



BLD PLANTATION BHD.

[Registration No.: 200101026441 (562199-A)]

2024

**SUSTAINABILITY
STATEMENT**

SUSTAINABILITY STATEMENT

JOURNEY TOWARDS SUSTAINABILITY

BLD Plantation Bhd. Group believes that sustainable practices play an integral part in its business. Since the incorporation of sustainability practices into its operation, BLDP has been mindful of the impacts of its operation to the environment, economy and society. BLDP takes strong interest to optimise positive impacts of its operation while minimising negative impacts through mitigation measures implementation in the operation.

BLDP lays out its journey towards sustainability by establishing Sustainable Palm Oil Policy ("SPO Policy") on 1st May 2019. Four key areas of the BLDP's SPO Policy are:

- Environment & Biodiversity -
No deforestation, no new development on peat and protection of HCV areas.
- Human Rights & Workers' Management -
Prevention of all forms of forced and bonded labours, ethical recruitment, child protection, respect of diversity, prevention of harassment and violence, occupational health & safety management, and human resource management best practices.
- Respect indigenous and local communities' rights.
- Implementation of complaints and grievance management procedure.



BLDP has successfully developed a Sustainability Dashboard in Year 2020 as a platform to inform stakeholders on BLDP sustainability movements which is published in www.blddb.com.my.

The infographic below provides an overview of some of the key progresses we have made in our journey towards sustainability.



SCOPE

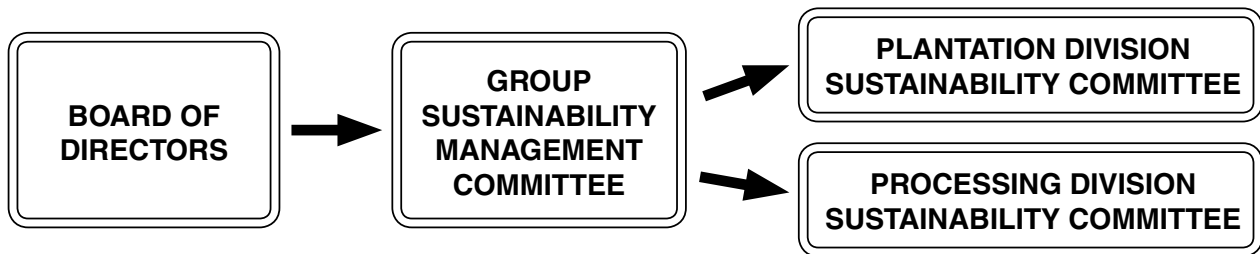
The scope of this Sustainability Statement ("Statement") covers the environmental, social and economic performance across BLDP's oil palm estates, palm oil mills, refinery and kernel crushing plant operations. This Statement mainly focuses on the activities and issues that are material to BLDP's operations for the financial year ended 31 March 2024.

SUSTAINABILITY STATEMENT (CONTD.)

SUSTAINABILITY HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED 31.03. 2024

- All Plantations, Mills, Refinery and Kernel Crushing Plant are MSPO certified.
- 100% Compliance with Applicable Laws and Regulations.
- Improvement of Women and Child Welfare of Employees.
- Update the safety practices and comply with Occupational Safety and Health (Amendment) Act 2022.
- Review and upgrade of MSPO standard for plantations, mills, refinery and kernel crushing plant.

SUSTAINABILITY GOVERNANCE MANAGEMENT STRUCTURE



The roles of each team in the Sustainability Governance Structure are as follows:

Board of Directors	<ul style="list-style-type: none"> • Monitors overall strategies, direction of BLDP and agenda for implementation of sustainability strategies. • Assesses the sustainability performance of BLDP’s operations.
Group Sustainability Management Committee (“GSMC”)	<ul style="list-style-type: none"> • Evaluates overall sustainability risks and opportunities, and develops the sustainability strategies with agenda for implementation and submits to the Board. • Monitors sustainability implementation to ensure compliance from all departments at operational level. • Resolves critical or major sustainability issues that may impact BLDP. • Periodically reviews the progress of sustainability implementation and reports to the Board. • Reports to the Board of any unresolved critical sustainability issues.
Plantation Division Sustainability Committee	<ul style="list-style-type: none"> • Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in all plantations. • Ensuring resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet Malaysian Sustainable Palm Oil Standard (“MSPO”). • Periodically reports to GSMC on the progress of sustainability implementation in plantation. • Reports to GSMC of any critical or major sustainability issues in plantation.

SUSTAINABILITY STATEMENT (CONTD.)

Processing Division Sustainability Committee

- Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in mills, refinery and kernel crushing plant.
- Ensuring resources and procedures are in place to achieve its sustainability commitments and targets.
- Continuously improves the management system to meet MSPO.
- Periodically reports to GSMC on the progress of sustainability implementation in mills, refinery and kernel crushing plant.
- Reports to GSMC of any critical or major sustainability issues in mills, refinery and kernel crushing plant.

CORPORATE GOVERNANCE

- Code of Business Conduct and Ethics

Code of Business Conduct and Ethics lays out our Group's principles, core value and the ethical expectation towards our employees and third parties to produce more efficient business and creating a level of transparency for a healthy business relationship.

- Anti-Bribery and Corruption Policy

BLDP has adopted a zero-tolerance approach against all forms of bribery and corruption. This policy is guided by the Guidelines on Adequate Procedure issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

- Whistleblowing Policy

BLDP is committed to upholding integrity, accountability and transparency in the conduct of its business functions by embracing good corporate governance practices. The whistleblowing policy is formulated to allow BLDP Group's employees, stakeholders or members of the public to disclose any suspected or actual improper conduct that is observed within the Group. The transparent and fair mechanism is provided to encourage genuine concerns to be raised at the earliest opportunity as practicable in a responsible and appropriate manner. BLDP strictly prohibits retaliation against those who report information or raise concerns in good faith under this policy.

