



# Positioning for the Future

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Annual Report 2024

# Sustainability Report

## Sustainability Report

### Introduction

At FimaCorp we are steadfast in our commitment to driving profitable and sustainable growth that delivers enduring value to all our stakeholders. To this end, we have defined our priorities and established strategic targets for addressing the issues deemed most critical by both our stakeholders and ourselves. We also concentrate our efforts on areas where our capabilities can have the most significant impact and are dedicated to devising practical solutions that are economically viable and environmentally sustainable. Our endeavours support our broader objective of generating societal benefits and actively contributing to nation-building.

### Our Approach

The Group recognises that our capacity to achieve sustained growth and secure the future prosperity of the communities in which we operate is directly linked to our responsible stewardship of both human and natural resources. This is reflected in our commitment to the sustainability principles of ethical practices, continuous innovation, environmental protection, the health and safety of our employees, customers, and inclusive growth. We have established an actionable framework comprising five interconnected approaches in order to implement real change. By examining the interactions within this framework, and guided by the principle that “whatever we can measure, we can manage”, we are steadily transforming our aspirations into concrete actions and interventions. These data-driven approach provide us with insights into our current position and the more specific goals that we need to accomplish to fully integrate sustainability imperatives with our long-term business objectives and value creation efforts.

Our initiatives are guided by our sustainability policies which are upheld by both FimaCorp and its stakeholders. Implementation of these policies is overseen by the Board of Directors, who are responsible for setting the course of our sustainability journey. Assessments are conducted to identify key issues that are of material importance to our stakeholders and us. These issues are then correlated with the United Nations Sustainable Development Goals (“SDGs”) to select relevant indicators. These indicators assist us in measuring and reporting our contributions across environmental, social, and governance (“ESG”) aspects of sustainable development.







### Stakeholder Engagement

FimaCorp acknowledges that its diverse operations across various industries and regions necessitate a robust approach to stakeholder engagement. Our objective is to foster resilient and trusting relationships with all groups influenced by or influencing our business activities. Through proactive engagements, we aim to understand their perspectives and concerns regarding our operations, and collaboratively address any potential social, environmental, or economic impacts.

Our approach to stakeholder interaction varies based on the significance of their input and our business needs, ranging from periodic consultations to regular updates, or more frequent engagements when necessary.

Below is an outline of our stakeholder groups, their primary concerns, and how we engage and respond to each group, to ensure transparency and mutual benefit in all our interactions.

Stakeholders	Engagement Platform	Key Concerns	Our Response
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employee Engagement Survey</li> <li>Performance and career development reviews</li> <li>Labour union meetings and negotiations</li> <li>Virtual meetings</li> <li>Internal communications</li> </ul>	<ul style="list-style-type: none"> <li>Job security and wages</li> <li>Conducive workplace</li> <li>Career development and growth development</li> <li>Occupational safety and health and well-being</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Investing in the attraction, retention, and professional development of a highly skilled and talented workforce.</li> <li>Offering a range of job opportunities and career advancement paths, along with competitive salary and benefits packages.</li> <li>Establishing grievance mechanisms and a confidential Whistle-Blowing Policy to address and resolve employee concerns and complaints effectively.</li> <li>Investing in and enforcing Occupational Safety and Health Management Systems to ensure the health and safety of all employees.</li> <li>Complying with the United Nations Human Rights Council's Human Rights Policy to uphold and protect fundamental rights and freedoms, guaranteeing equitable treatment for all employees.</li> <li>Delivering continuous training on integrity and anti-bribery to foster a workplace culture committed to ethical practices and compliance.</li> </ul>
<b>Shareholders &amp; Investors</b> 	<ul style="list-style-type: none"> <li>AGM meetings</li> <li>Corporate website</li> <li>Comprehensible reports and timely disclosure of financial and ESG matters</li> <li>Response to queries</li> <li>Meetings with fund managers</li> <li>Investor Relations Channel</li> </ul>	<ul style="list-style-type: none"> <li>Timely disclosure of information</li> <li>Financial performance and resilience</li> <li>Transparent communication</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that communications regarding business performance and policies are rolled out clearly, concisely and promptly to reinforce our shareholders' confidence.</li> </ul>

Stakeholders	Engagement Platform	Key Concerns	Our Response
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Physical or virtual meetings</li> <li>Audit</li> <li>Survey</li> <li>Training and support</li> </ul>	<ul style="list-style-type: none"> <li>Changing needs of customers and consumers</li> <li>Business ethics</li> <li>Innovation</li> <li>Traceability</li> <li>Health and safety certification</li> <li>Transparent supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining a steadfast commitment to integrity and fairness in all customer interactions, ensuring that our products and services consistently meet established quality and satisfaction standards.</li> <li>Providing goods and services that are suitable for their intended use and adhere to all relevant safety and quality regulations.</li> <li>Striving to exceed industry and international certification standards, thereby building trust with stakeholders and increasing our market share.</li> <li>Regularly assessing consumer feedback, audit outcomes, and satisfaction surveys to pinpoint crucial areas for improvement and continued development.</li> <li>Adopting a proactive stance to maintain adherence to current standards and prevent complacency in our operations.</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Town hall with local residents</li> <li>Community volunteering activities</li> <li>Environmental and Social Impact Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Economic empowerment</li> <li>Livelihood protection</li> <li>Community safety and health</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing local communities by offering employment and nurturing partnerships with local suppliers.</li> <li>Bettering the lives and economic well-being of local communities through the development and enhancement of infrastructure, along with providing welfare contributions and financial support during hardships or disasters.</li> <li>Providing financial assistance to facilitate the education of school-age children.</li> </ul>
<b>Suppliers &amp; Business Partners</b> 	<ul style="list-style-type: none"> <li>Meetings</li> <li>Training and support</li> </ul>	<ul style="list-style-type: none"> <li>Quality control</li> <li>Business ethics</li> <li>Transparency</li> <li>Sustainability requirements</li> </ul>	<ul style="list-style-type: none"> <li>Adhering to ethics and integrity policies to ensure fair and impartial procurement practices, fostering stable and long-term relationships with suppliers.</li> <li>Regularly updating suppliers on regulatory changes to ensure uninterrupted business operations.</li> <li>Collaborating with suppliers to guarantee a consistent supply of materials, securing long-term availability, and investigating potential new opportunities.</li> <li>Identifying improvement opportunities based on audits, internal reviews, and other evaluations.</li> </ul>
<b>National &amp; Local Governments</b> 	<ul style="list-style-type: none"> <li>Meetings/dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Updated licences and permits</li> <li>Zero compliance issue</li> <li>Community issues</li> <li>Community development</li> </ul>	<ul style="list-style-type: none"> <li>Proactively engaging with federal and local governments, as well as regulatory authorities, to advocate for industry-specific legislation and collaborate on policy development.</li> <li>Supporting national strategies and contributing actively to the economic and social advancement of the countries in which the Group operates, promoting sustained growth.</li> </ul>

Our Materiality Matters

MATERIALITY ASSESSMENT

Materiality Transition

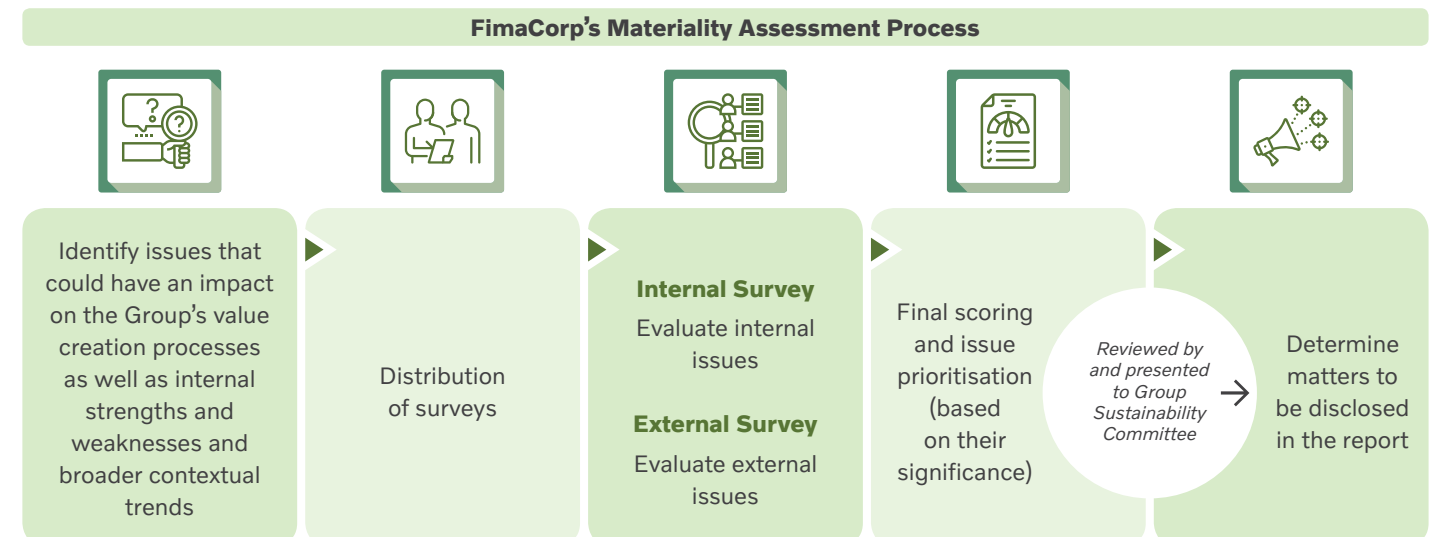
Group Material Matters	GRI	SDGs
Climate Risk	GRI 305	SDG 13, 14
Water Impact and Waste Management	GRI 303, 306	SDG 6, 12, 13, 14
Biodiversity and Deforestation	GRI 304	SDG 12, 13, 14, 15
Human Rights	GRI 405, 408, 409, 412	SDG 1, 2, 4
Occupational Safety, Health and Well-being	GRI 403	SDG 8
Sustainable and Traceable Supply Chains	GRI 102, 204	SDG 12, 14, 15
Product Quality and Safety	GRI 416, 417	SDG 2, 12
Community Investments	GRI 203, 413	SDG 1, 2, 4
Innovation and Technology Excellence	Non-GRI Indicator	SDG 8
Code of Ethics & Governance	GRI 205	SDG 8, 14

Materiality assessments are pivotal in shaping our sustainability strategy as they identify the most pressing ESG issues relevant to our organisation and stakeholders. These assessments also evaluate our Group's ESG performance from the perspective of our stakeholders and determine the significance of each issue across different groups. The insights gained enable us to prioritise and focus on the most critical ESG topics.

To ensure our focus remains aligned with the evolving needs of our operations and stakeholders, FimaCorp revisits its materiality determinations biennially. The last review was conducted in FYE2023 by our Group Corporate Services Department and included an online survey with participation from over 300

stakeholders, including shareholders, employees, suppliers, and government agencies.

The results of each materiality assessment took into account the unique contributions of each business division, analysing factors such as each division's impact on the Group's financial results, workforce size, and growth potential. To guarantee a thorough analysis, we also performed a desktop review to benchmark against current sustainability trends, analyse peer reports, and consider pertinent regulations and guidelines. This comprehensive approach ensures that our sustainability efforts are both targeted and effective, addressing the areas of greatest impact and importance.



**Materiality Matrix**

The results of our materiality assessment culminated in the Group’s materiality matrix, which organises ESG issues based on their perceived importance to stakeholders and their impact on the Group. The X-axis of the matrix reflects the significance of these issues to our operations, while the Y-axis gauges their importance to our stakeholders. The matrix is further segmented into three quadrants, with the top right quadrant identifying the issues of utmost importance to both the Group and stakeholders. This strategic arrangement enables us to concentrate our efforts on managing our impacts and effectively enhancing our relationships with stakeholders.

The materiality matrix has identified the following four critical sustainability themes for the Group:

- Anti-bribery and corruption measures
- Occupational safety, health, and well-being
- Human rights protection
- Effective water and waste management

While each theme is essential in its own right, these issues were found to be deeply interwoven, with each significantly affecting the others. For instance, a safe and supportive workplace is crucial for maintaining the dignity and rights of employees, which in turn helps uphold human rights standards. Conversely, robust anti-corruption measures support a safe work environment and protect human rights by preventing practices that could endanger both. Similarly, managing environmental impacts such as water usage and waste disposal is critical for mitigating climate risk, which is another area of major concern for the Group.

These interconnected themes highlight the importance of an integrated response from the Group. By developing comprehensive strategies that address these issues collectively, we can advance towards a more sustainable and ethical business model that benefits both the organisation and its stakeholders.

Further details on our approaches and outcomes in these areas are outlined in the subsequent sections of this Sustainability Report.



