



Plantations

I M P R O V I N G

**TODAY**

F O R A B E T T E R

**TOMORROW**

SUSTAINABILITY  
REPORT

2019

# ABOUT THIS REPORT

## 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](http://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](http://www.bousteadplantations.com.my)



**Sustainability Report 2019**

### **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.

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download our  
Sustainability Report  
2019 here



Scan to view or  
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Annual Report  
2019 here



### **ONLINE VERSION**

Find more information online at  
[www.bousteadplantations.com.my](http://www.bousteadplantations.com.my)



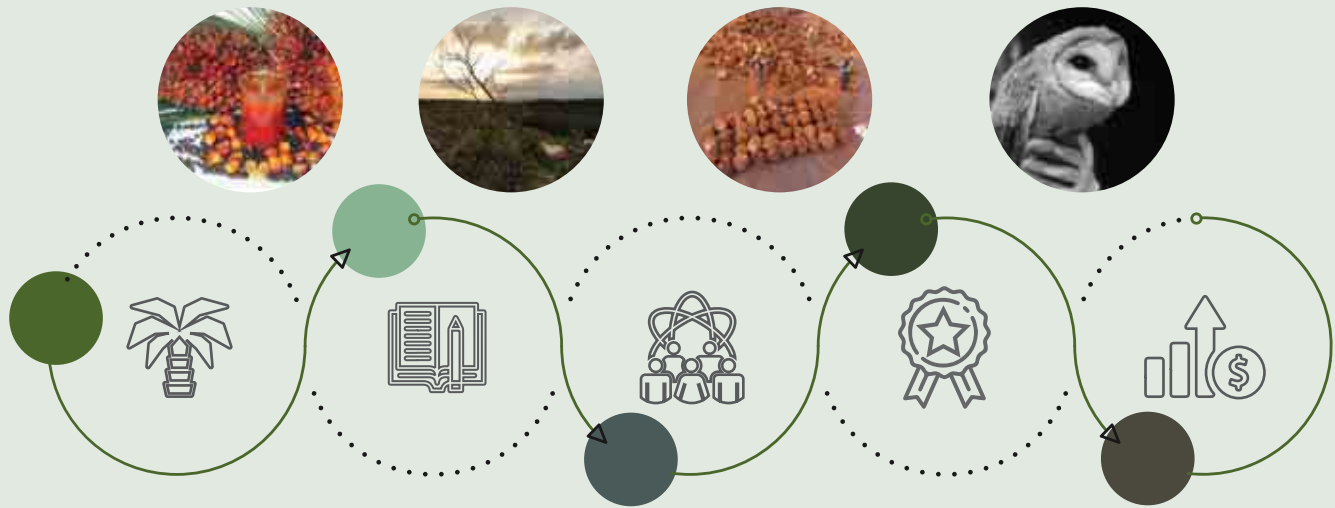
# OVERVIEW

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# 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: Segaria Business Unit

**2019**

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

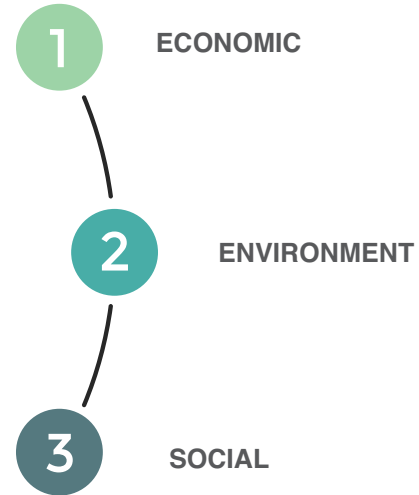


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**TAN SRI DATO' WIRA AZIAH ALI**  
Chairman  
Sustainability Committee



# SUSTAINABILITY



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

# CORPORATE PROFILE

## WHO WE ARE



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.

## WHAT IS OUR STORY



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

### OUR SUSTAINABILITY VISION



- **ACHIEVING STRATEGIC GROWTH**
- **SAFEGUARDING THE ENVIRONMENT**
- **EMBRACING THE DIVERSITY OF PEOPLE**

### OUR SUSTAINABILITY MISSION



- 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.

