporary workers: 625 Refer also to the Social section of the Sustainability Statement and Performance Data.
102-9	Supply chain	71-72	FimaCorp's supply chain predominantly consists of contractors and vendors providing raw materials, services, packaging materials and logistics services.
102-10	Significant changes to the organisation and its supply chain	-	There were no significant changes in FYE2021.
102-11	Precautionary Principle or approach	91-101	Refer to the Statement on Risk Management and Internal Control in this Report.
102-12	External initiatives	48-49, 72-73	UNSDGs, MSPO, Certifications
102-13	Membership of associations	73	<ul style="list-style-type: none"> • Gabungan Pengusaha Kelapa Sawit Indonesia • Association of Plantation Investors of Malaysia in Indonesia (APIMI) • Incorporated Society of Planters (ISP) • Malaysian Employers Federation
102-14	Statement from senior decision-maker	24-28	Refer to the Chairman's Statement in this Report.
102-15	Key impacts, risks, and opportunities	50-73, 91-101	Our approach to managing the key impacts, risks and opportunities is reviewed in the respective Environmental, Social and Governance sections in this Report. Refer also to the Statement on Risk Management and Internal Control.
102-16	Values, principles, standards, and norms of behaviour	1, 74-87, 91-101	Refer to the Our Values section and also to the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-17	Mechanisms for advice and concerns about ethics	62, 101	The Group has in place a Whistle-blowing Policy and grievance procedures to address employees' and third parties' concerns.
102-18	Governance structure	74-87	Refer to the Corporate Governance Overview Statement in this Report.

GRI Content Index

GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		Page	Remarks
102-19	Delegating authority	74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-20	Executive-level responsibility for economic, environmental, and social topics	70, 74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-21	Consulting stakeholders on economic, environmental, and social topics	45-46, 74-87, 91-101	Refer to the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-22	Composition of the highest governance body and its committees	13-22, 74-87	Refer to the Corporate Information, Profile of Directors, Profile of Key Senior Management and Corporate Governance Overview Statement sections in this Report.
102-23	Chair of the highest governance body	13-14	FimaCorp's Chairman, Dato' Adnan bin Shamsuddin, is an Independent Non-Executive Director.
102-24	Nominating and selecting the highest governance body	74-87	The Nomination & Remuneration Committee's main activities are set out in the Corporate Governance Overview Statement in this Report. In delivering its recommendations to the Board on any appointment re-appointment of Directors, the NRC considers factors such as the prospective candidate's expertise, experience gender, independence and ability to devote sufficient time to discharge their duties as Director.
102-25	Conflicts of interest	74-87	Refer to the Corporate Governance Overview Statement in this Report. Directors and Group employees are required to observe the highest ethical standards in conducting the Group's business.
102-26	Role of highest governance body in setting purpose, values, and strategy	74-87	Refer to the Corporate Governance Framework.
102-27	Collective knowledge of highest governance body	74-87	FimaCorp Directors are encouraged to attend continuous training programmes. In FYE2021, the Directors attended and participated in various seminars, presentations and workshops, details of which are set out in the Directors' Training section of the Corporate Governance Overview Statement in this Report.
102-28	Evaluating the highest governance body's performance	74-87	Refer to the review of ethical leadership in the Corporate Governance Overview Statement in this Report.
102-29	Identifying and managing economic, environmental, and social impacts	70, 74, 77, 91-101	The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance with quarterly reporting to Audit & Risk Committee. Refer also to the Statement on Risk Management and Internal Control in this Report.
102-30	Effectiveness of risk management processes	88-101	The Audit & Risk Committee has oversight of the Group's risk management processes. Refer to the Audit & Risk Committee Report and Statement of Risk Management & Internal Control in this Report.
102-31	Review of economic, environmental, and social topics	70, 74, 77	The Board reviews and approves the SR2021. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.