- Sexual Harassment Policy

BLDP recognized that all staff in workplace have the right to be treated with dignity and respect. All staff must cooperate to ensure a harassment-free work environment by refusing to accept or participate in any behaviours which constitute sexual harassment.

SUSTAINABILITY STATEMENT (CONTD.)

TARGETS AND ACHIEVEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Target	Status of Target	Material Sustainability Matters
Sustainable Palm Oil Policy	Achieved	All
No Child Labour	Achieved	Human and Workers' Rights
No Forced Labour	Achieved	Human and Workers' Rights
No Work-Related Fatalities	Achieved	Safety and Health
Auxiliary Polices for security of own operations and nearby communities	Achieved	Social and Workers' Welfares
Kirana Palm Oil Refinery & Kernel Crushing Plant - GMP for Food	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HACCP	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HALAL	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - KOSHER	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MeSTI	Achieved	Certification
BLD Igan Palm Oil Mill - MSPO Part 4 & SCCS	Achieved	Certification
BLD Sawai Palm Oil Mill - MSPO Part 4 & SCCS	Achieved	Certification
BLD Sawai Estates - MSPO Part 3	Achieved	Certification
BLD Lambir Estates - MSPO Part 3	Achieved	Certification
Niamas Estates - MSPO Part 3	Achieved	Certification
BLD Kabang Estates - MSPO Part 3	Achieved	Certification
Grand Mutual Sawai Estates – MSPO Part 3	Achieved	Certification
Grand Mutual Lassa Estates – MSPO Part 3	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MSPO SCCS	Achieved	Certification
Monitor and Update Sustainability Dashboard	Achieved	All
Operation of Biogas Plant in BLD Igan Palm Oil Mill	Achieved	Environmental Protection
Operation of Polishing Plant in BLD Igan Palm Oil Mill	Achieved	Environmental Protection
Initiate Forest Conservation & Protection and Livelihood Project	Achieved	Environmental & Biodiversity Protection
Develop “Let’s Environment Safe & Sustainable” Programme (LESS)	Achieved	Environmental Protection

SUSTAINABILITY STATEMENT (CONTD.)

TARGETS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2025

Target	Material Sustainability Matters
Completion of desktop study and area scoping for first phase of Forest Conservation & Protection and Livelihood Project.	Environmental & Biodiversity Protection
Implement “Let’s Environment Safe & Sustainable” Programme by initiating electronic plantation information management system.	Environmental Protection
Develop ESG plan.	Environmental Protection

One of the Group’s estates has participated in an awareness talk on combating illegal hunting and wildlife trade crime by Sarawak Forestry Corporation (‘SFC’). In regards to the said awareness talk, one of our employees had represented BLDP to attend the ‘Honorary Wild Life Ranger’ course organised by SFC.



SUSTAINABILITY STATEMENT (CONTD.)

STAKEHOLDERS ENGAGEMENT

Stakeholder engagement is an ongoing process that BLDP has continuously striven to better understand and identify the needs of its key stakeholders to ensure those needs are met. BLDP recognises the importance of our stakeholders towards supporting and ensuring our success in commercial and sustainability endeavours. BLDP also acknowledges that each stakeholder has a unique perspective on how our operations impact them and each of them is equally valuable to us.

In facilitating a transparent approach in the engagement with relevant stakeholders, the GSMC as delegated by the Board, is responsible in assessing and identifying the sustainability matters by prioritising them according to the impact and importance not only to our businesses, but also to our key stakeholders. The GSMC undertakes review on materiality assessment, monitors sustainability performance and discloses material sustainability matters in order to ensure proper sustainability management is in place.

The key stakeholder groups of BLDP include shareholders, customers, employees, local communities, government authorities, suppliers and contractors, and non-governmental organisations (“NGOs”). BLDP continues to monitor stakeholders’ concerns and engage with the stakeholders to address material matters when necessary.

Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
Shareholders	Annual General Meetings	Annually	<ul style="list-style-type: none"> Company performance and development Business sustainability 	<ul style="list-style-type: none"> Market Place
	Annual Reports	Annually		
	Company Website	As necessary		
Customers	Site visits	As necessary	<ul style="list-style-type: none"> Product quality, pricing and delivery Sustainability related matters 	<ul style="list-style-type: none"> Market Place Certification Safety and Health Environmental and Biodiversity Protection
	Customer Surveys & Feedbacks	As necessary		
	Electronic Communication	As necessary		
	Meetings	As necessary		
Employees	Stakeholders’ Meetings	Annually	<ul style="list-style-type: none"> Employees’ welfare Employees’ safety and health Employees’ working conditions and harassment 	<ul style="list-style-type: none"> Human and Workers’ Rights Safety and Health Certification Social and Workers’ Welfare Environmental and Biodiversity Protection Fire Prevention Waste and Effluent Management Water Management
	Safety and Health Committee Meetings	Quarterly		
	Women Welfare Committee Meetings	Quarterly/ Annually		
	Memos/Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings	As necessary		

