THE REPORT
Boustead Plantations Berhad’s (BPB) 2019 Sustainability Report details BPB or the Company and its subsidiaries’ (collectively referred to as the Group) sustainability undertakings for the year as well as our multistakeholder engagement process. Our second stand-alone Sustainability Report is a continuation of our journey to achieve more sustainable palm oil production.

REPORT SCOPE AND BOUNDARY
The 2019 report details the Group’s sustainability journey spanning our reporting period from 1 January 2019 to 31 December 2019. In keeping with financial reporting standards, all monetary value mentioned in this Report is in Ringgit Malaysia (RM).

We have defined a representative scope of our operations by confining the entities reported to those that the Group wields executive control over in relation to the implementation of our Sustainability Policy.

REPORTING FRAMEWORK
The structure of this Report draws on guidance from the Bursa Malaysia Sustainability Reporting Guide as well as the Bursa Malaysia Main Market Listing Requirements (Practice Note 9).

ENHANCEMENTS THIS YEAR
As part of our intention to ensure we deliver a transparent and comprehensive report for the 2019 fiscal year, the Group has introduced a performance matrix that touches on quantitative and qualitative aspects.

We have engaged and considered the responses from both internal and external stakeholders which have assisted us in developing a report that addresses their concerns and interests as stakeholders in addition to being more in tune with their information needs.

In line with our aim to align our sustainability initiatives with the United Nations’ (UN) Sustainable Development Goals (SDGs), we have prioritised the SDGs accordingly based on our assessment of the Group’s impact on and contribution to the SDGs.

FORWARD - LOOKING STATEMENTS
Please note that BPB’s 2019 Sustainability Report contains forward-looking statements specified by the use of words such as “might”, “forecast”, “anticipate”, “project”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “estimate” and “target” amongst other similar terms.

It is important to note that our business operates in a dynamic and fluid environment which is subject to variables that could in turn trigger the actual results to differ from those reflected in the forward-looking statements.

ACCESSIBILITY
Consistent with our Group’s efforts to cut down on paper consumption, this Sustainability Report and previous editions, are accessible at www.bousteadplantations.com.my.

FEEDBACK CHANNEL
In line with the Group’s focus on stakeholder engagement, we welcome feedback, comments and suggestions pertaining to BPB’s 2019 Sustainability Report. All queries can be directed to:

Boustead Plantations Berhad
Boustead Estates Agency Sdn Bhd
Planting Advisor Department (Sustainability)
19th Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur
03-21452121 ext 506
www.bousteadplantations.com.my
Cover Rationale
This year’s Sustainability Report cover is a reflection of BPB’s commitment to strengthening its fundamentals in the interest of safeguarding the Group’s future as well as to push forward its sustainability agenda to create a positive impact on the economy, environment and society.
04  Sustainability Key Milestones
06  Message from Chairman of the Sustainability Committee
08  Corporate Profile
10  How We Create Value
12  Value Created – Sustainable Development Goals
SUSTAINABILITY KEY MILESTONES

2004
- Founding member of Roundtable on Sustainable Palm Oil (RSPO)

2006
- First publication of sustainability handbook: BEA Towards Sustainable Agriculture

2010
- First Social Impact Assessment & High Conservation Value Assessment conducted

2011
- First business unit to be RSPO certified: Sungai Jernih Business Unit

2014
- Listing of Boustead Plantations Berhad on the Main Board of Bursa Malaysia
2015
- First installation of Biogas Plant at Telok Sengat Palm Oil Mill
- RSPO certified: Nak Business Unit
- Malaysian Sustainable Palm Oil (MSPO) certified: Sungai Jernih Palm Oil Mill & Estate

2016
- Sungai Jernih Palm Oil Mill awarded with Clean Air Award by Department of Environment Pahang

2017
- RSPO certified: Trong Business Unit

2018
- RSPO & MSPO certified: All RSPO certified business units
- Second publication of sustainability handbook
- Social Impact Assessment and High Conservation Value Assessment completed

2019
- MSPO certified: All RSPO certified business units
- RSPO & MSPO certified: Segamaha Business Unit
MESSAGE FROM CHAIRMAN OF THE SUSTAINABILITY COMMITTEE

“IMPROVING TODAY FOR A BETTER TOMORROW CAPTURES THE ESSENCE OF OUR FOCUS AS WE MOVE FORWARD TO ENSURE THAT THE RIGHT FRAMEWORK IS IN POSITION, TO PROPEL OUR LONG-TERM GROWTH WHILE ADVANCING OUR SUSTAINABILITY GOALS.”

TAN SRI DATO’ WIRA AZIAH ALI
Chairman
Sustainability Committee
In line with the Group’s Sustainability Vision, we are focused on achieving strategic growth, safeguarding the environment and embracing the diversity of people.

To this end, our Sustainability Mission encapsulates our areas of focus in achieving our Sustainability Vision. We emphasise research and development (R&D) to maintain our technological edge while exploring our capacity to achieve greater economies of scale and efficiencies.

The BPB Sustainability Policy delineates the sustainability standard we implement in relation to economic prosperity, environmental management, community development and social impact. We are keen to explore business opportunities that generate strong returns. At the same time, we are focused on cultivating a capable talent pool that is provided with opportunities to fulfil their potential.

This year’s theme of, ‘Improving Today for A Better Tomorrow’ encapsulates our focus on ensuring the Group moves forward and puts in place the right structure in the interest of long-term sustainability.

Given the Group’s involvement in the plantation sector, it is imperative that we stay focused on our commitment to sustainability and play a stronger part in promoting sustainability practices across the sector.

Our second standalone Sustainability Report captures the Group’s accomplishments as well as the challenges we have encountered in our journey to sustainability in addition to our plans for the future.

As we move forward, we look to continue advancing our sustainability goals by leveraging our varied resources and assets while strengthening the Group’s fundamentals.

TAN SRI DATO’ WIRA AZIAH ALI
Chairman
Sustainability Committee
As an established upstream oil palm plantation company, BPB has over 100 years of expertise in the industry coupled with more than 50 years of experience in oil palm plantations management. The Group is a subsidiary of Boustead Holdings Berhad. Our operations include the management of oil palm plantations across the country, the harvesting and sale of palm products, agronomic research as well as the provision of mill design and consultancy services. The Group is a proponent of sustainable agronomic practices.

Our Sustainability Vision, Mission, Group Motto and Company Values are the foundation of the Group’s operations.

