



**POSITIONING**

# Our Approach to Sustainability

**FimaCorp’s approach to sustainability begins with ensuring responsible business conduct and prioritising the safety of our people, customers and communities. We also recognise that the long-term success of our businesses depends on our ability to create lasting value for our host countries and local communities, and through the sustainable use of natural resources.**



We aspire to institutionalise Environmental, Social and Governance (“ESG”) considerations in all our business decision-making processes, from building a diverse and inspired workforce and reducing our carbon footprint to driving innovation and focus in addressing the sustainability challenges of tomorrow. Our strategy aims to deliver profitable and sustainable long-term growth to generate returns for our shareholders and create value for all our stakeholders. As such, priorities and targets are set against topics that matter most to us and our stakeholders, and where we have the resources to make the greatest impact and develop practical, economically viable and environmentally sustainable solutions. We believe all these elements combined can help create opportunities that can benefit the whole of society and contribute towards nation-building.

FimaCorp’s prioritised material matters are shown on page 37 and discussed throughout this Annual Report and in the Sustainability sections.

Our sustainability reporting is aligned with the GRI Sustainability Reporting Standards and we intend to continue to expand and improve the quality and specifics of these disclosures and encourage all those who work with us to do the same. The data we disclose will continue to evolve as we learn more about what our stakeholders find useful and as we improve our ability to collect the necessary information.

## Stakeholder Engagement

Stakeholders are groups that will impact or be impacted by our business decisions and activities. As a conglomerate that spans two regions with varied business portfolios and operations across several industries, we seek to develop connections and build trust and confidence with our stakeholders on the ESG issues that will benefit or negatively affect them. Actively engaging with our stakeholders enables us to listen to their needs and respond to their key concerns, which is vital for the sustainable growth of the Company.

Each stakeholder group is important to us and to that end, we have come up with responses to meet the needs of each group individually. Maintaining an open dialogue helps us define and develop strategies aimed at mitigating risks and identifying opportunities along the Group’s value chain. Below is a list of the key stakeholders that have a stake in our business and our responses to their key concerns.

The stakeholders include:

Stakeholder	Engagement Platform	Frequency	Key Concerns	Our Response
 <b>Employees</b>	Employee Engagement Survey	Once a year	<ul style="list-style-type: none"> <li>Job security and wages</li> <li>Conducive workplace</li> </ul>	<ul style="list-style-type: none"> <li>Investing in the attraction, retention and development of a knowledgeable and talented labour force.</li> </ul>
	Performance and career development reviews	Once a year	<ul style="list-style-type: none"> <li>Career development</li> <li>Corporate activity</li> </ul>	<ul style="list-style-type: none"> <li>Having diverse employment prospects and opportunities for career development as well as competitive remuneration and benefits packages.</li> </ul>
	Labour unions	Whenever necessary	<ul style="list-style-type: none"> <li>Occupational health, safety and well-being</li> </ul>	<ul style="list-style-type: none"> <li>Providing grievance redress procedures and having a whistle-blowing policy, which offers anonymity and confidentiality (when necessary), in place to address employees’ cares and concerns.</li> </ul>
	Virtual meetings Intranet/internal communications	Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Human &amp; workers’ rights protection</li> <li>Group’s growth development</li> </ul>	<ul style="list-style-type: none"> <li>Having policies and procedures in place and investing in Occupational Health and Safety Management Systems to ensure the well-being of employees.</li> <li>Observing the Human Rights Policy as set down by the United Nations Human Rights Council, which ensures basic rights and freedoms and ensures that the workforce is treated fairly.</li> <li>Engaging in continued and continuous integrity and anti-bribery training for staff.</li> </ul>
 <b>Shareholders and investors</b>	Virtual AGM	Once a year	<ul style="list-style-type: none"> <li>Disclosure of timely, material and relevant information</li> <li>Financial performance &amp; resilience</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring communications about business performance and policies are conducted in a precise, concise and timely manner to boost the confidence of shareholders.</li> </ul>
	Bursa announcements	Once a year and whenever necessary		
	Corporate website	Whenever necessary		
	Surveys	Whenever necessary		
	Enquiries via email	Whenever necessary		
	One-on-one meetings with fund managers	Whenever necessary		

Stakeholder	Engagement Platform	Frequency	Key Concerns	Our Response
 <b>Customers</b>	Virtual meetings/ emails Audits Survey Training & support	Whenever necessary Whenever necessary Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Changing needs of customers and consumers</li> <li>Business ethics</li> <li>Innovation</li> <li>Supply chain/ traceability issues</li> <li>Health &amp; safety</li> <li>Certification</li> </ul>	<ul style="list-style-type: none"> <li>Being honest and fair in our dealings with customers and in delivering products and services that meet the standards that have been agreed upon.</li> <li>Making sure that the goods and services that are provided are fit-for-purpose and meet the required safety and quality standards.</li> <li>Aiming to meet or exceed industry and international standards certifications to gain trust and an improved market share.</li> <li>Constantly evaluating consumer feedback, audit reports and satisfaction surveys to identify key areas for improvement and further development. This also ensures that current standards are met and we do not get complacent.</li> </ul>
 <b>Communities</b>	Town hall with local residents Philanthropic activities Community volunteering	Once a year Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Economic empowerment/ livelihood</li> <li>Community safety and health</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the local communities by offering them employment, and providing business opportunities to local suppliers.</li> <li>Improving the lives and livelihoods of the local communities by building, maintaining and upgrading infrastructure and through welfare contributions, which include financial assistance in times of difficulty or disasters.</li> <li>Financial assistance for schoolgoing children.</li> </ul>
 <b>Memberships and associations</b>	Virtual meetings Association meetings/dialogues	Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Advancing industry-specific matters with policymakers and other key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Actively engaging with members of various associations, professional and otherwise, to maintain and contribute to industry aims, goals and standards by keeping other association members informed and up-to-date on the current advances in the sector.</li> </ul>
 <b>Suppliers</b>	Virtual meetings/ emails Audits Training & support	Whenever necessary Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Quality control</li> <li>Business ethics</li> <li>Supply chain transparency</li> <li>Sustainability requirements</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that ethics and integrity policies are followed to ensure procurement practices are fair and without favour to establish and maintain a harmonious long-term relationship with suppliers.</li> <li>Informing suppliers in a timely manner of updates on regulatory requirements, which ensures efficient business operations without disruptions.</li> <li>Collaborating with suppliers to secure sources of materials, which guarantee the long-term availability of the materials and the opportunity to pursue other ventures in the future.</li> <li>Finding areas for development based on auditors' reports and in-house or other assessments.</li> </ul>
 <b>National and local government</b>	Virtual meetings Dialogues/ Consultations	Whenever necessary	<ul style="list-style-type: none"> <li>Licence to operate</li> <li>Compliance &amp; regulations</li> <li>Land issues</li> <li>Level 'playing fields' for all sectors</li> <li>Local economic development programmes</li> <li>Corporate responsibility initiatives</li> <li>Industry-specific matters</li> </ul>	<ul style="list-style-type: none"> <li>Connecting with federal and local governments and regulatory bodies in a proactive manner with regards to policy matters to further industry-specific matters with legislators.</li> <li>Supporting national agendas and contributing actively to the economic and social progress and continued growth of the countries in which the Group has a presence.</li> </ul>

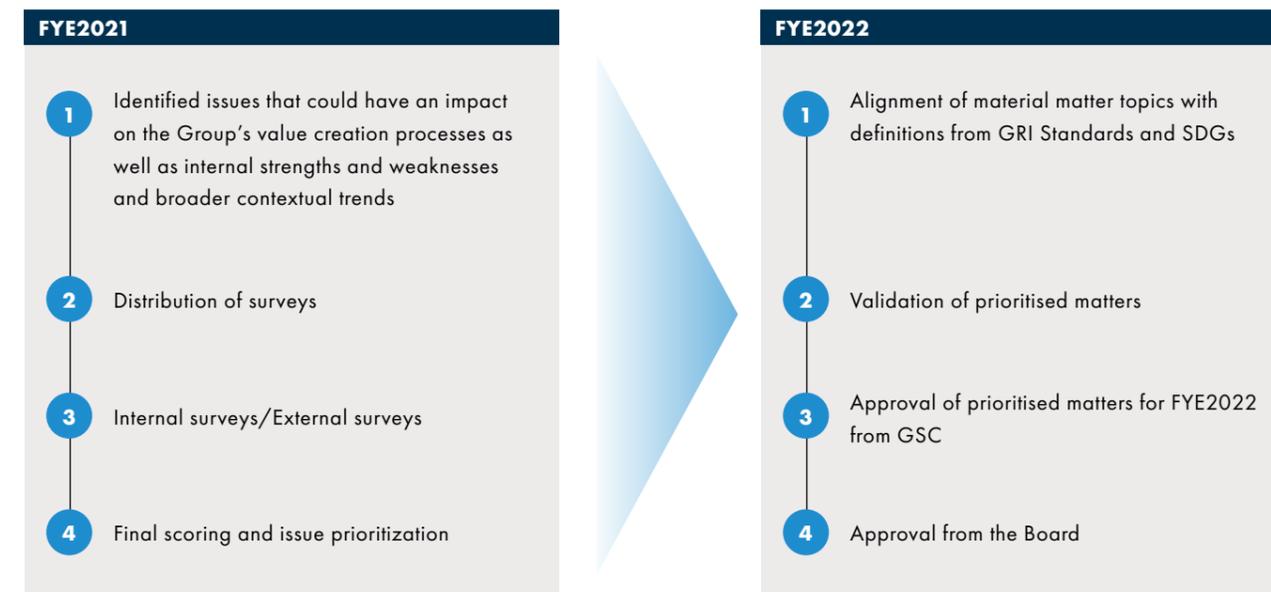
**Materiality Assessment**

A materiality assessment is a process that enables us to identify and prioritise the ESG issues that will affect our business growth and stakeholders. The process also serves as part of our stakeholder engagement, enabling us to identify and meet the needs of our stakeholder groups, apart from assessing and improving our ESG impacts.

We conduct an in-depth materiality assessment via online surveys once every two years and our last assessment was in FYE2021. While these survey results remained valid in respect of the FYE2022 reporting period, we nevertheless reviewed our material matters by carrying out a gap analysis against local, regional and global industry peers, as well as against the relevant sustainability indicators from the Sustainability Accounting Standards Board ("SASB"), Bursa Malaysia and global reports for best practices. We also aligned our material matter topics with the definitions from the GRI Standards and the United Nations Sustainability Development Goals (SDGs) for better clarity and context. This culminated in the following 10 prioritised material matters which were deliberated and approved by the Group Sustainability Committee and subsequently the Board.

No	Prioritised material matters	Alignment with GRI	Alignment with SDGs
1	Climate Risk	GRI 305	SDG 13, 14
2	Water Impact and Waste Management	GRI 303, 306	SDG 6, 12, 13, 14
3	Biodiversity and Deforestation	GRI 304	SDG 12, 13, 14, 15
4	Human Rights	GRI 408, 409, 412	SDG 1, 2, 4
5	Innovation & Technology Excellence	Non-GRI Indicator	SDG 8
6	Occupational Safety, Health and Well-being	GRI 403	SDG 8
7	Product Quality and Safety	GRI 416, 417	SDG 2, 12
8	Sustainable and Traceable Supply Chains	GRI 102, 204	SDG 12, 14, 15
9	Code of Ethics & Governance	GRI 205	SDG 8, 14
10	Community Investment	GRI 203, 413	SDG 1,2,4

*Note:*  
The aligned SDGs are based on FimaCorp's prioritised SDGs. For more information on the prioritised SDGs, please turn to page 38 and 39.



# Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals or Global Goals are a collection of 17 interlinked global goals designed to be a “blueprint for a better and more sustainable future for all.” The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by 2030. The SDGs aim to fight inequality, address climate change issues and end poverty via the contributions of member states.

<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

The Group aims to use its direct business activities to meet some of the standards set out by the SDGs, especially with regard to:

- 1 The manufacturing and sale of the products it produces and the way in which they are produced.
- 2 The use by host governments of the taxes that the company pays.
- 3 The creation of economic and social value in the communities where we operate by creating local jobs.
- 4 Supporting local supplier development and providing opportunities through training and other investments.
- 5 The efforts undertaken to reduce the environmental footprint of the business.



### Prioritised SDGs

The Group has considered all of the 17 SDGs and chosen eight of them to concentrate on, as they are the most applicable to the Group’s present business model and are most in line with our corporate vision and future plans. This year, we included SDG 6 as our ninth prioritised global goal to expand our contributions to the SDGs. Although only nine SDGs are prioritised, most of our goals and values are aligned with the global goals.

SDG	Material Matter	Key Risk	Our Contribution
End poverty in all its forms everywhere	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Economic empowerment and the creation of business opportunities and other means of gainful employment for members of the local community to earn a livelihood.</li> <li>Having human resources policies on minimum wages and fair pay for work done in place.</li> </ul>
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Human Rights</li> <li>Product Quality and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Regulatory</li> <li>Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>Acting in response to the greater demand for affordable protein.</li> <li>Ensuring greater yields and higher rates of extraction through the adoption of agricultural best practices.</li> <li>Making welfare contributions and providing assistance, financial or otherwise, in times of adversity or in the wake of natural disasters.</li> </ul>
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Humanitarian initiatives, especially in the areas of schooling and youth development.</li> <li>Looking after the health and well-being of local communities.</li> <li>Ensuring that employees’ personal and professional development needs are met through investments of time, money and other resources in training programmes.</li> </ul>
Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> <li>Water Impact and Waste Management</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Putting in place sustainable agricultural practices and best management practices across our estates.</li> <li>Ensuring the quality of wastewater discharge meets regulatory compliance to mitigate water pollution.</li> <li>Optimising water sources by recycling water and sharing water sources with the local community.</li> </ul>
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Occupational Safety, Health and Well-being</li> <li>Innovation &amp; Technology Excellence</li> <li>Code of Ethics &amp; Governance</li> </ul>	<ul style="list-style-type: none"> <li>Investment: Acquisitions, Divestment, Joint Ventures and Projects</li> <li>Geopolitical Risk</li> <li>Health &amp; Safety</li> <li>Regulatory</li> <li>Integrity</li> </ul>	<ul style="list-style-type: none"> <li>Making a positive impact on the growth of businesses in the countries in which we operate, via taxes, job creation and other fiscal and monetary contributions.</li> <li>Maintaining a strong stance against modern slavery, forced or compulsory labour and unfair work contracts or conditions and a clear and unambiguous zero-tolerance policy against child labour.</li> </ul>
Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Sustainable and Traceable Supply Chains</li> <li>GHG Emissions</li> <li>Water Impact and Waste Management</li> <li>Biodiversity &amp; Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Natural Environment</li> <li>Investment: Acquisitions, Divestment, Joint Ventures and Projects</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Implementing and maintaining transparency in the supply chain and steadfast adherence to international standards (MSPO, ISO).</li> <li>Having water and waste management policies and procedures in place and ensuring that they are adhered to.</li> <li>Ensuring that Occupational Health and Safety standards are met and adhered to so that the workplace remains in good condition, the workforce remains healthy and the work environment is safe.</li> <li>Using renewable energy and energy-efficient tools and devices. Balancing the energy mix to ensure productivity while reducing the carbon footprint.</li> <li>Adopting agricultural best practices as per industry and international standards.</li> <li>Conserving marine life and resources by ensuring that procurement is from responsible and reputable vendors with proper sustainable infrastructure and practices.</li> </ul>
Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Climate Risk</li> <li>Water Impact and Waste Management</li> <li>Biodiversity and Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> </ul>	<ul style="list-style-type: none"> <li>Using renewable energy sources where possible.</li> <li>Having efficient water and waste management systems capable of tackling water scarcity through wastewater efficiency and treatment programmes.</li> <li>Implementing agricultural best practices.</li> <li>Making use of energy and other natural resources in the most efficient manner, with as little loss or waste as possible.</li> </ul>
Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> <li>Climate Risk</li> <li>Water Impact and Waste Management</li> <li>Biodiversity and Deforestation</li> <li>Code of Ethics and Governance</li> <li>Sustainable and Traceable Supply Chains</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> <li>Regulatory</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Implementing and maintaining supply chain transparency and adherence to international standards.</li> <li>Adopting a zero-tolerance policy against illegal, unreported and unregulated practices</li> </ul>
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> <li>Biodiversity and Deforestation</li> <li>GHG Emissions</li> <li>Water Impact and Waste Management</li> <li>Code of Ethics and Governance</li> <li>Sustainable and Traceable Supply Chains</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> <li>Regulatory</li> </ul>	<ul style="list-style-type: none"> <li>Using renewable energy sources where possible to reduce the Group’s carbon footprint.</li> <li>Making efficient use of energy and other natural resources with as little loss or waste as possible.</li> <li>Having a water and waste management plan in place that meets industry and international standards.</li> <li>Adopting good agricultural procedures.</li> </ul>

# Task Force on Climate-Related Financial Disclosures

The Task Force on Climate-Related Financial Disclosures (“TCFD”) helps companies understand what financial markets want from disclosure to measure and respond to the effects of climate change. The following gives an overview of our progress and future priorities across this framework. We endeavour to integrate the assessment of climate-related risks and opportunities into our governance, strategy, risk management and reporting frameworks moving forward, and to enhance our future disclosures in line with the TCFD guidelines, emerging best practice and feedback from key stakeholders.