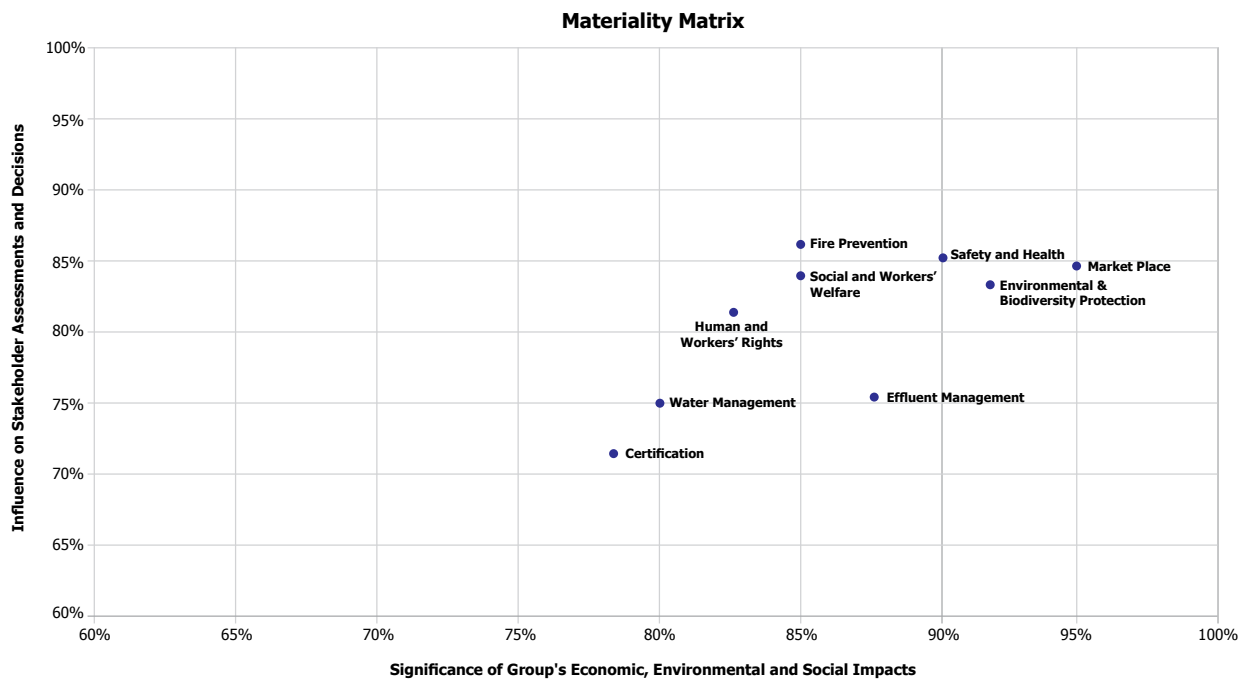
SUSTAINABILITY STATEMENT (CONTD.)

Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
Communities	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> • Communities development • Job opportunities • Awareness on safety and environmental protection 	<ul style="list-style-type: none"> • Certification • Social and Workers' Welfare • Safety and Health • Environmental and Biodiversity Protection • Fire Prevention
	Community Engagement	As necessary		
	Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings/Trainings	As necessary		
Government Authorities	Site visits / On-site inspections	Periodically	<ul style="list-style-type: none"> • Compliance with the legal requirements 	<ul style="list-style-type: none"> • Safety and Health • Environmental and Biodiversity Protection • Certification • Fire Prevention • Waste and Effluent Management
	Stakeholders' Meetings	Annually		
	Dialogue sessions	As necessary		
	Electronic Communication	As necessary		
Suppliers & Contractors	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> • Products quality, pricing and delivery • Sustainability related matters • Compliance with the legal requirements 	<ul style="list-style-type: none"> • Market Place • Certification • Safety and Health • Environmental and Biodiversity Protection • Waste and Effluent Management
	Site visits	As necessary		
	Meetings/Dialogues	As necessary		
	Trainings/Briefings	As necessary		
	Electronic Communication	As necessary		
NGOs	Engagement Meetings	As necessary	<ul style="list-style-type: none"> • Sustainability related matters 	<ul style="list-style-type: none"> • Safety and Health • Human and Workers' Rights • Environmental and Biodiversity Protection • Certification
	Electronic Communication	As necessary		
	Company Website	As necessary		

SUSTAINABILITY STATEMENT (CONTD.)

MATERIALITY MATRIX

BLDP considers and prioritises the significance of economic, environmental and social aspects, impacts, risks and opportunities that are fundamental to the success and sustainable growth of BLDP. These material sustainability matters have been identified as crucial to our business and stakeholders. BLDP reassesses the material sustainability matters and prioritises them according to the influence on stakeholders' assessments and decisions against the significance of BLDP's economic, environmental and social impacts. Since there are no significant changes to our business model or operating boundaries, the material sustainability matters remain relevant and appropriate adjustments of their priority are made after the materiality evaluation. The Materiality Matrix is shown below:



Summary of Materiality Matters linked to United Nation Sustainable Development Goals and GRI Standards:

Pillars	Significant Materiality Matters	Link to UN SDG & GRI Standards						
Economic	1. Market Place 2. Certification	 						
Environment	3. Environmental & Biodiversity Protection 4. Waste and Effluent Management 5. Water Management	    <table border="1"> <thead> <tr> <th colspan="2">GRI Standards Disclosure</th> </tr> </thead> <tbody> <tr> <td>303: Water and Effluents</td> <td>306: Effluents and Waste</td> </tr> <tr> <td>304: Biodiversity</td> <td></td> </tr> </tbody> </table>	GRI Standards Disclosure		303: Water and Effluents	306: Effluents and Waste	304: Biodiversity	
GRI Standards Disclosure								
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304: Biodiversity								
Social	6. Safety and Health 7. Fire Prevention 8. Human and Workers' Rights 9. Social and Workers' Welfare	    <table border="1"> <thead> <tr> <th colspan="2">GRI Standards Disclosure</th> </tr> </thead> <tbody> <tr> <td>403: Occupational Health & Safety</td> <td>408: Child Labour</td> </tr> <tr> <td>405: Diversity & Equal Opportunity</td> <td>409: Forced or Compulsory Labour</td> </tr> </tbody> </table>	GRI Standards Disclosure		403: Occupational Health & Safety	408: Child Labour	405: Diversity & Equal Opportunity	409: Forced or Compulsory Labour
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SUSTAINABILITY STATEMENT *(CONTD.)*

Market Place

The Malaysian oil palm industry experienced mixed performance in 2023 compared to the previous year. According to MPOB, despite marginal reduction in planted area due to ongoing replanting activities, crude palm oil (“CPO”) production increases 0.5% on the back of improved labour supply. Fresh fruit bunches (“FFB”) yield and oil extraction rate (“OER”) also increase 1.9% and 0.8% respectively. Reduced demands from major importing countries resulting in reduced export and higher palm oil stock. Whereas, the subsided impact of the Russia-Ukraine war and the lifting of export ban by Indonesia had pushed down the CPO price substantially.