### OUR SUSTAINABILITY MOTTO



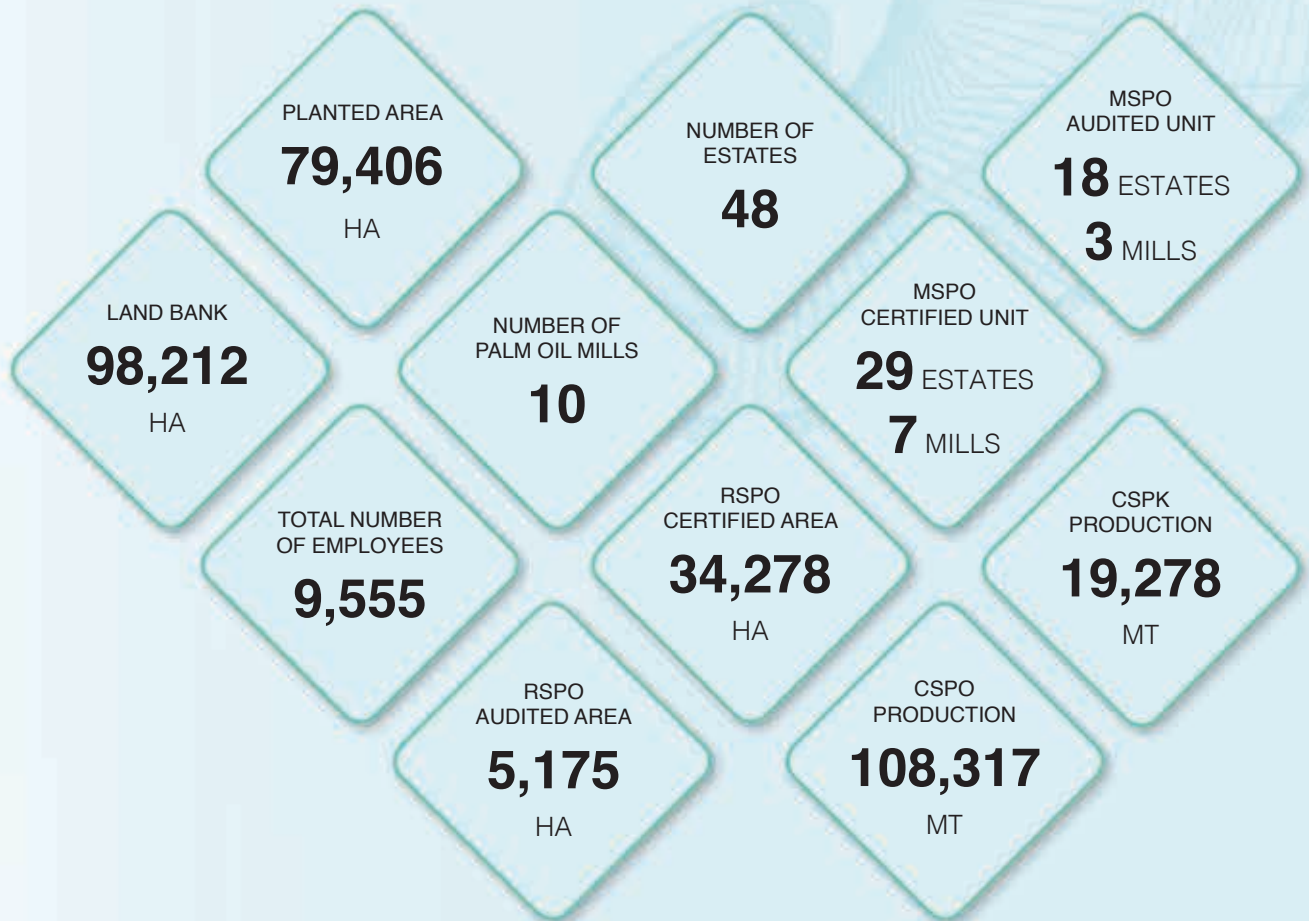
**“A TRADITION OF STRENGTH AND STABILITY, A VISION OF GROWTH AND EXCELLENCE”**

### OUR CORE VALUES



- **RESPECT**
- **INTEGRITY**
- **TEAMWORK**
- **EXCELLENCE**

## HIGHLIGHTS 2019



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



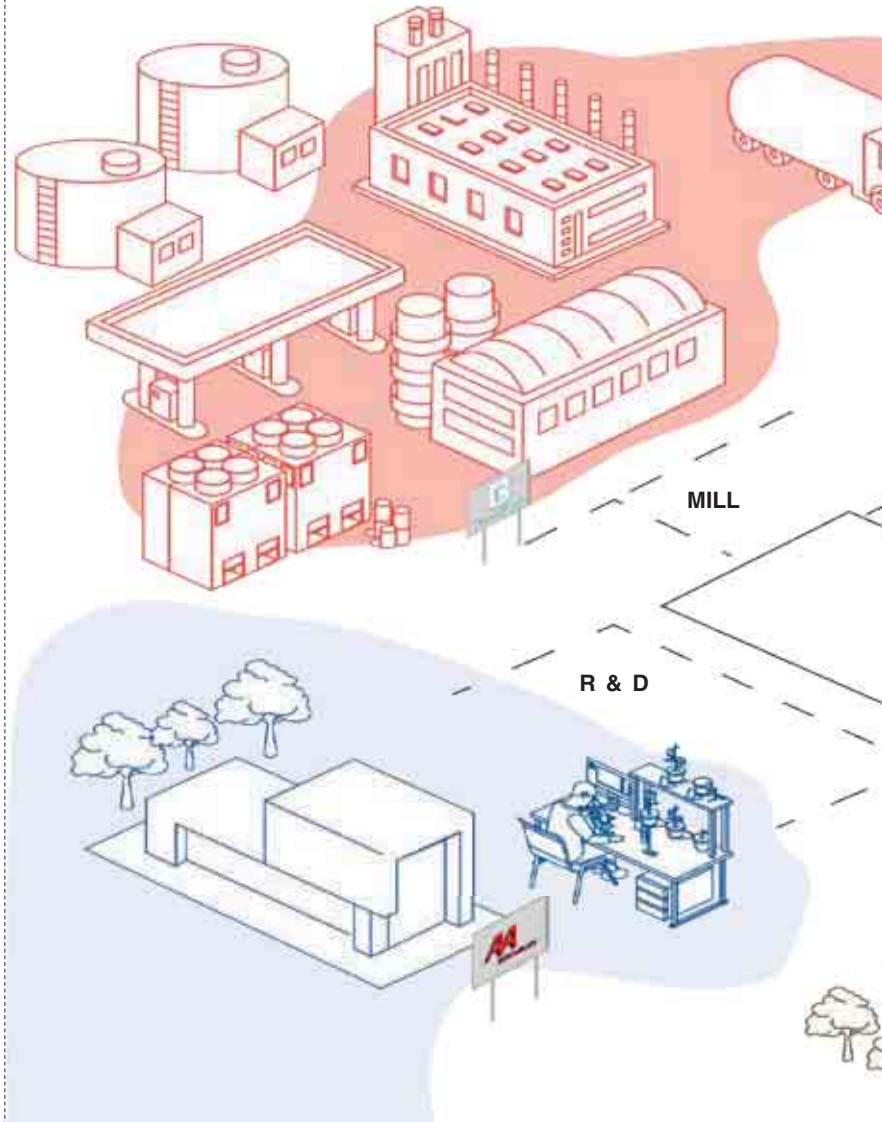
### Social Capital

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

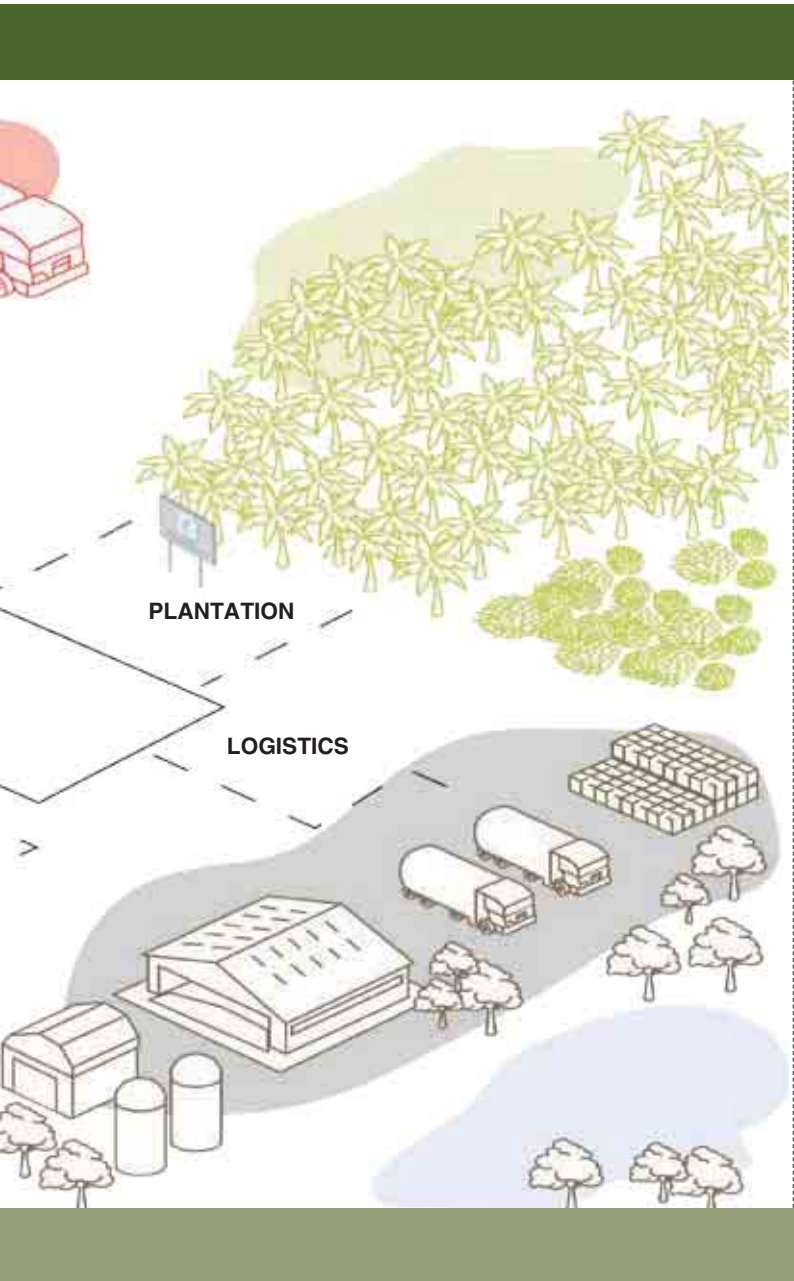
## OPERATING ENVIRONMENT

## Value Creation Process

Corporate Mission, Vision and Values



Risks and Opportunities



The Value We Created

STRATEGY AND GOVERNANCE

2 ZERO HUNGER



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## VALUE CREATED – SUSTAINABLE DEVELOPMENT GOALS

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

2 ZERO HUNGER



#### How We Contribute to SDGs:

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.

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.

#### Related SDGs Target:

Targets 2.4, 2.a

#### Value Created

108,317 MT of CSPO produced.

39,453 ha RSPO audited/certified.