## Governance

The Group’s strategic approach to sustainability (including climate change) is overseen by the Board with related responsibilities delegated to certain Board Committees premised on their overall purpose and remit.

The allocation of responsibilities is summarised below:

- The Audit & Risk Committee is responsible for overseeing material ESG reporting, including climate-related reporting
- The Group Sustainability Committee is responsible for monitoring performance against the Group’s sustainability strategy, including climate strategy and related opportunities
- The Nomination & Remuneration Committee is responsible for ensuring appropriate ESG elements (including climate-related targets) are included in the Managing Director’s KPI
- The Risk Steering Committee considers climate risk as part of its review of key enterprise and emerging risks and oversees climate related risks within the Group Enterprise Risk Management (ERM) framework.

The Group Corporate Services Department oversees the Group’s sustainability reporting, with guidance from the MD and the Chairman of the Group Sustainability Committee as well as counsel from the Audit and Risk Committee and the Board. Sustainability working groups have been established at the divisional level to assess, measure and report the sustainability performance of their respective operations.

## Risk Management

The Group’s commitment to minimise its environmental impact is espoused in the Group’s Key Enterprise Risks. Further, all our key risks are aligned with our prioritised material matters and SDGs.

*Information on the Group’s Key Enterprise Risks and risk management are available in the Statement on Risk Management and Internal Control section of the Annual Report.*

## Strategy

For the Group, we have identified 3 areas of climate risk impact which are considered most material: changing stakeholder/ societal demand favouring low-carbon products; emerging government policies, regulatory and legal changes; and reputational damage if climate risks are not appropriately managed.

Our climate change strategy therefore, focuses on both adaptation and mitigation measures through cutting our greenhouse gas (“GHG”) emissions, improving infrastructure resilience, and continuous innovation.

To ensure the effective implementation of the sustainability strategies as well as managing the climate-related risks, appropriate ESG elements/indicators have been embedded in the MD’s key performance indicators which will be cascaded down to the management/divisional levels. Management will establish their own granular KPIs and actionable plans that align with the specific MD’s KPIs that are applicable to them, and gauge the effectiveness, productivity, efficiency, cost controls or ESG performance of those actions.

*Further details on our environmental strategies are available in the Environmental section under the Sustainability Report.*

## Metrics and Targets

The Group has been reporting its climate-related performance since 2018 in its Sustainability and Annual Reports.

Our sustainability strategy has continued to evolve in response to changing stakeholder needs and expectations.

This includes measuring and monitoring our energy, water usage and GHG emissions, as well as measuring the intensity of production and consumption of our resources (energy, labour and water) in evaluating the efficiency of our economic activities.

## Progress made in FYE2022

### Governance

Integrated sustainability targets (including climate-related targets) into the Managing Director’s KPI, which is then cascaded down to divisional management.

Review of the Terms of Reference for the Audit & Risk and Risk Steering Committees was conducted to ensure they included appropriate oversight of sustainability matters.

### Risk Management

Climate change was identified as an emerging risk and subsequently added as a stand-alone Key Enterprise Risk by the Board to recognise the potential adverse impacts it can have on our operations.

### Strategy

Strategic investments in resources and infrastructure adaptation to improve resilience e.g. land development planning, energy-efficient lighting and heating systems, plant and machinery.

Expanded the use of solar energy across the Group, thereby increasing our total solar power capacity by 15kWp. Setting y-o-y targets for business units to reduced their energy, water usage and/or GHG emissions.

*kWp refers to kilowatt-peak*

### Metrics and Targets

Amid the reopening of various economic sectors, our GHG emissions intensity (tCO<sub>2</sub>eq/RM million revenue) by divisions are as follows:

Division	Intensity (tCO <sub>2</sub> eq/RM million revenue)	
	FYE2021	FYE2022
Plantation	11.63	<b>7.31</b>
Manufacturing	16.84	<b>16.57</b>

*tCO<sub>2</sub>eq refers to tonne carbon dioxide equivalence*

The use of renewable energy enabled us to avoid 212 tCO<sub>2</sub>eq in FYE2022, equivalent to 26 homes electricity use for one year.

**Source: United States Environmental Protection Agency and Greentech Malaysia**

*For more information on the Group’s GHG emissions and environmental performance, please refer to the Environmental section under the Sustainability Report from pages 42 to 51 and Performance data from pages 208 to 211.*

## Main Risks and Opportunities

### Transition Risks

- Changing societal demand favouring low-carbon products
- Emerging government policies, regulatory and legal changes (e.g. carbon tax)
- Reputational damage if climate risks are not appropriately managed
- Product substitution due to new technologies/processes

*Potential impacts*  
Increased compliance costs, required investment in new technologies and process change costs

### Physical Risks

- Chronic risks i.e., change in rainfall patterns and rising average temperatures
- Acute risks such as extreme weather and sea conditions

*Potential impacts*  
increased compliance costs, required investment in new technologies and process change costs

### Opportunities

- Potential opportunities for developing new ‘green’ products and services
- Reduced operating costs through greater resource and energy efficiency
- Innovation to improve productivity and drive sustainability efforts to address climate-related challenges, which can simultaneously reinforce the Group’s reputation as a responsible corporate citizen

### Next Steps

- ▶ Climate-risk training programmes to develop skills of key personnel and general knowledge of the wider Group.
- ▶ Undertake pilot quantitative scenario exercise to develop relevant methodologies.
- ▶ Develop internal climate-risk reporting formats.
- ▶ To further embed climate-risk in our risk management and decision-making processes.



**Environmental Policy**

Our Environmental Policy spells out the Group’s position regarding, and commitment to, managing our environmental impacts across our business operations. The policy describes the following basic principles of action that need to be taken into account in our decision-making processes:

- Increasing environmental awareness within the Group through training and information-sharing.
- Implementing effective environmental protection strategies.
- Encouraging efficient use of natural resources and cutting down wastage of raw materials.
- Enabling the Group to partner with local communities and stakeholders in resolving environmental issues.
- Educating suppliers and vendors on the Group’s commitment to environmental management and protection.
- Advocating and supporting zero-burning programmes within the Group’s plantation operations.



For detailed information on our Environmental Policy, please visit our corporate website at <http://www.fimacorp.com/corporate-governance.php>

# Environmental

**Environmental sustainability is a critical part of FimaCorp’s business strategy, requiring a careful balance to be struck between our growth aspirations and our sustainability obligations.**

We are driving concerted efforts to integrate sustainable practices into our business operations, improve our carbon footprint and lower emissions across our value chains. Our environmental management approach is aligned with the Group’s Environmental Policy and we have in place robust mechanisms to measure our environmental impacts, such as energy consumption and water intensity, as well as quantity of effluents and waste.

**Biodiversity and Deforestation**

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

The main reasons behind biodiversity loss are mostly connected with human activity. We acknowledge our responsibility to protect biodiversity and as such, we strive to ensure that our operations coexist in harmony with the surrounding environments in which we operate. Given the diversity of our business operations, we are aware that our activities may affect the ecological systems and the communities residing in these areas, as well as those who rely on the natural resources for their livelihoods.

At the heart of our approach is effective environmental management. To deliver the greatest impact, our environmental management framework, which is in line with SDG 14: Life below Water and SDG 15: Life on Land, integrates habitat conservation, water use and quality, soil conservation, climate change adaptation and waste management. Our water stewardship strategy, for example, contributes to maintaining biodiversity, soil health and water accessibility to communities, while our biological pest management programmes help to protect the natural capital and minimise risks to human health as well as beneficial and non-target organisms.

**Sustainable Agricultural Practices**

In our efforts to preserve biodiversity, we focus primarily on areas that are most at risk as a consequence of our operations. At our palm oil estates, we have put in place sustainable agricultural practices that involve area conservation, soil management, biological pest control, human-elephant conflict management and mechanisation.

**Conservation Areas**

In our Plantation division, we conserve biodiversity by establishing protected buffer zones along riverbanks to serve as wildlife passageways throughout our oil palm estates. These buffer zones also serve as a sanctuary and natural habitat for many migratory birds, elephants and other animals. Our protected areas Group-wide total 621.85 hectares in aggregate.

Our subsidiary in Indonesia, PT Nunukan Jaya Lestari (“PTNJL”) has also established water catchment zones within their estate, where chemical applications are strictly prohibited to facilitate the rehabilitation and preservation of natural vegetation.

Before commencing any new plantation development activities, environmental impact assessments (“EIA”) are performed. The last EIA was in FYE2020 for our greenfield development, Ladang Sg. Siput Estate in Perak, whose approval condition required the adoption of good practices and guidelines with regards to riparian buffer zones, air quality, water management and forest conservation areas. This estate has often been referred to by the Department of Environment (“DOE”) of the Perak state government as a model estate due to its comprehensive adoption of good environmental practices.

In addition, an environmental management plan (“EMP”) for the development of the newly acquired estates in Gua Musang, Kelantan was prepared and submitted to the Kelantan state DOE for approval during the year. The EMP sets out, among others, conditions stipulated by the DOE in the initial EIA report and other environmental mitigation measures that must be performed and complied with by the estate at various stages of the estate’s development.



**Soil Management**

As part of our soil management practices, we plant leguminous cover crops like *Mucuna bracteata*, *Calopogonium mucunoides* and *Calopogonium coeruleum* to improve soil properties and reduce carbon dioxide emissions. The *Mucuna bracteata*, an Indian leguminous plant, helps to reduce soil erosion on slopes and improves our soil quality through natural soil fertilisation and aeration processes. This is due to its nitrogen-regulating properties that effectively lower soil temperatures in hot climates. It grows rapidly, which helps to prevent weed growth.

We also plant vetiver grass near ponds, enclosures and field drains to mitigate erosion and landslides. Vetiver grass is a deep-rooted grass noted for its strong resistance to heavy metals, phosphates, nitrates and agricultural chemicals. We do not plant on steep areas or slopes of more than 20 degrees, and we implement double terracing wherever possible to preserve the topsoil and lessen erosion. PTNJL applies empty fruit bunches ("EFB") and compost to nurture the soil and to cut down our dependence on chemicals or any inorganic substances.

**Biological Pest Control**

Our estates practise biological pest control methods by planting beneficial plants such as *Turnera subutala*, *Antigonon leptopus* and *Cassia cobanensis*, which attract insects to feed on pest larvae. Rodents are a major pest problem in our oil palm estates. Our estates in Terengganu have built nest boxes to attract barn owls as they are natural predators that feed on rodents, thus making them an effective pest control method to suppress the population of rodents.

**Human-Elephant Conflict Management**

Incidents of elephant intrusions into our oil palm estates are becoming more common. We acknowledge that Asian elephants (*Elephas maximus*) are 'endangered' as stated in the IUCN Red List, and as such, we make every effort to deter them from entering our fields. One of the methods is land use planning, where we plant crops like bananas to increase food availability for the elephants within their habitats. In addition, we monitor the elephants' movements, restore wildlife corridors and construct trenches to reduce damage to, and attacks on, our crops, while preserving the elephants' natural habitats.

The establishment of an Elephant Conflict Task Force in 2020 has resulted in a notable reduction of crop damage in our estate in Terengganu. Jointly formed by Cendana Laksana Sdn Bhd and eight other estates from three adjacent localities, the task force actively participates in discussions and implements actions to find solutions and mitigate the economic impact of crop loss caused by elephants, while also maintaining the biodiversity of the areas. This involves, among others, constant monitoring and understanding of the local ecology in the affected areas. The task force also collaborates with the Department of Wildlife and Natural Parks ("Jabatan PERHILITAN") to install GPS collars on the elephants that allow us to track and monitor their movements easily.

Overall, our efforts to better control and manage the intrusion of elephants into our estates have led to a significant reduction of damaged palms in Ladang Aring, which recorded 1,760 damaged palms compared to 7,095 palms in the previous financial year. The number of damaged palms in Ladang Cendana also reduced significantly, from 1,205 palms to 707 palms. Going forward, we will continue to look for ways to mitigate recurrences of elephant intrusions without disrupting their natural habitat.

**Mechanisation**

In FYE2022, the Group ramped up its initiatives to increase the level of mechanisation within our plantation operations, particularly for in-field collection and application of fertiliser, to overcome the acute labour shortage. These initiatives have yielded positive results, as FFB are being evacuated more efficiently in bigger volumes and with less damage to the fruits through the utilisation of Land Surf, a form of motorised wheelbarrow, and Badang, a mechanical buffalo. This, in turn, increases the productivity levels of workers as well as their earning potential. The long-term goal is to expand the use of these machines to all our estates where feasible.

**Spotlight Story**

**Land Surf and Badang**

The mechanisation of plantation operations is our top priority. In the year under review, the utilisation of Land Surf, a form of motorised wheelbarrow, and Badang, a form of mechanical buffalo, greatly reduced our dependence on manual labour while driving productivity. Land Surf's and Badang's fuel and operating costs are expected to be higher, but this will be offset by lower labour costs and better yields.