Malaysian Sustainable Palm Oil (formally known as “MPOCC”), the scheme owner of sustainable certification for palm oil industry has increased their effort to work with importing countries to recognise the effort that the industry has put in towards sustainability certification. Recently, effort has been made to reach a common ground on the certification standards especially in relation to the “EU Deforestation Regulation” (“EUDR”) that has come into force for European market.

BLDP has demonstrated its commitment to sustainability through its Sustainable Palm Oil Policy adopted throughout its supply chain. The sustainability practices embedded in the operations continue to bring direct and indirect economic impacts to the regional economic growth and development. In our procurement practices, BLDP engages in sustainable local sourcing for quality products and services to support local suppliers. The long-term business relationship with suppliers enables BLDP to impart sustainability practices and minimise risk of supply chain disruption caused by shortage of supply. In Processing Division, the strategic location of BLDP’s mills allows BLDP to receive good quality of FFB in freshness from nearby estates and local smallholders in order to produce quality palm oil.

BLDP has been working closely with the State Government of Sarawak to develop the state through various projects since early years. In 1997, BLDP was involved in the Native Customary Rights (“NCR”) Land Development Scheme and allocated its financial resources and technological expertise to develop idle and under-utilised NCR land for commercial oil palm plantation. This has continuously created job opportunities to the indigenous community and their standards of living have been improved in tandem with the development of infrastructure facilities and amenities in the rural areas.

BLDP’s focus has been directed towards the twin objectives of increasing both yields and labour productivity. By enhancing internal efficiencies, continuously rebuilding internal organisational strengths and accelerating the implementation of mechanisation in our oil palm estates, we envisage that our continuing efforts are bearing fruits. In order to meet the requirement of sustainable palm oil market, BLDP continuously improves its operations in the oil palm estates, palm oil mills, refinery and kernel crushing plant to comply with sustainability certification, recently the revised MSPO standards.

While BLDP continues to focus on improving yields from its oil palms, the Board is mindful of external factors beyond BLDP’s control that can impact profits-potential turbulence in the global economy such as weaker ringgit, rising of interest rates and fluctuation in palm oil prices. During this financial year, BLDP did not receive any complaints of improper conduct or allegations of corruption involving management, employees and workers as well as fines pertaining to non-compliance and breach of environmental and social laws and regulations.

SUSTAINABILITY STATEMENT *(CONTD.)*

Certification

Certification has become part of BLDP operations. Apart from enhancing credibility and trust towards its product, certification has enhanced its operational efficiency and make continuous improvement to keep itself align with new technology, standards and requirements. BLDP is committed to work towards implementing relevant certification to utilise the quality standards in production processes.

► Sustainability Certification

BLDP has obtained MSPO certifications for all palm oil mills and oil palm estates in Year 2019 to build a more traceable, transparent and sustainable palm oil supply chain. Besides that, all palm oil mills, refinery and kernel crushing plant have been certified under MSPO Supply Chain Certification Standard (“SCCS”) in December 2019. Currently, BLDP is in the process of upgrading its internal procedure and system to comply with the revised MSPO standards (MS2530:2022). BLDP has engaged consultant to assist in the implementation of the revised MSPO standards in its operation. Nominated staff have attended the revised MSPO standard trainings in order for them to perform their tasks according to the new requirements.

► Food Safety, Feed Safety, Environmental and Quality Management System Certification

The refinery and kernel crushing plant of BLDP remains certified for MS1514 (Good Manufacturing Practice for Food), MS1480 (Food Safety according to HACCP System), HALAL, KOSHER and MeSTI Certification. BLDP’s Sustainability Department continuously monitors and conducts assessments to ensure the operations of the Group are in compliance with relevant certification requirements.

► Trainings

BLDP prioritises staff development through proper trainings to enhance their knowledge and skill to enable them to perform their assigned task more effectively and efficiently. Training allows employees to address their weaknesses by improving their skills and knowledge which can benefit both individual and organisation as a whole. These trainings include Best Agriculture & Management Practices, Safety and Health, Environmental, Sustainability and others. Training schedules are prepared for our employees annually in the respective oil palm estates, palm oil mills, refinery and kernel crushing plant to ensure that various trainings are being carried out on a regular basis throughout the year, which promotes leadership succession in driving the organisation towards its goals.

Various in-house trainings that focus on specialised field are conducted to better meet the training requirements of the staffs. In identifying skill gaps and developing job competencies, staffs are given the opportunities to attend relevant training programs, seminars or conferences to equip themselves with necessary skills, expertise and knowledge to ensure a consistent and accurate assessment of talent. Staffs from oil palm estates, palm oil mills, refinery, kernel crushing plant and offices have attended trainings relevant to their job scope to enhance their understanding of their responsibilities as well as to boost workplace engagement.

To provide greater flexibility and encourage effective participation, trainings are conducted either through online platform or physical trainings to better accommodate the nominated staffs. This initiative aims to promote learning culture, improve their individual skills and expertise and foster motivation to excel in their roles.

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Environmental & Biodiversity Protection

BLDP acknowledges the importance of protecting natural environment through its sustainability efforts in accordance with Sustainable Palm Oil Policy. BLDP has an ongoing project to conserve and protect forest within its boundary known as Forest Conservation and Protection and Livelihood Project. This project is currently in its first phase which is to study the existing environment of the selected area by the consultant. BLDP continues to promote the conservation and development of biodiversity through several actions including patrolling the forest areas within our concession periodically, prohibiting all illegal activities such as hunting, poaching, encroachment, and burning.

BLDP is in the initial phase of “Let’s Environment Safe & Sustainable” Programme with the objectives of promoting the sustainable development goals to our employees and the nearby local communities focusing on recycling, reducing the consumption of plastics and papers as well as optimising the natural resources. Under this program, BLDP targets to initiate the implementation of electronic plantation information management system in the next financial period and introduce it to plantation of the Group in stages.