**United Nations Sustainable Development Goals**

FimaCorp has integrated the United Nations Sustainable Development Goals (“UNSDGs”) into its sustainability strategy. Established in 2015, the UNSDGs comprise 17 goals that serve as a universal call to action to address global challenges such as poverty, inequality, climate change, and environmental degradation.



The Group strategically leverages its business operations to contribute towards these goals with a particular emphasis on the following:

- The manufacturing and sale of products it produces and the way in which they are produced.
- The use by host government of the taxes that the Company pays.
- The creation of economic and social value in the communities where we operate by creating local jobs.
- Supporting local supply chains through development programmes, training, and investment, fostering economic independence and resilience.
- The efforts undertaken to reduce the environmental footprint of the business.

FimaCorp has identified 9 SDGs that are especially pertinent to our current business operations and resonate with our corporate vision and strategic planning. These goals guide our targeted efforts and initiatives. While our focus is on these 9 goals, our broader corporate activities and ethical commitments align with the overarching aim of all UNSDGs. The following table illustrates how these prioritised SDGs have been incorporated into our Sustainability framework, mapped with our materiality matters, Global Reporting Initiative (“GRI”) disclosures, as well as our key risks. The table also outlines the contributions that FimaCorp has made towards upholding these SDGs in our operations.

Group Material Matters	Metrics Measured and Monitored	Our Contribution
<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>• Energy Consumption – renewable and non-renewable</li> <li>• Greenhouse gas emissions (“GHG”) (Scope 1 and 2 emissions)</li> <li>• Intensity for fuel consumption (harvesting operation)</li> <li>• Intensity for water consumption (FFB processing)</li> <li>• Tracking water withdrawals and consumption</li> <li>• Waste disposal amount and type</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing sustainable agricultural practices and best management practices across our estates, adhering to the Malaysian Sustainable Palm Oil (“MSPO”) and Good Agricultural Practices (“GAP”) standards.</li> <li>• Ensuring wastewater discharge quality meets or exceeds regulatory standards to effectively mitigate water pollution.</li> <li>• Optimising alternative water sources through initiatives such as water harvesting and recycling.</li> <li>• Adopting renewable energy sources, such as solar power, biodiesel, and biomass, to reduce the Group’s carbon footprint.</li> <li>• Maintaining efficient water and energy management systems that comply with industry and international standards, including ISO 14001 and ISO 5001.</li> <li>• Utilising natural resources efficiently through the principles of Recycle, Reuse, Reduce, and Refuse.</li> </ul>

**Alignment with GRI**  
302, 303, 304, 305, 306

# Sustainability Report

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## Our People Livelihood, Health & Well-being

Group Material Matters	Metrics Measured and Monitored	Our Contribution
<ul style="list-style-type: none"> <li>Human Rights</li> <li>Occupational Safety, Health and Well-being</li> <li>Community Investment</li> </ul> <p><b>Alignment with GRI</b> 102, 202, 203, 401, 402, 403, 404, 405, 406, 407, 409, 412, 413</p>	<ul style="list-style-type: none"> <li>Diversity throughout the Group</li> <li>Employee training and development</li> <li>Number of work-related fatalities</li> <li>Work related injuries</li> <li>Accident &amp; Lost time Injury Frequency Rate (LTIFR)</li> <li>Community engagement and investments where we operate</li> </ul>	<ul style="list-style-type: none"> <li>Creating business opportunities and economic empowerment through gainful employment for local community members to sustain their livelihoods.</li> <li>Implementing human resources policies that ensure minimum wage compliance and fair remuneration for work performed.</li> <li>Meeting employees' personal and professional development needs through substantial investments in training programmes.</li> <li>Offering educational support and initiatives for youth development.</li> <li>Addressing the increasing demand for affordable protein.</li> <li>Promoting the health and well-being of local communities.</li> <li>Sharing company infrastructure, such as providing solar energy and clean water to neighbouring communities.</li> <li>Offering humanitarian support during times of adversity or following natural disasters.</li> <li>Minimising food waste and repurposing waste as by-products.</li> <li>Enhancing agricultural yields and extraction rates through the adoption of best practices.</li> <li>Sourcing from vendors that are environmentally and socially responsible, reputable, and adhere to sustainable practices.</li> <li>Maintaining a healthy, safe, and conducive work environment.</li> </ul>

## Our Business Fair, Inclusive and Decent Society

Group Material Matters	Metrics Measured and Monitored	Our Contribution
<ul style="list-style-type: none"> <li>Sustainable and Traceable Supply Chains</li> <li>Product Quality and Safety</li> <li>Innovation and Technology Excellence</li> <li>Code of Ethics &amp; Governance</li> </ul> <p><b>Alignment with GRI</b> 102, 201, 204, 205, 417, 418</p>	<ul style="list-style-type: none"> <li>Anti-Bribery and Corruption</li> <li>Value Distribution to our Stakeholders</li> <li>Supporting Local Procurement</li> <li>Y-o-Y improvement, technology and process innovation</li> <li>Quality standards and certifications of our operations</li> </ul>	<ul style="list-style-type: none"> <li>Implementing and maintaining transparency in the supply chain with adherence to international standards such as MSPO, ISO 37001, and BSCI.</li> <li>Ensuring compliance with Occupational Health and Safety standards to maintain a safe and healthy work environment.</li> <li>Integrating human rights commitments into our operations, including non-discrimination, anti-modern slavery, child labour prevention, and anti-harassment policies.</li> <li>Sourcing from environmentally and socially responsible vendors known for their sustainable practices.</li> <li>Establishing corporate and sustainability governance policies including Codes of Conduct, Anti-Bribery Policies, and Whistle-Blowing Policies.</li> <li>Collaborating with non-governmental organisations that advocate for a fair, inclusive, and decent society.</li> <li>Upholding the practice of freedom of association by recognising and engaging with union members.</li> </ul>

## Task Force on Climate-Related Financial Disclosures

The Task Force on Climate-Related Financial Disclosures (“TCFD”) guides companies on the disclosure requirements that financial markets require in order to evaluate and address climate change impacts. This report outlines our ongoing efforts and future priorities within this framework as we work on incorporating the evaluation of climate-related risks and opportunities into our governance, strategic planning, risk management, and reporting practices. The Group’s alignment with TCFD guidelines, coupled with emerging best practices and insights from key stakeholders, ensures that we remain proactive and responsive in our climate-related financial reporting.

### GOVERNANCE

#### Board-Level Oversight

FimaCorp’s sustainability agenda, which encompasses our climate change initiatives, is supported by the Group’s governance framework in which the Board assigns specific responsibilities to dedicated Committees according to their respective scopes and mandates.

The delegation of responsibilities within this framework is organised as follows:

- The Audit and Risk Committee (“ARC”) is tasked with overseeing comprehensive ESG reporting, which encompasses climate-related disclosures.
- The Group Sustainability Committee (“GSC”) monitors the execution of the Group’s sustainability strategy, focusing on climate initiatives and the exploration of related opportunities. We closely track the intensity of our resource consumption. Following the principle of “measure-monitor-manage” this approach helps us pinpoint areas where we can significantly reduce our resource footprint, and set targeted sustainability goals while tracking progress on improvement initiatives.

- The Nomination & Remuneration Committee ensures that ESG factors, including specific climate-related targets, are incorporated into the Key Performance Indicators (“KPIs”) for the Managing Director.
- The Risk Steering Committee (“RSC”) evaluates climate risks as a component of its broader review of key enterprise and emerging risks, and manages these within the Group’s Enterprise Risk Management (“ERM”) framework.

#### Management-Level Oversight

Role	Climate-related responsibility
<b>Managing Director</b>	Managing Director takes the lead in setting guideline on sustainability and managing the Group’s climate risk
<b>Group Corporate Services</b>	The GCS supports the Managing Director and Chairman of the GSC in reporting and assessing climate risks and opportunities that impact our operations
<b>Divisional Working Groups</b>	The DWG assesses, measures and reports on the sustainability performance of the respective areas of operation

### RISK MANAGEMENT

The Group recognises that climate change can adversely impact our operations and our stakeholders on a physical level. Identifying climate-related risks as part of our strategic risk process is integral to achieving sustainability and protecting enterprise value. Additionally, the Group’s primary risks have also been aligned with our prioritised material matters and the SDGs.

STRATEGY

The Group has pinpointed three critical areas of climate risk that are deemed most consequential: the shift in stakeholder and societal preferences towards low-carbon products, evolving government policies along with regulatory and legal shifts, and the potential for reputational damage if climate risks are not managed effectively.

In response, our climate change strategy encompasses a dual approach of adaptation and mitigation. This strategy includes initiatives to reduce greenhouse gas (“GHG”) emissions, bolster infrastructure resilience, and drive continuous innovation.

To support the successful execution of our sustainability strategies and the management of associated climate risks, we have incorporated relevant ESG metrics into the KPIs of the Managing Director. These KPIs are then distributed to management and divisional levels. At these levels, managers are tasked with developing detailed KPIs and actionable plans that are aligned with the specific Managing Director’s KPIs. These plans are designed to monitor and enhance effectiveness, productivity, efficiency, cost management, and ESG performance within their respective areas of operations.

METRICS AND TARGETS

Since 2018, the Group has reported on its climate-related performance in both its Sustainability and Annual Reports. Our sustainability strategy has been progressively refined to meet the evolving needs and expectations of our stakeholders.

Our approach follows the “measure-monitor-manage” principle, where we assess the efficiency of energy and water usage by measuring their intensity for the completion of a particular process or activity. By identifying the necessary actions and interventions, we can then set more specific goals to drive increased resource efficiency.

To enhance transparency, we have disclosed these metrics in our Annual Report since 2021. This will provide stakeholders with a comprehensive view of our climate-related monitoring efforts and progress. The selected metrics and targets intend to inter-connect our governance, strategy and risk management so we can track our progress and make useful decisions as we progress.

● On track/Completed ● Work in progress ● Pending

Progress Made in FYE2024

What’s Next

GOVERNANCE

Integrated sustainability targets (including climate-related targets) into the Managing Director’s KPIs in FYE2024 which is then cascaded down to divisional management.

- To enhance and review our sustainability KPIs to ensure alignment with industry best practices and to address significant ESG issues. These KPIs may vary based on factors such as the pace of industry changes, emerging sustainability trends, regulatory developments, and stakeholder expectations.
- Climate-risk training programmes to develop the skills of key personnel and general knowledge of the wider Group.
- To implement a pilot quantitative scenario exercise to develop relevant methodologies.

Embedded ESG (including climate-related risks) for any new major projects are presented to the Board for decision making.

- To identify individuals to champion sustainability projects within their respective divisions and improve line of sight.

The GSC reviews the operating units’ performance and delivery against agreed actionable plans to ensure accountability and continuous improvement.

● On track/Completed ● Work in progress ● Pending

Progress Made in FYE2024

What’s Next

RISK MANAGEMENT

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

- Regular review of our Group’s Key Risk Areas to ensure their ongoing relevance.
- Develop internal climate-risk reporting formats.
- To further embed climate-risk in our risk management and decision-making processes.
- To implement training and awareness programmes to keep our teams informed and prepared for evolving sustainability challenges.

STRATEGY

FimaCorp strategically invests in resources as well as infrastructure adaptation to improve the resilience of its businesses e.g. land development planning, energy-efficient lighting and heating systems, plant and machinery, and reporting system enhancements.


In FYE2024:

- the Group’s solar power capacity increased by 71.9% from 384 kWp to 660 kWp. Renewable energy sources make up 18.4% of the Group’s total energy usage in FYE2024;
- introduce task-based activities and amalgamated estate operations which improved the efficiencies and productivity of the estate’s FFB production and collection processes.