**Land Surf**

Higher land-to-labour ratio **(26:1)**

Has a load capacity of **300kg**  
*(compared to a wheelbarrow's 80kg)*

Improves productivity by **30.0%** | Increases harvesters' earnings

Improves harvesting area coverage from **1-1.5hectares/man-day** to **2.5-3hectares/man-day**.

**Badang**

Has a load capacity of up to **500kg**

Can be utilised both on flat and undulating areas of land.

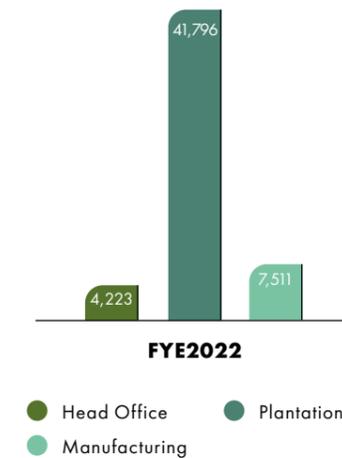
Covers larger areas of harvesting terrain compared to other conventional methods.

**Energy Management**

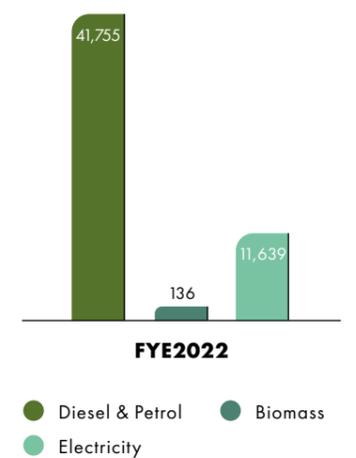
GRI 302-1, 302-3, 302-4, 302-5

Efficient management of energy will reduce the usage of natural resources and carbon emissions and effectively lower operational costs. We strive to efficiently manage our energy consumption across all our operations, and each division has its own energy consumption and intensity targets.

**Total Energy Consumption ["GJ"]**



**Type of Energy (GJ)**



**Energy Management Initiatives**

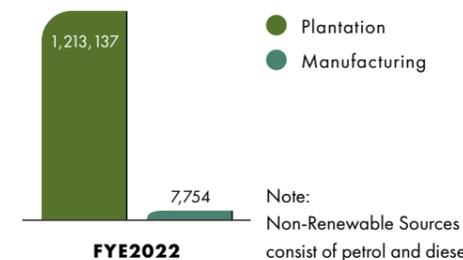
<p><b>Expanded</b> the rollout of solar PV installation across the Group's operations, generating 1,029% of renewable energy since FYE2019.</p>	<p><b>Installed</b> energy-efficient light bulbs with 5-star energy ratings.</p>	<p><b>Installed</b> variable speed drive for depericarper fan, winnower fan and FFB conveyor at PTNJL's palm oil mill.</p>	<p><b>Maintained</b> Heating, Ventilation and Air Conditioning ("HVAC") to ensure that the rated capacity of the equipment was maintained.</p>	<p><b>Utilised</b> mesocarp fibre, palm shells and shredded EFB as feedstock for steam boilers at PTNJL's palm oil mill. Excess energy was used to power workers' quarters, government facilities, schools and mosques.</p>	<p><b>Reduced</b> utilisation of genset diesel consumption during non-productive periods at PTNJL's palm oil mill.</p>
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**What We Have Done**

**Fuel Consumption**

Fuel is a significant cost factor in the Plantation division. We continue to focus on fuel cost reduction through the utilisation of fuel-efficient machinery, preventive maintenance programmes, innovation and vehicle usage optimisation. Our energy intensity is calculated based on our fuel consumption and level of activities.

**Total Consumption from Non-Renewable Sources (Litres)**



In our Plantation division, we strive for fuel optimisation by ensuring that lorries are fully loaded when transporting FFB, making sure that our estates harvest according to plan and monitoring the fuel consumption of our estate vehicles closely. FFB transportation is the most suitable metric to measure our consumption of diesel, as each estate has a different topographic profile and is at different stages of development.

Our estates in Malaysia that engage external transporters recorded a 23.4% y-o-y reduction in diesel consumption per tonne of FFB. This was attributable to some estates reorganising harvesting programmes while some experienced longer harvesting intervals due to the emergency movement control order ("EMCO") and floods during the year under review.



#### Malaysian Plantations' Transportation Fuel Oil Intensity per Tonne FFB Produced

	FYE2020	FYE2021	FYE2022
Diesel Consumption (L)	176,920	63,141	<b>64,254</b>
FFB Produced (MT)	7,813	14,960	<b>19,350</b>
Diesel Intensity per Tonne FFB Produced (L/MT)	22.64	4.22	<b>3.32</b>

#### Indonesian Plantations' Transportation Diesel Intensity per Tonne FFB Produced

	FYE2020	FYE2021	FYE2022
Diesel Consumption (L)	453,715	418,079	<b>375,343</b>
FFB Produced (MT)	148,637	133,799	<b>133,929</b>
Diesel Intensity per Tonne FFB Produced (L/MT)	3.05	3.12	<b>2.80</b>

Although our business operations rely mostly on diesel and petrol for transportation and equipment, we utilise renewable energy such as solar power and biomass where feasible.

#### Total Consumption from Renewable Sources (Solar - kWh)

	FYE2020	FYE2021	FYE2022	Purpose of Usage
Head Office	153,390	212,376	218,411	Office building
Plantation	8,399	12,376	18,381	Workers' quarters
Manufacturing	-	33,086	68,330	Bangi warehouse
<b>Total</b>	<b>161,789</b>	<b>257,838</b>	<b>305,122</b>	

#### Total Consumption from Renewable Sources (Biomass - MT)

	FYE2020	FYE2021	FYE2022	Purpose of Usage
Plantation	33,898	31,409	32,594	Mill (fibre & shell)

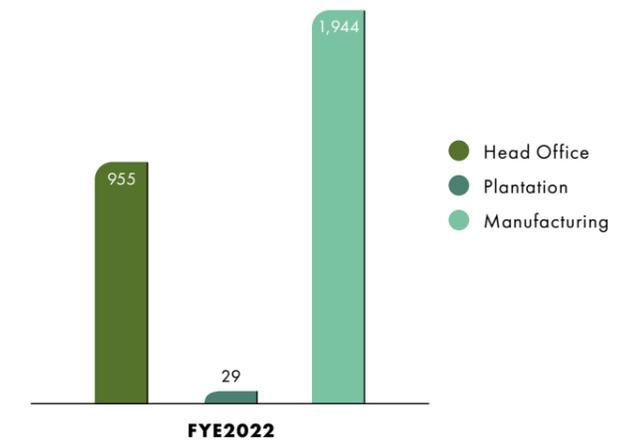
#### Electricity Consumption

Our consumption of electricity has been gradually reduced over the years due to the effective utilisation of solar-generated electricity and other factors related to the nature of our business operations. In FYE2022, our electricity consumption increased from 2,895 MWh in the previous year to 2,928 MWh, due to more business activities being carried out following the gradual relaxation of movement restrictions.

#### Solar Power

We continue to make improvements in our ongoing initiatives to reduce our GHG emissions, including the expansion of solar photovoltaic ("PV") systems installed across the Group's operations. We have invested approximately RM1.41 million since 2019 in solar PV systems to enhance our energy efficiency and reduce operational costs. In FYE2022, we invested an additional RM65,000 to install a total of 15 kWp rated capacity in Ladang Cendana.

#### Group Electricity Consumption (MWh)



#### WE CURRENTLY HAVE SOLAR PV SYSTEMS AT:



**PKN's  
warehouse**  
Bangi



**Head Office  
building**  
Kuala Lumpur



**Ladang Cendana  
in Kemaman**  
Terengganu



#### Spotlight Story



#### Cost Savings of Solar PV

FimaCorp operates predominantly in locations where there is a good amount of sunlight and as such, the installation of solar photovoltaic ("PV") technology has proven to be cost-effective. As at March 2022, we saved over RM380,000 in electricity usage and generated 758,546 kWp of power. Besides enabling us to significantly reduce electricity costs, the use of solar PV also supports our green initiatives and efforts towards sustainability. In the long run, the utilisation of solar PV will be beneficial, reliable and long-lasting, ensuring that we will have a constant supply of clean and renewable energy while reducing our carbon footprint across our operations.

#### Total Solar Power Investment

Area	kWp	Commencement Date	Investment (RM)	Total Energy Generated (kWp) as at 31 Mar 2022	Total Savings (RM) as at 31 Mar 2022
Fima Head Office Phase 1	25	April 2018	140,000	617,913	314,548
Fima Head Office Phase 2	150	March 2019	551,650		
Ladang Cendana Phase 1	10	June 2019	45,000	30,935	15,746
Ladang Cendana Phase 2	15	February 2021	65,000	8,222	4,185
PKN warehouse Bangi	50	October 2020	205,000	101,416	51,621
<b>Total</b>	<b>250</b>		<b>1,407,150</b>	<b>758,546</b>	<b>386,100</b>

Climate Risk

GRI 305-1, 305-2, 305-3, 305-4, 305-5

Climate change is currently one of the biggest threats to mankind. In the short to medium term, physical risks include heightened intensities of severe weather events and disasters, as well as impacts on food and water security, and associated social consequences. The Group has encountered significant operational impacts from climatic events including flooding, drought and irregular weather patterns, which have given us insights into the potential effects of climate change.

We focus on actively reducing our GHG emissions by executing operational efficiencies across our business operations, including cutting down on our fuel consumption, incorporating renewable energy and adopting new energy-efficient equipment. This year, we included Scope 3 emissions from our plantation activities for the first time as part of our efforts to improve our environmental disclosures. We will continue to manage our emissions in terms of energy consumption intensity.

Scope 1:

Direct emissions from non-renewable fuel consumption such as diesel and gas from sources owned by our business operations e.g. transportation, heat & power generated and equipment.

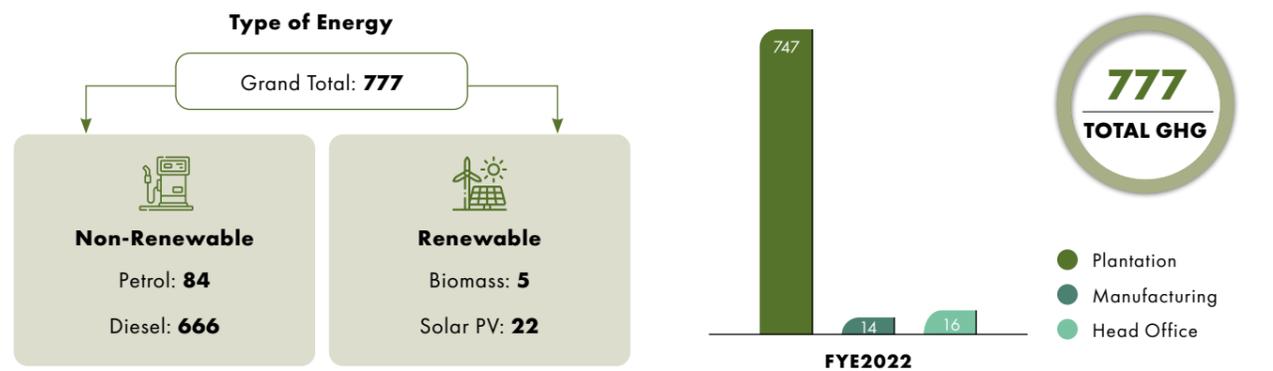
Scope 2:

Indirect emissions e.g. purchased electricity.

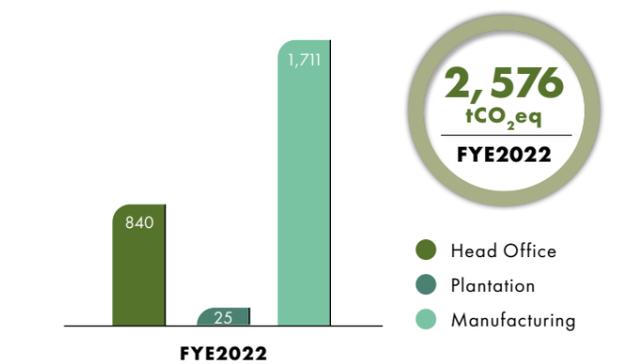
Scope 3:

Plantation activities that generate waste such as palm oil mill effluent ("POME").

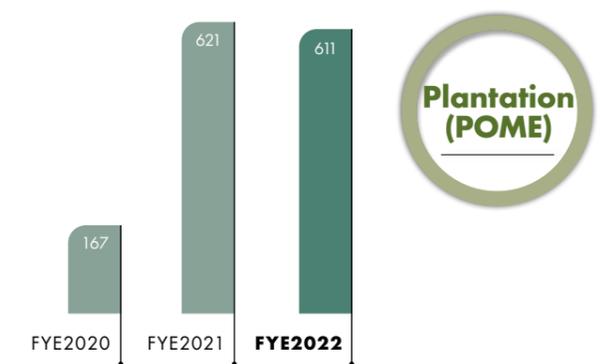
Direct (Scope 1) GHG Emissions (tCO<sub>2</sub>eq)



Energy Indirect (Scope 2) GHG Emissions (tCO<sub>2</sub>eq)



Other Indirect (Scope 3) GHG Emissions (tCO<sub>2</sub>eq)



GHG Emissions Intensity (tCO<sub>2</sub>eq/RM million revenue)

	Unit	FYE2020	FYE2021	FYE2022
Total Emissions	tCO <sub>2</sub> eq	946	1,434	<b>1,384</b>
Denominator	Revenue RM million	103.12	123.27	<b>189.41</b>
<b>GHG Emissions Intensity per Revenue</b>	tCO <sub>2</sub> eq/RM million	9.17	11.63	<b>7.31</b>

Manufacturing

	Unit	FYE2020	FYE2021	FYE2022
Total Emissions	tCO <sub>2</sub> eq	2,296	1,717	<b>1,726</b>
Denominator	Revenue RM million	134.00	101.93	<b>104.13</b>
<b>GHG Emissions Intensity per Revenue</b>	tCO <sub>2</sub> eq/RM million	17.13	16.84	<b>16.57</b>

Water Impact

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

Water is essential to most of our operational processes and is used extensively throughout our supply chains. It is a finite natural resource that needs to be used and managed in a responsible and sustainable way. Water risks are increasing due to climate change and increased urbanisation, impacting food production, nature and biodiversity. As such, the Group makes every effort to use water rationally and sustainably, and tackle the risks associated with its scarcity.

There were zero reported non-compliances with regards to water and discharge management in the year under review.

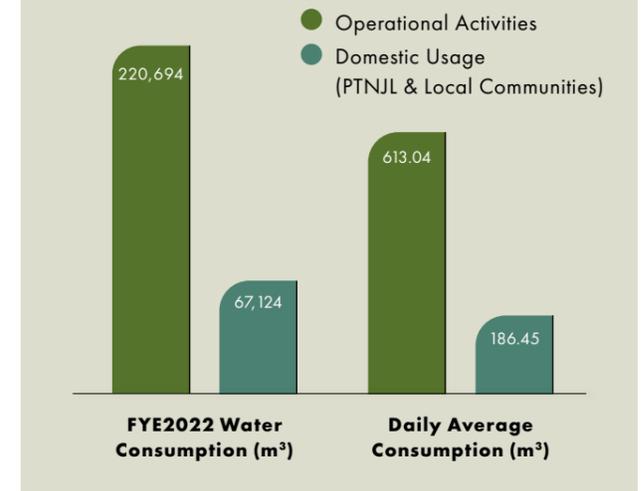
Water Consumption

Our primary water usage in our Plantation division is in utility systems i.e. steam generation.