BLDP is guided by relevant regulations on protection of the biodiversity of wildlife sanctuaries within our concessions. BLDP has conducted several biodiversity assessments at unplanted areas to assess Rare, Threatened or Endangered (“RTE”) biodiversity and ecosystem for our oil palm estates in accordance with the International Union on Conservation of Nature and Natural Resources (IUCN) Red List, Appendix 1 of Convention on International Trade in Endangered Species (CITES) and protection status assessed according to Wildlife Protection Ordinance 1998 (WLPO) with the purpose of collecting information for improving management decision to ensure long term protection of flora and fauna in our concession and its surrounding.

BLDP is committed to comply with all applicable environmental laws and regulations. Natural Resources and Environment Board (“NREB”) conducted several site inspections to our oil palm estates. In addition, Department of Environment (“DOE”) conducted several site visits to our palm oil mills, refinery and kernel crushing plant. Environment monitoring assessments are carried out at all oil palm estates, palm oil mills, refinery and kernel crushing plant quarterly and submitted to relevant government agencies such as NREB and DOE. These monitoring assessments include ambient air quality, stack emission, water quality, ambient noise level measurement and genset’s noise and dark smoke observation. Samples of industrial effluent are collected to determine whether the quality of our palm oil mills’ final discharge complies with the requirements. To date, all relevant reports have shown compliance with the applicable environmental requirements.

► Greenhouse Gas (“GHG”)

BLDP monitors its GHG emission from its own operation. GHG from oil palm operation makes up majority of carbon dioxide (CO₂) and small amounts of methane (CH₄) and nitrous oxide (N₂O). These gases cause global warming which are released during the operation of oil palm plantation, combustion of fossil fuel, and release of palm oil mill waste into palm oil mill effluent (“POME”). To monitor the GHG emission in oil palm sector, BLDP uses the GHG calculator as required by the MSPO standards. BLDP is aware of the adverse environmental impact of burning. Therefore, BLDP strives for implementation of zero open burning in all our oil palm estates, palm oil mills, refinery and kernel crushing plant to minimise and reduce GHG emission. Continuous monitoring of GHG emission throughout operations is required. In terms of technology involvement, BLDP adopts solar technology as another source of electricity and operating the biomass plant in palm oil mills.

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Waste and Effluent Management

BLDP has been proactive in managing its waste to avoid pollution to the environment. BLDP has set a dedicated waste management plan to manage the waste generated from all oil palm estates, palm oil mills, refinery and kernel crushing plant in an effective manner. BLDP strives to minimise waste generation through reducing, reusing and recycling of materials in its operating activities whenever feasible.

BLDP monitors its management practices in handling of wastes at our sites by minimising waste generation and proper segregation, storage, transport and disposal of scheduled waste and domestic waste in adherence to standards set by DOE and local municipal councils. Scheduled waste generated are collected and disposed in accordance with prevailing regulations approved by the local government. All scheduled wastes are handled in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 requirements. Designated competent person for all operation sites is responsible in periodically submitting of reports through DOE online reporting system (Electronic Scheduled Waste Information System).

Regular monitoring of waste and effluent treatment plant is an approach to improve and optimise the waste management processes as well as minimise the environmental pollution. Effluent discharge water quality samplings are conducted monthly at effluent final discharge point and send to external accredited laboratory for analysis. DOE will come for regular site inspection and collect effluent sample at final discharge point for analysis.

POME is properly treated and monitored by designated competent person to ensure full compliance with the above regulations before allowing to be discharged into the waterways. Other measure taken by palm oil mill for monitoring of effluent water discharge is by operating a Polishing Plant nearby the POME ponds. Polishing process is a tertiary treatment system by applying high-stream filtration which reduces total suspended solid ("TSS") and biochemical oxygen demand ("BOD") from wastewater of secondary effluent treatment. The outcome of the process was to improve the quality of effluent and hence becomes compatible with required legal standards.

Water Management

BLDP maintains the proper water management in its operation as it recognises that water is a crucial resource required for oil palms cultivation during dry season, processing of oil palm fruits and palm oil refining. The water management is focused on the optimisation of water usage, maintaining water quality and reduction of water wastage. BLDP has been operating its water treatment plant to process and supply clean water that is safe for human consumption. Testing of water quality is also carried out at least once a year to ensure that it is safe for drinking and other daily usage.

Good water management practices in operation especially in peat plays an important role in peat soil management and mitigate the impact of drought and flooding. BLDP has taken some measures such as proper maintenance of riparian zone along waterways where spraying and manuring activities are strictly prohibited and strict prohibition of discharging chemical waste, solid waste and used lubricant into the waterways. Proper water management is essential to prevent irreversible peat drying by ensuring sufficient soil moisture.

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BLDP has taken measures to maintain or restore water level as close to the natural references condition as possible by installation of weir at appropriate locations as well as to carry out drainage and other activities only when required and avoid unnecessary deterioration in the quality and quantity of ground and surface water. Other measures taken for monitoring of water table are as follows:

- Installation of water level gauge beside the stop-off or weir in the collection drains and daily changes in the water level are monitored.
- Field piezometers are installed for monitoring of the groundwater table.
- Subsidence poles are installed for monitoring of peat subsidence.

Environmental monitoring report (EMR) is carried out at oil palm estates quarterly by NREB approved consultant. Environmental monitoring includes water quality, other environmental parameters with respect to the Terms and Conditions of Approval from NREB, and fertilisers and agrochemicals applications. For water quality monitoring, the water samples are collected from all water sampling points and were sent to an accredited laboratory for analysis. BLDP is preparing to adopt the incoming format of monitoring introduced by NREB known as Environmental Compliance Audit (ECA) by sending its staff to attend training conducted by NREB.