RM14 million invested in R&D.

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

**8 DECENT WORK AND ECONOMIC GROWTH**



How We Contribute to SDGs:	Related SDGs Target:	Value Created
<ul style="list-style-type: none"> <li>We are particularly focused on growing micro, small and medium local suppliers.</li> <li>We strongly enforce policies for the eradication of child labour and forced labour.</li> <li>We are focused on promoting a safe and secure working environment for all.</li> </ul>	<ul style="list-style-type: none"> <li>Targets 8.2, 8.8</li> </ul>	<ul style="list-style-type: none"> <li>More than RM100 million procurement spending on local vendors.</li> <li>Zero child labour and forced labour incidents.</li> <li>Lost Time Injury Frequency Rate (LTIFR) of 10.69.</li> </ul>

**SDG 12 – Responsible consumption and production:  
Ensure sustainable consumption and production patterns**

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**



How We Contribute to SDGs:	Related SDGs Target:	Value Created
<ul style="list-style-type: none"> <li>We are focused on undertaking the environmentally sound management of chemicals and wastes throughout their life cycle as per the agreed international frameworks.</li> <li>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.</li> <li>We adopt sustainable practices and integrate sustainability information into our Sustainability Report.</li> </ul>	<ul style="list-style-type: none"> <li>Targets 12.4, 12.6, 12.a</li> </ul>	<ul style="list-style-type: none"> <li>Our waste products are repurposed in line with the Group's Zero Waste Strategy.</li> <li>Total biogas captured in FY2019 2,111,735 m<sup>3</sup>.</li> <li>Total solid biomass: 419,923 MT.</li> <li>Total liquid biomass: 813,585 MT.</li> <li>Total empty fruit bunches utilised for mulching: 220,000 MT.</li> <li>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.</li> </ul>



# SUSTAINABILITY

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## OUR SUSTAINABILITY APPROACH

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# SUSTAINABILITY GOVERNANCE

## GOVERNANCE STRUCTURE

The Group's Sustainability Governance Structure has enabled us to enforce and manage sustainable practices across our operations.