Spotlight Story

Water Resources

Our Indonesian subsidiary, PTNJL, provides water access to the communities within its area of operations by treating raw water from its very own water catchment area, which was built for the mill's daily operations, and channelling it to nearby villages for their daily use and irrigation. This initiative has improved the community's access to clean water, in line with SDG 6: Clean Water and Sanitation.



We obtain water from municipal water sources, harvested rainwater and treated surface water from water sources such as lakes and rivers, as well as from borewells constructed near our operations. Efforts have been made to achieve water sustainability by putting in place technology and facilities to harvest rainwater and treat and recycle water.

As at 31 March 2022, we had 23 rainwater harvesting tanks, with a capacity of 56,546 litres, installed in our workers' quarters across our plantation operations. In FYE2022, we installed 11 new rainwater harvesting tanks in our estates.

Water Withdrawal by Source (All Areas - Megalitres [ML])

Source	FYE2020	FYE2021	FYE2022
Surface Water (Lakes, Ponds)	296	272	288
Groundwater (Wells)	5	4	34
Municipal Water (Tap Water)	29	30	28
<b>Total</b>	<b>330</b>	<b>306</b>	<b>350</b>

In FYE2022, the Group's total water consumption increased by 14.4% due to higher levels of economic activity in our Plantation division (specifically PTNJL's palm oil mill), which recorded an increase of 16.6% compared to FYE2021.

Water Consumption by Division (ML)

Division	FYE2020	FYE2021	FYE2022
Head Office	16	15	11
Manufacturing	14	15	17
Plantation	300	276	322
<b>Total</b>	<b>330</b>	<b>306</b>	<b>350</b>

PTNJL recorded lower water intensity per tonne FFB produced despite higher volume of FFB processed.

	Water Consumption (m <sup>3</sup> )	FFB Processed (MT)	Water Intensity per Tonne FFB Processed (m <sup>3</sup> /MT)
FYE2020	295,530	188,770	1.57
FYE2021	272,050	168,055	1.62
FYE2022	288,050	181,140	1.59

Effluents

Ensuring that our effluents are managed effectively is vital critical in our efforts to minimise and mitigate our negative environmental impacts. We strive to ensure that our regulators are informed on of the development and impacts of our projects by regularly submitting water quality monitoring reports. We also ensure that the quality of effluents discharged complies to with the relevant regulatory requirements at all our operations.

Our Fima Sg. Siput Estate Sdn Bhd in Perak manages its effluents within the restrictions outlined by the DOE in the EIA approval conditions. Inter alia, the EIA approval specifies that our water quality must be under Class IIA. An external approved laboratory was engaged to take samples of the estate's surrounding water quality and sediment basin discharge at specific areas along local rivers on a monthly basis, as advised by the DOE. In FYE2022, the total suspended solids ("TSS") from the estate's water and effluent samples extracted from nine locations as the estate entered Phase 2 were all within the DOE's requirement of 50 mg/litre.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

**Group Total Waste**  
202,970 MT

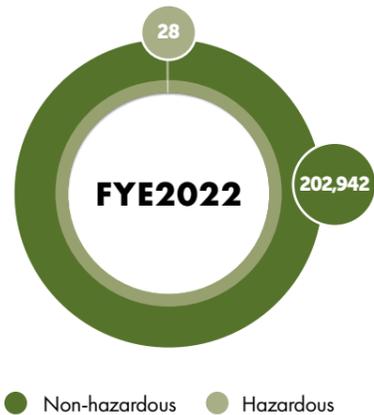
**Plantation**  
202,846 MT

**Manufacturing**  
124 MT

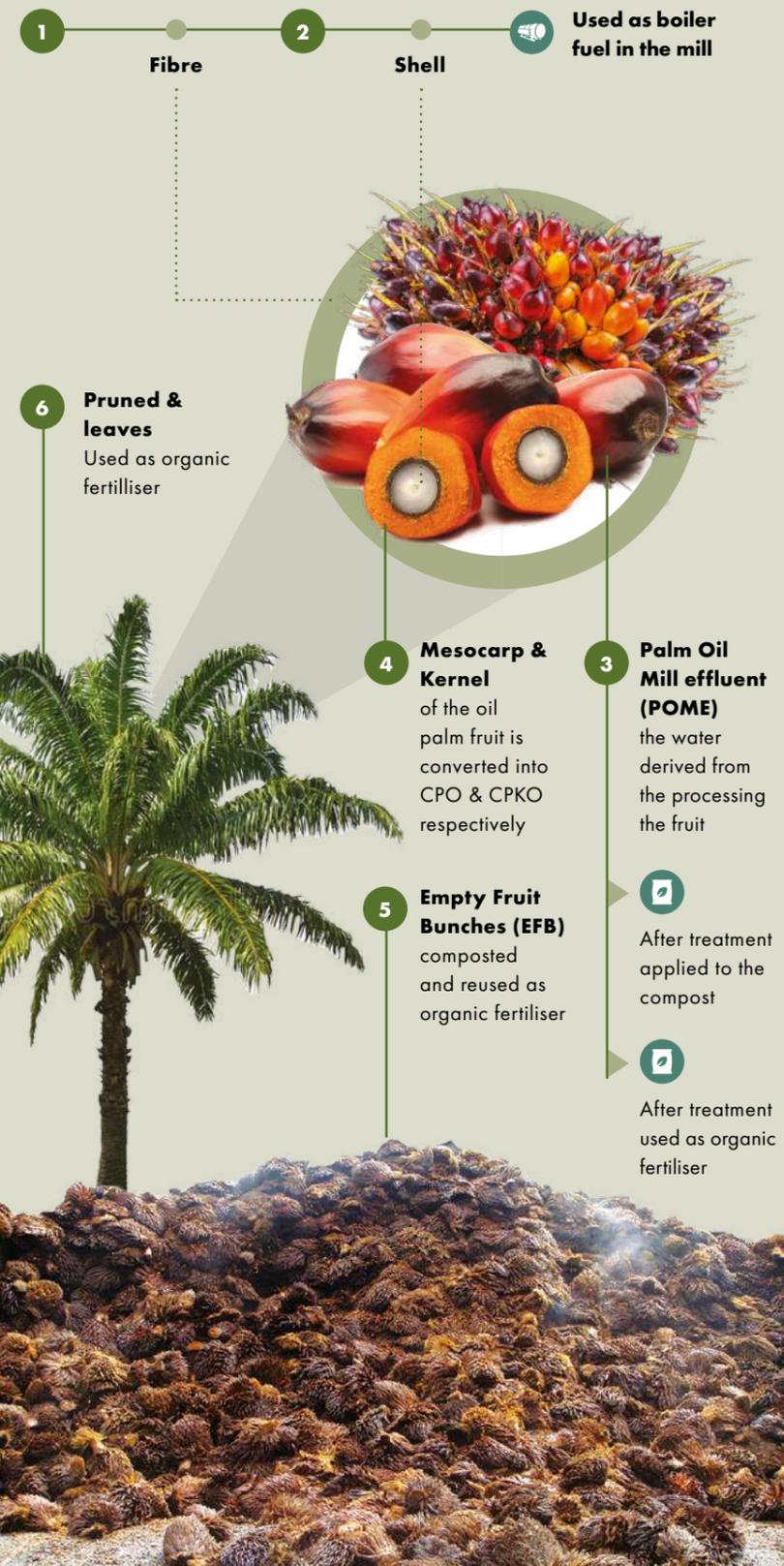
Treating waste as a resource can help improve efficiency and reduce costs at our operations. We prevent and minimise waste by reusing, recycling and energy recovery, as well as by practising safe waste disposal to reduce risks to the environment and human health. For example, we have installed water-filling stations for the use of our employees instead of offering single-use plastic bottled water at our operations.

We continue to ensure that hazardous waste and residual products collected from our operations are transported and carefully disposed of by licensed contractors, as per the strict industry standards and statutory requirements.

In FYE2022, our total waste was 202,970 MT. There were zero reported incidences of non-compliance or fines with regards to waste disposal in the year under review.



Zero Waste Model



- Reused waste**  
Materials that are used as the same material again.
- Recycled waste**  
Waste converted into recyclable material.
- Composted**  
Decomposed organic matter used as fertiliser.
- Recovered waste**  
Materials that have been recovered or redirected from landfills.
- Incineration**  
A treatment process involving the burning of waste, which may also include energy recovery from the heat produced.
- Landfill**  
A system of garbage and trash disposal in which waste is covered between layers of earth.

Plantation

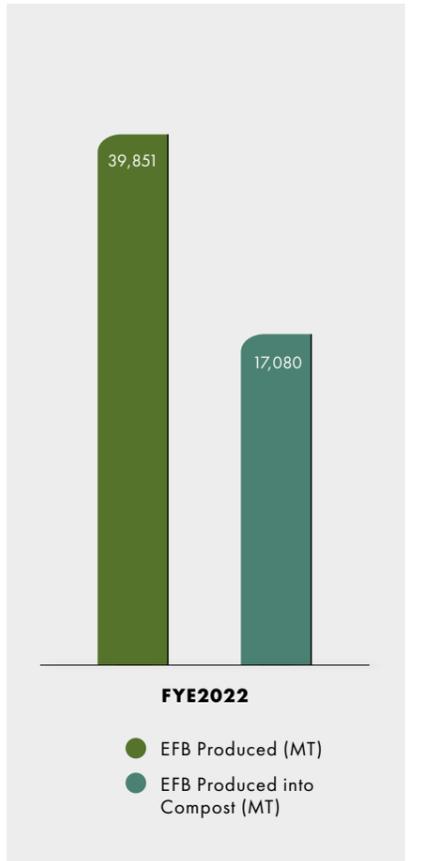
Our Plantation division has a 'zero-discharge' policy that requires the recycling of waste and by-products as much as possible. Our palm oil mill in Indonesia produce EFB and POME, which are recovered and reprocessed into fertiliser, compost and energy feedstock. We make sure that our POME is properly treated before it is combined with shredded EFB to generate compost.



POME discharged from the mill cannot be released into the environment in its raw form as it contains high levels of acids and nutrients that can increase the levels of biochemical oxygen demand ("BOD"). Since the implementation of POME treatment, our average BOD reading for POME during land application has been within the permitted discharge limits of <5,000 parts per million ("ppm").

Once the POME is collected from the mill, it is treated in on-site open ponds, away from any other water sources to prevent contamination. Then, the organic material in the wastewater is broken down naturally by the anaerobic and aerobic workings of bacteria. This process omits the need to add any chemicals before the POME is mixed in with shredded EFB and other plant fuel waste by-products to create compost.

PTNJL management and the local authorities carry out checks on a regular basis, in addition to our continuous efforts to closely monitor our waste management at estates and ensure strict compliance with local regulations to prevent contamination of other water sources and mitigate risks.





## Social

### Our Approach

**The Group recognises the importance of all its stakeholders, including the communities where it operates, employees, vendors, suppliers and business associates.**

We seek to create positive long-term relationships with everyone we engage with, to discern and meet their needs better and manage the impact of our activities. This includes organising impactful initiatives that help to build a sustainable future.

We continue to value the commitment and dedication of our diverse and talented workforce as we strive to retain our talents through knowledge development and nurturing a positive working environment. As for the communities in which we operate, we contribute to their social and economic development by supporting local businesses and investing in community development projects, philanthropic activities and employee-focused initiatives. Most of all, we ensure continuous engagement with our people and the local communities by listening to their concerns and fulfilling their needs as we seek to generate long-term value creation.

### Good Social Practices Policy

We are guided by our Good Social Practices Policy in generating positive impacts for our valued employees and the community. All partners, suppliers, contractors and vendors are encouraged to support the policy, as it supports our commitment to upholding the human rights of each employee and contractor, as well as their families and communities. We strive to ensure our daily business activities are in alignment with the tenets set out in the Universal Declaration of Human Rights, the core principles of the International Labour Organization and national laws relevant to our operations.

Our commitment to human rights includes:

- Rejecting all forms of slavery, including 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.



For more information about our Good Social Practices Policy, please visit <http://www.fimacorp.com/corporate-governance.php>

### Human Rights

GRI 409-1, 412-2

#### Our Approach

FimaCorp strongly believes that all employees should be treated in a fair and respectful manner. We strive to ensure that the rights of all those in our employment are respected and we do not condone any form of slavery, modern slavery or child labour in our operations. We also continue to comply with the minimum legal working age requirement in the countries we operate in, and we continually monitor the development of the relevant local labour laws. All our vendors and service providers are expected to strictly adhere to ethical business conduct consistent with ours, and we are committed to working with them to fulfil this common goal.



**All our Malaysian estates are Malaysian Sustainable Palm Oil ("MSPO")-certified and have, during the year, conducted human rights reviews as part of the standards' requirements**

#### Guest Workers

We employ guest workers from Indonesia, India and Bangladesh, and they make up 2.2% of the Plantation division's total workforce. 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 make certain that their legal rights are fully respected.

#### Freedom of Association & Collective Bargaining

withheld by us or any third party. Further to that, our guest workers receive the same wages as our local workers. Salary deductions are only made for salary advances and statutory contributions to EPF and SOCSO. Our guest workers are also provided with comfortable housing quarters with complete basic amenities, including recreational areas and internet connection.

Moving forward, we will continue to ensure that we protect our employees by addressing human rights through the execution of best practices and participating in industry networks to further improve in this aspect. The following is how we view our own role when dealing with human rights issues:



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

#### In our own operations

We ensure that we fully adhere to both international and local labour standards to protect human rights and ensure no human trafficking.

#### With suppliers and customers

We practise traceability and social compliance through surveys and audit procedures.

#### Broader issues facing our segments of industry

The collective and concerted efforts of all our stakeholders are required to ensure human rights issues are upheld. The Group continues in its commitment to engaging with regulators, NGOs and relevant stakeholders to identify and address potential conflicts or impacts that may arise as a result of our activities or business relationships, either directly or indirectly.



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

#### Freedom of Association & Collective Bargaining

GRI 402-1, 407-1

We recognise that our employees have a right to freedom of association and to participate in labour unions and collective bargaining, in accordance with local regulations. To this end, we are dedicated to working closely with the labour unions and we ensure all negotiations are undertaken in good faith. The provisions stated in our collective bargaining agreements include grievance and disciplinary procedures, paid time-off, paid maternity leave, severance and separation benefits, salary and

performance management. There were no operations or suppliers whose workers' rights to freedom of association or collective bargaining were violated or put at risk in the year under review. As at 31 March 2022, about 36.6% of our employees were union members.