- The Group is currently committed to:
  - further advancing our adaptation efforts by investing in mechanisation, improving our processes and expanding our renewable energy initiatives across the entire Group.
  - accelerating our regenerative agriculture programmes that can improve nutrient retention, reduce soil erosion and increase carbon sequestration.
- To enhance our Sustainability Reporting System (SRS), we will implement the following:
  - to include new metrics and data points
  - to include data analytics capabilities

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Progress Made in FYE2024		What's Next	
METRIC AND TARGETS	FYE2024	FYE2023	
<p>Intensity</p> <p>Our GHG emissions intensity (tCO<sub>2</sub>e/RM million revenue) by divisions are as follows:</p> <ul style="list-style-type: none"> <li>Plantation</li> <li>Manufacturing</li> </ul> <p> Further information on the Group's Energy Management is available in the Environment section of the Sustainability Report and the Performance Data section of this Annual Report</p>	36.19	29.40	<p>The Group will continue to analyse the impact of our strategy to reduce GHG emissions/resource use as we pursue value creation.</p> <p>This involves ongoing assessments of the effectiveness of our initiatives to achieve greater efficiency in resource consumption and generation while maintaining our business's growth.</p>
<p>Greenhouse gas (GHG) (tCO<sub>2</sub>e)</p> <ul style="list-style-type: none"> <li>Scope 1 emissions</li> <li>Scope 2 emissions</li> <li>Scope 3 emissions</li> </ul>	4,862	4,576	<p>Our Scope 3 emissions reporting consist of:</p> <ul style="list-style-type: none"> <li>upstream transportation and distribution</li> <li>waste generated from operations</li> <li>employee commuting</li> </ul> <p>Moving forward we will include business travel in the Scope 3 emissions reporting.</p>
<p>Energy Consumption (gigajoule ("GJ"))</p> <ul style="list-style-type: none"> <li>Plantation</li> <li>Manufacturing</li> </ul>	63,731	62,104	<p>To remain focused on energy efficiency efforts, optimising operational processes and regularly monitoring and analysing energy usage to achieve sustainable reductions in consumption and cost.</p>
<p>Waste (MT)</p> <ul style="list-style-type: none"> <li>Plantation</li> <li>Manufacturing</li> </ul>	161,283	190,233	<p>To continuously prevent and minimise waste by reusing, recycling and energy recovery as well as practicing safe waste disposal. We aim to maximise resource efficiency, reduce environmental impact, and promote sustainable business practices.</p>

## Main Risks and Opportunities

### TRANSITION RISKS

- Shift in societal preferences towards low-carbon products.
- Enhanced emissions reporting and other reporting obligations.
- Development of new government policies, regulatory, and legal frameworks, such as carbon taxes.
- Potential for reputational harm if climate risks are inadequately addressed.
- Substitution of products driven by advancements in technology and new processes.
- Increased cost of energy and raw materials.
- Changing customer behaviour.

#### Potential Impacts

##### Decrease in revenue

- Reduced demand for products and services due to change of consumer preferences can potentially impact our Financial Capital.

##### Increased compliance costs

- Adjusting to new regulations and policies could necessitate investments in processes, potentially affecting our Financial Capital as well as our Social & Relationship Capital.

##### Required investment in new technologies and process change costs

- Adapting to the increasing demand for low-carbon products and services may influence our Natural and Manufactured Capitals.
- The shift towards more sustainable practices and processes incurs costs, such as retraining employees, which could affect our Human and Financial Capitals.

### PHYSICAL RISKS

- Chronic risks such as altered rainfall patterns and increased average temperatures.
- Acute risks including extreme weather events and severe sea conditions.

#### Potential Impacts

Disruptions to business operations, risks to the workforce from illness or injury, and damage to physical assets and infrastructure can adversely affect our Financial, Manufactured, and Human Capital.

### OPPORTUNITIES

- Potential opportunities to develop innovative "green" products and services.
- Lower operational 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.

# Our Environment

We employ a proactive approach to reducing the environmental impact of our business activities and enhancing resilience against climate change. We achieve this by integrating sustainable practices throughout our operations, with particular focus on energy and resource efficiency, waste reduction and understanding how sustainability imperatives are shaping our strategy amid the challenging operating context.

Acting responsibly is an integral value of the Group. Guided by the principles outlined in the Group's Environmental Policy, our environmental management strategy ensures that every action we take supports our sustainability objectives to be good stewards of the lands we cultivate, to have a lasting positive impact on, and create value for all our stakeholders.



PT Nunukan Jaya Lestari

## Our Alignment to SDGs



Please scan this QR code to view Environmental Policy



## BIODIVERSITY AND DEFORESTATION

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

Given the diverse scope of the Group's business operations, we acknowledge the potential impact the Group may have on the environment and surrounding communities. To deliver the greatest impact, our environmental management framework integrates habitat conservation, water use and quality, soil conservation, which is in line with SDG 14: Life Below Water and SDG 15: Life on Land. Our policies also address various key sustainability obligations of the oil palm industry, which include, among others, obligations related to deforestation issues, greenhouse gas reduction and zero burning.

### Strategic Commitments

- ✔ We promote responsible stewardship of the environment
- ✔ We strictly practise zero burning in our oil palm plantation operations
- ✔ We strive to use natural resources efficiently and minimise waste
- ✔ We commit to complying with legislation and regulations on the environment
- ✔ We foster partnerships with local communities and stakeholders to address environmental issues
- ✔ We employ the use of sustainable agricultural practices
- ✔ We continuously work on improving our energy efficiency and reducing the use of non-renewable energy

### Sustainable Agricultural Practices

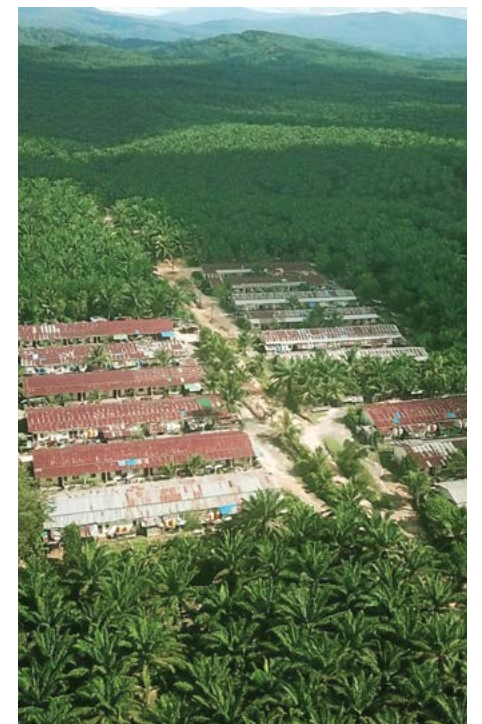
We strive to achieve cost-efficiency in our oil palm plantations by increasing the productivity of our estates per hectare through the adoption of sustainable agricultural practices. We adhere to the strict policy of "no deforestation and the protection of peat areas" in new plantation developments. Consultants are also appointed to conduct the required social and environmental impact assessments prior to any new developments.

FimaCorp's zero-burning policy strictly forbids any open burning for the purpose of new planting or replanting of oil palm. Similarly, for waste management, we reuse and recycle our resources; biomass residues such as palm kernel shells and fibre residues are utilised as a fuel source for steam and electricity generation while empty fruit bunches ("EFB") are used as natural fertiliser.

### Conservation Areas

Riparian reserves populated by native species are maintained along riverbanks within our oil palm estates. These reserves play a crucial role as safe corridors for wildlife, offering sanctuary and a natural habitat for various species of jungle flora and fauna. Our protected areas Group-wide total 705 hectares in aggregate.

In Indonesia, our subsidiary PT Nunukan Jaya Lestari ("PTNJL") established water catchment zones within its estate. Here, chemical applications are strictly prohibited, allowing for the rehabilitation and preservation of natural vegetation.





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## Oil Palm Estate Conservation & Buffer Zone Area

Estate	FYE2024		FYE2023	
	Conservation Area (HA)	Buffer Zone (HA)	Conservation Area (HA)	Buffer Zone (HA)
Ladang Fima Cendana	7	0	7	0
Ladang Bunga Tanjong	0	5	0	5
Ladang Fima Dabong	31	0	31	0
Ladang Fima Aring	11	19	11	19
Ladang Fima Sg. Siput	337	13	337	13
Ladang FCB Kuala Betis	52	58	52	58
Ladang FCB Aring	36	8	0	0
PTNJL	22	106	22	106
<b>TOTAL</b>	<b>496</b>	<b>209</b>	<b>460</b>	<b>201</b>

### Soil Management

We do not plant oil palms on steep slopes exceeding 25 degrees and elevations above 300 metres above sea level. Where feasible, we employ double terracing to conserve topsoil and mitigate erosion. In PTNJL, we utilise EFB and compost to enhance soil fertility and, reduce reliance on chemical inputs.

We strategically cultivate leguminous cover crops such as *Mucuna bracteata*, *Calopogonium mucunoides*, and *Calopogonium caeruleum*. *Mucuna bracteata*, which specifically aid in erosion control on slopes and enhances soil nutrient. Its rapid growth also helps to prevent weed growth.

### Biological Pest Controls

Beneficial plants such as *Turnera sabulata*, *Antigonon leptopus*, and *Cassia cobanensis* are planted to attract predators (insects) of leaf pests. These predators feed on leaf pest larvae, thereby minimising the usage of pesticides. In addition, and as part of our efforts to curb

the prevalent rodent population without the use of pesticides or chemicals, our estates in Kelantan and Terengganu have installed a total of 15 nest boxes to attract owls. The method has so far proven to be effective and there are plans to install 20 more nest boxes in Ladang FCB Aring by July 2024. These practices also help reduce operational greenhouse gas emissions and prevents the release of pollutants into the soil and waterways.

### Mechanisation

We have accelerated our mechanisation initiatives during the year, specifically in the areas of in-field collection, fertiliser application, and seedling transfer from the nursery. Mechanising in-field collection through the deployment of motorised wheelbarrows across our Malaysian estates has led to a higher land-to-labour ratio, and enhanced the productivity and earnings potential of our workers. Although the upfront costs of investment, fuel and operating costs of these vehicles are present, these are offset by lower labour cost and higher returns on the back of improved yields.



PT Nunukan Jaya Lestari

## WATER IMPACT

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

Water is an important resource which is used extensively throughout our supply chains. Accordingly, we make every effort to ensure efficient water use through increased recycling, rainwater harvesting and monitoring the water intensity of our production processes.

### Water Consumption and Management

#### Water by Source Megalitres ("ML")

	FYE2024	FYE2023
Surface water	158	276
Groundwater	14	19
Municipal water	31	33
<b>Grand Total</b>	<b>203</b>	<b>328</b>

#### Water by Division (ML)

	FYE2024	FYE2023
Plantation	173	295
Manufacturing	15	18
Head Office	15	15
<b>Grand Total</b>	<b>203</b>	<b>328</b>

FimaCorp's water supply is obtained from various sources, including municipal sources, harvested rainwater, and treated surface water from nearby lakes, rivers, and borewells. Within our operations, water is primarily utilised in our Plantation division for utility systems and steam generation.

Our efforts have already begun to yield positive results as our Group's surface water consumption decreased by 42.7% in FYE2024, compared to the previous year. This achievement can be attributed primarily to PTNJL's reduced usage at its palm oil mill, following the installation of a decanter towards end of last financial year.

**FimaCorp used a total of 203 Megalitres of water throughout its operations in FYE2024.**

Installation of rainwater tanks have now become a standard green feature in all new developments of workers' quarters and factory complex, wherever possible. This allows us to harvest rainwater for various uses. As at the date of this report, there are 44 rainwater tanks with a combined storage capacity of 93,461 litres across the Group.

### Water Discharge

We ensure that discharged water is ecologically safe and the quality meets all regulatory requirements. In this regard, we subject all discharged water to thorough testing by a third-party laboratory. The results of these tests are then submitted to the relevant authorities in compliance with their reporting requirements.

PTNJL has successfully repurposed its final effluent pond at the palm oil mill into a thriving fish breeding pond. Through effective POME treatment and pond management practices, this conversion ensures that any potential overflow poses no harm to the environment.

Water Intensity

	Water Consumption (cbm)	FFB Processed (MT)	Water Intensity per Tonne per FFB Processed (cbm/MT)
FYE2024	42,192	152,362	0.28
FYE2023	85,080	175,474	0.48
FYE2022	96,724	181,162	0.53
FYE2021	91,247	168,268	0.54

In Indonesia, PTNJJL's palm oil mill achieved a 41.6% reduction in water intensity for FFB processing compared to the previous year. This decrease can be attributed to the installation of a decanter and the adoption of dry-cleaning practices across all stations except for steriliser cleaning. Additionally, the installation of rainwater harvesting systems for wet cleaning tasks at key stations, including the clarification station, reception, and kernel plant, has further contributed to a reduction in the mill's overall water use.



PT Nunukan Jaya Lestari

WASTE MANAGEMENT

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

Treating waste as a resource not only enhances efficiency but also lowers costs. Reducing waste through reuse, recycling, and energy recovery can mitigate our environmental risks while maximising resource utilisation. We also uphold stringent industry standards and regulatory mandates to ensure the safe transportation and meticulous disposal of hazardous waste and residual products through accredited contractors. In doing so, we aim to mitigate any environmental risks and safeguard human health.

Focused efforts are directed towards our Plantation division, where waste generation is most pronounced. Through targeted waste management schemes tailored to these sectors, we aim to optimise resource usage and minimise environmental impact. Central to our approach is the principle of zero waste and zero discharge.