<table>
<thead>
<tr>
<th>OUR SUSTAINABILITY VISION</th>
<th>OUR SUSTAINABILITY MISSION</th>
<th>OUR SUSTAINABILITY MOTTO</th>
<th>OUR CORE VALUES</th>
</tr>
</thead>
</table>
| • ACHIEVING STRATEGIC GROWTH  
  • SAFEGUARDING THE ENVIRONMENT  
  • EMBRACING THE DIVERSITY OF PEOPLE | • To remain committed in our focus on R&D and implement breakthrough solutions at all levels and processes to maintain our technological edge.  
  • To achieve greater economies of scale and operation efficiencies by consolidating and expanding our landbanks in Malaysia.  
  • To implement sustainability standards as per BPB Sustainability Policy for Economic Prosperity, Environmental Management, Community Development and Social Impact.  
  • To cultivate a capable talent pool and provide employees with opportunities for personal and professional development to enable them to fulfil their potential.  
  • To explore business opportunities that yield strong returns. | “A TRADITION OF STRENGTH AND STABILITY, A VISION OF GROWTH AND EXCELLENCE” | • RESPECT  
  • INTEGRITY  
  • TEAMWORK  
  • EXCELLENCE |
HIGHLIGHTS 2019

- **LAND BANK**: 98,212 HA
- **TOTAL NUMBER OF EMPLOYEES**: 9,555
- **TOTAL NUMBER OF PALM OIL MILLS**: 10
- **NUMBER OF ESTATES**: 48
- **PLANTED AREA**: 79,406 HA
- **NUMBER OF ESTATES**: 48
- **NUMBER OF PALM OIL MILLS**: 10
- **MSPO AUDITED UNIT**: 18 ESTATES, 3 MILLS
- **MSPO CERTIFIED UNIT**: 29 ESTATES, 7 MILLS
- **RSPO AUDITED AREA**: 5,175 HA
- **RSPO CERTIFIED AREA**: 34,278 HA
- **CSPK PRODUCTION**: 19,278 MT
- **CSPO PRODUCTION**: 108,317 MT

**CSPO** – Certified Sustainable Palm Oil

**CSPK** – Certified Sustainable Palm Kernel
HOW WE CREATE VALUE

Our Resources and Assets

- **Financial Capital**
  Debt and equity financing; cash generated from operations and investments

- **Human Capital**
  The motivation, skills, safety and diversity of our employees, contractors and suppliers

- **Manufactured Capital**
  Our palm oil mills

- **Intellectual Capital**
  Our culture, collective know-how, licensed technologies, processes and procedures

- **Natural Capital**
  Our landbank spread across strategic geographical location

- **Social Capital**
  Trusted relationships with customers, communities, governments and regulators, suppliers, unions, industry bodies and civil rights groups

Value Creation Process
Corporate Mission, Vision and Values

Risks and Opportunities
The Group's sustainability initiatives are in line with the United Nations Sustainable Development Goals (SDGs) which is part of their 2030 Agenda for Sustainable Development. The Group is focused on making a tangible impact in the universal pursuit to achieve these goals.

During the year, we identified our priority SDGs that encompass goals that we are able to impact most significantly and have a direct link to our core business. Our priority SDGs comprise the following 3 goals:

- Zero Hunger
- Decent Work and Economic Growth
- Responsible Consumption and Production

The following is an indication of our progress in advancing these three (3) priority SDGs:

**SDG 2 – Zero Hunger:**
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

### How We Contribute to SDGs:

<table>
<thead>
<tr>
<th>How We Contribute to SDGs:</th>
<th>Related SDGs Target:</th>
<th>Value Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>In line with our commitment to sustainable agronomic practices, we are focused on contributing to sustainable food production systems, the improvement of land and soil quality as well as increasing productivity.</td>
<td>Targets 2.4, 2.a</td>
<td>108,317 MT of CSPO produced.</td>
</tr>
<tr>
<td>Regardless of our sustainability initiatives, we are fully aware of the direct or indirect negative impact we may have on the natural ecosystem.</td>
<td></td>
<td>39,453 ha RSPO audited/certified.</td>
</tr>
<tr>
<td>The Group commits to the improvement of agricultural production capacity through our involvement in agricultural research.</td>
<td></td>
<td>RM14 million invested in R&amp;D.</td>
</tr>
</tbody>
</table>

Regardless of our sustainability initiatives, we are fully aware of the direct or indirect negative impact we may have on the natural ecosystem.

The Group commits to the improvement of agricultural production capacity through our involvement in agricultural research.
**SDG 12 – Responsible consumption and production:**
Ensure sustainable consumption and production patterns

- **How We Contribute to SDGs:**
  - We are focused on undertaking the environmentally sound management of chemicals and wastes throughout their life cycle as per the agreed international frameworks.
  - We are also committed to reduce the release of chemicals and wastes to air, water and soil to reduce their harmful effect on human health as well as the environment.
  - We adopt sustainable practices and integrate sustainability information into our Sustainability Report.

- **Related SDGs Target:**
  - Targets 12.4, 12.6, 12.a

- **Value Created**
  - Our waste products are repurposed in line with the Group’s Zero Waste Strategy.
  - Total biogas captured in FY2019: 2,111,735 m³.
  - Total solid biomass: 419,923 MT.
  - Total liquid biomass: 813,585 MT.
  - Total empty fruit bunches utilised for mulching: 220,000 MT.
  - Sustainability Report FY2019. It is our intention to report each year in line with the Company’s financial reporting cycle, which is the calendar year.

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**SDG 8 – Decent Work and Economic Growth:**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- **How We Contribute to SDGs:**
  - We are particularly focused on growing micro, small and medium local suppliers.
  - We strongly enforce policies for the eradication of child labour and forced labour.
  - We are focused on promoting a safe and secure working environment for all.

- **Related SDGs Target:**
  - Targets 8.2, 8.8

- **Value Created**
  - More than RM100 million procurement spending on local vendors.
  - Zero child labour and forced labour incidents.
  - Lost Time Injury Frequency Rate (LTIFR) of 10.69.

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**Related SDGs Target:**
- Targets 12.4, 12.6, 12.a
- Targets 8.2, 8.8
OUR SUSTAINABILITY APPROACH

16  Sustainability Governance
20  Engaging Our Stakeholders
21  Determining Our Material Matters
23  Summary of Material Matters
24  Risk Management
The Group’s Sustainability Governance Structure has enabled us to enforce and manage sustainable practices across our operations.

**Board of Directors**

**Chairman**
Tan Sri Dato’ Wira Aziah Ali

**Members**
Dato’ Chan Kong Yew

**Sustainability Committee**

**Members**
Ibrahim Abdul Majid
Mohamad Azlan Jaafar
Mohamad Mahazir Mustaffa

**Sustainability Management Committee**

**Members**
Noral Afida Alwi
Shafie Muhd Zain
Azrin Mazhidzi Abdul Manab
Ahmad Amirul Arif Mohamad Noh
Nurul Hanani Abdullah

**Sustainability Working Committee**

**Head:** Anuar Semail
**Secretary:** Ahmad Azhar Shah Ibrahim
**Members:** Noral Afida Alwi
Shafie Muhd Zain
Azrin Mazhidzi Abdul Manab
Ahmad Amirul Arif Mohamad Noh
Nurul Hanani Abdullah

**Sustainability Secretariat**

**Head:** Anuar Semail
**Members:** Hafizi Boniran
Amrul Nizam Abdul Ghani
Ahmad Amirul Arif Mohamad Noh
Muhd Hafiz Mamat
Nurul Hanani Abdullah
ROLES & RESPONSIBILITIES

Boustead Plantations Berhad (BPB) Board of Directors
- The Board holds the highest authority and is responsible for BPB’s sustainability strategy as well as its performance in sustainability matters.