■ Non-unionised Employees  
■ Unionised Employees

FYE2022

**Whistle-blowing Policy (GRI 102-17)**

The Group has a Whistle-blowing Policy that serves as a guideline for its employees and stakeholders in reporting any cases of fraud, misconduct or illegal acts without fear of reprisal. We strive to protect the privacy of anyone who files a report of such nature. We have implemented grievance mechanisms that are accessible, accountable and fair across our operations to ensure that consequence management, such as official warnings, dismissal and suspension of guilty individual(s), only follows after the completion of proper investigations. The Group's Internal Audit and Human Resource departments are mandated to execute investigations of reported incidents. Individuals who wish to file a complaint may email [whistleblowing@fimacorp.com](mailto:whistleblowing@fimacorp.com). The Whistle-blowing Policy is available for viewing at <http://www.fimacorp.com/corporate-governance.php>.

In the year under review, there was zero complaints received via the whistle-blowing email channel.

**Diversity**

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

**Our Approach**

With our operations spanning two countries, we have a diverse community footprint. As such, we strive to always respect and protect the rights of everyone, including those from indigenous tribes. During the year under review, there were no incidents of violations involving the rights of indigenous people.

Our perspective on diversity is guided by the Good Social Practices Policy. We hire and promote our employees based on merit and performance and we do not discriminate against age, race, gender, nationality, religious belief or disability. Our employees are expected to respect each other's cultures and differences to inculcate a non-discriminatory and harmonious work culture. There were zero cases of discrimination reported in the year under review.

“  
**92.5%**  
of our plantation workers in Malaysia are locals

Recruiting people from diverse backgrounds gives us access to diversity of thought, capabilities and experience when making decisions on how to drive our business forward. However, it is a big challenge for the Group to hire female employees due to the nature of certain job functions, such as manual work in our plantations. Hence, the female take-up rate for these jobs appears to be significantly lower.

The Board of FimaCorp comprises 1 woman and 5 men. There is an opportunity to improve at the senior management and middle management levels where women hold 20.0% and 12.0% of positions, respectively. We acknowledge that there is still room to strengthen the gender balance in the Group. Moving forward, we endeavour 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 the culture in the countries in which we operate.

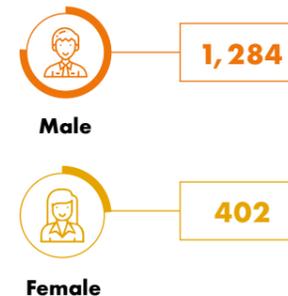
We continue to support the employment of locals in countries where we operate and in FYE2022, we achieved a 97.7% local employment rate, while 100% of the Group's senior management were locals.

**Local Headcount by Country in FYE2022**



Note: Others include guest workers from Bangladesh and India.

**Headcount in FYE2022**

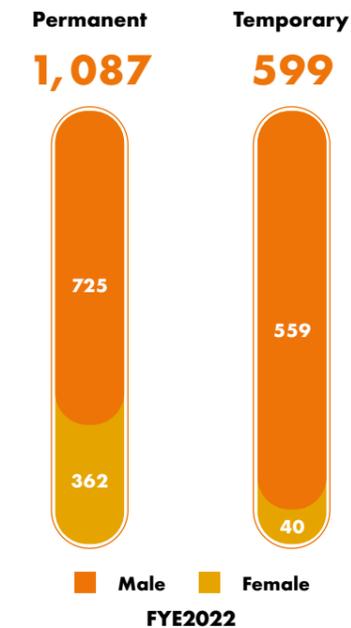


on a contract basis, mostly in the Plantation division. We normally offer to renew their employment contracts based on legal and performance reviews.

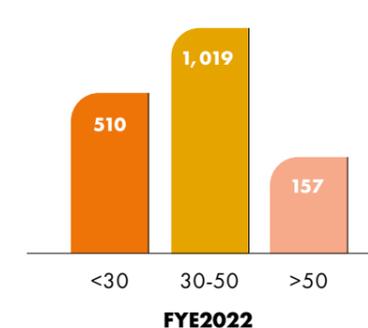
“  
**In FYE2022, our local employment rate was 97.7%**

**Headcount**

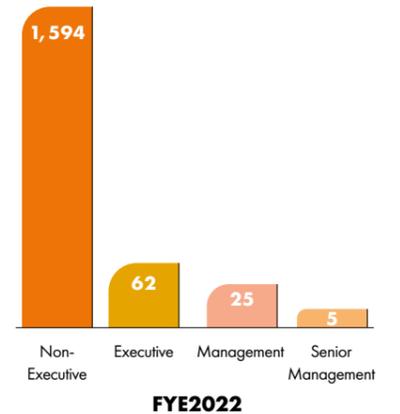
**Employees by Employment Contract and Gender**



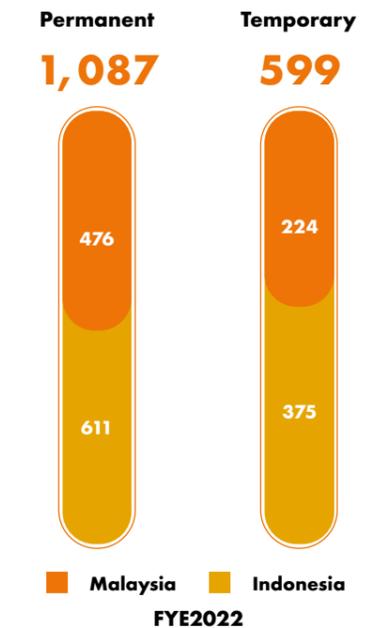
**Age Group**



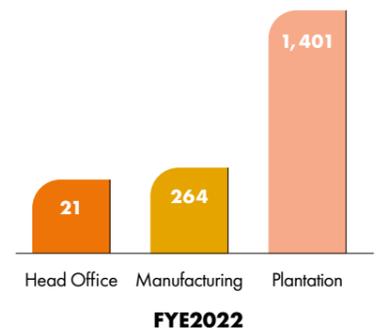
**Employees Category**



**Employees by Employment Contract and Country**



**Division**



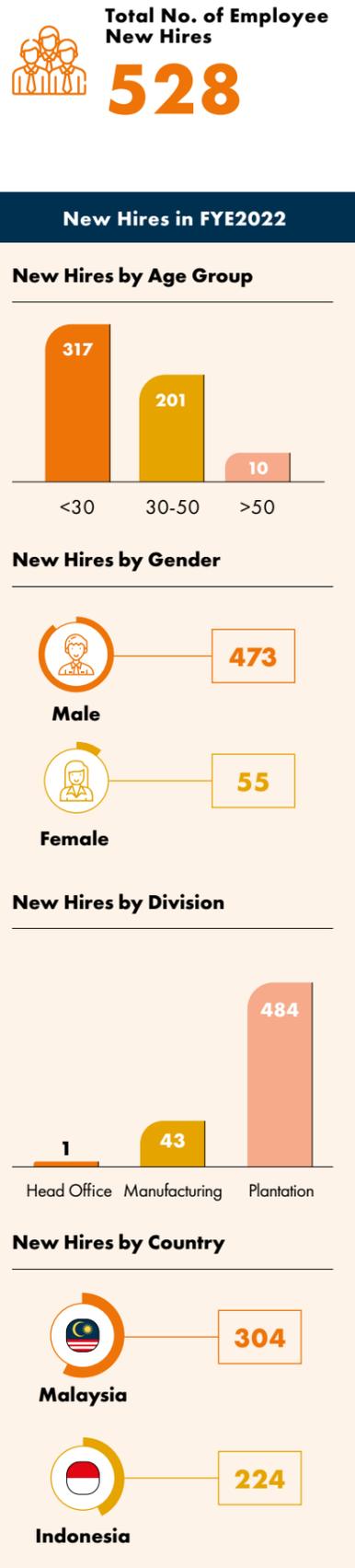
**New Hires**

In FYE2022, the Group's total new hires increased to 528 compared to 92 in FYE2021. Of the total new hires, 10.4% were female and 32.8% were permanent staff. In FYE2022, the Plantation division accounted for the most number of newly hires at 484, of which 53.7% of the recruitment was made by our Malaysian estates.

We do not allow or tolerate any form of forced, bonded or child labour in our operations. We comply with the legal minimum working age and give priority to recruiting local workers. We acknowledge that there have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in fruit collection and other light tasks. To ensure that there is no recurrence, we conduct regular spot checks at the fields, and we provide facilities such as crèches where parents can leave their children before they go to work.

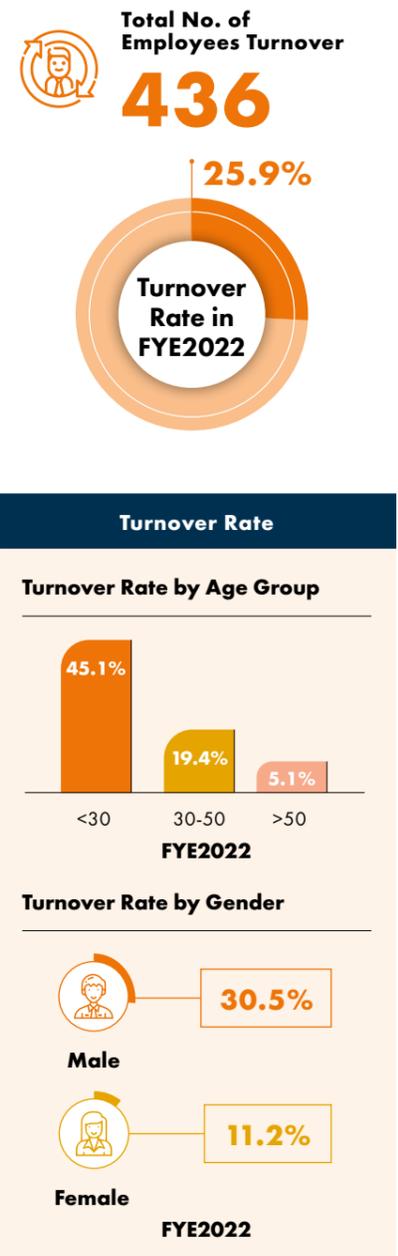
Furthermore, each employee's profile and identity documents are recorded in our HR data system, and we ensure that they fulfil the minimum legal working age requirement as enforced by local authorities in the countries where we operate. We continue to ensure that all our employees are working of their own free will and without any form of coercion on our part. During the year under review, we formalised the policy on child labour and implemented it across the Group.

New employees are required to go through an induction programme to acquaint themselves with all aspects of the Company and the Group, and to understand their responsibilities, the culture of our business and the procedures that they need to follow, including our expectations of ethical conduct. Each employee is given an Employee Handbook as soon as they start their new job, and the Handbook includes information about their terms of employment as well as the standards of professional behaviour expected from all employees.



**Turnover**

In the year under review, FimaCorp's employee turnover increased to 25.9% from 10.5% recorded last year. Plantation division recorded the highest turnover in FYE2022. 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 now complete with basic amenities, sundry shops, recreational spaces, places of worship and internet connection, as well as in providing rewards for high performers.



**Employee Engagement & Development**

GRI 404-1, 404-2

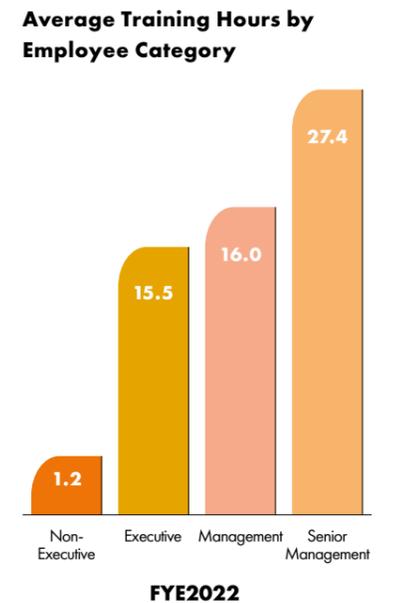
**Our Approach**

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 the respective Human Resource departments, as well as directly by their line managers.

Our engagement programmes during the year included social events such as family days, sports activities, religious classes and festive gatherings (subject to the strict conditions mandated by the government in respect of social events). During the year, FimaCorp distributed over RM23,000 Zakat Wakalah in the form of cash and essential food items to 93 eligible Group employees and their family members who were impacted by the Covid-19 pandemic and the 2021 floods. In addition, FimaCorp distributed over RM120,000 Zakat Wakalah to 357 children of eligible employees attending primary and secondary schools, as well as to those pursuing tertiary education at local institutions.

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 and/or organise internal or external workshops and seminars. We believe that a mixture of on-the-job learning, external training and upskilling programs develop targeted skills and knowledge for a specific role.

**Employee Training in FYE2022**



**Spotlight Story**

**FIMA's Integrity, Compliance & Risk Virtual Summit Series**

In FYE2022, FimaCorp's penultimate holding company, Kumpulan Fima Berhad, organised its inaugural Virtual Summit Series. The summit had a strong focus on integrity, regulations and compliance and aimed to promote and enhance the standards of business practices across the Group. Topics discussed by the speakers ranged from anti-corruption to risk management, tax audits to personal data and labour rights.



<b>11</b> Summit Series organised	<b>Over 10</b> key topics covered
<b>More than 700</b> total accumulative viewers of live streaming	<b>Over 2,000</b> of total accumulative hours of live streaming recorded for all participants

**Employee Benefits**

GRI 401-2, 404-3

FimaCorp values the time, effort and dedication that employees devote to their individual roles through the payment of wages and benefits. The Group pays at least the minimum wage as required by law in the countries we operate, and in no areas of operation does the wage varies by gender. Employees are also compensated for overtime in accordance with local laws.

Each operation and division within the Group has its own specific employee benefits scheme and we offer competitive remuneration packages to our short-term workers. We also provide competitive benefits to our employees, depending on their individual performance,

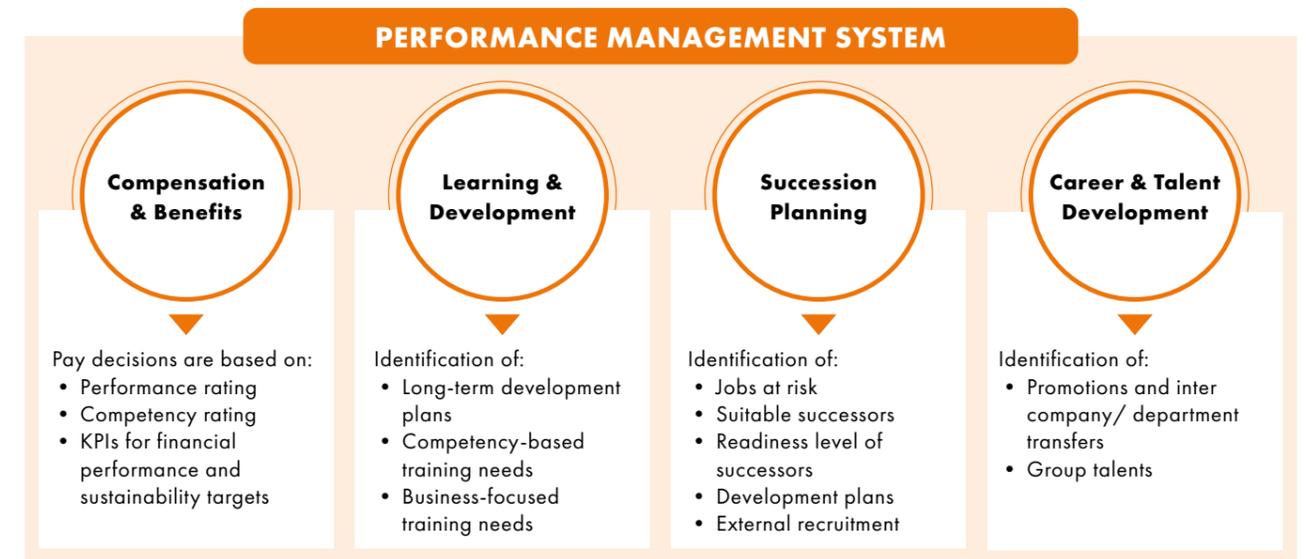
qualifications and/or experience. Despite the economic challenges brought about by the pandemic, the Group was able to retain the headcount of our permanent workforce and maintain their benefits this year. For permanent employees, these benefits include:

-  **Contributions to retirement fund**
-  **Medical benefits for employees, spouses and 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 housing with basic comforts such as recreational spaces and internet connection for plantation workers**

\* Please refer to Sustainability Performance Data for data on parental leave.