Waste by Type (MT)

Type	FYE2024	FYE2023
Hazardous	28	13
Non-hazardous	161,313	190,368
<b>Grand Total</b>	<b>161,341</b>	<b>190,381</b>

Waste by Division (MT)

Type	FYE2024	FYE2023
Plantation	161,283	190,233
Manufacturing	58	148
<b>Grand Total</b>	<b>161,341</b>	<b>190,381</b>

Waste by Disposal Method by Type (MT)

Disposal Method	FYE2024		FYE2023	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Reuse	Nil	120,380	Nil	136,791
Recycle	Nil	58	Nil	139
Composting	Nil	40,870	Nil	53,438
Recovery	27	Nil	10	Nil
Landfill	Nil	5	Nil	Nil
Incineration	1	Nil	3	Nil
<b>Grand Total</b>	<b>28</b>	<b>161,313</b>	<b>13</b>	<b>190,368</b>

Value from Waste : Fertiliser and Fuel

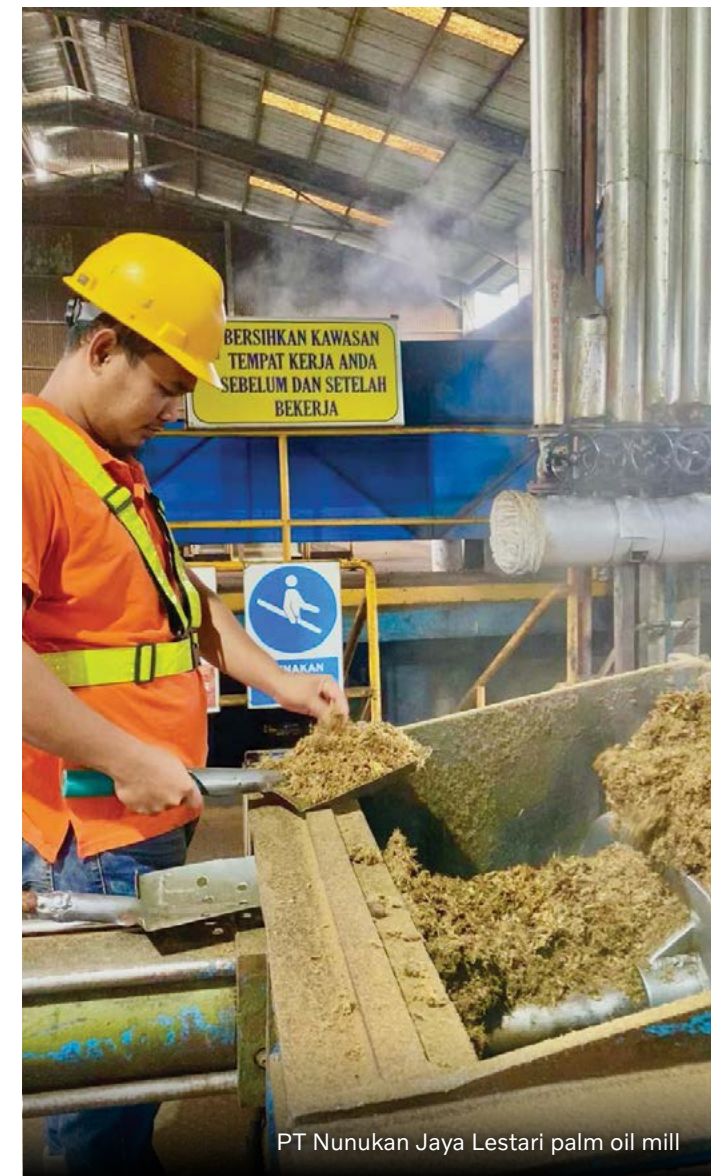
Empty Fruit Bunches ("EFB") Produced (MT)

Type	FYE2024	FYE2023
Total EFB produced (MT)	33,540	38,576

Within the Plantation division, waste reduction is achieved through reusing, recycling, and energy recovery. Our palm oil mill in Indonesia generates 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 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 less than 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. The organic material in the wastewater is then broken down naturally by anaerobic and aerobic bacteria. This process eliminates the need to add any chemicals before POME is mixed in with shredded EFB and other plant by-products to create compost.

PTNJJL management carries out checks on a regular basis to ensure our waste management practices are in strict compliance with local regulations, and to prevent contamination to other water sources.



PT Nunukan Jaya Lestari palm oil mill

# Sustainability Report

## ENERGY MANAGEMENT

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

Efficient energy management is crucial to the Group as it helps to reduce our reliance on natural resources, lower carbon emissions and ultimately reduce operational costs. Each division within the Group has their own internal targets and performance metrics that they use to track energy consumption, intensity and detect inefficiencies. This data-driven approach has been a critical enabler of continuous improvement, which, when compounded over time, is expected to drive significant business impact for the Group.

The Group's energy consumption in FYE2024 saw an increase by 34 GJ primarily due to Plantation division's fuel consumption increased by 5.8% from 1,448,162 litres to 1,532,436 litres as Ladang Fima Cendana and Ladang FCB Kuala Betis have adopted the use of motorised wheelbarrows in their operations. On the other hand, lower electricity consumption in the Manufacturing division as PKN's total purchased electricity consumption decreased by 31.7% from 2,282 megawatts to 1,559 megawatts. Their relocation to a new, more energy-efficient facility complex, along with lower operational levels largely contributed to the decline.

### Energy Consumption by Division (GJ)

Division	FYE2024	FYE2023
Plantation	63,731	62,104
Manufacturing	7,718	9,247
Head Office	869	933
<b>Grand Total</b>	<b>72,318</b>	<b>72,284</b>

### Types of Energy (GJ)

Types of Energy	FYE2024	FYE2023
Diesel & Petrol	52,958	50,023
Solar PV	2,380	1,381
Biomass	10,909	12,287
Purchase Electricity	6,071	8,593
<b>Grand Total</b>	<b>72,318</b>	<b>72,284</b>

## Energy Consumption – Fuel Intensity

### Plantation Division

Plantation: Harvesting Transportation Fuel Intensity per Tonne FFB Produced (L/MT)

	Unit	FYE2024	FYE2023
Malaysia	L/MT	3.80	3.75
Indonesia	L/MT	2.85	2.92

Note: Fuel Oil consist of diesel and petrol. Fuel consumption by mechanised wheelbarrows was included in the intensity computation. Transportation includes mechanised wheelbarrow and internal transport.

### Renewable Energy

Although our business operations rely heavily on fossil fuels for our transportation and equipment, and so we actively integrate renewable energy sources such as solar power and biomass where feasible to reduce our reliance on fossil fuels.

The integration of solar power and biomass technologies allows us to diversify our renewable energy portfolio and aligns with our ongoing goals to reducing our carbon footprint. Renewable energy accounts for 18.4% of the Group's energy usage in FYE2024.

Furthermore, palm biomass such as palm kernel shells, EFB, and fibre residues generated by our palm oil mill in Indonesia are utilised as feedstock for the steam boiler to generate high-pressure steam. This steam is then used to fuel the steam turbine in the cogeneration plant. The electricity and heat generated from the cogeneration plant provides 100% of our mill's energy needs. It also provides power to workers' quarters, government facilities, schools, and mosques.

### Renewable Energy – Consumption (MWh)

Division	FYE2024	FYE2023
<b>Solar PV</b>		
Plantation	28	27
Manufacturing	432	149
Head Office	201	208
<b>Total Solar PV</b>	<b>661</b>	<b>384</b>
<b>Biomass</b>		
Plantation	3,030	3,413
<b>Total Renewal Energy</b>	<b>3,691</b>	<b>3,797</b>

Note: Biomass is derived from the use of fibre and shells from palm oil mill.

# Sustainability Report

## GHG EMISSIONS

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

### GHG Emission by Division (tCO2e)

Division	FYE2024	FYE2023
Plantation	5,033	4,691
Manufacturing	1,552	2,059
Head Office	59	60
<b>Grand Total</b>	<b>6,644</b>	<b>6,810</b>

Notes: The GHG emission factor for diesel has been revised from 2.69 to 3.14, reflecting the changes from DEFRA to ISCC.

### GHG Emission by Type (tCO2e)

Type	FYE2024	FYE2023
<b>Non-Renewable</b>		
Petrol	317	127
Diesel	4,779	4,529
Purchase Electricity	1,484	2,100
<b>Renewable</b>		
Biomass	4	4
Solar PV	48	29
POME	12	21
<b>Grand Total</b>	<b>6,644</b>	<b>6,810</b>

### Direct Energy (Scope 1) GHG Emissions (tCO2e)

Division	FYE2024	FYE2023
Plantation	4,773	4,511
Manufacturing	75	50
Head Office	14	15
<b>Grand Total</b>	<b>4,862</b>	<b>4,576</b>

### Indirect Energy (Scope 2) GHG Emissions (tCO2e)

Division	FYE2024	FYE2023
Plantation	76	47
Manufacturing	1,372	2,008
Head Office	36	45
<b>Grand Total</b>	<b>1,484</b>	<b>2,100</b>

### Other Indirect (Scope 3) GHG Emissions

Division	FYE2024	FYE2023
Waste Generated	12	22
Upstream Transportation and Distribution	124	112
Employee Commuting	162	-
<b>Grand Total</b>	<b>298</b>	<b>134</b>

The Group conducted its inaugural survey to assess employee commuting, in alignment with Bursa Malaysia's requirements for companies to disclose emissions from employee commutes (Scope 3). Based on the responses received, the findings revealed that employees commuting emitted approximately 162 tCO2e per annum, based on a total distance travelled of 1,102,240 km. For next year's reporting, data on business travel will be included.

## Definitions

- 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 and power generated and equipment
- Scope 2** Indirect emissions, e.g. purchased electricity
- Scope 3** **Category 4:** Upstream Transportation and Distribution  
**Category 5:** Waste Generated in Operations  
**Category 7:** Employee Commuting
- tCO2e** Tonnes of Carbon Dioxide Equivalent
- GHG** Greenhouse gas
- GJ** Gigajoule

# Our People

FimaCorp is cognisant of our impact on our stakeholders and as such, is dedicated to upholding the trust placed in us by operating in a responsible and sustainable manner. We aim to achieve this by embracing and upholding ethical and efficient business practices in the aim of delivering positive long-term results to our stakeholders and the communities in which we operate. Our efforts are underpinned by our vision, mission and values which serve as a framework for our strategies, define our standards for operational excellence and guide our practices across the spectrum of our operations and respective business units.

These efforts are supported by our dedication to fostering clear and effective communication with our stakeholders, nurturing our workforce, ensuring fairness in our dealings with customers and suppliers, and aiding the communities in which we function. Our policies are aligned with the relevant national legislation, the principles of the Universal Declaration of Human Rights, and the fundamental conventions of the International Labour Organisation. We expect all employees and business associates to likewise conduct themselves responsibly and with integrity in accordance with these standards. By committing to these principles, we aim to ensure FimaCorp's capacity to deliver long-term economic and social value creation, and supports our licence to operate.

### Our Alignment to SDGs



#### Strategic Commitments

- ✔ Zero harm
- ✔ We protect and support our people
- ✔ We promote diversity and inclusion
- ✔ We invest in training and skills development
- ✔ We support high-performing teams
- ✔ We build trust through our relationships



PT Nunukan Jaya Lestari

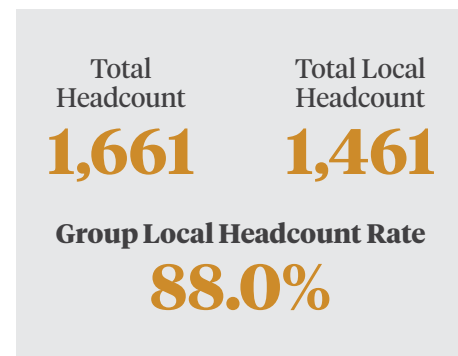
### HUMAN CAPITAL

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

#### Our Workforce

Our people are integral to our ability to deliver on our strategy. We strive to create safe, inspiring and inclusive working environments that encourage high performance, accountability and innovation. At the same time, we aim to attract, develop and retain talent to ensure that our workforce have the required skillsets to meet our current and future business needs. Further, the Group's Code of Conduct ensures that values such as respect for the individual, valuing diversity and ensuring a safe working environment are upheld by every member of our organisation.

We also actively promote local employment in the regions where we operate. As of FYE2024, our local employment rate was 88.0%. In Malaysia, 74.0% of the workforce were local hires, a decrease from the previous year's 89.1%, primarily due to an increase in the number of guest workers recruited in our Plantation division during the year. Despite this change, the turnover rates within this division have improved.



Country	Malaysia	Indonesia
<b>Nationality</b>		
Malaysian	555	5
Indonesian	59	906
Others	136	0
By Country:		
<b>Total Headcount</b>	<b>750</b>	<b>911</b>
<b>Total Local Headcount</b>	<b>555</b>	<b>906</b>
<b>Local Headcount Ratio</b>	<b>74.0%</b>	<b>99.5%</b>

Malaysia Plantation Division	FYE2024	FYE2023
Guest Workers	193	78
Malaysian Workers	320	363

“Moving forward, we will continue to prioritise the recruitment of local talents, as this not only enhances our ability to navigate local regulations and practices, but also fosters a stronger connection with the local stakeholders.”