### GOVERNANCE STRUCTURE

#### BOARD OF DIRECTORS

#### SUSTAINABILITY COMMITTEE

##### Chairman

Tan Sri Dato' Wira Aziah Ali

##### Members

Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.  
Dato' Chan Kong Yew

#### SUSTAINABILITY MANAGEMENT COMMITTEE

##### Members

Ibrahim Abdul Majid  
Mohamad Azlan Jaafar  
Mohamad Mahazir Mustaffa

#### SUSTAINABILITY WORKING COMMITTEE

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

#### SUSTAINABILITY SECRETARIAT

**Head:** Anuar Semail  
**Members:** Hafizi Boniran  
Amrul Nizam Abdul Ghani  
Ahmad Amirul Ariff 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:

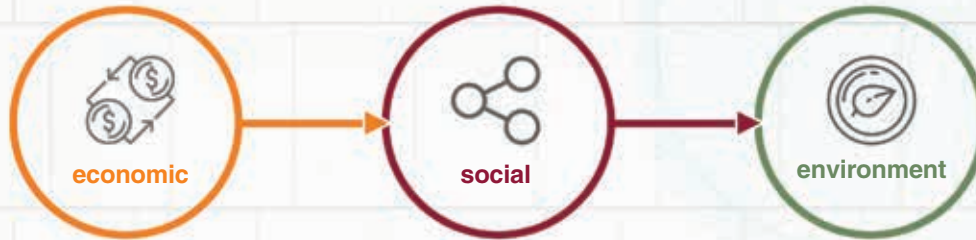
COMMITTEE MEMBER	ATTENDANCE OF MEETINGS
Tan Sri Dato' Wira Aziah Ali* (Chairman of the Committee)	1/1
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.*	1/1
Dato' Chan Kong Yew*	1/1
Dato' Mohzani Abdul Wahab (Member until 15 August 2019)	1/1
Dr. Raja Abdul Malek Raja Jallaludin (Chairman of the Committee until 31 July 2019)	1/1
Datuk Zakaria Sharif (Member until 11 December 2019)	1/1

\* Appointed with effect from 15 August 2019

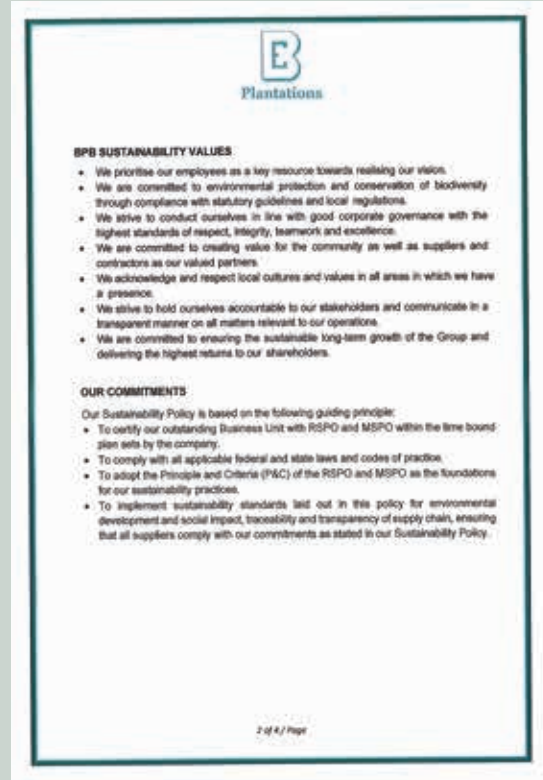
## SUSTAINABILITY GOVERNANCE

### SUSTAINABILITY POLICY

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:



### BPB SUSTAINABILITY POLICY



## 5 STAKES ON BPB SUSTAINABILITY POLICY



**B**  
Plantations

**i. Environmental Management**

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

**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 health working environment free from 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 practice.
- 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.

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**B**  
Plantations

**iii. Community Development and Social Impact**

- Create value for local communities and contribute to the quality of life and wellbeing 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 resolved to the satisfaction of all stakeholders.
- Support the inclusion of livelihoods 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 right of indigenous and local communities, including their right to give or withhold their Free, Prior and Informed Consent (FPIC) to operate on land to which they hold legal, customary or customary right in accordance with the United Nations Declaration on the Right of Indigenous Peoples (UNDRIP).

**iv. Traceability and Transparency of Supply Chain**

- Build a traceable and sustainable palm oil supply chain. Traceability is defined as traceable to a defined list of mills and plantation. We also aim to increase the production of sustainable certified palm product, CSPO and CPOC.
- Develop programme of mill-level verification assessments, using risk assessment tools to identify risks and ensure adherence to Group's sustainability commitments. Our 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 commitments in this Sustainability Policy, including the requirements for new plantings relating to HCV, HCS, peat 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 grievance or issues with 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 in a transparent manner in compliance to this Policy on a yearly basis or when required.