Safety and Health

BLDP understands that providing a safe and healthy working environment contributes to the increase in efficiency and productivity of its operation. Therefore, BLDP has taken several commitment towards ensuring its safety and health practices are well-maintained and up-to-date. Highlights of safety and health for the year under reviews are as follows:

► Safety and Health Policy

BLDP believes that the employees are the most valuable asset of the Group. Therefore, it is BLDP's policy to give and maintain a high priority of safety and health to all its employees at work, including visitors and the public, to avoid the risk of exposure to their safety and health. Safety and Health Policy approved by the Top Management will continue to be reviewed, implemented and communicated to relevant stakeholders.

► Occupational Safety and Health (Amendment) Act 2022

The Occupational Safety and Health (Amendment) Act 2022 was passed and gazetted in 2022. Therefore, BLDP has been sending its staff for various safety trainings in order to ensure they are well-prepared for potential hazards and comply with the revised act that has come into force on 1st June 2024. BLDP has several competent Occupational Safety and Health Coordinator registered under Department of Safety and Health (DOSH) to coordinate occupational safety and health matters in estates, mills, refinery and kernel crushing plant.

► Chemical Health Risks Assessment ("CHRA")

CHRA has been renewed in relevant estates for the year under review by Competent Assessor. Briefing on mitigation measures for identified risks has been conducted as required by the regulations. The appointed Competent Assessor is registered with Director General of Occupational Safety and Health to carry out CHRA for all operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify health risks arising from the use of hazardous chemical at workplace and to recommend control measures to mitigate the severity of the effects from the hazardous chemical used. CHRA will be conducted once every five (5) years by competent assessor in accordance with Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("USECHH Regulations").

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► Hazard Identification, Risks Assessment and Risks Control (“HIRARC”)

HIRARC has been reviewed and updated for all operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify new hazards related to work activities. Risk assessments are conducted to prioritise the new identified risks and control measures to be implemented to mitigate the risks. HIRARC is reviewed whenever there are any changes in process, work activities, new equipment, findings from any incident or near miss accident and findings from workplace inspection reported by the safety committee member. All control measures have been put in place to address the identified risk.

► Noise Exposure Monitoring

Measuring noise levels and employees’ noise exposures are essential for a safe workplace. Recently, BLDP is extending the Noise Risk Assessment (NRA) exercise to its estates including the awareness training for the staff and this exercise is expected to complete in the following year. Noise mapping and noise exposure monitoring have been conducted for palm oil mills, refinery and kernel crushing plant. Staffs working at high noise areas have been sent for audiometric testing program by registered Occupational Health Doctor on an annual basis. Briefings on the results of the audiometric tests, the provisions of the regulations and effects of noise on hearing are conducted to the relevant staffs.

According to Occupational Safety and Health (Noise Exposure) Regulations 2019, BLDP has appointed Noise Competent Person registered with DOSH to conduct Area Noise Mapping and Employee Noise Exposure Monitoring to ascertain whether any employee is exposed to noise level above Permissible Exposure Limit of 85dB(A) at palm oil mills, refinery and kernel crushing plant. BLDP has provided Personal Hearing Protection (“PHP”) and trainings to its staff to ensure proper usage and care of PHP.

► Local Exhaust Ventilation (“LEV”) System Inspection

A periodic inspection, examination and testing of engineering control equipment has been maintained and conducted at laboratory of refinery and kernel crushing plant to ensure LEV system is in good and normal working condition. Effectiveness of LEV system can reduce the exposure of employees to chemical hazardous to health to the lowest practicable level. The testing and examination of the LEV system is based on the guidelines from DOSH Malaysia 2008 in accordance with the requirements of the USECHH Regulations and industrial ventilation.

► Safety Trainings

Safety awareness trainings conducted by site safety personnel are compulsory for new employees before they start their work in all operation sites. This also includes training of personnel in accident prevention, accident response, emergency preparedness and use of protective clothing and equipment. Briefing is conducted in relevant languages to ensure all employees can understand. Emergency Response Team members are trained in BOMBA to enhance their skill in firefighting and emergency evacuation procedure. Some of the external Safety Competency trainings attended by the employees are Safety Coordinator Training, HIRARC Training, Ergonomics Training, Noise Risk Assessment Training and other safety competent person training.

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Fire Prevention

► Emergency Response and Preparedness

Emergency Response Team (“ERT”) has been set up in all oil palm estates, palm oil mills, refinery and kernel crushing plant. Selected ERT members from mills, refinery and kernel crushing plant have undergone training conducted by BOMBA to equip themselves with knowledge and skills in firefighting and rescue to enable them to conduct internal firefighting training to other ERT members.

Regular trainings for all ERT members and fire drills at all operation units are conducted on an annual basis to test the readiness of the firefighting system. Implementation of effective fire prevention practices can improve the level of safety through cooperative education, such practices include:

- Regular checking and maintenance of firefighting equipment is carried out and ensure all equipment are in good working condition and are easily accessible.
- Flammable materials or other hazardous substances are stored in a safe place.
- Fire safety demonstrations / fire drill practice are conducted.
- Designated smoking area with a safe distance away from the building is provided.
- Emergency plans and assembly location are assigned.
- Installation of smoke detector in the building.
- Update of list of emergency contact.
- Fire extinguisher servicing.
- Fire assessment and safety surveillance.

Upon BOMBA’s requirement, BLDP’s refinery and kernel crushing plant have installed the specific fire safety system namely Automatic Fire Alarm Monitoring Control System (Sistem Pengawasan Kebakaran Automatik) (SPKA) which connects directly to the Fire and Rescue Station associated with the switching bypassing the switchboard to ensure this automatic fire alarm monitoring system is conducted in an organised fire surveillance station to meet the established standards in developed countries.

Human and Workers’ Rights

BLDP ensures that the dignity and rights of our workers are respected in line with legal regulations and the United Nations’ guiding principles on human rights taking into consideration of the significance in local and international social setting. Our commitments are as follows:

- Provide equal opportunities in employment and no discrimination to employees regardless of race, gender and religion.
- Provide, for all employees, a safe environment free from discrimination and violence on any ground, and form of harassment at work.
- Ensure employees are paid based on legal requirement on minimum wage.
- Prohibit child labour and forced labour within our organisation.
- Resolve all complaints and grievances of employees through a standard procedure.
- Ensure workers’ availability of their own passports.
- Practice Human Resource Management Best Practices by continuing to attract, motivate and retain talented employees at all levels by providing training, job security and opportunities to grow within the organisation.
- Ensure there is no retaliation against human rights defenders and whistleblowers.