## Sustainability Report

### Equal Opportunity, Diversity and Inclusion

Anchored by our Good Social Practices Policy, we aspire to create a workforce that mirrors the diverse communities we serve. Our recruitment and promotion processes are based on merit and performance, and we strive to ensure there is no discrimination based on age, race, gender, nationality, religious beliefs or disability. Moreover, by integrating diversity into our recruitment strategies, we enhance the Group's overall competitiveness. A workforce drawn from varied backgrounds enriches us with a broad spectrum of perspectives, skills and experiences and can deepen our insights into the changing needs of our customers and stakeholders.

In line with our policies, the Group holds a strict zero-tolerance stance towards any form of discrimination, harassment, or unfair treatment. Similarly, we expect all employees to embrace and respect cultural differences and individuality. We are proud to report that there were no cases of discrimination or harassment reported in FYE2024.

### Gender Balance

The Group is committed to achieving gender balance across all levels of our organisation, acknowledging the complexities introduced by the nature of our operations and the cultural nuances of the countries in which we operate. 21.6% of the Group's workforce is female, reflecting the specific circumstances of our operations and the cultural context of the countries where we operate.

In our plantation operations, the representation of females is noticeably lower, and the tasks and occupations are

often gender-segregated. For instance, women are typically less likely to work as truck/tractor drivers or harvesters due to the physical nature of these roles which are also often perceived as more suited for male workers.



Attaining gender parity therefore requires ongoing efforts and, in some cases, challenging stereotypes about job suitability based on gender. As an inclusive employer, we strive to cultivate a work environment that promotes and supports the career advancement and active participation of our female talents while simultaneously strengthening our succession pipeline for roles across the Group.

### New Hires

For FYE2024, the Group welcomed 461 new employees, a slight decrease from the 594 recruited in the previous year. Of the new recruits, 97.0% were male, and 12.8% of the total new hires were appointed on a permanent basis. Notably, the Plantation division recorded the highest new hire rates at 31.0%.

### “ Turnover rate in the Plantation and Manufacturing divisions all saw y-o-y reductions compared to FYE2023.

New employees must participate in an orientation programme designed to acquaint them with the Company and the Group's various facets in addition to the requirements of their new role. Each new employee will also be issued an Employee Handbook, which details their employment conditions and the professional standards expected of all team members.

Total Number of New Hired in FYE2024:  
**461**  
Group New Hire Rate:  
**27.8%**

### Turnover

In FYE2024, the Group's employee turnover rate in the Plantation and Manufacturing divisions all saw y-o-y reductions compared to FYE2023.

Total Number of Turnover in FYE2024:  
**432**  
Group Turnover Rate:  
**26.0%**

## Sustainability Report

Headcount	FYE2024		Total FYE2024	FYE2023		Total FYE2023
	Male	Female		Male	Female	
<b>Total Headcount</b>	1,303	358	<b>1,661</b>	1,295	417	<b>1,712</b>
<b>By Employment Status:</b>						
Permanent	717	340	<b>1,057</b>	800	378	<b>1,178</b>
Temporary	586	18	<b>604</b>	495	39	<b>534</b>
<b>By Region:</b>						
Malaysia	551	199	<b>750</b>	507	224	<b>731</b>
Indonesia	752	159	<b>911</b>	788	193	<b>981</b>
<b>By Age Group:</b>						
<30	351	58	<b>409</b>	411	94	<b>505</b>
30-50	829	238	<b>1,067</b>	784	271	<b>1,055</b>
>50	123	62	<b>185</b>	100	52	<b>152</b>
<b>By Employee Category:</b>						
Senior Management	4	1	<b>5</b>	4	1	<b>5</b>
Management	21	4	<b>25</b>	22	3	<b>25</b>
Executive	44	16	<b>60</b>	44	18	<b>62</b>
Non-Executive	1,234	337	<b>1,571</b>	1,225	395	<b>1,620</b>
<b>By Division:</b>						
Plantation	1,167	257	<b>1,424</b>	1,126	296	<b>1,422</b>
Manufacturing	125	94	<b>219</b>	159	113	<b>272</b>
Head Office	11	7	<b>18</b>	10	8	<b>18</b>
<b>By Nationality:</b>						
Malaysian	363	197	<b>560</b>	434	222	<b>656</b>
Indonesian	809	161	<b>970</b>	846	195	<b>1,041</b>
Bangladesh	131	0	<b>131</b>	15	0	<b>15</b>



Sustainability Report

Sustainability Report

New Hires	FYE2024		FYE2023		Turnover	FYE2024		FYE2023	
	Total New Hire	New Hire Rate	Total New Hire	New Hire Rate		Total Turnover	Turnover Rate	Total Turnover	Turnover Rate
<b>Total Headcount</b>	461	27.8%	594	34.7%	<b>Total Headcount</b>	432	26.0%	576	33.6%
<b>By Gender:</b>					<b>By Gender:</b>				
Male	447	34.3%	521	40.2%	Male	394	30.2%	531	41.0%
Female	14	3.9%	73	17.5%	Female	38	10.6%	45	10.8%
<b>By Employment Status:</b>					<b>By Employment Status:</b>				
Permanent	59	5.6%	113	9.6%	Permanent	154	14.6%	183	15.5%
Temporary	402	66.6%	481	90.1%	Temporary	278	46.0%	393	73.6%
<b>By Region:</b>					<b>By Region:</b>				
Malaysia	205	27.3%	293	40.1%	Malaysia	129	17.2%	249	34.1%
Indonesia	256	28.1%	301	30.7%	Indonesia	303	33.3%	327	33.3%
<b>By Age Group:</b>					<b>By Age Group:</b>				
<30	249	60.9%	346	68.5%	<30	196	47.9%	304	60.2%
30-50	207	19.4%	245	23.2%	30-50	230	21.6%	263	24.9%
>50	5	2.7%	3	2.0%	>50	6	3.2%	9	5.9%
<b>By Employee Category:</b>					<b>By Employee Category:</b>				
Senior Management	0	0.0%	0	0.0%	Senior Management	0	0.0%	0	0.0%
Management	0	0.0%	2	8.0%	Management	0	0.0%	1	4.0%
Executive	3	5.0%	2	3.2%	Executive	5	8.3%	3	4.8%
Non-Executive	458	29.2%	590	36.4%	Non-Executive	427	27.2%	572	35.3%
<b>By Division:</b>					<b>By Division:</b>				
Plantation	442	31.0%	529	37.2%	Plantation	419	29.4%	546	38.4%
Manufacturing	19	8.7%	64	23.5%	Manufacturing	13	5.9%	30	11.0%
Head Office	0	0.0%	1	5.6%	Head Office	0	0.0%	0	0.0%
<b>By Nationality:</b>					<b>By Nationality:</b>				
Malaysian	80	14.3%	235	35.8%	Malaysian	109	19.5%	225	34.3%
Indonesian	259	26.7%	359	34.5%	Indonesian	309	31.9%	346	33.2%
Bangladesh	122	93.1%	0	0.0%	Bangladesh	14	10.7%	5	33.3%

HUMAN RIGHTS

GRI 409-1, 412-2

Human Rights

FimaCorp is committed to upholding human rights within all aspects of its operations. Our policies are designed to eliminate forced and bonded labour and to ensure compliance with legal standards for working age and hours. We strive to maintain safe and healthy working environments and uphold transparent record-keeping practices. Additionally, we recognise and support the rights to freedom of association, collective bargaining, and access to grievance mechanisms.

We hold our vendors and service providers to the same ethical standards as our own, expecting strict adherence to these principles.

During the year under review, our Group Internal Audit conducted human rights audits across all our divisions, with particular emphasis on working hours, wages, and general labour practices. The objective was to identify gaps and empower our management teams to address areas needing improvement. Our businesses are also subjected to audits by authorities, certification bodies and customers to verify compliance to standards, regulations and contracts.

**“We are proud to report zero incidents of human rights violations during the year in review.”**



SOCSO Briefing at Ladang Fima Sg. Siput

Modern Slavery and Child Labour

FimaCorp maintains a strict stance against all forms of forced, bonded, or child labour within our operations and extended supply chains. We diligently ensure that all our employees work voluntarily and are free from any form of coercion. Each division and business unit, along with their respective human resources departments, are tasked with implementing robust recruitment procedures to verify that all workers, whether permanent or temporary, meet the minimum legal working age at the time of employment. We record each employee's profile and identity documents in our HR data system, maintaining these records throughout their period of employment.

We do not knowingly, and refuse to, engage or maintain business relationships with any entity found to be involved in slavery, forced labour, or the exploitation of children. Furthermore, we require all suppliers and vendors to adhere to our ethical guidelines and human rights standards, mandating a declaration of compliance from them. Failure to adhere to our standards may lead to serious repercussions, including the potential termination of the business relationship.

Guest Workers

Our Malaysian estates employ guest workers whom make up 37.6% of their total workforce. Recognising that guest workers can be vulnerable to exploitation and situations of modern slavery, we continuously strive to ensure that they are recruited through legal channels in accordance with processes recognised and approved by the authorities of Malaysia and the source countries.

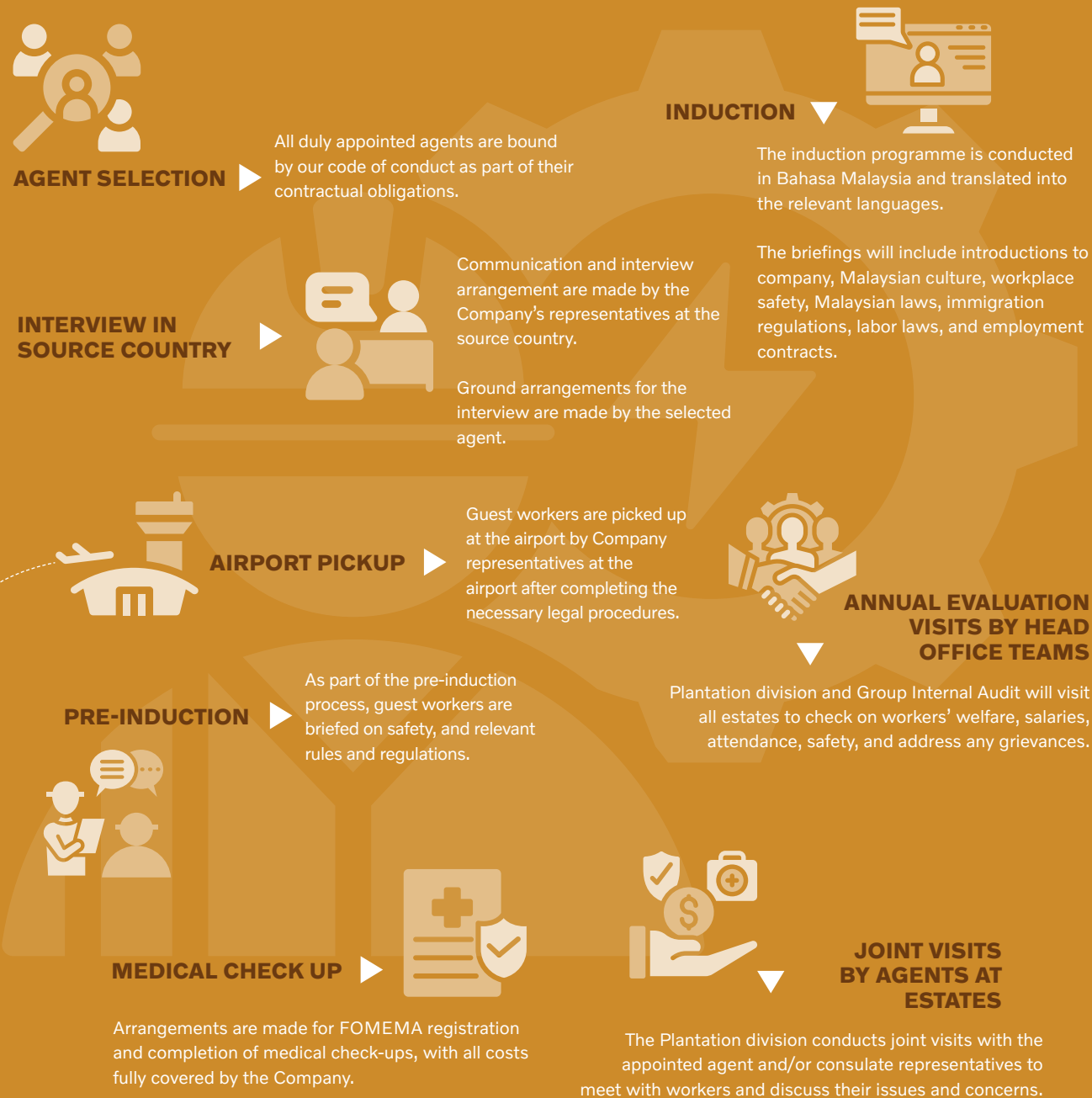
Guest workers are employed through direct hiring and all duly appointed agents must agree to be bound by our code of conduct as part of their contractual obligations. Interviews are conducted at the source country to ensure that they are not being exploited. Prospective recruits are provided with contracts which are translated into their national languages. The terms of their employment are clearly explained and briefed to them before signing, with our own company representatives taking the responsibility to explain these terms to ensure informed consent.