Sustainability Committee
- The Sustainability Committee was formed to support the Board in undertaking its oversight duties in relation to the Group’s sustainability objectives, policies and practices.

Sustainability Management Committee
- The Sustainability Management Committee which is chaired by the Chief Executive Officer of BPB is responsible for managing the Group’s sustainability management and administration.

Sustainability Working Committee
- The Sustainability Working Committee oversees sustainability operations within the Group.

Sustainability Secretariat
- The role of Sustainability Secretariat is held by the Sustainability Section, Planting Advisor Department.

SUSTAINABILITY COMMITTEE - MEMBERS AND MEETINGS

The Sustainability Committee held a total of two meetings during the financial year. Details of the composition of the Committee and the attendance by each member at the Committee meetings are set out below:

<table>
<thead>
<tr>
<th>COMMITTEE MEMBER</th>
<th>ATTERNANCE OF MEETINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datuk Zakaria Sharif</td>
<td>1/1</td>
</tr>
<tr>
<td>(Member until 11 December 2019)</td>
<td></td>
</tr>
<tr>
<td>Dr. Raja Abdul Malek Raja Jallaludin</td>
<td>1/1</td>
</tr>
<tr>
<td>(Chairman of the Committee until 31 July 2019)</td>
<td></td>
</tr>
<tr>
<td>Dato’ Mohzani Abdul Wahab</td>
<td>1/1</td>
</tr>
<tr>
<td>(Member until 15 August 2019)</td>
<td></td>
</tr>
<tr>
<td>Tan Sri Dato’ Wira Aziah Ali*</td>
<td>1/1</td>
</tr>
<tr>
<td>(Chairman of the Committee)</td>
<td></td>
</tr>
<tr>
<td>Dato’ Chan Kong Yew*</td>
<td>1/1</td>
</tr>
<tr>
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<td>1/1</td>
</tr>
<tr>
<td>(Member until 11 December 2019)</td>
<td></td>
</tr>
</tbody>
</table>

* Appointed with effect from 15 August 2019
BPB’s Sustainability Policy is a central policy that affirms our commitment to sustainability and dictates our sustainability undertakings Group-wide. This policy is further strengthened by multiple guidelines that we have developed to aid us in our daily management of sustainability related matters that pertain to:
5 STAKES ON BPB SUSTAINABILITY POLICY

Environmental Management

Recognise the Rights of All Employees

Community Development and Social Impact

Traceability and Transparency of Supply Chain

Continuous Stakeholder Engagement

Environmental Management

Recognise the Rights of All Employees

Community Development and Social Impact

Traceability and Transparency of Supply Chain

Continuous Stakeholder Engagement

I. Environmental Management

- Conservation of biodiversity by identifying, monitoring and protecting HCV areas and complying with NP, as set forth by the RSPO & MSPO.
- For existing plantations on peat, we utilise appropriate management techniques in line with GAPs, as defined in RSPO’s P&I and MYRN.
- Developing plans for the management of areas which are unsuitable for oil palm plantation.
- Progressively reduce GHG emissions, recycle or reuse palm biomass and generate renewable energy.
- Enforcement of a zero-tampering policy in all our business units.
- Advocating the safe and judicious use of chemical and complying with all current local legislative requirements and GAPs.

II. Recognise the Right of All Employees

- Respect and uphold the right of all workers, including contract, temporary and migrant workers, in accordance with the Universal Declaration Human Right and the International Labour Organisation’s core conventions.
- Respect the right to freedom of association/collective bargaining and strive to provide a safe and healthy working environment free of sexual harassment.
- Implement responsible recruitment practices by preventing and eliminating the use of any form of forced labour, child labour, and human trafficking in accordance with ILO principles.
- Comply with prevailing fair wages practices.
- Provide fair and equal employment opportunities regardless race, nationality, religion, or gender. Training and development opportunities are provided based on business need, job requirements and individual qualification to ensure that employees are able to realise their full potential.
- Provide equipment and training on the implementation safety and health policies.

III. Community Development and Social Impact

- Create value for local communities and contribute to the quality of life and well-being of the communities in which we operate.
- Engage effectively with local communities in an open and transparent manner. We also have a grievance procedure in place whereby issues can be channelled to the satisfaction of all stakeholders.
- Support the inclusion of smallholders in the palm oil supply chain and provide assistance as and when required to ensure that they comply with our Sustainability Policy.
- Respect and uphold the land tenure rights of indigenous and local communities, including their right to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on their land, to bring legal, commercial, or customary rights in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

IV. Traceability and Transparency of Supply Chain

- Build a traceable and sustainable palm oil supply chain. Traceability is defined as transparent to a defined list of mills and plantations. We also aim to increase the production of sustainable certified palm product, CPOF and CDPP.
- Develop programmes of third-party verification assessments, using risk assessment tools to identify risks and ensure adherence to Group’s sustainability commitments. All phased supply chain traceability targets will be communicated in our time-bound implementation plan.
- Required all our third-party suppliers of palm oil products to adhere to the requirements in this Sustainability Policy, including the requirements for new plantations relating to HCV, HCS, and social impact.

V. Continuous Stakeholder Engagement

- Recognise the importance of this policy and the fact that ensuring its effectiveness requires the support and co-operation of all stakeholders to meet the objectives of our sustainability commitments.
- Strive to continue to be an active supporter of the Sustainability initiative and will work to strengthen RSPO and MSPO standards and adherence to these standards.
- Adopt an open and transparent approach to resolve any grievances or issues faced by the involvement of stakeholders. In tandem with this, we proactively engage with our stakeholders on new developments in sustainability policies and practices.
- Committed to reporting on a transparent manner in compliance to this Policy on a yearly basis or when required.
**ENGAGING OUR Stakeholders**

Stakeholder engagement is an integral part of our sustainability efforts in line with the importance we place on the opinions of our diverse stakeholders. The following are some of our engagement initiatives involving stakeholders for the year under review. We aim to continue to expand our communication with our stakeholders.