  
**Ibrahim Bin Abdul Manaf**  
 Chief Executive Officer  
 2<sup>nd</sup> December 2019













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# 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.

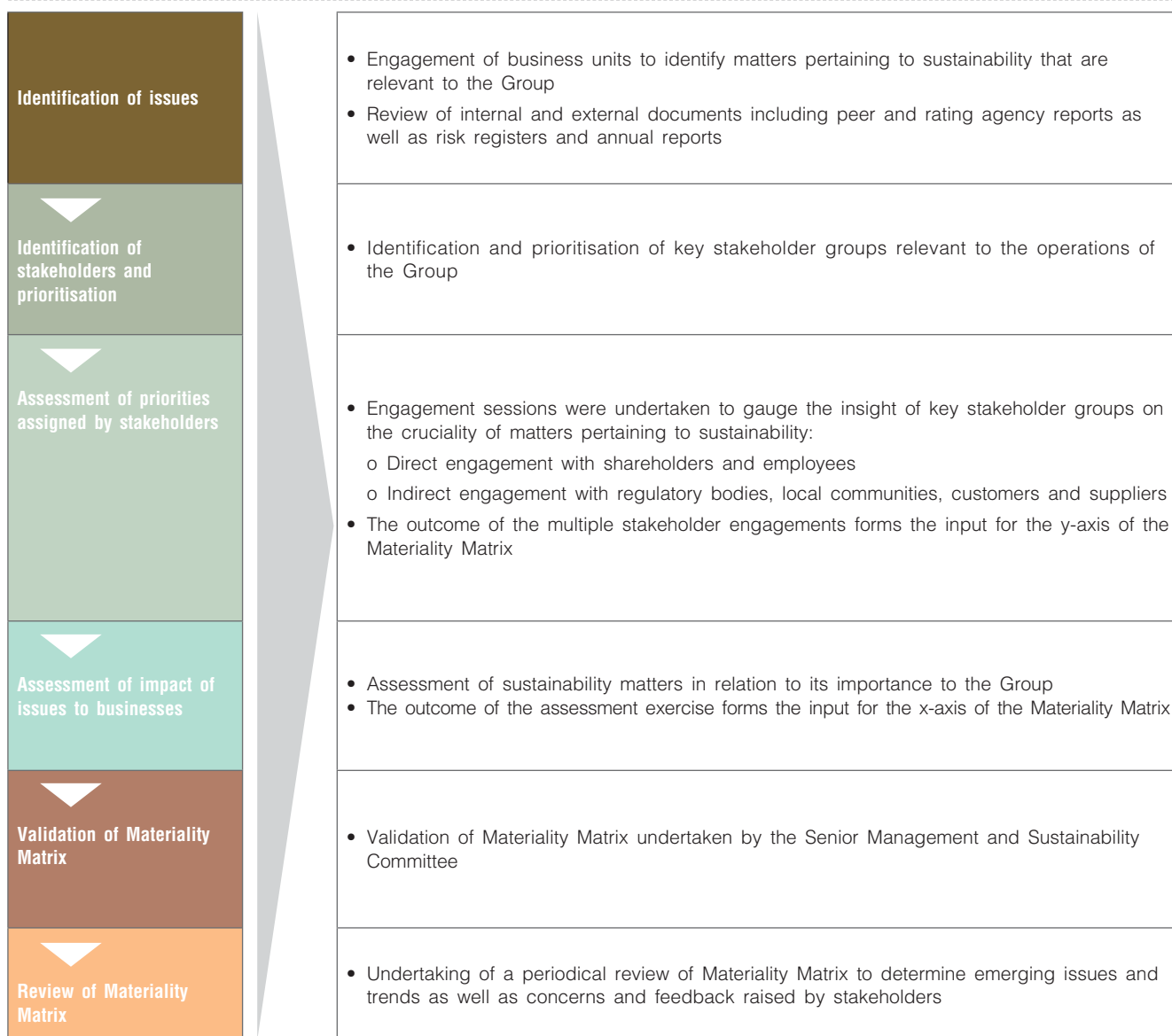
Stakeholder Groups	Engagement Channels	Issues of Interest and Concerns
<b>Shareholders &amp; Investors</b> 	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Quarterly reporting</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Announcements</li> <li>• Analyst briefings</li> </ul>	Return on investment, market presence, succession planning, sustainable earnings, and company reputation
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Internal communications</li> <li>• Internal Stakeholder Meetings</li> <li>• Sports &amp; recreational activities</li> </ul>	Work-life balance, workforce development, healthy and safe work environment, social issues, Decent Living Condition
<b>Union</b> 	<ul style="list-style-type: none"> <li>• Periodic meetings</li> </ul>	Equal career development opportunities, fair remuneration practices, healthy and safe work environment
<b>Regulatory Bodies</b> 	<ul style="list-style-type: none"> <li>• Dialogue sessions</li> <li>• Formal meetings</li> <li>• Periodic reports</li> <li>• On-site inspections and audits</li> </ul>	Legal and regulatory compliance, environmental stewardship, ethical business practices, supporting local businesses, healthy and safe work environment
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Dialogue sessions</li> <li>• Customer satisfaction surveys</li> <li>• Customer feedback platforms e.g. hotline</li> </ul>	Products and services quality, safety and sustainability, ethical business practices
<b>Suppliers &amp; Business Partners</b> 	<ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Dialogue sessions</li> <li>• Workshops and training sessions</li> </ul>	Licensing and certification, ethical practices, supplier development, occupational safety and health, products and services quality
<b>Local Communities</b> 	<ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Dialogue sessions</li> <li>• Corporate Social Responsibility activities</li> </ul>	Community investment and partnerships, pollution prevention and preservation of biodiversity and natural resources, employment opportunities, safety and security, and support for local businesses