Furthermore, we bear the costs of recruitment, including working permit fees, levies, travel passage and medical reports/FOMEMA. Passports and other form of personal identification remain in the possession of the guest workers. Once in Malaysia, they are provided with well-appointed, comfortable accommodations that include internet connection, recreational spaces and religious places of worship.

**RECRUITING FOREIGN WORKERS**

Guest workers at our Malaysian estates make up 37.6% of their total workforce.

We have developed a transparent recruitment process that ensures that the workers receive adequate information on their rights, safety, and health prior to starting work.



**LABOUR RELATIONS**

GRI 102-17, 401-2, 402-1, 404-1, 404-2, 404-3, 407-1

**Employee Development**

We invest in the potential of our employees through a range of development initiatives, including training programmes, job rotation and internal promotion opportunities. We provide annual allocations and resources for employee training, through internal or external workshops, seminars, and other relevant activities. By combining on-the-job learning, external training, and targeted upskilling programmes, we aim to enhance the skills and knowledge required for specific roles. This approach fosters continuous professional growth and skills advancement within our workforce, supporting their career trajectories as well as ensuring a robust succession pipeline for roles across the Group.

**Total Training Hour (FYE2024)**  
**4,707**  
 FYE2023 | 4,937

**Average Training Hour per Employee (FYE2024)**  
**2.83**  
 FYE2023 | 2.88

	FYE2024		FYE2023	
	Total Training Hour	Average Training Hour	Total Training Hour	Average Training Hour
<b>By Gender:</b>				
Male	3,923	3.01	3,661	2.83
Female	784	2.19	1,276	3.06
<b>By Employee Category:</b>				
Senior Management	164	32.80	64	12.80
Management	794	31.76	672	26.88
Executive	983	16.38	1,257	20.27
Non-Executive	2,766	1.76	2,944	1.82
<b>By Region:</b>				
Malaysia	3,424	4.57	4,117	5.63
Indonesia	1,283	1.41	820	0.84
<b>By Division:</b>				
Plantation	3,291	2.31	1,977	1.39
Manufacturing	1,204	5.50	2,880	10.59
Head Office	212	11.78	80	4.44

**Benefits and Remuneration**

Each division implements its own locally defined benefits scheme, ensuring compliance with the minimum wage laws of the countries we operate in, and in no areas of operation does the wage vary by gender. Furthermore, employees are compensated for any overtime worked, in accordance with local legislations.

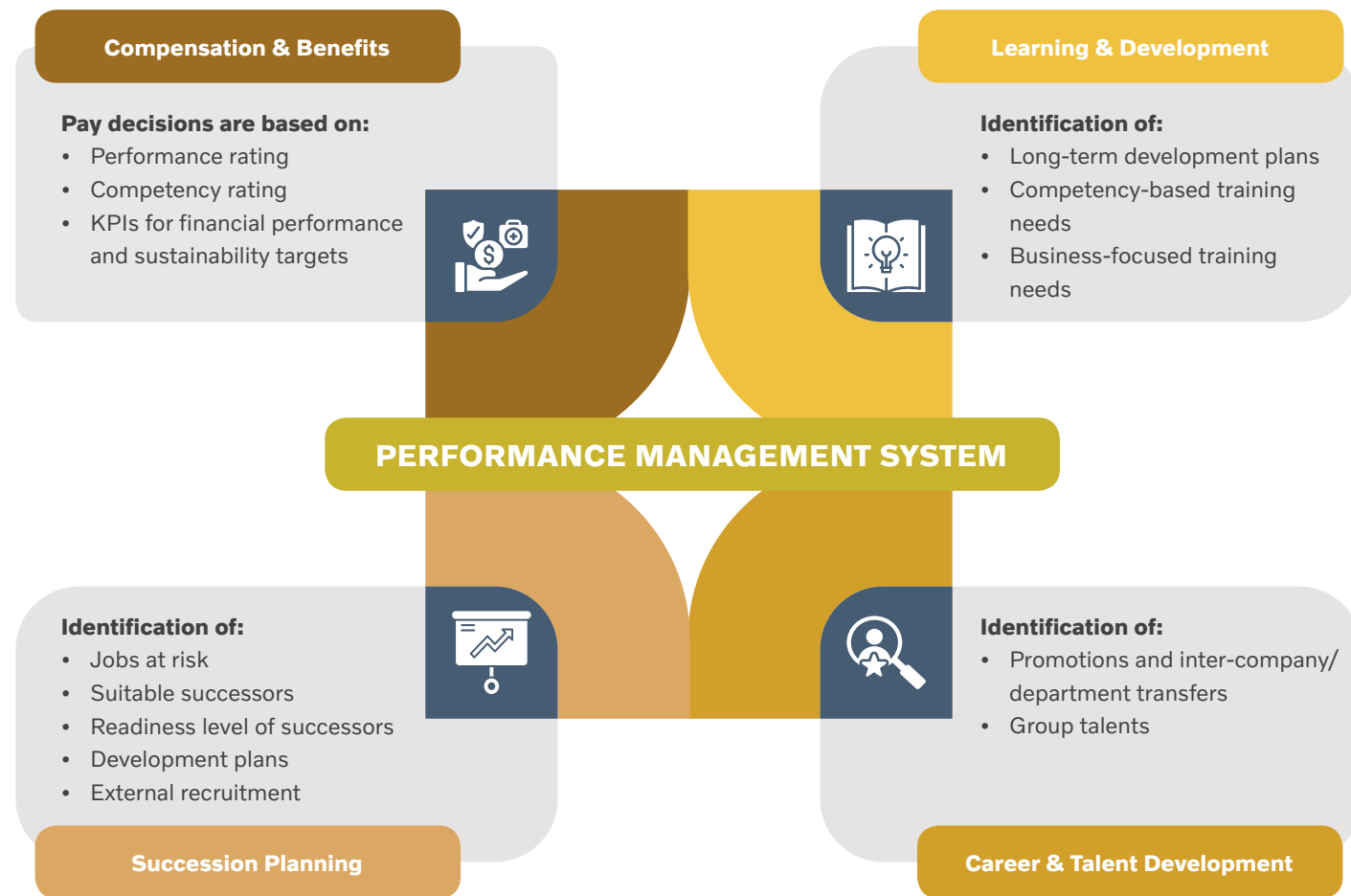
Our competitive benefits package includes both fixed and variable components, which are determined by the employee's performance, qualifications, and experience.

By focusing on the right compensation, benefits and development support, we inspire our employees to achieve their personal and professional aspirations which, in turn, improves employee productivity and engagement. For eligible employees, benefits include health coverage for themselves and their dependents, group term life and personal accident insurance, maternity and paternity leave, professional association membership fees, and uniforms.

In Indonesia, our subsidiary PTNJL provides free transportation for the children of our workers to local schools. There is a company-subsidised crèche that supports the plantation staff and workers by providing safe and convenient childcare. This facility has facilitated the increased participation of women in the workforce at PTNJL and enables them to effectively manage their work and family responsibilities.

**Performance Review**

Every year, an employee is assessed using key performance indicators, which, along with their annual performance and contribution, determine their increment, bonus and/or promotion for that year. These reviews also serve as a vital communication platform that provides a channel for both feedback exchange and employees to pinpoint areas requiring enhancement and specify their individual training and development needs. In FYE2024, 100% of our employees received performance reviews.



**Employee Engagement**

FimaCorp’s employee engagement initiatives are designed to not only meet the needs of our staff but also enhance our ability to attract and retain talent, which is essential for our long-term sustainable growth. Central to our strategy is a policy of active and open communication. We believe that keeping employees well-informed about significant events and decisions through their Human Resources departments and direct communication from line managers cultivates a culture of trust and mutual respect.

Our engagement strategy includes organising social events such as family days, sports activities, and festive gatherings, which strengthen team bonds and enriches our corporate culture. Moreover, FimaCorp provides support to employees and/or their family members impacted by natural disasters or chronic illness in the form of financial aid and essential supplies. In addition, the Company distributed over RM100,000 Zakat Wakalah to children of eligible employees attending primary, secondary and local tertiary institutions.

**Freedom of Association and Collective Bargaining**

FimaCorp upholds the rights of our employees to freedom of association and collective bargaining, in line with local regulations. Our approach involves collaborating closely with labour unions and ensuring that all negotiations are conducted in good faith. A testament to this collaborative approach is PKN's successful renewal of their collective agreement with their labour union in May 2023. Our collective agreements



Safety Briefing at PT Nunukan Jaya Lestari

In addition, our Malaysian estates are Malaysian Sustainable Palm Oil certified which contain rigorous criteria on governance and integrity.

**OCCUPATIONAL SAFETY AND HEALTH (“OSH”)**

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

Assuring the safety and wellbeing of our workforce remains paramount to the Group. As such we have implemented a zero-harm agenda which prioritises the implementation of safe and healthy working conditions throughout our operations. This strategy is carried out by the heads of our operating divisions, who ensure strict adherence to occupational health and safety legislation and the implementation of necessary structures to support this commitment.

safeguard essential worker rights and benefits encompassing among others, clear grievance and disciplinary procedures, paid time-off entitlements, maternity leave provisions, severance and separation benefits, as well as salary and performance management frameworks. Our Indonesian subsidiary PTNJJL had also during the year, established *Lembaga Kerjasama Bipartit*, a joint committee which is intended to serve as a forum for regular dialogue between workers and management on various workplace matters, including industrial relations and employee welfare.

**Grievance Procedures**

The Group is dedicated to upholding the highest standards of integrity and transparency across all its operations. To reinforce this commitment, our annual training sessions and awareness activities ensure that employees are well-informed about their rights and the recourse available to them. This includes grievance mechanisms such as the Group’s Whistle-Blowing Policy, which allows for the safe and confidential reporting of complaints or issues related to human rights violations, misconduct and/or illegal activities without fear of retaliation.

Our facilities are equipped with critical safety equipment, including first aid kits, firefighting systems and appropriate spill prevention measures. We also have robust safety programmes and response plans in place to manage potential workplace hazards effectively. Daily safety briefings are conducted at all worksites to reinforce the awareness of potential hazards and the critical role of personal protective equipment. Furthermore, contractors are thoroughly briefed on health, safety, and environmental management protocols before they access our facilities, ensuring that everyone on-site is aligned with our safety standards.

“**As at 31 March 2023, 32.1% of our employees are union members and no workers’ freedom of association or collective bargaining rights across our supply chain were violated or put at risk in the year under review.**”

Reports can be emailed to [whistleblowing@fimacorp.com.my](mailto:whistleblowing@fimacorp.com.my), while the Whistle-Blowing Policy can be accessed at <http://www.fimacorp.com/service-provider>.

Our Group Internal Audit (“GIA”) and Group Human Resource Departments are empowered to conduct investigations into reported incidents. Consequences for confirmed violations may include official warnings, suspension, or dismissal. The Audit and Risk Committee has oversight of any incidents reported under the Whistle-Blowing Policy.

To keep our workforce’s knowledge and skills up to date, we provide periodic refresher training on health and safety policies, procedures, and the use of safe systems of work.

“**In FYE2024, 206 employees underwent training in health and safety standards.**”



# Sustainability Report

# Sustainability Report

## OSH Performance

The Group's overall accident rate increased to 26.77 from 15.22 the previous year. PTNJL recorded the highest number of accidents in the Group, mainly involving logistical and tool-related accidents. In response, PTNJL has initiated several actions to improve their safety protocols and procedures to prevent future accidents and improve their overall lost time injury rates. Safety briefings are conducted for the workers before they start their daily tasks while newly recruited workers are required to undergo mandatory safety briefings on operational and tools/equipment handling.

In Quarter 3 FYE2024, there was a fatality at Ladang Fima Aring, Kelantan involving the unauthorised use of a tractor by an estate worker. The local Department of Occupational Safety and Health ("DOSH") investigated the incident and determined that there were no elements of wrongdoing by the estate.

This incident nevertheless underscores the importance of further enhancing our safety protocols and procedures to prevent future accidents and improve overall lost time injury rates within the Group and ensure the well-being of our employees. As an immediate measure, the division organised a training session in November 2023 which focused on proper tractor operation and safety. The division intends to roll out similar training sessions at other estates across the Group.