<table>
<thead>
<tr>
<th>Stakeholder Groups</th>
<th>Engagement Channels</th>
<th>Issues of Interest and Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders &amp; Investors</td>
<td>• General meetings&lt;br&gt;• Quarterly reporting&lt;br&gt;• Annual Report&lt;br&gt;• Sustainability Report&lt;br&gt;• Announcements&lt;br&gt;• Analyst briefings</td>
<td>Return on investment, market presence, succession planning, sustainable earnings, and company reputation</td>
</tr>
<tr>
<td>Employees</td>
<td>• Internal communications&lt;br&gt;• Internal Stakeholder Meetings&lt;br&gt;• Sports &amp; recreational activities</td>
<td>Work-life balance, workforce development, healthy and safe work environment</td>
</tr>
<tr>
<td>Union</td>
<td>• Periodic meetings</td>
<td>Equal career development opportunities, fair remuneration practices, healthy and safe work environment</td>
</tr>
<tr>
<td>Regulatory Bodies</td>
<td>• Dialogue sessions&lt;br&gt;• Formal meetings&lt;br&gt;• Periodic reports&lt;br&gt;• On-site inspections and audits</td>
<td>Legal and regulatory compliance, environmental stewardship, ethical business practices, supporting local businesses, healthy and safe work environment</td>
</tr>
<tr>
<td>Customers</td>
<td>• Dialogue sessions&lt;br&gt;• Customer satisfaction surveys&lt;br&gt;• Customer feedback platforms e.g. hotline</td>
<td>Products and services quality, safety and sustainability, ethical business practices</td>
</tr>
<tr>
<td>Suppliers &amp; Business Partners</td>
<td>• Periodic meetings&lt;br&gt;• Dialogue sessions&lt;br&gt;• Workshops and training sessions</td>
<td>Licensing and certification, ethical practices, supplier development, occupational safety and health, products and services quality</td>
</tr>
<tr>
<td>Local Communities</td>
<td>• Periodic meetings&lt;br&gt;• Dialogue sessions&lt;br&gt;• Corporate Social Responsibility activities</td>
<td>Community investment and partnerships, pollution prevention and preservation of biodiversity and natural resources, employment opportunities, safety and security, and support for local businesses</td>
</tr>
</tbody>
</table>

**How We Respond**

- BPB Annual Report 2019
  - Management Discussion and Analysis
  - Statement on Risk Management and Internal Control
- Creating Business Opportunities (page 29)
- Research and Development and Yield Improvement (page 31)
- Sustainability Certification Scheme (page 33)
- Traceability and Supply Chain (page 35)
- High Conservation Value Areas and Biodiversity (page 39)
- Greenhouse Gas Emissions (page 40)
- Waste and Effluent Management (page 44)
- Occupational Safety and Health (page 51)
- Workforce Management (page 54)
- Corporate Social Responsibility and Community Outreach (page 58 to 61)
BPB’s materiality assessment was undertaken in compliance with Bursa Malaysia’s Sustainability Reporting Guide. This materiality assessment allows us to define sustainability matters that are significant to the Group in a structured manner.

**Identification of issues**
- Engagement of business units to identify matters pertaining to sustainability that are relevant to the Group
- Review of internal and external documents including peer and rating agency reports as well as risk registers and annual reports

**Identification of stakeholders and prioritisation**
- Identification and prioritisation of key stakeholder groups relevant to the operations of the Group

**Assessment of priorities assigned by stakeholders**
- Engagement sessions were undertaken to gauge the insight of key stakeholder groups on the cruciality of matters pertaining to sustainability:
  - Direct engagement with shareholders and employees
  - Indirect engagement with regulatory bodies, local communities, customers and suppliers
- The outcome of the multiple stakeholder engagements forms the input for the y-axis of the Materiality Matrix

**Assessment of impact of issues to businesses**
- Assessment of sustainability matters in relation to its importance to the Group
- The outcome of the assessment exercise forms the input for the x-axis of the Materiality Matrix

**Validation of Materiality Matrix**
- Validation of Materiality Matrix undertaken by the Senior Management and Sustainability Committee

**Review of Materiality Matrix**
- Undertaking of a periodical review of Materiality Matrix to determine emerging issues and trends as well as concerns and feedback raised by stakeholders
OUR MATERIAL MATTERS

OUR MATERIAL MATRIX

<table>
<thead>
<tr>
<th>Importance to Stakeholders</th>
<th>Importance to Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>LOW</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>MEDIUM</td>
</tr>
<tr>
<td>HIGH</td>
<td>HIGH</td>
</tr>
</tbody>
</table>

- Creating Business Opportunities
- Research and Development and Yield Improvement
- Sustainability Certification Scheme
- Traceability and Supply Chain
- Workforce Management
- Occupational Safety and Health
- Greenhouse Gas Emissions
- High Conservation Value and Biodiversity
- Waste and Effluent Management

BOUSTEAD PLANTATIONS BERHAD
SUSTAINABILITY REPORT 2019
SUMMARY OF MATERIAL MATTERS

01. Creating Business Opportunities
02. Research and Development and Yield Improvement
03. Sustainability Certification Scheme
04. Traceability and Supply Chain
05. High Conservation Value and Biodiversity
06. Greenhouse Gas Emissions
07. Waste and Effluent Management
08. Occupational Safety and Health
09. Workforce Management
<table>
<thead>
<tr>
<th>Key Issues</th>
<th>Risk Description</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RSPO</strong></td>
<td>Attacks on palm products and related products by Non-Governmental Organisation attributable to inconsistent practices which are against requirements</td>
<td>• Implement best agricultural management practices in all operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• RSPO and MSPO Certifications for all operating units by 2023 and 2019 respectively</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Monitoring and reporting of RSPO certification audit non-compliance status (Uncertified Business Unit)</td>
</tr>
<tr>
<td><strong>Environmental Risk – Chemical Usage and Disposal</strong></td>
<td>Potential prosecution, fines, disruption in operations and severe reputational damage owing to impact of chemical waste flowing into monsoon drains and natural waterway</td>
<td>• Establish Standard Operating Procedures (SOP) on waste management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Conduct dedicated training courses</td>
</tr>
<tr>
<td><strong>Shortage of Labour</strong></td>
<td>Inefficient work force, particularly lack of harvesters causing production line inefficiencies</td>
<td>• Regular review of wage rate including rate for piece rated work are carried out to ensure that wage scale in our operations adhere to the industry standard and remain competitive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Attract and retain workers and their families to work with estates by providing amenities which include conducive living quarters, Humana schools, Community Learning Centres (CLCs), sports clubs, clinics, creches and recreational facilities</td>
</tr>
<tr>
<td><strong>Safety and Health</strong></td>
<td>Accidents as a result of non-compliance with policies and procedures that may possibly result in fatalities or injuries</td>
<td>• Occupational Safety and Health policy and procedures/guidelines established and implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Annual Safety and Health Compliance visit and reporting implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Regular safety training, dialogues and roadshows and dedicated Occupational Safety and Health committees</td>
</tr>
</tbody>
</table>
## Progress in FY2019