## 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)	

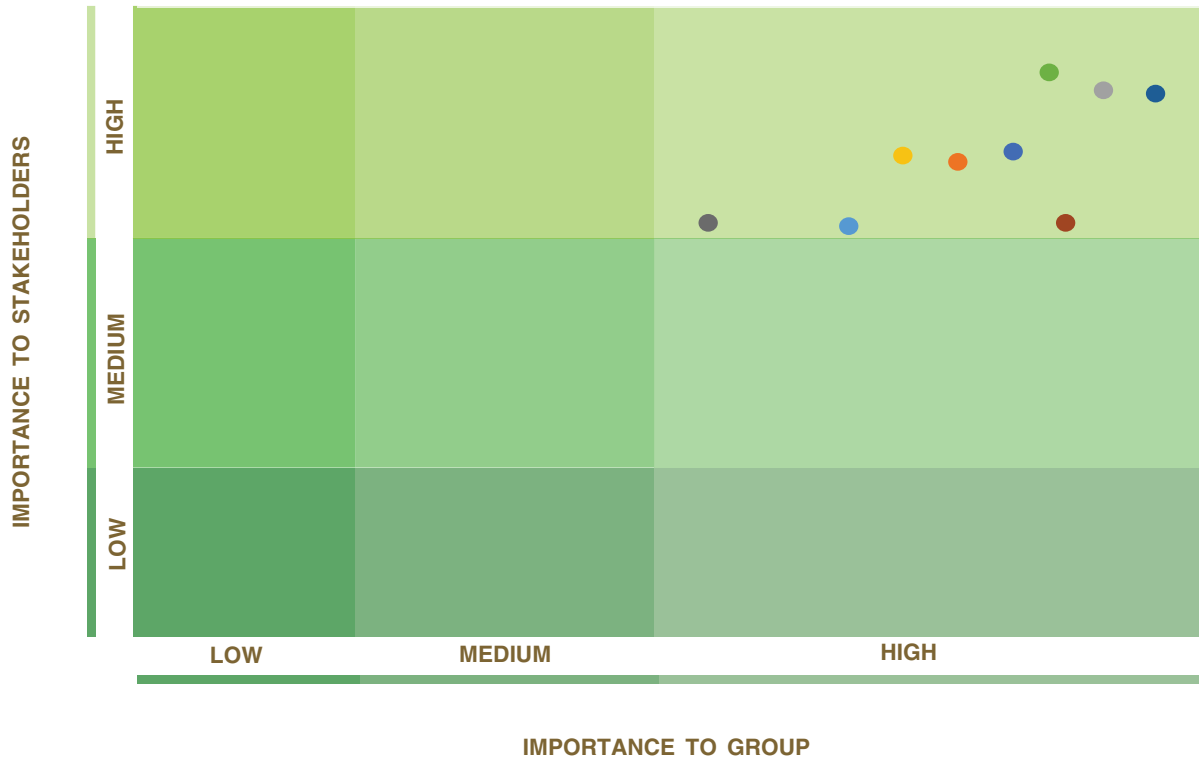
# DETERMINING OUR MATERIAL MATTERS

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.