Our employees receive an annual performance review, which functions as an effective communication platform to gather feedback, exchange ideas, identify areas for improvement and determine individual training or 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. In FYE2022, 100% of our employees received annual performance reviews.



**Occupational Health & Safety**

GRI 403-1, 403-2, 403-4, 403-5, 403-9

**Our Approach**

Ensuring our operations are carried out safely and responsibly is of critical importance. We strive to safeguard our employees from harm and continuously implement measures that protect their health, safety and well-being.

**Occupational Health and Safety Training**

We comply with all the relevant local laws, regulations and requirements that uphold best practices in occupational safety and health as underscored in our Occupational Safety and Health Policy. Hence, we organise health and safety training sessions for our employees to mitigate any workplace injuries and fatalities. Additionally, we conduct regular preventive and scheduled maintenance at our facilities, plants, storage tanks and terminals simultaneously with repair work and replacement of parts.



Health & Safety Training Programmes	Company	Month
Latihan Keselamatan Pemasangan Scaffold Tower	PKN	Feb 2022
Fire Extinguisher Handling	Fima Sg Siput	Mar 2022

**Hazard Identification, Risk Assessment, and Incident Investigation**

To further ensure the protection of our workforce, we practise stringent hazard identification, risk assessment and incident investigation measures. In the event of an incident or an occurrence of hazardous situation, the following process is applied:

1. Employee reports the hazard/ incident to person in charge of their respective unit	4. SHE manager will carry out investigation on how the incident occurred in consultation with OSH committee members
2. Person In Charge will record the hazard/incident and will report to Safety, Health and Environment ("SHE") manager	5. Safety & Health committee members to recommend risk mitigation methods
3. SHE manager will lodge the report to DOSH within a minimum of 7 days	6. Corrective actions are taken to prevent the incident from recurring
	7. Report will be presented to Management

Our facilities are also equipped with essentials such as first aid kits, firefighting systems, adequate response plans, spill prevention measures and other safety programmes. We also carry out safety briefings at worksites prior to the start of daily operations to remind workers of the potential hazards and the importance of personal protective equipment.

The Manufacturing division achieved 2,745 days (equivalent to 7.5 years) without any lost time incidents as at 31 March 2022. During the year under review, in our Plantation division, PTNJL retained its accreditation of Sistem Manajemen Keselamatan dan Kesehatan Kerja (or "SMK3"), a local Indonesian government safety certification that is comparable to the globally recognised OHSAS 18001:2007.

**Worker Participation, Consultation and Communication on Occupational Health and Safety**

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

**Health and Safety Performance**

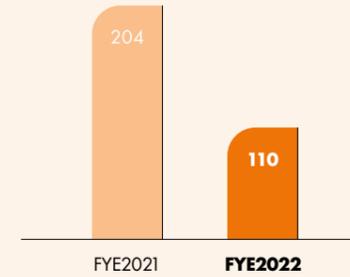
We aim to achieve zero injuries and zero fatalities at the workplace and are pleased to report that there have been no work-related fatalities among our employees since FYE2020. The total number of injuries also declined from 19 in FYE2021 to 12 in FYE2022.

In FYE2022, our accident rate dropped to 7.34 from 11.23 in FYE2021. The decrease was in tandem with the fewer number of hours worked in the year under review. Our lost time injury frequency rate ("LTIFR") improved to 3.46 compared to 5.33 recorded last year. The most common work-related injuries across our business divisions were falling objects, tool-related accidents and logistical and physical injuries. Furthermore, the Group will continue to provide training and education to all employees and non-employees to cut down the number of accidents and increase awareness on occupational health and safety.

**Total Recorded Injuries (Employees)**



**Injuries by Absent Days (Employees)**

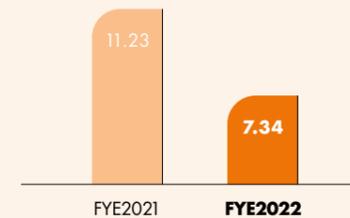


**Lost Time Injury Frequency Rate (LTIFR)**



Note: Per 1 million hours worked.

**Accident Rate (Employees)**



Note: Per 1,000 employee.



**Community Investment**

GRI 203-2, 413-1

We believe in contributing economically and socially to the well-being of the communities where we conduct business. 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 their operations and geographic spread.

During the year, the Group continued its community care and involvement via various contributions in the form of donations, sponsorships and support in kind to charitable bodies, schools and local community endeavours. Inter alia, PTNJL carried out upgrading and maintenance work on public roads and also funded the monthly allowances for teachers and imams, while Ladang Fima Kuala Betis conducted a gotong-royong to clean up an Orang Asli cemetery at Kampung Kuala Betis, Kelantan.

Since 2018, the Group has taken in 106 university graduates to undergo eight months of workplace experience with companies within the Group (with the possibility of progression to permanent employment) through our participation in and support of the PROTÉGÉ programme. This programme involves a mix of on-the-job placements and skills development workshops that allows trainees to absorb the organisational and work culture while also developing relevant job-specific skills. Allowances and benefits are given during the programme. We also hire and train locals at our job sites, providing technical training and skills to improve their wage-earning potential.



## Governance

### Our Approach

**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 management approach to responsible business practices are robust policies and frameworks to manage and monitor material topics, 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. In relation to this, we have in place a comprehensive system of stewardship and accountability that is compliant with applicable rules, regulations and standards, as well as internal and external policies. These policies and systems that make up our sustainability governance ensure that our conduct and business activities align with our corporate values, i.e. good corporate citizenship, zero tolerance for fraud, bribery and corruption, sustainable and traceable supply chains and ensuring the safety, quality and standards of our products by meeting local and international standards.

Our commitment to sustainability starts at the top, with the Board of Directors providing comprehensive oversight of the management and governance of the Group. The Board 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. A more detailed description of the role of the Board can be found in the Corporate Governance section of this Annual Report.

The Audit & Risk Committee ("ARC"), majority of whom are Independent Directors, helps the Board in meeting its responsibilities to oversee the Group's sustainability practices. The ARC reviews risks that could materially

affect FimaCorp's ability to achieve its planned objectives and is responsible for ensuring that the management addresses these risks by executing appropriate mitigation measures in a timely manner.

To achieve effective implementation of sustainability throughout the Group, the ARC receives periodic reports and advisories from the Group Sustainability Committee ("GSC") and the Risk Steering Committee ("RSC"). Both the GSC and RSC are led by a Non-Independent Non-Executive Director of Fima Corporation Berhad, allowing the Group to have Board-level oversight of the management of the Group's risks, controls and processes (including ESG factors as drivers of existing risks) and a top-down approach in resolving sustainability matters.

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 for providing the resources needed for their implementation. They align their brands, technologies and sites involved with sustainability in line with the specific challenges and priorities of their business portfolios. Each division prepares its sustainability report for the Head Office on a monthly basis. The reports are then collated and presented to the ARC on a quarterly basis and include topics such as safety, environment, attrition and compliance issues.

Group Internal Audit verifies the effectiveness of the Group's sustainability programmes and reporting, with a particular focus on compliance and validity of data. Audits are also performed by authorities, certification bodies and clients to verify compliance with regulations, standards and contracts. Non-conformities and incidents are analysed and corrective actions are implemented to prevent recurrences. Serious non-conformities and incidents are subject to a thorough investigation process.

*For more information on:*  
 i. The Group's Sustainability Committee, please refer to Task Force on Climate-Related Financial Disclosures (TCFD) on page 40 and the Corporate Governance Overview Statement on page 78.  
 ii. The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 94 to 102.

### Anti-Fraud, Bribery and Corruption

GRI 205-2, 205-3

#### Our Approach

FimaCorp adopts a zero-tolerance approach towards any form of fraud, bribery and corruption, and is committed to acting professionally, fairly and with integrity in business dealings and relationships.

The Group has in place a comprehensive Anti-Bribery Policy that clearly prohibits its officers, employees, agents and service providers from giving or offering, soliciting or receiving or agreeing to receive any gratification in exchange for favours or to secure any improper advantage. The Group treats any violation of the policy seriously and will undertake necessary action to ensure compliance or sanction for breach, including disciplinary action, cessation of business or contractual relationship with any party or parties that are in breach and reporting to the authorities when necessary.

The Group ensures that anti-bribery clauses are included in all contracts and that all parties intending to work with or for the Group acknowledge and comply with its Anti-Bribery Policy prior to commencing any business relationship with FimaCorp.

All relevant employees and new hires are required to complete the Group's anti-bribery course (either by e-learning, webinars or workshops) and at regular intervals thereafter. The Group's inaugural Virtual Summit Series focused heavily on integrity and compliance, demonstrating our efforts to cultivate a culture of integrity within the Group and continue building and communicating the business case against corrupt practices.

In addition, we ensure that training materials are updated so that they remain relevant to the risks that stakeholders, employees and business partners are exposed to. Periodic reviews of mandated authority limits are also undertaken to strengthen transparency and integrity procedures. Furthermore, all employees are required to attest on an annual basis that they have complied, and will continue to comply, with the Group's Anti-Bribery Policy and will report any concerns that they may have. We expect our suppliers and contractors to likewise uphold the same high ethical standards as our people. Through implemented procedures and training tools, we seek to ensure that all employees and service providers are aware that any suspicious activity, particularly in relation to bribery and corruption, must be reported.

### Responsible Business Practices

GRI 201-1

We are proud to support the communities in which we operate and the economic contribution we make through taxes paid to the governments of our host countries, is fundamental to this. In addition to corporate income tax, companies within the Group pay local government taxes, sales and services tax, customs duties and property taxes as well as social security contributions on the wages of our employees. The taxes we pay help to support the provision of essential services to, and the development of infrastructure for, the wider communities.

#### Value Distribution to Stakeholders in FYE2022 (RM million)

Taxes  
**32.53**

Dividends  
**45.16**

Community Investment  
**0.17**

Employee Wages and Benefits  
**29.89**

During the year under review, eligible Group companies applied for relief measures, including, among others, wage subsidy programmes and moratoriums on the repayment of loans under the various stimulus packages offered by the Malaysian government to alleviate the economic challenges brought about by the Covid-19 pandemic. The Group was able to retain the headcount of our permanent workforce and maintain their benefits, such as medical coverage, this year.

**Cyber and Data security**

GRI 418-1

Cybersecurity continues to be a priority for FimaCorp, as we strive to minimise the risk of technological disruptions and achieve zero breaches of data privacy. We review and enhance our cybersecurity systems from time to time and take steps, such as updating antivirus or firewall software regularly, to protect the information of our stakeholders, the Group's IT network and information and communication assets. The Group IT department monitors IT systems daily and receives automated reports showing traffic and security threat findings from screenings, spam filters, etc. We continued to implement a number of controls to minimise risk, including vulnerability testing of our IT systems and procedures. In FYE2022, we had no major IT security incidents.

We acknowledge that any breaches of data privacy will expose the Group to legal and financial risks and impact our reputation and daily operations. We are committed to complying with the Malaysian Personal Data Protection Act and all relevant legislation and do not tolerate any data leakages or illegal manipulation of information of any kind. In the year under review, there were zero breaches of data privacy.

**Sustainable and Traceable Supply Chain**

GRI 102-9, 204-1

Ensuring sustainable and traceable supply chains is integral to our diverse business operations. Any interruptions to our supply chains will affect the output of our business divisions, exposing the Group to legal, financial, reputational and other risks that might have adverse, long-lasting impacts on our profitability.

On this note, each of our businesses has in place documented policies and procedures that the business should follow for specified processes and when actively engaging with its suppliers throughout the procurement process, from tendering and bidding to surveying and inspecting sites. We constantly communicate

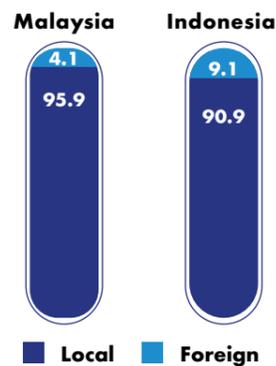
with our suppliers to address issues such as cost efficiencies and environmental and social compliance to improve the traceability and transparency of our supply chains.

**“ In FYE2022, we had no major IT security incidents ”**

**Supporting local procurement**

We strive to positively impact the lives of the local communities through job creation and business opportunities. We support local suppliers and entrepreneurs through the procurement of local goods and services. In Malaysia and Indonesia, 95.9% and 90.9%, respectively, of contracts for goods and services were awarded to local companies. In addition, 26.1% of the FFB processed by the palm oil mill was purchased from smallholder farmers and third-party growers.

**Percentage of Suppliers Engaged in Malaysia and Indonesia**



Note: Data for Malaysia is limited to FYE2022.

**Innovation and Technology**

As a progressive organisation, we leverage innovation and technology to adapt to change and mitigate risks from current and new challenges amid rapid economic development, as well as to meet consumer needs.

In the Manufacturing division, our IT support staff are equipped with mobile devices to enhance the way they access, store and report information. Notable gains include reductions in both operational staff time and total management cost, as well as improved customer engagement.

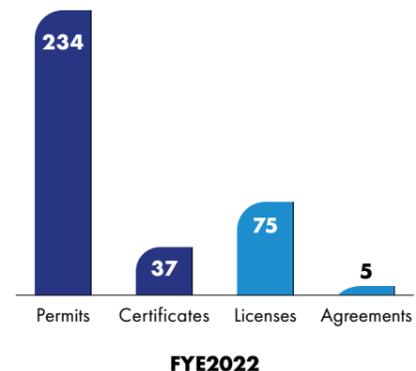
Plantation division employ geospatial technologies comprising Global Positioning

System ("GPS") and Geographic Information System ("GIS") for preplanning, road construction and terrace positioning to enable efficient planning. The GPS, a satellite-based radio-navigation system is used to collect field data and mapping of oil palm areas, while the GIS enables the division to store, analyse and display spatial data. In addition, satellite images are used to map out development areas and for tree counting when a new area is being developed. These technologies have helped in maximising the planting density of potential areas as well as in the planning of optimal routes for harvesting.