<table>
<thead>
<tr>
<th>SDG</th>
<th>Link to Material Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 2 – Zero Hunger:</td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
</tr>
<tr>
<td>SDG 12 - Responsible consumption and production:</td>
<td>Ensure sustainable consumption and production patterns</td>
</tr>
<tr>
<td>SDG 8 – Decent Work and Economic Growth:</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
</tr>
</tbody>
</table>

- Continuous implementation of best agricultural management practices
- RSPO audited/certified areas 39,453 ha

- SOP on waste management in place
- Training conducted for Certified Environmental Professional In Schedule Waste

- Continuous commitment to fair labour practices
  1. Union and collective bargaining
  2. Foreign Workers Rights
  3. Fair Wages
- Providing access to education to children of foreign workers
  Humana – 2
  CLCs – 7

- Policy of Safety and Health is in place
- Continuous Safety and Health Compliance visit by our Safety and Health Visiting officer
- Training collaboration with Malaysian Society for Occupational Safety and Health on Occupational Safety and Health Awareness: The Importance of Health and Safety in Workplace

### Note

- Sustainability Certification Scheme (page 33)
- Waste and Effluent Management (page 44)
- Workforce Management (page 54)
- Corporate Social Responsibility and Community Outreach (page 58 to 61)
- Occupational Safety and Health (page 51)
ECONOMIC

ACHIEVING STRATEGIC GROWTH

29  Creating Business Opportunities
31  Research and Development and Yield Improvement
33  Sustainability Certification Scheme
35  Traceability and Supply Chain
The Group is focused on creating sustainable value that fulfils our obligations to our stakeholders while also providing us with the means to invest our earnings into providing career opportunities, local businesses and community improvement.

<table>
<thead>
<tr>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of FFB purchased from smallholders</td>
</tr>
<tr>
<td>NUMBER OF VILLAGES THAT BENEFITTED FROM BOUSTEAD COMMUNITY ROAD MAINTENANCE PROGRAMME</td>
</tr>
<tr>
<td>Value of project awarded to local vendors (RM)</td>
</tr>
<tr>
<td>Amount spent on R&amp;D (RM)</td>
</tr>
</tbody>
</table>
As part of our contribution to improve the economic standing of our surrounding communities, the Group obtained approximately 10% of our total external fresh fruit bunches (FFB) from smallholders during the year. Moreover, given our complex supply chain, we are able to aid in the development of local vendors by spending more than RM100 million in the procurement value chain.

In addition, we are committed to contributing to improving the living conditions of our surrounding communities by building rural infrastructure and amenities. We have helped over 15 villages near our Segamaha Business Unit and Rimba Nilai Business Unit as part of the Bousted Community Road Maintenance (CRM) Programme.

**Location of Villages**
Location of villages that benefitted from Bousted CRM programme at the Segamaha Business Unit.
ACHIEVING STRATEGIC GROWTH

Location of Villages
Location of villages that benefitted from Boustead CRM programme at the Rimba Nilai Business Unit.

Sugut, Sandakan, Sabah
We strive to innovate in order to continuously enhance our ability to operate more sustainably and address sustainability challenges that we are faced with.

Our research and development (R&D) undertakings during the year saw us focus on improving efficiency and yield.

As a result, in collaboration with our associate R&D company, Applied Agricultural Resources Sdn Bhd, we formulated a high yielding tenera clone which is capable of producing oils with high carotenoid levels, twice that of standard varieties. Additionally, this superior clone has a high oil to bunch ratio and no risk of mantling. The re-cloning process is presently being undertaken for this new ramet. We expect to plant the first batch in 2021. We believe our high carotenoid ramet will be able to fulfil market demand for value-added oil and fat products.

We are currently testing for early detection of ramets that have a high risk of mantling, allowing us to assure that future clones will have low risk of mantling. In addition, we generated embryoids from OxG palms which are an interspecific cross between Elaeis guineensis and Elaeis oleifera. We expect to produce rooted plantlets by 2020.

Our new variety planting material, the AA Hybrida LS which features a long stalk DxP, is projected to make harvesting easier, particularly in the use of motorised cutters. Moreover, this planting material features a better fruit set.
ACHIEVING STRATEGIC GROWTH

A total of more than 24,000 ha of clonal palms that have been planted over the years feature a high oil to bunch ratio of up to 34%. This marks an increase of about 1,000 ha of clonal palms which make up 31% of our total area under cultivation. We aim to utilise our clonal planting material for all future plantings to enable us to continue producing more palm oil with less planted area. In fact, the oil extraction rate (OER) of two of our most productive palm oil mills, Segaria and Sungai Jernih have consistently surpassed the national average of their respective regions.

We also looked into how beneficial microbes can meet the nutrient needs of oil palms. To this end, we have detected a number of superior beneficial microbes, which we aim to utilise to enhance soil health, boost nutrient availability to palms and protect palms from pathogens.

The Group is continuing with our mechanisation initiatives that allow us to improve efficiency and productivity. During the year, various mechanised tools, equipment and machinery were utilised throughout our estates.
In line with the Group’s No Deforestation, No Peat, No Exploitation Policy, our operations are governed by various relevant certification schemes including RSPO and MSPO.

We are committed to achieve 100% RSPO certified by 2023. As at 2019, we have certified five palm oil mills and 18 estates spanning 34,278 ha. One business unit with 5,175 ha has completed the audit and is anticipated to be certified with RSPO in the second quarter of FY2020.

The RSPO certified business units produce 108,317 MT of CSPO and 19,278 MT of CSPK.

In addition, in line with our focus on good agricultural practices and sustainable production of palm oil, all of our business units have been successfully audited with a remaining three pending final MSPO Certification in 2020.

**BPB SUSTAINABILITY CERTIFICATION SCHEME**
Total land area: 98,212 ha

<table>
<thead>
<tr>
<th>Increase in CSPO Produced</th>
<th>Increase in CSPK Produced</th>
<th>Increase in RSPO Certified Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>28%</td>
<td>21%</td>
<td>30%</td>
</tr>
</tbody>
</table>

**TOTAL CSPO**

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>42,089</td>
</tr>
<tr>
<td>2017</td>
<td>57,292</td>
</tr>
<tr>
<td>2018</td>
<td>84,420</td>
</tr>
<tr>
<td>2019</td>
<td>108,317</td>
</tr>
</tbody>
</table>

**TOTAL CSPK**

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6,623</td>
</tr>
<tr>
<td>2017</td>
<td>10,221</td>
</tr>
<tr>
<td>2018</td>
<td>15,964</td>
</tr>
<tr>
<td>2019</td>
<td>19,278</td>
</tr>
</tbody>
</table>
ACHIEVING STRATEGIC GROWTH

RSPO AUDITED / CERTIFIED AREA

- 2016: Certified: 11,503 ha
- 2017: Certified: 21,633 ha
- 2018: Certified: 26,347 ha
- 2019: Certified: 34,278 ha

MSPO AUDITED / CERTIFIED UNIT

- 2017: 1 ESTATE
- 2018: 15 ESTATES
- 2019: 20 ESTATES
- 2017: 1 MILL
- 2018: 4 MILLS
- 2019: 7 MILLS
- 2017: Audited: 18 ESTATES
- 2018: Audited: 3 MILLS
- 2019: Certified: 29 ESTATES
- 2019: Audited: 3 MILLS

Map of Malaysia with areas marked for RSPO and MSPO certification.
We recognise the importance of traceability and transparency throughout our value chain as we strive to provide assurance for the sustainability of our products. Our traceability approach enables us in identifying potential risk in our full supply chain. This increases our abilities in establishing engagement with our FFB Suppliers as well as our crude palm oil (CPO) buyer.