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GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		Page	Remarks
102-32	Highest governance body's role in sustainability reporting	70, 74, 77	The Board reviews and approves the SR2021. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-35	Remuneration policies	74-87	The Group's compensation structure includes fixed and variable components depending on the employee's job grade. Each location within the Group has its own locally defined employee benefit schemes.
102-36	Process for determining remuneration	74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-37	Stakeholders' involvement in remuneration	2-7	The Non-Executive Directors' ("NEDs") remuneration is subject to annual shareholders' approval. Details of the fees and benefits payable to the NEDs are disclosed in FimaCorp's Notice of Annual General Meeting.
102-40	List of stakeholder groups	45-46	FimaCorp has identified seven stakeholder groups.
102-41	Collective bargaining agreements	61	FimaCorp respects the right of workers to have collective bargaining agreements and honours all the provisions covered in the agreements.
102-42	Identifying and selecting stakeholders	45-46	FimaCorp has identified seven stakeholder groups.
102-43	Approach to stakeholder engagement	45-46	We respond to our stakeholders' expectations in many different ways, depending on the nature and scale of the issues.
102-44	Key topics and concerns raised	45-46	
102-45	Entities included in the consolidated financial statements	29-43	The Group's core divisions are Manufacturing and Plantation. Refer to the Management Discussion & Analysis section in this Report.
102-46	Defining report content and topic boundaries	1	Refer to About This Report.
102-47	List of material topics	47	
102-48	Restatements of information	53, 58, 67	Historical data relating to waste management, emissions and LTIFR has been restated.
102-49	Changes in reporting	-	No significant changes to the Group's organisational structure and reporting.
102-50	Reporting period	1	1 April 2020 to 31 March 2021.
102-51	Date of most recent report	-	Our last Sustainability Report was dated 28 August 2020.
102-52	Reporting cycle	1	Annual; financial year ending 31 March 2021.
102-53	Contact point for questions regarding the report	1	All enquiries and comments can be forwarded to fima@fimacorp.com .
102-54	Claims of reporting in accordance with the GRI Standards	1	Refer to About This Report.
102-55	GRI content index	207-214	
102-56	External assurance	-	This Report has not been externally assured. We are incrementally improving the reporting of our sustainability disclosures and we aspire for our SR to be externally assured in the future.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		Page	Remarks
Economic			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	70	<p>Refer to the materiality and boundaries of economic performance sections.</p> <p>The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2021.</p> <p>We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.</p>
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
201: Economic Performance			
201-1	Direct economic value generated and distributed	23, 24, 30 - 43, 70	
201-2	Financial implications and other risks and opportunities due to climate change	45-59, 99	Addressing the impacts of climate change on the business is a material issue and issues are raised in various sections of the SR2021, notably, the Environmental section. Refer also to the Statement on Risk Management and Internal Control.
201-3	Defined benefit plan obligations and other retirement plans	147	Details are provided in FimaCorp's Audited Financial Statements 2021 in this Report in notes 9 (Staff Costs) and 10 (Directors' Remuneration).
202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	64, 66	We are committed to providing competitive and fair wages and believe that we do so in all our operations. The Group pays at least minimum wage as required by law in the countries in which we operate and in no area of operation does minimum wage vary by gender.
202-2	Proportion of senior management hired from local community	63	In FYE2021, our local employment rate was 96.5% and 100% of the Group's senior management were locals.
203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	68	
204: Procurement Practices			
204-1	Proportion of spending on local suppliers	72	
205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	-	All of our operations, as well as our suppliers, are monitored for fraudulent activity and corruption. No specific corruption-related risks have been identified.
205-2	Communication and training about anti-corruption policies and procedures	45, 71, 91-101	Our group policies and training modules are periodically reviewed to comply with anti-bribery and corruption legislation.
205-3	Confirmed incidents of corruption and actions taken	71	There were no confirmed incidents of corruption during the review period.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		Page	Remarks
Economic			
Management Approach			
206: Anti-Competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice	-	There were no such legal actions during the review period.
MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		Page	Remarks
Environment			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	50, 52-55	Refer to the materiality and boundaries of environmental performance sections.
103-2	The management approach and its components		The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2021.
103-3	Evaluation of the management approach		We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
302: Energy			
302-1	Energy consumption within the organisation	55-57	
302-3	Energy intensity	57	
302-4	Reduction of energy consumption	55-57	
302-5	Reduction in energy requirements of products and services	56-57	
303: Water and Effluent			
303-1	Interactions with water as shared recourse	53-54	
303-2	Management of water discharge-related impacts	54-55	We are incrementally improving our water impact disclosures, and we aim to include our water discharge data in the near future.
303-3	Water withdrawal	53-54	
303-5	Water consumption	53-54	