The estate management system ("EMS") employed by the Plantation division enables management to not only monitor operational expenses, maintenance and consumption of inventories of each estate on a day-to-day basis, but it can also evaluate the efficiency of the economic activities by calculating the intensity of production and consumption of the resources expanded (energy, labour and water) based on parameters set by management. Further, the EMS provides the Group Head Office with more visibility over the estates' operations across different locations. The built-in approval and version control functionality allows users to see the correct and approved version of any information at any time.

Additionally, we invested in the development of an Alert System, which is a shared centralised database, to broadcast alerts to the respective business units and departments of their renewal for permits, licenses and certifications. The system helps to prevent missed renewals of important documents, which could otherwise lead to potential disruption of operations.

In the year under review, we maintained our licences and permits required to operate in accordance with the requirements of the governing authorities. The Plantation division has the most licences and permits due to the industry's tighter regulations and higher standards.



**Upholding Quality, Standards and Certifications**

**Plantations**

We are pleased to report that 100% of our fully developed Malaysian estates have been MSPO-certified since FYE2020. Other significant certifications and standards achieved by this division are ISO 50001:2011 and ISO 14001:2015. Meanwhile, PTNJL's application for the Indonesian Sustainability Palm Oil (ISPO) certification is currently pending resolution of certain land title matters.



**Malaysia Sustainable Palm Oil (MSPO)**

10 Malaysian estates are MSPO-certified. The MSPO ensures responsible management of oil palm 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**

Meeting international standards and benchmarks is vital for the Manufacturing division to establish trust and credibility within customers, business partners and regulators. In June 2022, the division was accredited with the ISO 9001:2015 Quality Management System and ISO 14298:2013 Graphic Technology – Security Management of Security Printing Processes.



**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



**ISO 9001:2015 Quality Management System**

This certification reflects PKN's commitment to:

- consistently provide products and services that meet customer and applicable statutory and regulatory requirements
- enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements



**ISO 14298:2013 Graphic Technology- Management of Security Printing Processes**

This accreditation reflects PKN's commitment to complying with international standards that specify requirements for a security printing management system

**Membership Of Associations**

GRI 102-13



Malaysia



Indonesia

**Incorporated Society of Planters (ISP)**

**Malaysian Employers Federation**

**Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)**

**Association of Plantation Investors of Malaysia in Indonesia (APIMI)**

**ENVIRONMENTAL****Waste Management (MT)****Total waste by type (MT)**

Type	FYE2020	FYE2021	FYE2022
Hazardous (MT)	16	111	28
Non-hazardous (MT)	156,001	207,177	202,942
<b>Grand Total</b>	<b>156,017</b>	<b>207,288</b>	<b>202,970</b>

**Total waste by division (MT)**

Type	FYE2020	FYE2021	FYE2022
Manufacturing	177	106	124
Plantation	155,840	207,182	202,846
<b>Total</b>	<b>156,017</b>	<b>207,288</b>	<b>202,970</b>

**Total empty fruit bunches ("EFB") produced (MT)**

	FYE2020	FYE2021	FYE2022
EFB Produced (MT)	41,529	36,972	39,851
EFB Processed into compost (MT)	4,710	18,294	17,080

**Water Consumption (Megalitre)**

Year	Water Consumption (ML)
FYE2020	329
FYE2021	306
FYE2022	350

**Water Consumption by Division (ML)**

Division	FYE2020	FYE2021	FYE2022
Head Office	16	15	11
Manufacturing	14	15	17
Plantation	300	276	322
<b>Total</b>	<b>330</b>	<b>306</b>	<b>350</b>

**Water withdrawal by source (All areas - Megalitres [ML])**

Source	FYE2020	FYE2021	FYE2022
Surface water (Lake, pond)	296	272	288
Groundwater (well)	5	4	34
Municipal water (tap water)	29	30	28
<b>Total</b>	<b>330</b>	<b>306</b>	<b>350</b>

**Indonesian Plantation's Water Consumption Intensity per Tonne FFB Produced**

	Water Consumption (m <sup>3</sup> )	FFB Processed (MT)	Water Intensity per Tonne per FFB Processed (m <sup>3</sup> /MT)
FYE2020	295,530	188,770	1.57
FYE2021	272,050	168,055	1.62
FYE2022	288,050	181,140	1.59

**Energy Consumption (Gigajoules)**

Year	Total Energy Consumption (GJ)
FYE2020	58,307
FYE2021	54,775
FYE2022	53,530

**Energy Consumption by division (GJ)**

Division	FYE2020	FYE2021	FYE2022
Head Office	5,251	4,047	4,223
Plantation	43,487	43,372	41,796
Manufacturing	9,569	7,356	7,511
<b>Grand Total</b>	<b>58,307</b>	<b>54,775</b>	<b>53,530</b>

**Types of Energy (GJ)**

Types of Energy	FYE2020	FYE2021	FYE2022
Diesel & Petrol	43,378	43,294	41,755
Biomass	142	131	136
Electricity	14,787	11,349	11,639
<b>Total</b>	<b>58,307</b>	<b>54,774</b>	<b>53,530</b>

**Total Fuel Consumption from Non-Renewable Sources (Litres)**

Division	FYE2020	FYE2021	FYE2022
Plantation	1,262,214	1,258,124	1,213,137
Manufacturing	6,142	7,797	7,754
<b>Grand Total</b>	<b>1,268,356</b>	<b>1,265,921</b>	<b>1,220,891</b>

Note: Non-Renewable Sources consist of petrol and diesel

**Fuel Consumption Intensity****Malaysia Plantation Transportation Fuel Oil Intensity Per Tonne FFB Produced**

	Diesel Consumption (L)	FFB Produced (MT)	Diesel Intensity Per Tonne FFB Produced (L/MT)
FYE2020	176,920	7,813	22.64
FYE2021	63,141	14,960	4.22
FYE2022	64,254	19,350	3.32

**Indonesia Plantation Transportation Diesel Intensity Per Tonne FFB Produced**

	Diesel Consumption (L)	FFB Produced (MT)	Diesel Intensity Per Tonne FFB Produced (L/MT)
FYE2020	453,715	148,637	3.05
FYE2021	418,079	133,799	3.12
FYE2022	375,343	133,929	2.80

**Total Consumption from Renewable Sources (Solar – kWh)**

Division	FYE2020	FYE2021	FYE2022	Purpose of Usage
Head Office	153,390	212,376	218,411	Office building
Plantation	8,399	12,376	18,381	Workers Quarters
Manufacturing	-	33,086	68,330	Bangi Warehouse
<b>Total</b>	<b>161,789</b>	<b>257,838</b>	<b>305,122</b>	

**Total Consumption from Renewable Sources (Biomass – MT)**

Division	FYE2020	FYE2021	FYE2022	Purpose of Usage
Plantation	33,898	31,409	32,594	Mill (Fibre & Shell)

**Electricity Consumption (MWh)**

Year	Electricity Consumption (MWh)
FYE2020	3,946
FYE2021	2,895
FYE2022	2,928

Division	FYE2020	FYE2021	FYE2022
Head Office	1,305	912	955
Plantation	41	47	29
Manufacturing	2,600	1,936	1,944
<b>Grand Total</b>	<b>3,946</b>	<b>2,895</b>	<b>2,928</b>

**GHG Emissions**

**Direct (Scope 1) GHG Emissions (tCO<sub>2</sub>eq)**

Type of Energy	FYE2020	FYE2021	FYE2022
<b>Non-Renewable</b>			
Petrol	43	86	84
Diesel	703	691	666
<b>Renewable</b>			
Biomass	5	4	5
Solar PV	12	19	22
<b>Total</b>	<b>763</b>	<b>800</b>	<b>777</b>

Division	FYE2020	FYE2021	FYE2022
Manufacturing	8	13	14
Plantation	744	772	747
Head Office	11	15	16
<b>Grand Total</b>	<b>763</b>	<b>800</b>	<b>777</b>

**Energy Indirect (Scope 2) GHG Emissions (tCO<sub>2</sub>eq)**

Division	FYE2020	FYE2021	FYE2022
Head Office	1,149	802	840
Plantation	36	41	25
Manufacturing	2,288	1,704	1,711
<b>Total</b>	<b>3,473</b>	<b>2,547</b>	<b>2,576</b>

**Other Indirect (Scope 3) GHG Emissions (tCO<sub>2</sub>eq)**

Division	FYE2020	FYE2021	FYE2022
Plantation (POME)	167	621	611

**GHG Emissions Intensity (tCO<sub>2</sub>eq/RM million revenue)**

**Plantation**

	Unit	FYE2020	FYE2021	FYE2022
Total Emission	tCO <sub>2</sub> eq	946	1,434	1,384
Denominator	Revenue RM million	103.12	123.27	189.41
GHG Emission Intensity per Revenue	tCO <sub>2</sub> eq/RM million	<b>9.17</b>	<b>11.63</b>	<b>7.31</b>

**Manufacturing**

	Unit	FYE2020	FYE2021	FYE2022
Total Emission	tCO <sub>2</sub> eq	2,296	1,717	1,726
Denominator	Revenue (RM million)	134.00	101.93	104.13
GHG Emission Intensity per Revenue	tCO <sub>2</sub> eq/RM million	<b>17.13</b>	<b>16.84</b>	<b>16.57</b>

**SOCIAL****Headcount**

	FYE2020	FYE2021	FYE2022
No. of Employees	1,744	1,641	1,686

**Headcount by Gender**

	FYE2020	%	FYE2021	%	FYE2022	%
Male	1,335	76.5%	1,255	76.5%	1,284	76.2%
Female	409	23.5%	386	23.5%	402	23.8%

**Headcount by Age, Gender, Employee Category and Ethnicity (%)**

FYE2020 Employee Category	Gender		Age			Ethnicity			
	Male	Female	<30 years	30-50 years	>50 years	Malaysian			Non- Malaysian
						Bumiputera	Chinese	Indian	
Senior Management	5	1	0	3	3	6	0	0	0
Management	25	2	1	18	8	26	0	0	1
Executive	54	24	28	38	12	57	0	0	21
Non-Executive	1,251	382	489	997	147	470	0	4	1,159
<b>Total</b>	<b>1,335</b>	<b>409</b>	<b>518</b>	<b>1,056</b>	<b>170</b>	<b>559</b>	<b>0</b>	<b>4</b>	<b>1,181</b>

FYE2021 Employee Category	Gender		Age			Ethnicity			
	Male	Female	<30 years	30-50 years	>50 years	Malaysian			Non- Malaysian
						Bumiputera	Chinese	Indian	
Senior Management	4	1	0	3	2	5	0	0	0
Management	20	2	1	14	7	22	0	0	0
Executive	50	22	24	38	10	51	0	0	21
Non-Executive	1,181	361	447	950	145	411	0	12	1,119
<b>Total</b>	<b>1,255</b>	<b>386</b>	<b>472</b>	<b>1,005</b>	<b>164</b>	<b>489</b>	<b>0</b>	<b>12</b>	<b>1,140</b>

FYE2022 Employee Category	Gender		Age			Ethnicity			
	Male	Female	<30 years	30-50 years	>50 years	Malaysian			Non- Malaysian
						Bumiputera	Chinese	Indian	
Senior Management	4	1	0	3	2	5	0	0	0
Management	22	3	1	15	9	25	0	0	0
Executive	44	18	18	39	5	42	0	0	20
Non-Executive	1,214	380	491	962	141	588	0	7	999
<b>Total</b>	<b>1,284</b>	<b>402</b>	<b>510</b>	<b>1,019</b>	<b>157</b>	<b>660</b>	<b>0</b>	<b>7</b>	<b>1,019</b>

### Headcount by Division

	FYE2020	FYE2021	FYE2022
Head Office	36	27	21
Manufacturing	287	268	264
Plantation	1,421	1,346	1,401
<b>Total</b>	<b>1,744</b>	<b>1,641</b>	<b>1,686</b>

### Headcount by Nationality

	FYE2020	FYE2021	FYE2022
Malaysia	563	493	671
Indonesia	1,156	1,116	991
Bangladesh	24	23	20
Indian	1	9	4
<b>Total</b>	<b>1,744</b>	<b>1,641</b>	<b>1,686</b>

### Headcount by employment contract and by gender

	FYE2020		FYE2021		FYE2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Male	822	513	680	575	725	559
Female	348	61	336	50	362	40
<b>Total</b>	<b>1,170</b>	<b>574</b>	<b>1,016</b>	<b>625</b>	<b>1,087</b>	<b>599</b>

Note: All FimaCorp employees are on full-time employment contract.

### Headcount by Country

	FYE2020	FYE2021	FYE2022
Malaysia	622	544	700
Indonesia	1,122	1,097	986

### Local Employment Breakdown by Country

	FYE2020	FYE2021	FYE2022
Malaysia	558	490	666
Indonesia	1,117	1,094	981
<b>Total</b>	<b>1,675</b>	<b>1,584</b>	<b>1,647</b>

### Local Employment Rate by Country

FYE2020	Malaysia	Indonesia
Local	89.7%	99.6%
Foreign	10.3%	0.4%

FYE2021	Malaysia	Indonesia
Local	90.1%	99.7%
Foreign	9.9%	0.3%

FYE2022	Malaysia	Indonesia
Local	95.1%	99.5%
Foreign	4.9%	0.5%

**Local Senior Management by Country**

	FYE2020	FYE2021	FYE2022
Malaysia	5	5	5
Indonesia	-	-	-
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>%</b>	<b>83.3%</b>	<b>100.0%</b>	<b>100.0%</b>

**New Hires****Group New Hire**

FYE2020		FYE2021		FYE2022	
No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
550	31.5%	92	5.6%	528	31.3%

**New Hire by Age Group**

	FYE2020		FYE2021		FYE2022	
	No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
<30	293	56.6%	62	13.1%	317	62.2%
30-50	253	24.0%	30	3.0%	201	19.7%
>50	4	2.4%	0	0.0%	10	6.4%

**New Hire by Gender**

	FYE2020		FYE2021		FYE2022	
	No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
Male	507	38.0%	81	6.5%	473	36.8%
Female	43	10.5%	11	2.8%	55	13.7%

**New Hire by Division**

	FYE2020		FYE2021		FYE2022	
	No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
Head Office	1	2.8%	0	0.0%	1	4.8%
Manufacturing	75	26.1%	19	7.1%	43	16.3%
Plantation	474	33.4%	73	5.4%	484	34.5%

**New Hire by Country**

	FYE2020		FYE2021		FYE2022	
	No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
Malaysia	294	47.3%	66	12.1%	304	43.4%
Indonesia	256	22.8%	26	2.4%	224	22.7%

**Turnover (%)**

Note: Turnover rate have been restated (except for Group Turnover rate) due to the usage of a different formula in FYE2022.