In efforts to trace the source of FFB, we have enhanced our Traceability Monitoring Programme by tracing the flow of FFB to the estate level. We are now developing a standard system for traceability to smallholders. In adherence with RSPO Supply Chain Certification Standard (SCCS) and MSPO SCCS, we undertook an internal audit during the year. This objective is to instill confidence in our customers that our palm oil raw material originates from sustainably managed oil palm planted areas. In addition, we practice minimising risks in our supply chain by encouraging our FFB suppliers including smallholders to abide by sustainable business conduct.

As at 2019, five palm oil mills are RSPO SCCS certified while three palm oil mills are MSPO SCCS certified.

Briefing on Traceability Monitoring Program to our FFB Suppliers at Segamaha Palm Oil Mill
ENVIRONMENT
SAFEGUARDING THE ENVIRONMENT

39 High Conservation Value Areas and Biodiversity
40 Greenhouse Gas Emissions
44 Waste and Effluent Management
Environmental responsibility is a primary concern for the Group as we move forward to grow our business in an environmentally responsible and sustainable manner.

**Safeguarding the Environment**

- **05** High Conservation Value and Biodiversity
- **06** Greenhouse Gas Emissions
- **07** Waste and Effluent Management

### Highlights

<table>
<thead>
<tr>
<th>HCV Assessments</th>
<th>Completed 100%</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>HCV Area</th>
<th>364 ha</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Methane Captured</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>460,952 m³</td>
<td>1,566,088 m³</td>
<td>2,111,735 m³</td>
</tr>
</tbody>
</table>

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**Boustead Plantations Berhad**

**Sustainability Report 2019**
Operating out of one of the most biodiverse locations in the world, we are cognisant of our role in preserving the environment. To this end, the Group is committed to protecting HCV sites within our estates.

Managing these HCV sites entails active stakeholder engagement efforts be it with the surrounding communities, non-governmental associations or government entities. During the year, we undertook engagement sessions with the Department of Wildlife and National Parks Peninsular Malaysia (PERHILITAN) and Forestry Department.

Our HCV assessment process is benchmarked against RSPO and MSPO standards. At the same time, we also engage external experts who advise us on specific areas of HCV conservation.

To date, we have set aside 364 ha of HCV areas, comprising jungle pockets as well as peat swamps. During the year, we also rehabilitated riparian zones located within our estates. A plethora of wildlife and rare ecosystems along with culturally important landmarks can be found within our HCV sites.

As part of our biodiversity conservation efforts, we protect the flora and fauna that call our HCV sites home by eliminating the threat of illegal activity. To this end, we place signages to indicate the conservation status of the area in question. In addition, we closely guard the HCV sites and restrict entry.
As a responsible corporate citizen and a key player in the plantation sector, we recognise the vital role we play in the fight against climate change. GHG emissions are not only a key contributor to climate change, these emissions also pollute our environment.

At 61%, Land Conversion Change which involves the replanting activities at our oil palm estates, was the leading source of emissions. This was followed by emissions as a result of POME and peat oxidation. To a lesser extent, sources of emissions also included fuel consumption and fertiliser usage.
Our Loagan Bunut Business Unit was the highest contributor to total emissions followed by the Kanowit Business Unit and the Boustead Tawai Business Unit. The Segaria Business Unit provided the lowest contribution to GHG emissions.

The Group will continue to monitor our emissions and energy consumption linked to palm oil production as we work to minimise our emissions. As part of our efforts to provide greater transparency pertaining to our carbon footprint, we implemented a more complete GHG inventory by tracking and monitoring additional emission sources. We have been utilising RSPO PalmGHG version 4.0.1. This will aid us in completing our baseline studies as well as identification and estimation of the potential sources of emission and sinks of carbon from our operations, including mitigation plan in minimising net GHG emissions.
SAFEGUARDING THE ENVIRONMENT

The following is a list of direct emissions as a result of our activities.

<table>
<thead>
<tr>
<th>GHG EMISSIONS SOURCES</th>
<th>EMISSIONS (tCO₂-e)</th>
<th>IMPACT FROM SOURCES OF GHG EMISSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Use Change</td>
<td>648,026.70 (61%)</td>
<td>• Release of stored carbon through replanting activities</td>
</tr>
<tr>
<td>POME</td>
<td>191,279.61 (18%)</td>
<td>• Methane (CH₄) release from POME</td>
</tr>
<tr>
<td>Peat Oxidation</td>
<td>150,471.06 (14%)</td>
<td>• Carbon stored in drained peatland is lost through oxidation</td>
</tr>
<tr>
<td>Fuel Consumption</td>
<td>27,765.79 (3%)</td>
<td>• Carbon Dioxide (CO₂) emissions from the usage of tractors, lorries and other machineries in estate operations</td>
</tr>
</tbody>
</table>
| N₂O and CO₂ emitted from fertiliser usage | 27,047.60 (2%) | • N₂O emissions from soil treated with nitrogen-based fertilisers  
                            |                    | • CO₂ emissions from the transportation of fertiliser to estates |
MITIGATION PLAN

- Increase in carbon sequestration through a rise in conservation areas and river buffer zones, amongst others.

- Reduction of pollution and GHG emissions from POME through the construction of biogas plants to capture methane formed from the anaerobic digestion of organic solids.

- Currently, one biogas plant has been constructed at the Telok Sengat Palm Oil Mill.

- Best Management Practices implemented on peat soils to minimise subsidence and oxidation.

- No new planting on peat regardless of depth.

- Where feasible, to explore options for peat restoration by working with experts, stakeholders and communities.

- Reduction of carbon emissions as a result of the utilisation of tractors as part of estate operations via the implementation of regular vehicle maintenance.

- Regular cleaning, treatment and inspection of diesel skid tanks.

- Safe elimination of carbon deposits contained within diesel skid tanks in order to enhance diesel particle stability.

- Reduction of black smoke released from the utilisation of diesel in tractors, lorries and other machineries.