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MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		Page	Remarks
Environment			
Management Approach			
304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	51	Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna.
304-2	Significant impacts of activities, products, and services on biodiversity	51	Environmental impact assessments are carried out ahead of any new plantation development, or as may be required by relevant legislation.
304-3	Habitats protected or restored	51-52	<p>Except for Plantation, the Group's operations have limited impact on natural habitats.</p> <p>Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna.</p> <p>PTNJL has also set aside areas within its plantation as water catchment zone. Chemical applications are strictly prohibited at the water catchment zone in order to preserve them.</p>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected operations.	52	We adopt sustainable practices through the establishment of an Elephant Conflict Task Force to improve human-elephant conflict management which involves Asian elephants, an 'endangered species' on the IUCN Red List.
305: Emissions			
305-1	Direct (Scope 1) GHG emissions	57-58	
305-2	Energy indirect (Scope 2) GHG emissions	57-58	
305-5	Reduction of GHG emissions	57-58	
306: Effluent and Waste			
306-1	Water discharge by quality and destination	54	
306-2	Waste by type and disposal method	52-53	
306-3	Significant spills	-	We did not record any significant spills at our sites during the review period.
306-4	Transportation of hazardous waste	-	The Group does not import or export any hazardous waste.
306-5	Water bodies affected by water discharges and/or runoff	54	There were zero non-compliances committed in relation to water and discharge management.
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	-	No environmental-related penalties or fines were payable during the reporting period.

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MATERIAL TOPICS - SOCIAL			
Disclosure Number		Page	Remarks
Social			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	60, 62, 65, 68	Refer to the materiality and boundaries of social performance sections.
103-2	The management approach and its components		The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2021.
103-3	Evaluation of the management approach		We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
401: Employment			
401-1	New employee hires and employee turnover	64	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	66	
401-3	Parental Leave	-	We have not reported parental leave data for FYE2021.
402: Labour Management Relations			
402-1	Minimum notice periods regarding operational changes	61-62	We have systems in place aimed at ensuring effective dialogue and relations with all employee representative groups across our operations. FimaCorp adheres to all labour legislation relevant to the countries in which it operates.
403: Occupational Safety and Health			
403-1	Occupational health and safety management system	67	Health and safety committees are in place in all divisions.
403-2	Hazard identification, risk assessment, and incident investigation	67	All divisions have health and safety committees which consist of divisional management and employees. It is to these committees that incidences are reported, and where compliance with policies is monitored and improvements are discussed.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	67	
403-9	Work-related injuries	67, 206	
403-10	Work-related ill health	67, 206	
404: Training and Education			
404-1	Average hours of training per year per employee by gender and by employee category	65-66	
404-3	Percentage of employees receiving regular performance and career development reviews	66	

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MATERIAL TOPICS - SOCIAL			
Disclosure Number		Page	Remarks
Social			
Management Approach			
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	14-22, 63, 82	The composition of our permanent workforce is detailed in the SR2021. The composition of our Board of Directors and Key Senior Management is provided on pages 14 to 22 in this Report.
405-2	Ratio of basic salary and remuneration of women to men	-	Our HR management principles are based on equal opportunity and non-discrimination. In no area of operation does minimum wage vary by gender.
406: Non-Discrimination			
406-1	Incidents of discrimination and corrective action taken	62	There were zero reported cases of discrimination in the year under review.
407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	61-62	No such operations or suppliers have been formally identified within the Group. Freedom of association and collective bargaining are fundamental rights which FimaCorp has committed to uphold.
408: Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	61, 64	No operations or suppliers were found to have significant risk of child labour. There have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in loose fruit collection and other light tasks; however, these are not considered to be significant. Details on how this issue is being addressed is set out in the SR2021.
409: Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	61	No operations or suppliers were found to have significant risk of child labour. There were zero reported cases of breaches of human and workers' rights in the year under review.
412: Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	61	
413: Local Community			
413-1	Operations with local community engagement, impact assessments, and development programmes	68	All our operations have some degree of community engagement. Impact assessments are conducted as and when needed, particularly for new development projects.
415: Public Policy			
415-1	Political contribution	-	FimaCorp does not make any donations to political parties.
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	71	There were zero breaches of data privacy and information during the year under review.
419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	-	There were no non-compliances with laws and regulations in the social and economic areas during the year under review.



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