**PTNJL retained its Sistem Manajemen Keselamatan dan Kesehatan Kerja ("SMK3") accreditation, an Indonesian government safety certification that is comparable to the globally recognised OHSAS 18001:2007.**

Employee OSH Performance		
	FYE2024	FYE2023
Recorded Injuries	45	26
Recorded Injuries by Absent Days	716	267
Average Headcount	1,681	1,708
Total Working Hours	3,583,888	3,562,768
Accident Rate*	26.77	15.22
Severity Rate**	199.78	74.94
Lost Time Injuries Frequency Rate ("LTIFR")***	12.56	7.30
Fatalities	1	0

\* Accident rate indicates the number of injuries per 1,000 workers  
 \*\* Severity rate indicates the number of absent days (medical leave/hospitalisation) per 1,000,000 man hours  
 \*\*\* LTIFR indicates the number of injuries per 1,000,000 man hours

## Hazard Identification, Risk Assessment and Risk Control

The Group employs a structured and methodical approach to OSH through our Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") system. This systematic framework is integral to our operations and aligns with the general duties outlined in the Occupational Safety and Health Act 1994 (Act 514), ensuring a robust foundation for risk management across all levels of our organisation.

Our HIRARC process is integral to our business planning and operations, ensuring primary risk management is consistently applied. When a hazardous incident occurs, our response follows a clear and methodical process:



## OSH Awareness and Training

Each division has its own health and safety committee, which includes representatives from both management and the workforce. These committees are pivotal in overseeing the safety management of their staff, managing incident reports, conducting investigations, and resolving issues as they arise. To foster a culture of continuous improvement, findings from all serious incident investigations and the resultant actions are shared with the Group's divisional management.

We maintain a rigorous schedule of preventive maintenance and necessary repairs or replacements at our facilities, plants, storage tanks, and terminals to ensure their optimal functioning and safety. Periodic safety audits on sites are also conducted. Additionally, our divisions organise activities to mitigate the health and safety risks inherent to their respective operations and these include safety campaigns, conducting drills and reviewing standard operating procedures.

Employees have received training in various areas, including control of industrial major hazards, which covers topics such as hazard identification, risk assessment, CPR/first-aid, and compliance with occupational safety and health regulations. During the year, 206 employees received essential training in these critical areas of safety and health. Just subsequent to the year-end, 13 employees had successfully completed the OSH Coordinator certification training and are now certified OSH coordinators.

## COMMUNITY

GRI 203-2, 413-1

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 the communities' cultural context.

## Social Impact Assessment ("SIA")

SIA are conducted for relevant plantation developments, both before and during their operations to evaluate how our developments impact local socio-economic conditions. During the SIA process, we actively engage with members of the surrounding communities to seek their feedback, to ensure that they are fully informed about our projects and ultimately, obtain their Free Prior and Informed Consent (FPIC). Furthermore, in adherence to MSPO standards, our estates conduct annual Aspect Impact Assessments that engage both the community and stakeholders to continuously monitor and mitigate our operations' environmental, social, and economic impacts.

## Community Engagement and Investments

Our community engagement and investments are focused on issues that affect the success and quality of life of the communities where we have a presence. FimaCorp works to address these issues through programmes in 3 key areas namely education and economic empowerment, environment and community:

### Local Employment, Internships and Training

Since 2018, 114 university graduates have participated in an 8-month workplace experience within the Group's Malaysian operations under the Protégé programme, which includes practical training and the development of job-specific skills, along with allowances and benefits. Additionally, 12 vocational students majoring in agriculture and business from a local institution from a local institution in Nunukan gained practical experience through a 6-month internship programme at PTNJL.

We are also upskilling workers in our oil palm plantations as we move towards greater mechanisation in our harvesting operations. This transition not only leads to a higher land-to-labour ratio and enhanced productivity, but also improves worker well-being through reduced physical strain and potentially higher earnings.

### Water Treatment and Distribution

PTNJL processes and distributes water from its own catchment area to nearby villages for daily use and irrigation.

### Sustainable Energy Utilisation

By-products such as mesocarp fibre and palm shells are used at PTNJL's palm oil mill to generate renewable energy which is then used to power local facilities including workers quarters, schools, government facilities and mosques.

### Platform Konsultasi dan Komunikasi

This platform enhances communication between our Plantation division's Malaysian estates and local stakeholders, improving community relations and collaboration.

**For FYE2024, FimaCorp invested RM0.32 million into community initiatives which positively impacted 124 beneficiaries.**

# Our Business

## Our Alignment to SDGs



### Strategic Commitments

- ✔ Upholding Responsible Business Practices Guided by Corporate Values
- ✔ Integrating Sustainable Practices for Maximum Benefits to Business and Society
- ✔ Zero Tolerance for Bribery and Corrupt Practices
- ✔ Promoting Transparency and Sustainability in Supply Chains



PT Nunukan Jaya Lestari palm oil mill

## SUSTAINABILITY GOVERNANCE

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

Our commitment to sustainability starts at the Board level. With ultimate responsibility for sustainability issues, the Board of Directors plays a crucial role in establishing the Group's strategic direction and objectives in a way that brings accountability into every activity and process, ensuring they align with the interests of everyone who has a stake in our success – shareholders, employees, customers, and the communities we operate in.

The Board is supported by dedicated Board Committees, each with its own charter setting out its roles and responsibilities. A full description of the Board's role is available in the Corporate Governance section of this Annual Report.

Led by Independent Directors, the ARC supports the Board in overseeing the Group's sustainability practices. The ARC's key role is assessing risks that could significantly impact FimaCorp's planned objectives. Through thorough risk assessments, the ARC ensures management promptly identifies and addresses these risks. By implementing appropriate mitigation measures, the ARC enhances FimaCorp's sustainability performance and safeguards its long-term success.

For successful integration of sustainability practices, the ARC receives regular updates from the GSC and the RSC. These committees, led by a Non-Independent Non-Executive Director, provide valuable insights and recommendations to the ARC. This ensures Board-level oversight of managing the Group's risks, controls, and processes (including ESG factors as risk drivers). It also facilitates a top-down approach to resolving sustainability matters.

Divisional leadership takes the lead in managing day-to-day sustainability efforts and programme implementation. Divisions develop sustainability strategies specific to their operations and allocate resources for their execution. They integrate their brands, technologies, and sites with sustainability goals, considering their unique business challenges and priorities. Divisions submit monthly sustainability reports to the Head Office, covering safety, environment, employee retention, and compliance. These reports are then consolidated and presented to the ARC every quarter.

The Group Internal Audit assesses the accuracy of sustainability data submitted by business units and the implementation of sustainability initiatives in the course of their audits. Additionally, external audits by authorities, certification bodies, and customers verify compliance with regulations, standards, and contracts. Any non-conformities or

incidents are thoroughly analysed, and corrective actions are implemented to prevent recurrence. Any identified non-conformities and incidents will be investigated to identify root causes and implement necessary preventive measures.

For more information on:  
 i. The Group's Sustainability Committee, please refer to Task Force on Climate-Related Financial Disclosures ("TCFD") on page 55 and the Corporate Governance Overview Statement on page 98.  
 ii. The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 114 to 126.

## RESPONSIBLE BUSINESS PRACTICES

GRI 201- 1

We strive to uphold responsible business practices that align with our corporate values. Our values guide our employees to act with integrity, accountability and a strong sense of responsibility. By caring

about the work that we do, about our fellow employees and stakeholders, we strive to build a business that is respectful and responsible. We treat all our stakeholders with dignity and respect, and we hold the same expectation for our stakeholders to do the same.

Our management approach is underpinned by our robust policies that ensure that we adhere to all national and international statutory and regulatory requirements as well as international conventions and treaties. These policies address ESG elements that are crucial to our business operations and guide both our strategic and daily decision-making processes. They are periodically reviewed and updated to incorporate emerging sustainability issues and regulatory changes.

One such instance is the enhancements made to our internal processes relating to the identification, documentation

and escalation of conflict-of-interest situations. These enhancements include, among others, implementing a mandatory conflict of interest training programme for all employees to raise awareness and understanding of potential conflicts, and a declaration process where those involved in a tender/procurement processes must disclose any potential conflicts of interest specific to that particular bid and confirm their absence of such conflicts.



For further details, please visit our governance page: <http://www.fimacorp.com/corporate-governance.php> or scan the QR Code

## Sustainability Report

### ANTI-BRIBERY AND CORRUPTION

GRI 205-2, 205-3

We are committed to ethical business practices. We maintain a zero-tolerance approach to bribery and corruption, ensuring all interactions are professional, fair, and conducted with integrity.

This policy strictly forbids our officers, employees, agents, and service providers from engaging in any form of gift-giving or receiving that could be perceived as an unfair advantage. This includes offering, soliciting, or accepting such benefits in exchange for favours or to secure any improper privilege. Through this clear and comprehensive policy, we aim to foster a culture of integrity and transparency throughout all our operations. Violations of this policy are met with stringent measures, which may include disciplinary actions or termination of business relationships to maintain compliance and uphold our ethical standards.

To promote a culture of ethical business practices, we include anti-bribery clauses in all our vendor and service provider contracts. This helps ensure that everyone involved adheres to high ethical standards. Additionally, it is mandatory for all new hires to undergo comprehensive anti-bribery training at the start of their contracts, with refresher courses conducted regularly to keep our workforce informed about potential risks and the importance of ethical conduct.

We regularly update training materials to ensure stakeholders, employees, and business partners are aware of evolving bribery risks. Additionally, we conduct periodic reviews of authority limits, fostering transparency and strengthening our integrity procedures. All employees are required to annually confirm their

# Spotlight Story

## Strengthening Integrity and Upholding Ethical Standards

The Group has undertaken several initiatives in FYE2024 as part of its proactive approach to promote high ethical standards and a conducive work environment among its employees:

- A dedicated session on anti-bribery, with specific focus on the corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 was organised during FIMA's 2<sup>nd</sup> Virtual Summit Series. This session led by an MACC officer, aimed to ensure that employees at all levels understand their roles and responsibilities in

safeguarding the business against corruption risks;

- On-site integrity training sessions for 40 workers and employees at Ladang Fima Cendana in Kemaman, Terengganu. The objective was to refresh and enhance awareness of the Group's anti-bribery policies and address critical workplace issues including child labour, bullying, sexual harassment, and grievance procedures;
- An e-learning video focusing on conflicts of interest was launched in December 2023 to enhance employees' understanding of the topic.



compliance with the Group's Anti-Bribery Policy and their commitment to reporting any concerns they may have. Through these efforts, we aim to mitigate bribery risks and uphold the highest ethical standards.

To complement our anti-bribery measures, we have established a Whistle-Blowing Policy that protects the confidentiality of those who report incidents of misconduct. This policy outlines clear procedures for the investigation and follow-up of any reports of non-compliance.



**100% of the Group's operations were assessed for corruption-related risks in FYE2024. Additionally, there were zero-incidents of corruption during the year.**

## Sustainability Report

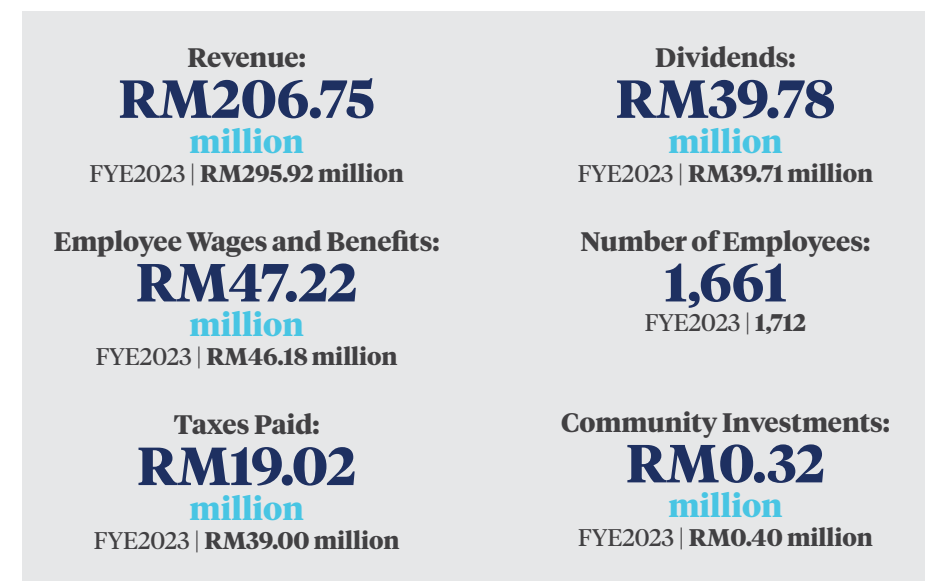
### VALUE DISTRIBUTION TO OUR STAKEHOLDERS

GRI 201-1, 201-3, 203-2

We are proud to support the communities in which we operate and the economic contribution we make through taxes paid to governments of our host countries, both direct and indirect. Our contribution comprises local and government taxes, social security contributions on the wages of our employees, sales and services tax (SST), customs duties and property taxes.