SUSTAINABILITY STATEMENT (CONTD.)

Social and Workers' Welfare

BLDP constantly strives to improve the health and well-being of our employees by creating a conducive working environment for all our employees. In addition, BLDP also provides quality quarters, playgrounds, recreational and medical facilities for our staffs. BLDP emphasises on establishing a corporate culture that encourage work-life balance of our employees, showing appreciation to staff and valuing their supports. We encourage all employees to participate in teambuilding activities and engage with others through the recreational activities such as Family Day, Sport Carnival and Staff Gathering Dinner.

► Talent Development Programme

BLDP also recognises the value of human capital and has been initiating support for training and talent development programmes as below:

Young People Development Programme ("YPDP")

Since Year 2012, BLDP has launched the YDPD for Plantation Management as an initiative to help post-secondary school students who passed their SPM or STPM by providing them the opportunity in paving a better career path in Plantation Management at young age. The main objective of the YPDP is to recruit SPM and STPM school leavers as trainees in BLDP and will be given opportunity to pursue a higher education with part-time study. Currently, Diploma or Degree courses offered to the students are conducted through online learning under scholarship programme.

Employee Enhancement Programme

BLDP provides sponsorship to encourage employees to undertake academic courses in order to enhance their skills and knowledge, and allow them to achieve better performance at work. Currently, the Diploma or Degree courses offered to employees are conducted through online learning under scholarship programme.

► Donation to Local Communities, Education Sectors and Government Bodies

As a socially responsible company, BLDP makes regular contribution to the charity and donation to local communities, schools, foundations, associations and government bodies. BLDP continues to support local communities when need arises.

► Establishment of Auxiliary Police Unit

BLDP understands that security is an important part of its operation. Therefore, on 25 May 2015, BLDP was awarded with the approval certificate by the Crime Prevention and Community Security Department to set up Auxiliary Police unit. In present, a total of 120 Auxiliary Police ("AP") had been recruited and completed their basic Police training at Pusat Latihan Polis ("PULAPOL"). They were assigned to designated estates, mills, refinery and kernel crushing plant in Miri, Sibul and Bintulu regions. The function of AP is to safeguard BLDP's properties as well as protect the safety of local communities. Our AP performs static guard duty at checkpoints and conducts daily security patrol at the premises, quarters, estates, mills, refinery and kernel crushing plant and vicinity to ensure a safe and secure environment. In order to strengthen the security in the workplace, BLDP is progressively recruiting more calibre AP candidates to attend the basic Police training at PULAPOL to meet the requirement for having sufficient numbers of AP in each operation.

SUSTAINABILITY STATEMENT *(CONTD.)*

► Grievances Procedure

BLDP has maintained a transparent Complaint and Grievances Procedure in all operation units. Trained and designated staffs are assigned to handle any complaints or grievances received in accordance with the procedure. Briefings are conducted to all staffs and stakeholders during stakeholder meetings or one-to-one briefings.

► Women Welfare Committee

Women Welfare Committee has been established to encourage female employees to raise their concerns or problems encountered at workplace, to protect themselves against sexual harassment and violence. The management is supportive towards the establishment of women welfare committee and has given positive response and appreciation for their contributions to show their importance within the organisation.

The Women Welfare Committee has organised several activities quarterly or annually as follows:

1. Mother's Day celebration, International Women's Day Celebration
2. Competition (cooking, baking, etc.)
3. Talks / Seminar on women's health
4. Women's Health screening program (Pap Smear, pregnancy check)
5. Awareness program on harassment and violence in workplace (briefing, etc.)
6. Set up nursery for staff's children
7. Briefing on maternity benefits and women's right issues based on legal law such as Labour Ordinance, Employment Act, Anti-Sexual Harassment Act, and etc.

SUSTAINABILITY STATEMENT (CONTD.)

~ Our Engagement with Stakeholders ~

Collaboration with Government



- Awareness briefing conducted by PDRM on the updated relevant law and regulation of Malaysia.



- Training conducted by JKPP related to safe operation procedure for air compressor in plantation.

Engagement with Training Provider Organised by Government



- Attended competency course of 'Honorary Wild Life Ranger' organised by Sarawak Forestry Corporation.

Engagement with Supplier



- Engagement with supplier in relation to the Sustainable Palm Oil Policy and Sustainability Awareness briefing.

Involve in External Training by Certified Trainer



- Attended first aid training course at Miri Red Crescent Training Centre.

Collaborate with Certified External Trainer



- Invited certified trainer from Red Crescent Training Centre to conduct First Aid Training in plantation.

Caring Our Nearby Local Communities



- Completion of road maintenance at nearby longhouse community in Sibiu Region.

Organise Stakeholder Meeting



- Annual stakeholder meeting between BLDP Group and relevant stakeholders in Sibiu region.

SUSTAINABILITY STATEMENT (CONTD.)

Good Relationship with Education Institution



- Provided drain desilting assistance at nearby school in Miri.



- Invitation from nearby school for Gawai Celebration Program.

Caring Our Employees



- Allocation of plastic bottle collection area at mill foundation to reduce plastic waste at landfills in Miri Region.



- Pra-Gawai celebration at plantation in Miri Region.



- Mother's Day celebration organised by Women Welfare Committee in Miri Region.



- Ketupat weaving craft activities organised by Women Welfare Committee in Sibul Region.



- Workers labourline construction in plantation located in Miri region.



- Installation of new solar light at labourline in Miri region.

SUSTAINABILITY STATEMENT (CONTD.)