- Oil Palm Manuring Recommendation from Applied Agriculture Resources Sdn Bhd which has been adopted by the Group which involves:
  - Data obtained from soil and leaf samplings is utilised to determine the type of fertiliser to be applied.
  - Reduction of nitrogen emissions as a result of strategic fertiliser application.

- Adoption of best management practices that promote the soil’s role as a carbon sink by planting cover crops that lock in more carbon.
The proper handling of effluents and waste is crucial for strong environmental stewardship. Without a solid waste and effluent management plan in place, we run the risk of damaging the ecosystem and severely harming those that depend on nature for survival.

Additionally, by reducing wastage, limiting the consumption of natural resources and repurposing our waste, we look to minimise our impact on the environment.

Our plantations produces various biomass by-products including fronds, empty fruit bunches (EFB), fibres, shells and POME. These waste products are repurposed in line with the Group’s Zero Waste Strategy.

Our palm oil mills processed a total of 1,070,639 MT of FFB during the year. Of this amount, 1,233,509 MT of biomass were produced which comprised of solid as well as liquid biomass.

Solid biomass consisting of mesocarp fibres, palm kernel shells and shredded EFB were transformed into fuel that is then utilised by our biomass boilers. Steam and electricity generated by our boilers are more than adequate to fulfil the energy requirements of our mills.

Approximately 220,000 MT of EFB, was repurposed into mulching or organic fertiliser, allowing us to lessen our reliance on synthetic fertilisers while contributing to cost savings. We converted 4,742 MT of effluent solids separated from POME through our dewatering system into organic fertiliser.

We are also able to improve soil fertility, lessen nutrient loss and stop fertiliser outflow by stacking palm fronds between rows of palm trees.

In adherence with the Department of Environment’s requirements pertaining to dust particulate emissions, our Segama Palm Oil Mill in Sabah has been equipped with a Wet Scrubber system.
In line with the Group’s efforts to minimise our carbon footprint, we generate our own electricity at our Biogas Plant at the Telok Sengat Oil Mill in Kota Tinggi, Johor. On average 102,000 m\(^3\) of liquid biomass consisting of POME is transformed into 2,111,735 m\(^3\) of biogas which is then captured through a covered lagoon biodigester system at our mill.

At the end of the day, about 70% of the biogas is then converted to generate up to 1,249 MWh of electricity per year and reduce our reliance on fossil fuel, the electricity derived from our renewable energy source is utilised for milling and domestic consumption.
Palm fruit is harvested from oil palm trees in the form of FFB.

FFB are sent to the mills within 24 hours of harvest.

**Mulch**
Old fronds are made into mulch.

At the time of replanting, old fronds are chopped or pruned and placed in the soil to become organic fertiliser. They also help to conserve soil moisture.

**Organic Fertiliser**
Fertiliser production from composted EFB and the treated POME is used for the oil palm trees in our plantations.
After extracting the CPO and PK we are left with four by-products.

- **Fibres** (Solid waste)
- **Shells** (Solid waste)
- **EFB** (Solid waste)
- **POME** (Liquid waste)

**Fuel**
Fibres and shells are used as boiler fuel in the mills.

**POME** is treated at our waste water treatment pond to reduce acidity, Biological Oxygen Demand and Chemical Oxygen Demand levels so that it becomes safe for use as an organic land fertiliser.

A specific application permit is obtained for each location, with close monitoring of environmental impact as required by the authorities.

**Biogas**
POME can also be processed with a methane capture technique where the end result is biogas which can be used as energy.
EMBRACING THE DIVERSITY OF PEOPLE

BPB is committed to providing equal opportunities for all particularly given the diversity of the social ecosystem we operate within.

HIGHLIGHTS

TOTAL NUMBER OF EMPLOYEES

- 6,924 (72%)
- 2,631 (28%)

PROMOTIONS

- 1 person (HEADQUARTER)
- 6 persons (ESTATES AND MILLS)

UPGRADING

- 68 persons (ESTATES AND MILLS)
The Group’s employees are exposed to sector related risks at our estates and mills, be it exposure to sharp tools, hazardous chemicals, heavy machineries and commuting hazards in the estate involving tractor and motorcycle.

As the safety and health of our employees is important to our sustainability purpose and to the sustained growth of the Group, we have established guidelines and SOP pertaining to OSH which is guided by the Group Safety and Health Policy.
EMBRACING THE DIVERSITY OF PEOPLE

The policy safeguards our employees through the prevention of work-related illnesses as well as workplace accidents. At the same time, the aim is to establish a conducive, safe and healthy workplace environment that will boost productivity. We also encourage our employees to lead a healthy lifestyle by participating in outdoor activities and sports. In addition, it is important that our employees comply with higher standard of OSH guidelines.

The Group consistently performs reviews and assessments on incident trends and safety standards to reduce the risk of injury on a regular basis and to ensure we keep abreast with industry best practices.

Promoting healthy lifestyle through sports day, at Stothard Estate, Kedah
As part of our initiative to create a safety-first culture, we organised safety and health training programmes for our employees in 2019 that touched on topics including the following:

- Safety and Health awareness in the Workplace
- Lock Out, Tag Out system
- Hazard Identification Risk Assessment Risk Control, Safe Work Procedure and Safety Data Sheet at mills
- Transport safety for lorry drivers
- Machinery safety for mill operators
- Working in confined space for mill operators
- Fire and Rescue
- Emergency Response and First Aid

Apart from the frequent safety and health training programmes, we also conducted annual Occupational Safety and Health Compliance audits to all our estates and mills. All findings and recommendations were addressed and reviewed by top management as part of the key performance indicators of the relevant business units.

The Group reported zero incidents of fatalities in our operations for three (3) consecutive years (2017 – 2019).
We respect the diversity of our employees and are committed to cultivating a workplace environment that empowers our employees to realise their full potential.

At the same time, we respect the rights of every employee including our migrant workers and are focused on ensuring that our employees are not impacted by all forms of discrimination and harassment.

We have in place a range of talent development and training programmes that provide solid prospects for growth as part of the Group’s Learning and Development Policy. During the year, our employees were able to take part in the following training programmes:

1. Code on Corporate Governance Talk
2. Core Competencies Workshop
3. English for Business Communication Skills
4. Malaysian Palm Oil Board (MPOB) Seminar
5. In-House Training provided by Estate

Furthermore, the Group has put in place various workplace policies and procedures that are compliant with the Universal Declaration of Human Rights, the International Labour Organisation’s core conventions in addition to all applicable national laws.

Additionally, we are respectful of our employees’ rights to form and join trade unions as well as bargain collectively. The Group undertakes engagements with unions in order to identify and address the concerns and requests of our employees. Our employees also utilise unions for the objective of collective bargaining as the Group as per Malaysia’s Trade Unions Act 1959 and Industrial Relations Act 1967.