These contributions foster economic growth as they support the provision of essential services and the development of infrastructure, which benefits the broader community. In Malaysia, our financial responsibilities also include contributions to the Employee Provident Fund (EPF) and the Social Security Organisation (SOCSO), as mandated by law.

#### Value Distribution to Our Stakeholders:



### CYBER AND DATA SECURITY

GRI 418-1

The Group places a priority on mitigating the risks associated with technological disruptions and ensuring the privacy of data. We proactively update our antivirus and firewall software to secure our information, protect the IT network, and maintain the integrity of our communication assets across all divisions. Each division, including the Head Office, has its own dedicated network and IT department that oversees

risk management and acts as the primary defence against potential threats.

Our IT departments conduct daily monitoring of our systems, leveraging on automated reporting tools to analyse traffic and identify potential security threats, which are further mitigated through screenings and spam filters. During the year, there were no incidents of phishing and malware targeting our employees. We have strengthened our cyber security during the financial year by implementing controls including

vulnerability testing of our IT systems and processes, to minimise potential risks.

Safeguarding the privacy and integrity of all data is a top priority for us. Strict security protocols are in place to prevent unauthorised access, data leaks or illegal manipulation of information. Any breaches or violations are addressed with the utmost seriousness, and we continuously evaluate and improve to ensure that our data security measures to ensure their effectiveness.



**There were no complaints or breaches of customer privacy and losses in FYE2024.**

### SUSTAINABLE AND TRACEABLE SUPPLY CHAIN

GRI 102-9, 204-1

The Group recognises that a sustainable and traceable supply chain is integral to our business operations. Any interruptions to our supply chains can impact production output of our operating units, exposing us to legal, financial, reputational and other risks that might have lasting consequences on our profitability.

To mitigate this, each division has documented policies and procedures for specified procurement processes. We actively engage with suppliers throughout the process, from tendering to on-site inspections. We maintain constant communication with suppliers on cost efficiency, environmental responsibility, and social compliance throughout our supply chain to enhance traceability and transparency.

# Sustainability Report

## Supporting Local Procurement

We support local suppliers and entrepreneurs through the procurement of local goods and services. In Malaysia and Indonesia, 98.3% and 87.0% of contracts for goods and services are awarded to small and medium-sized local companies respectively. Sourcing locally also helps us to reduce our carbon footprint and the footprint of the products and services we provide to our customers.

While we prioritise supporting local businesses, certain specialised components, such as security printer inks and heavy equipment spare parts, might not be readily available locally and have to be procured overseas. In such cases where local sourcing is not feasible or practical, we ensure that the procurement process is transparent and fair.

### Percentage (%) of Suppliers Engaged in Malaysia and Indonesia

	FYE2024		FYE2023	
	Local	Foreign	Local	Foreign
Malaysia	98.3	1.7	97.7	2.3
Indonesia	87.0	13.0	79.5	20.5

## Innovation and Technology

We continue to leverage technology and process innovation to improve efficiency, adaptability, and risk mitigation, ultimately delivering value to our customers and stakeholders.

To streamline information access, storage, and reporting, the Manufacturing division equips its IT support staff with mobile devices. This not only reduced operational staff time and lowered management costs but more importantly, it empowers our dedicated team members to deliver faster response times to customers' requests/inquiries.

The Plantation division utilises geospatial technologies, including GPS and GIS, to enhance various aspects of their operations. These technologies ensure accurate preplanning, and data-driven decision making in aspects like road construction, and terrace positioning. Satellite imagery is also used to map new estate developments and facilitate tree counting, maximising planting density of potential planting areas and overall efficient management of plantation operations.

Our sustainability reporting system remains a cornerstone of our commitment to the "measure-monitor-manage" principle. This year, we have enhanced the system to provide management with real-time information that can be displayed on a central dashboard, allowing for improved data visibility and analysis.

## UPHOLDING QUALITY, STANDARDS AND CERTIFICATIONS

GRI-417-1, 417-2

We are committed to maintaining the required safety and quality standards and certifications across our operations. We continuously monitor industry best practices and adapt to evolving regulations. This dedication allows us to deliver on the expectations of our customers and stakeholders.



## Plantation

Since FYE2020, 100% of our fully developed Malaysian estates have maintained their MSPO certifications. Selected employees have been sent for MSPO 2.0 training to ensure that we have the necessary competencies to maintain and support our MSPO certification while meeting international sustainability standards, especially concerning elements such as traceability, deforestation and good labour practices. Additionally, the Plantation division adheres to ISO 50001:2011 and ISO 14001:2015 standards.

In Indonesia, the Indonesian Sustainable Palm Oil ("ISPO") audit on PTNJL maintains status quo pending regularisation of PTNJL's HGU before the ISPO certification process can be resumed.



8 Malaysian estates are MSPO-certified. The MSPO ensures responsible management of palm oil plantations, smallholdings and palm oil processing facilities. The MSPO certification also safeguards human and workers' rights.

# Sustainability Report



PTNJL has implemented an ISO 50001:2011 certified energy management system ("EMS") as part of its commitment to efficient energy use. This internationally recognised standard helps PTNJL continuously improve its energy management practices, leading to more efficient resource utilisation.



PTNJL's commitment to environmental sustainability is reflected in its ISO 14001:2015 certification, covering its CPO, CPKO, and palm kernel production processes.

## Manufacturing

The Manufacturing division upholds the following regulatory standards and certificates:



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



This accreditation reflects PKN's adherence to the established guidelines and requirements for managing secure printing processes.



This certification affirms PKN's adherence to anti-bribery policies, procedures, measures and controls.



This certification affirms that PKN's implementation of effective quality management systems meet internationally recognised standards.



**STATEMENT OF ASSURANCE**

To the Board of Directors and Management and Fima Corporation Berhad.

**Scope**

We have performed an internal review for selected subject matters and performance indicators to be published in the sustainability report in FimaCorp’s Annual Report for the financial year ended 31 March 2024. The objective of the review process is to provide assurance to FimaCorp and its stakeholders on the accuracy and reliability of the information to be presented in the Sustainability Report.

**Procedures**

Our procedures include:

- testing, on a sample basis, underlying source information to check accuracy of the data;
- examining, on a sample basis, evidence supporting the selected performance indicators; and
- checking that the calculation have been applied as per the set methodologies.

We have also reviewed the process of collecting, gathering and consolidating the data and numbers.

**Subject Matters/Performance Indicators**

The selected subject matters and performance indicators are as follows:

Type of Assurance	Component	Subject Matter/Performance Indicator	Scope	
Internal Review	Environmental	Water impact: <ul style="list-style-type: none"> <li>• water consumption and management</li> <li>• water intensity for FFB processed</li> </ul>	Operations assessed: 1. Malaysia 2. Indonesia	
		Waste management: <ul style="list-style-type: none"> <li>• waste generation</li> <li>• disposal method of hazardous and non-hazardous waste for domestic, scheduled, and production</li> </ul>		
		Energy management: <ul style="list-style-type: none"> <li>• scope 1 and 2 emissions by the renewable and non-renewable</li> <li>• fuel intensity for harvesting operations transportation</li> <li>• renewable energy</li> </ul>		
	Social	Equal opportunity, diversity and inclusion: <ul style="list-style-type: none"> <li>• employee headcount by gender, age group, and country</li> <li>• employment status by permanent and contract</li> <li>• new hire, attrition, and turnover by gender, age group, country, employment status, and category</li> </ul>		Operations assessed: 1. Malaysia 2. Indonesia
		Labour relations: <ul style="list-style-type: none"> <li>• total hours of training by employee category, country, and gender</li> </ul>		
		Occupational safety and health: <ul style="list-style-type: none"> <li>• work-related accidents and incidents</li> <li>• lost time injuries</li> <li>• fatalities</li> <li>• accident rates</li> </ul>		

Type of Assurance	Component	Subject Matter/Performance Indicator	Scope
Internal Review	Governance	Value distribution to stakeholders: <ul style="list-style-type: none"> <li>• community investment (for the Corporate Social Responsibility programmes)</li> <li>• dividend payout</li> <li>• employee wages and benefits</li> <li>• taxes</li> </ul>	Operations assessed: 1. Malaysia 2. Indonesia
		Sustainable and traceable supply chain: <ul style="list-style-type: none"> <li>• supporting local procurement</li> </ul>	
		Upholding quality, standards and certifications: <ul style="list-style-type: none"> <li>• certifications and international standards achieved</li> </ul>	

During the review process, clarifications were sought from the business units on specific findings and to substantiate the accuracy of certain aspects of the reported information. The business units have satisfactorily corrected any errors and/or misstatements identified during the review, and all changes have been incorporated into the final version of the Sustainability Report.

**Considerations and Limitations**

Non-financial data are subject to more inherent limitations than financial data, given both their nature and the methods used for calculating or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. We have not undertaken work to confirm those factors, nor have we carried out any work on data reported in respect of future projections and targets.

**Conclusion**

Based on the procedures we have performed, we confirm that the selected subject matters and performance indicators listed above together with the related disclosures have been prepared and presented fairly in the Sustainability Report. Accordingly, GIA is of the opinion that the Sustainability Report provides a reasonable and well-balanced depiction of FimaCorp’s sustainability performance.

Thank you.

**Muhammed Erman Bin Mat Zoki**  
Head, Group Internal Audit

Date: 11 July 2024

# Sustainability Report

# Sustainability Report

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	236.00	328.00	203.00
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	0	0
Three years of total water withdrawal data is disclosed by source - Surface water from rivers, lakes, natural ponds	Cubic meters	288,050.00	276,429.00	157,807.00
Three years of total water withdrawal data is disclosed by source - Groundwater from wells, boreholes	Cubic meters	10,301.00	19,033.30	13,746.00
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	27,889.00	32,689.00	31,047.00
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	326,240.00	328,151.30	202,600.00
Water Intensity	cbm/MT	0.53	0.48	0.28
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	202,948.37	190,380.59	161,340.83
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	202,946.53	190,377.80	161,335.17
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1.84	2.79	5.66
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	6.56	12.36	27.63
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	17,082.98	20,078.85	20,088.23
Plantation Fuel Intensity	L/MT	3.04	3.34	3.35
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	3,832.73	4,576.33	4,861.95
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	1,783.18	2,100.46	1,484.06
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	93.08	133.52	298.00
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	60.00	60.00	20.00
Senior Management Above 50	Percentage	40.00	40.00	80.00
Management Under 30	Percentage	4.00	0.00	0.00
Management Between 30-50	Percentage	60.00	68.00	68.00
Management Above 50	Percentage	36.00	32.00	32.00
Executive Under 30	Percentage	29.03	20.97	11.67
Executive Between 30-50	Percentage	62.90	69.35	80.00
Executive Above 50	Percentage	8.06	9.68	8.33
Non-executive Under 30	Percentage	30.80	30.37	25.59
Non-executive Between 30-50	Percentage	60.35	61.23	63.72
Non-executive Above 50	Percentage	8.85	8.40	10.69
Gender Group by Employee Category				
Senior Management Male	Percentage	80.00	80.00	80.00
Senior Management Female	Percentage	20.00	20.00	20.00
Management Male	Percentage	88.00	88.00	84.00
Management Female	Percentage	12.00	12.00	16.00
Executive Male	Percentage	70.97	70.97	73.33
Executive Female	Percentage	29.03	29.03	26.67
Non-executive Male	Percentage	76.16	75.62	78.55
Non-executive Female	Percentage	23.84	24.38	21.45

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Diversity)</b>				
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.33	83.33	83.33
Female	Percentage	16.67	16.67	16.67
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00
Percentage of women in the global workforce.	Percentage	23.84	24.36	21.55
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	68	64	164
Management	Hours	389	672	794
Executive	Hours	915	1,257	983
Non-executive	Hours	1,806	2,944	2,766
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	35.53	31.19	36.36
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	0	1	0
Executive	Number	6	3	5
Non-executive	Number	432	572	427
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.69	1.46	2.51
Bursa C5(c) Number of employees trained on health and safety standards	Number	75	82	206
Number of work-related employee fatalities, over last 3 years	Number	0	0	1
Number of work-related contractor fatalities, over last 3 years	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	147,197.00	396,038.00	319,664.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	92	107	124
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	100.00	0.00	60.00
Management	Percentage	76.00	4.00	8.00
Executive	Percentage	24.19	3.23	18.33
Non-executive	Percentage	1.38	3.21	4.52
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.71	67.64	88.44
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Fima (Governance)</b>				
Number of Board Directors	Number	6	6	6
Number of independent Directors on the board	Number	3	3	3
Number of women on the board	Number	1	1	1
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	25	28	28