Trainings and Development of Employees

BLDP employees had attended several trainings / seminars covering various field of expertise as follows:

1. Best Agricultural and Management Practice

- MIA Webinar Series: MFRS / IFRS Technical Update 2023
- MIA Webinar Series: Employment Tax: Recent Developments & Issues
- Kursus Pengurusan dan Penyelenggaraan Nurseri Sawit 2023
- Kursus Intensif: Pemantapan Tanggungjawab Majikan & Hak Pekerja
- Webinar Series: 2023 Budget Seminar
- Electronic Plantation Information Management System (ePIMS) Technical Training
- HASiL-MEF Tax Seminar 2023 Towards Sustainable Recovery
- Preference Shares from Issuance to Redemption / Conversion
- SSM National Conference 2023 on Shared Responsibilities in Strengthening AML/CFT Compliance: Risks, Challenges and Collaborations
- 5S Housekeeping for Warehouse, Store & Workshop
- East Malaysia Palm & Lauric Oils Price Outlook Conference & Exhibition
- Payroll and Employment Related Issues
- IOM-MEF Capacity Building with SMEs: Migrant Workers Ethical Recruitment and Employment
- MSPO Briefing 2023 for Part 4-1: and Part 3-2:
- Seminar Kilang Minyak Kelapa Sawit Mentah: Komitmen ke Arah Pematuhan 100%
- Unmanned Aircraft System Pilot Training
- 2024 Budget Seminar
- Malaysian Sustainable Palm Oil (MSPO) Internal Auditor Training
- Defensive Driving for Sedan Vehicles
- Getting Ready for e-Invoicing in Malaysia
- Junior Agronomist Training
- Fundamental Industrial Mechanical Components Maintenance, Servicing, and Installation
- Motor Vehicle Operating Status Report Training
- Awareness Briefing on Relevant Law by PDRM
- Air Compressor SOP Training by JKKP
- Tractor and Heavy Machinery Driver Training
- Tractor Driver and Bigbull Crawler Operator Training
- MSPO Awareness Training for Staffs and Workers
- Integrated Pest Management Training

2. Safety and Health

- Workplace Ergonomics and Initial Ergonomics Risk Assessment Method (DOSH 2017 Ergonomics Guideline)
- Working Safely at Height
- Asia Pacific Occupational Safety and Health Organization (APOSHO) Conference 2023
- Basic Fire-Fighting & Chemical Management Training
- Safety Trainings for Harvester, Sprayer, Manurer and Tractor Drivers
- Emergency Shower Training
- First Aid Training at Miri Red Crescent Training Centre and Estates Guest House
- Practical Training of First Aid at Estate by Competent First Aider
- Fire Drill Exercise and Fire Fighting Training
- Lorry Driver Safety Training for Contractors
- Workplace Safety Training at Workshop
- Occupational Safety and Health Regulations Training
- Triple Rinse Safety Training
- Chemical Handling Awareness Training

SUSTAINABILITY STATEMENT (CONTD.)

- Noise Awareness Training
- Safe Work Procedure Briefing at Genset House Area
- Sexual Harassment and Violence Prevention Briefing to Workers
- OSH Coordinator Competency Programme

3. Environment

- Seminar Pematuhan Peraturan-Peraturan Kualiti Alam Sekeliling
- Borneo Environment Conference (BEnConf) 2023
- Enhancing Scheduled Wastes Spill Response Management (with Spill Response Exercise)
- Awareness Training from Sarawak Forestry Corporation (SFC)

4. Sustainability

- Social Impact Assessment (SIA) Training
- Complaint and Grievances Training
- Good ESG Ratings for all Public Listed Companies
- Traceability Training



Social Impact Assessment (SIA) Training



IOM-MEF Capacity Building with SMEs: Migrant Workers Ethical Recruitment and Employment



MSPO Briefing 2023 for Part 4-1: General Principles for Palm Oil Mill including Supply Chain Requirements



MSPO Briefing 2023 for Part 3-2: General Principles for Oil Palm Plantations (more than 500 hectares)



OSH Coordinator Competency Programme



On-Site Fire Fighting Training

SUSTAINABILITY STATEMENT (CONTD.)

Summary of Performance Data as per Bursa Securities ESG Reporting Platform

Indicator	Measurement Unit	2024
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	905
Executive	Hours	1,342
Non-executive/Technical Staff	Hours	3,372
General Workers	Hours	902
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	10
Executive	Number	13
Non-executive/Technical Staff	Number	167
General Workers	Number	251
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	75,123.35
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,433,570,000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5 (b) Lost time incident rate ("LTIR")	Rate	1.72
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,813
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	40.79
Management above 50	Percentage	59.21
Executive Under 30	Percentage	1.21
Executive Between 30-50	Percentage	74.55
Executive above 50	Percentage	24.24
Non-executive/Technical Staff Under 30	Percentage	32.27
Non-executive/Technical Staff Between 30-50	Percentage	57.93
Non-executive/Technical Staff above 50	Percentage	9.80
General Workers Under 30	Percentage	33.44
General Workers Between 30-50	Percentage	63.30
General Workers above 50	Percentage	3.26
Gender Group by Employee Category		
Management Male	Percentage	85.53
Management Female	Percentage	14.47
Executive Male	Percentage	66.06
Executive Female	Percentage	33.94
Non-executive/Technical Staff Male	Percentage	75.43
Non-executive/Technical Staff Female	Percentage	24.57
General Workers Male	Percentage	60.97
General Workers Female	Percentage	39.03

SUSTAINABILITY STATEMENT (CONTD.)

Bursa C3(b) Percentage of directors by Gender and age group

Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00

Bursa (Community/Society)

Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	48,045.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3,802

Bursa (Anti-corruption)

Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category

Management	Percentage	100.00
Executive	Percentage	76.56
Non-executive/Technical Staff	Percentage	50.33
General Workers	Percentage	39.11

Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	82.22
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Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
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Bursa (Data privacy and security)

Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
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Internal assurance

External assurance

No assurance

(*)Restated



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