At present there are two unions that our employees are part of, National Union Plantation Workers as well as All Malayan Estates Staff Union. The Group undertakes Collective Agreement reviews once every three years to review topics such as remunerations and fair treatment.

The Group is firmly against human trafficking. In line with this, we promote ethical recruitment to ensure that the rights of foreign workers are not violated even at any stage in the hiring process.
In fact, our recruitment agents are expected to inform foreign workers of costs matters including living costs, transportation costs, accommodation, minimum wage offered prior to the recruitment process.

We insist on all information including the contents of the employment contract and description of the work expected of them to be provided transparently. The Group also ensures that all foreign workers receive a copy of their signed employment contract.

The Group sees to it that all employees are paid wages that are equal to or above the minimum wage set by the Government. This is further complemented by allowances, incentives, bonuses, overtime rates in addition to other benefits.

Detailed payslips are furnished to our foreign employees who are fully in control of their works schedule in terms of accepting or rejecting overtime work. Our foreign employees are also provided with at least one day rest per week.

Additionally, we require all vendors and contractors to ensure that their employees are registered with and covered by Social Security Organisation (SOCSO) and Employees Provident Fund (EPF).

We are committed to protecting children and are in full compliance with Malaysia's Children and Young Person (Employment) Act 1966 – Amendment 2019. Moreover, our ‘Polisi Penggajian Pekerja Kanak-Kanak dan Had Umur Minima’ specifies the prevention of child labour.

As part of our adherence to ‘Polisi Pekerja Buruh Asing’ and ‘Polisi Hak Asasi Manusia’, we are committed to protect the rights of foreign workers.

To this end, we have adapted the Worker’s Minimum Standards of Housing and Amenities (Amendment) Act 2019 which specifies that all estate workers, irrespective of their employment position are eligible for housing, known as Ordinary Workers Accommodation (OWA).

Apart from housing, the Group also provides our foreign employees with public amenities, recreational facilities, clinics, places of worship as well as low-price retail stores. Moreover, all our OWAs are complete with free electricity, free clean water, waste and sewerage management system as well as Auxiliary Police.

Weekly inspections of our OWAs are undertaken to provide our employees with comfortable living conditions. Additionally, the Group ensures that mosquito fogging takes place periodically in order to prevent the outbreak of dengue.

As part of our efforts to encourage a strong sense of community, we also organise sports carnivals and gotong royong activities on a yearly basis.
SOCIAL

CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY OUTREACH

58  Education
60  Health
61  Welfare
Given the nature of our business, many of our estates are located in remote locations across the nation. As such, our neighbours are often communities that are isolated and far from modern conveniences. The Group is conscious of its responsibility to alleviate the living conditions of those in these communities and is constantly looking out for ways to make a tangible difference in terms of education, health and welfare.

**EDUCATION**

As part of our efforts to ensure all children within our estates are cared for and in line with our ‘Polisi Penggajian Pekerja Kanak-Kanak dan Had Umur Minima’ to prevent child labour, we make certain that all children of schooling age attend school. To this end, we provide transportation from our estates to schools. As for children who are below seven years of age, we have established creches where these children are cared for in a safe environment and are provided the necessary sustenance. By ensuring all children at our estates are cared for, we allow our employees to have peace of mind knowing their children are safe while they are at work.

**Total number of children who benefitted**

820
Education is a valuable tool and one that can not only transform the lives of individuals, it also has the power to uplift entire community. As such, the Group facilitates educational opportunities through Humana schools located within our estates as well as through our Community Learning Centres. The Group sponsors the accommodation of all teaching staff at these schools.

The Group worked in partnership with the Indonesian Consulate to set up Community Learning Centres. These centres allow us to provide access to education for children of foreign workers at the following estates:

- Segaria Estate
- Resort Estate
- Sungai Segamaha Estate
- Sutera Estate
- Sapa Payau Estate
- Bukit Segamaha Estate
- Nak Estate

We have also established two Humana schools in collaboration with Borneo Child Aid society at G&G estate and LTT Sabah estate, both situated in Lahad Datu, Sabah.

Creating an environment that is conducive for learning was a key consideration for the Group, to this end, we ensured that all schools within our estates were provided with:

- Basic amenities such as furniture and fan
- Teaching materials
- Stationery
- Audio-visual equipment
- Schoolbooks
CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY OUTREACH

HEALTH

Understanding the importance of healthcare, we have established clinics at all estates across our operations which provides resident and non-resident employees with free access to medical care. In addition, those from surrounding communities are able to take advantage of the facilities at our clinics at a minimal fee. Our clinics are run by qualified estate hospital assistants and provide an important source of medical attention particularly given that the nearest medical facility could potentially be hours away.

Championing health awareness at Sungai Jernih Business Unit, Pekan, Pahang

Clinic at Boustead Ruku-Ruku Estate, Beluran, Sabah
The Group is conscious that those from underprivileged communities may not have the means to celebrate festive occasions and as such we are focused on spreading the joy of festivities with those in need through monetary and non-monetary donations.
As we move into the new fiscal year, the Group has renewed its commitment to sustainable development in line with the Board’s mandate to restore financial and operational integrity at all levels.

Towards this end, and as part of our planned approach to obtaining Sustainability Certification, we will be undertaking the necessary actions to ensure we are 100% RSPO Certified by 2023. Additionally, we expect to be fully MSPO certified within the next fiscal year of 2020.

Moreover, we are also looking to improve traceability within our supply chain through our enhanced Traceability Monitoring Programme. As part of the programme, our aim is to be certified via the RSPO SCCS and MSPO SCCS by 2023.

To complement our efforts in adhering to Environmental Quality (Clean Air) Regulations (2014), in relation to dust and particulate emissions, we will be installing Electrostatic Precipitators, in order to remove fine particles from boiler stacks at our mills. The installation of this dust trapping system is expected to be completed progressively over the next two years.

With commitment to accountability in mind, the Group will be incorporating safety and health targets as part of key performance indicators (KPIs) to measure employee performance at our relevant business units. These KPIs will then be linked to executive remuneration. This is an important and progressive step we are taking, which will allow us to advance and embed a healthy and safe work culture across the Group. We are also working to further strengthen our efforts to ensure zero fatalities in the workplace, because we believe in the wellbeing of our people at all times.

In terms of our R&D initiatives, in collaboration with our associate R&D company, Applied Agricultural Resources Sdn Bhd, we are pleased to note that our long stalk planting material (AA Hybrida LS) will be utilised for commercial planting from 2020 onwards. The new planting material, is expected to improve harvesting processes and provide better fruit sets, which will bode well for future replantings.
For More Info

Please Contact

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03-21452121 ext. 506
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WHISTLEBLOWING

Our whistleblowing channels are as below:

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www.bousteadplantations.com.my

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