**Group Turnover**

FYE2020		FYE2021		FYE2022	
No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
497	28.5%	177	10.8%	436	25.9%

**Turnover by Age Group**

	FYE2020		FYE2021		FYE2022	
	No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
<30	225	43.4%	84	17.8%	230	45.1%
30-50	256	24.2%	85	8.5%	198	19.4%
>50	16	9.4%	8	4.9%	8	5.1%

**Turnover by Gender**

	FYE2020		FYE2021		FYE2022	
	No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
Male	452	33.9%	161	12.8%	391	30.5%
Female	45	11.0%	16	4.1%	45	11.2%

**Turnover by Division**

	FYE2020		FYE2021		FYE2022	
	No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
Head Office	0	0.0%	1	3.7%	0	0.0%
Manufacturing	13	4.5%	9	3.4%	19	7.2%
Plantation	484	34.1%	167	12.4%	417	29.8%

**Turnover by Country**

	FYE2020		FYE2021		FYE2022	
	No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
Malaysia	153	24.6%	107	19.7%	186	26.6%
Indonesia	344	30.7%	70	6.4%	250	25.4%

**Turnover by Employment Contract**

	FYE2020		FYE2021		FYE2022	
	No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
Permanent	153	13.1%	53	5.2%	160	14.7%
Temporary	344	59.9%	124	19.8%	276	46.1%

**Training****Average Training Hours per Employee**

	FYE2020	FYE2021	FYE2022
	3.64	1.94	1.98

**Average Training Hours by Gender**

	FYE2020		FYE2021		FYE2022	
	Male	Female	Male	Female	Male	Female
Total No. of Employees	1,335	409	1,255	386	1,284	402
Total No. of Training Hours	4,117.0	2,176.0	1,861.0	1,322.0	2,128.0	1,211.0
Average Training Hours Per Employee	3.13	5.32	1.48	3.42	1.66	3.01

**Average Training Hours by Employee Category**

	FYE2020		FYE2021		FYE2022	
	Total No. of Training Hours	Average Training Hours per Employee	Total No. of Training Hours	Average Training Hours per Employee	Total No. of Training Hours	Average Training Hours per Employee
Non-Executive	4,025.0	2.5	1,538.0	1.0	1,838.0	1.2
Executive	1,644.0	21.1	1,146.0	15.9	963.0	15.5
Management	536.0	19.9	413.0	18.8	401.0	16.0
Senior Man-agement	148.0	24.7	86.0	17.2	137.0	27.4

**Average Training Hour by Gender and by Country**

	FYE2020		FYE2021		FYE2022	
	Male	Female	Male	Female	Male	Female
Malaysia	9.0	12.1	3.8	6.6	3.9	5.6
Indonesia	0.2	0.1	0.5	1.2	0.3	0.3

**Parental Leave**

	FYE2021		FYE2022	
	Male	Female	Male	Female
Total number of employees who were entitled to parental leave	NA	NA	900	402
Total number of employees that took parental leave	6	24	13	20
Total number of employees that returned to work in the reporting period after parental leave ended	6	22	13	18
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	NA	NA	5	15

	FYE2022
Return to Work Rate	93.9%
Retention Rate	71.4%

## Occupational Health and Safety Performance

### Total Injuries

	FYE2020	FYE2021	FYE2022
Recorded Injuries	16	19	12
Fatalities	1	0	0

### Work-related Injuries (Employees)

	FYE2020		FYE2021		FYE2022	
	Number	Accident	Number	Accident Rate	Number	Accident Rate
Hours Worked	3,632,288	-	3,564,176	-	3,466,320	-
Fatalities	1	-	0	-	0	-
Recordable work-related injuries	16	9.26	19	11.23	12	7.34

Note: Accident rate calculated based on 1,000 workers as per the Occupational Safety and Health Masterplan (2021-2025). There was no data available for non-employees.

### Lost Time Injury Frequency Rate (LTIFR)

	FYE2020	FYE2021	FYE2022
	4.40	5.33	3.46

Note: Per 1,000,000 Hours Worked

### Injuries by Absent Days

	FYE2020	FYE2021	FYE2022
	123	204	110

## GOVERNANCE

### Value distribution to stakeholders (RM million)

Stakeholders	FYE2020	FYE2021	FYE2022
Community Investment	0.71	0.35	0.17
Dividends	30.05	31.74	45.16
Employee Wages and Benefits	33.77	27.70	29.89
Taxes	12.30	28.73	32.53

### Supply Chain – Support for local procurement

	FYE2020		FYE2021		FYE2022	
	Local	Foreign	Local	Foreign	Local	Foreign
Malaysia	-	-	-	-	95.9	4.1
Indonesia	92.1	7.9	91.8	8.2	90.1	9.9

Note: Data for Malaysia is limited to FYE2022.

## 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	9, 14, 20	Refer to the Group Corporate Structure, Management Discussion & Analysis and Segmental Review sections in this Report.
102-3	Location of headquarters	205	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	206	Refer to the Directory of Group Operations in this Report.
102-5	Ownership and legal form	9, 200	FimaCorp is a public company listed on the Main Market of Bursa Malaysia Securities Berhad <ul style="list-style-type: none"> <li>• Stock Name: FIMACOR</li> <li>• Stock Code: 3107</li> <li>• Sector: Industrial Products and Service</li> <li>• Sub Sector: Industrial Services</li> </ul>
102-6	Markets served	20	Refer to the Segmental Review sections in this Report.
102-7	Scale of the organisation	8, 9, 14, 20, 54, 55, 57, 212	Refer to the following sections in this Report: <ul style="list-style-type: none"> <li>• Group Corporate Structure and workforce data in this Report.</li> <li>• Management Discussion &amp; Analysis, Segmental Reviews, 5-Year Group Financial Highlights.</li> </ul>
102-8	Information on employees and other workers	55, 212	All FimaCorp employees are full-time workers. Total Permanent workers: 1,087 Total Temporary workers: 599 Refer also to the Social section of the Sustainability Report and Performance Data.
102-9	Supply chain	64, 53	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 FYE2022.
102-11	Precautionary Principle or approach	94	Refer to the Statement on Risk Management and Internal Control in this Report.
102-12	External initiatives	38, 65	SDGs, MSPO, Certifications
102-13	Membership of associations	65	<ul style="list-style-type: none"> <li>• Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)</li> <li>• Association of Plantation Investors of Malaysia in Indonesia (APIMI)</li> <li>• Incorporated Society of Planters (ISP)</li> <li>• Malaysian Employers Federation</li> </ul>
102-14	Statement from senior decision-maker	10	Refer to the Chairman's Statement in this Report.
102-15	Key impacts, risks, and opportunities	34, 94	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	2, 75, 94	Refer to Our Values section, Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-17	Mechanisms for advice and concerns about ethics	54, 102	The Group has in place a Whistleblowing Policy and grievance procedures to address employees' and third parties' concerns.
102-18	Governance structure	75	Refer to the Corporate Governance Overview Statement in this Report.

**GENERAL DISCLOSURES****GRI 102: General Disclosures**

Disclosure Number		Page	Remarks
102-19	Delegating authority	75	Refer to the Corporate Governance Overview Statement in this Report.
102-20	Executive-level responsibility for economic, environmental, and social topics	75	Refer to the Corporate Governance Overview Statement in this Report.
102-21	Consulting stakeholders on economic, environmental, and social topics	35	Refer to Sustainability Report.
102-22	Composition of the highest governance body and its committees	66, 72, 75, 200	Refer to Corporate Information, Our Board of Directors, Our Senior Management and Corporate Governance Overview Statement sections in this Report.
102-23	Chair of the highest governance body	66	FimaCorp's Chairman, Datuk Bazlan bin Osman, is an Independent Non-Executive Director.
102-24	Nominating and selecting the highest governance body	75	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	75	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	75	Refer to the Corporate Governance Framework.
102-27	Collective knowledge of highest governance body	75	FimaCorp Directors are encouraged to attend continuous training programmes. In FYE2022, 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	75	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	40, 62, 75	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 Corporate Governance Overview Statement in this Report.
102-30	Effectiveness of risk management processes	91, 94	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	40, 62, 75	The Board reviews and approves the SR2022. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.

**GENERAL DISCLOSURES****GRI 102: General Disclosures**

Disclosure Number		Page	Remarks
102-32	Highest governance body's role in sustainability reporting	40, 62, 75	The Board reviews and approves the SR2022. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-35	Remuneration policies	75	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	75	Refer to the Corporate Governance Overview Statement in this Report.
102-37	Stakeholders' involvement in remuneration	194	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 47 <sup>th</sup> Annual General Meeting.
102-40	List of stakeholder groups	35	FimaCorp has identified seven stakeholder groups.
102-41	Collective bargaining agreements	53	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	35	FimaCorp has identified seven stakeholder groups.
102-43	Approach to stakeholder engagement	35	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	35	
102-45	Entities included in the consolidated financial statements	14, 105	The Group's core divisions are Manufacturing and Plantation. Refer to the Management Discussion & Analysis and the Financial Statements sections in this Report.
102-46	Defining report content and topic boundaries	2	Refer to About This Report.
102-47	List of material topics	37	
102-48	Restatements of information	-	Historical data relating to employee turnover has been restated.
102-49	Changes in reporting	-	No significant changes to the Group's organisational structure and reporting.
102-50	Reporting period	2	1 April 2021 to 31 March 2022.
102-51	Date of most recent report	-	Our last Sustainability Report was dated 27 August 2021.
102-52	Reporting cycle	2	Annual; financial year ending 31 March 2022.
102-53	Contact point for questions regarding the report	2	All enquiries and comments can be forwarded to <a href="mailto:fima@fimacorp.com">fima@fimacorp.com</a> .
102-54	Claims of reporting in accordance with the GRI Standards	2	Refer to About This Report.
102-55	GRI content index	218	
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.

<b>MATERIAL TOPICS - ECONOMIC</b>			
<b>Disclosure Number</b>		<b>Page</b>	<b>Remarks</b>
<b>Economic</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary	63	Refer to the materiality and boundaries of economic 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 SR2022.
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.
<b>201: Economic Performance</b>			
201-1	Direct economic value generated and distributed	63	
201-2	Financial implications and other risks and opportunities due to climate change	40, 42-51, 94	Addressing the impacts of climate change on the business is a material issue and issues are raised in various sections of the SR2022, notably, the Environmental section. Refer also to the Taskforce on Climate-Related Financial Disclosures and 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 2022 in this Report in notes 9 (Staff Costs) and 10 (Directors' Remuneration).
<b>202: Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	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	55	In FYE2022, our local employment rate was 97.7% and 100% of the Group's senior management were locals.
<b>203: Indirect Economic Impacts</b>			
203-2	Significant indirect economic impacts	61	We believe in contributing economically and socially to the well-being of the communities where we conduct business.
<b>204: Procurement Practices</b>			
204-1	Proportion of spending on local suppliers	64,208	
<b>205: Anti-Corruption</b>			
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	58, 63	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	63	There were no confirmed incidents of corruption during the review period.

**MATERIAL TOPICS - ECONOMIC**

Disclosure Number	Page	Remarks	
<b>Economic</b>			
<b>Management Approach</b>			
<b>206: Anti-Competitive Behaviour</b>			
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	
<b>Environment</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary	42	Refer to the materiality and boundaries of environmental performance sections.  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 SR2022.  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.
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
<b>302: Energy</b>			
302-1	Energy consumption within the organisation	45-47,209-210	We strive to efficiently manage our energy consumption across all our operations, and each division has its own energy consumption and intensity targets.
302-3	Energy intensity	45-47,209-210	
302-4	Reduction of energy consumption	45-47	
302-5	Reduction in energy requirements of products and services	45-47	
<b>303: Water and Effluents</b>			
303-1	Interactions with water as shared recourse	49,208-209	
303-2	Management of water discharge-related impacts	49,208-209	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	49,208-209	
303-5	Water consumption	49,208-209	

<b>MATERIAL TOPICS - ENVIRONMENT</b>			
<b>Disclosure Number</b>		<b>Page</b>	<b>Remarks</b>
<b>Environment</b>			
<b>Management Approach</b>			
<b>304: Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	43-45	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	43-45	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	43-45	<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.	43-45	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.
<b>305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	48,211	
305-2	Energy indirect (Scope 2) GHG emissions	48,211	
305-3	Other indirect (Scope 3) GHG emissions	48,211	
305-4	Emissions Intensity	48,211	
305-5	Reduction of GHG emissions	48	
<b>306: Waste</b>			
306-1	Waste generation and significant waste-related impacts	50-51	
306-2	Management of significant waste-related impacts	50-51	
306-3	Waste generated	50-51,208	
306-4	Waste diverted from disposal	50-51,208	
306-5	Waste directed to disposal	50-51,208	
<b>307: Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	-	No environmental-related penalties or fines were payable during the reporting period.

<b>MATERIAL TOPICS - SOCIAL</b>			
<b>Disclosure Number</b>		<b>Page</b>	<b>Remarks</b>
<b>Social</b>			
<b>103: Management Approach</b>			
103-1	Explanation of the material topic and its boundary	52	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 SR2022.
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.
<b>401: Employment</b>			
401-1	New employee hires and employee turnover	56-57, 214	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	58	
401-3	Parental Leave	216	The Group provides maternity and paternity leave to entitled employees. Data on parental leave is set out in the Performance Data section
<b>402: Labour Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	-	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. With regards to any operational changes, we provide a minimum notice period of one to three months depending on the geographical location of the operating companies.
<b>403: Occupational Safety and Health</b>			
403-1	Occupational health and safety management system	59	Health and safety committees are in place in all divisions.
403-2	Hazard identification, risk assessment, and incident investigation	60	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.
403-4	Worker Participation, Consultation and Communication on Occupational Health and Safety	60	
403-5	Worker Training on Occupational Health and Safety	60	
403-9	Work-related injuries	61, 217	

<b>MATERIAL TOPICS - SOCIAL</b>			
<b>Disclosure Number</b>		<b>Page</b>	<b>Remarks</b>
<b>Social</b>			
<b>Management Approach</b>			
<b>404: Training and Education</b>			
404-1	Average hours of training per year per employee by gender and by employee category	57, 216	
404-2	Programmes for upgrading employee skills and transition assistance programmes	58	We strive to develop our employees to reach their maximum potential through training, job rotation and internal promotion opportunities.
404-3	Percentage of employees receiving regular performance and career development reviews	59	
<b>405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	55, 66-74, 212-215	The composition of our permanent workforce is detailed in the SR2022. The composition of our Board of Directors and Key Senior Management is provided on pages 66 to 74 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.
<b>406: Non-Discrimination</b>			
406-1	Incidents of discrimination and corrective action taken	54	There were zero reported cases of discrimination in the year under review.
<b>407: Freedom of Association and Collective Bargaining</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	53	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.
<b>408: Child Labour</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	56	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 SR2022.
<b>409: Forced or Compulsory Labour</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	53	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.
<b>412: Human Rights Assessment</b>			
412-2	Employee training on human rights policies or procedures	53	
<b>413: Local Community</b>			
413-1	Operations with local community engagement, impact assessments, and development programmes	61	All our operations have some degree of community engagement. Impact assessments are conducted as and when needed, particularly for new development projects.

**MATERIAL TOPICS - SOCIAL**

Disclosure Number		Page	Remarks
<b>Social</b>			
<b>Management Approach</b>			
<b>415: Public Policy</b>			
415-1	Political contribution	-	FimaCorp does not make any donations to political parties.
<b>418: Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	64	There were zero breaches of data privacy and information during the year under review.
<b>419: Socioeconomic Compliance</b>			
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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