## OUR MATERIAL MATTERS

OUR MATERIAL MATRIX



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







# SUMMARY OF MATERIAL MATTERS



## RISK MANAGEMENT

Key Issues	Risk Description	Mitigation
<b>RSPO</b>	Attacks on palm products and related products by Non-Governmental Organisation attributable to inconsistent practices which are against requirements	<ul style="list-style-type: none"> <li>• Implement best agricultural management practices in all operations</li> <li>• RSPO and MSPO Certifications for all operating units by 2023 and 2019 respectively</li> <li>• Monitoring and reporting of RSPO certification audit non-compliance status (Uncertified Business Unit)</li> </ul>
<b>Environmental Risk – Chemical Usage and Disposal</b>	Potential prosecution, fines, disruption in operations and severe reputational damage owing to impact of chemical waste flowing into monsoon drains and natural waterway	<ul style="list-style-type: none"> <li>• Establish Standard Operating Procedures (SOP) on waste management</li> <li>• Conduct dedicated training courses</li> </ul>
<b>Shortage of Labour</b>	Inefficient work force, particularly lack of harvesters causing production line inefficiencies	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>
<b>Safety and Health</b>	Accidents as a result of non-compliance with policies and procedures that may possibly result in fatalities or injuries	<ul style="list-style-type: none"> <li>• Occupational Safety and Health policy and procedures/guidelines established and implemented</li> <li>• Annual Safety and Health Compliance visit and reporting implemented</li> <li>• Regular safety training, dialogues and roadshows and dedicated Occupational Safety and Health committees</li> </ul>

Progress in FY2019	Link to Material Issues	SDG
<ul style="list-style-type: none"> <li>• Continuous implementation of best agricultural management practices</li> <li>• RSPO audited/certified areas 39,453 ha</li> </ul>	Sustainability Certification Scheme (page 33)	 <p>SDG 2 – Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>
<ul style="list-style-type: none"> <li>• SOP on waste management in place</li> <li>• Training conducted for Certified Environmental Professional In Schedule Waste</li> </ul>	Waste and Effluent Management (page 44)	 <p>SDG 12 - Responsible consumption and production: Ensure sustainable consumption and production patterns</p>
<ul style="list-style-type: none"> <li>• Continuous commitment to fair labour practices               <ol style="list-style-type: none"> <li>1. Union and collective bargaining</li> <li>2. Foreign Workers Rights</li> <li>3. Fair Wages</li> </ol> </li> <li>• Providing access to education to children of foreign workers               <ul style="list-style-type: none"> <li>Humana – 2</li> <li>CLCs – 7</li> </ul> </li> </ul>	Workforce Management (page 54)  Corporate Social Responsibility and Community Outreach (page 58 to 61)	 <p>SDG 8 – Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>
<ul style="list-style-type: none"> <li>• Policy of Safety and Health is in place</li> <li>• Continuous Safety and Health Compliance visit by our Safety and Health Visiting officer</li> <li>• Training collaboration with Malaysian Society for Occupational Safety and Health on Occupational Safety and Health Awareness: The Importance of Health and Safety in Workplace</li> </ul>	Occupational Safety and Health (page 51)	 <p>SDG 8 – Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>



# ECONOMIC

## ACHIEVING STRATEGIC GROWTH

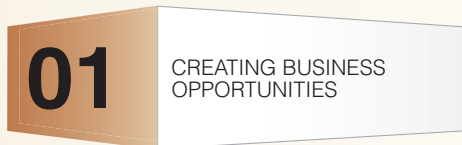
- 29** Creating Business Opportunities
- 31** Research and Development and Yield Improvement
- 33** Sustainability Certification Scheme
- 35** Traceability and Supply Chain





## ACHIEVING STRATEGIC GROWTH

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.



### HIGHLIGHTS

**%**  
of FFB purchased  
from smallholders

**10%**

**NUMBER OF VILLAGES  
THAT BENEFITTED FROM  
BOUSTEAD COMMUNITY  
ROAD MAINTENANCE  
PROGRAMME**

**>15**  
villages at Segamaha  
and Rimba Nilai  
Business Units

Value of project awarded to local  
vendors (RM)

**>100 million**  
in value of project in **2019**

Amount spent on R&D (RM)

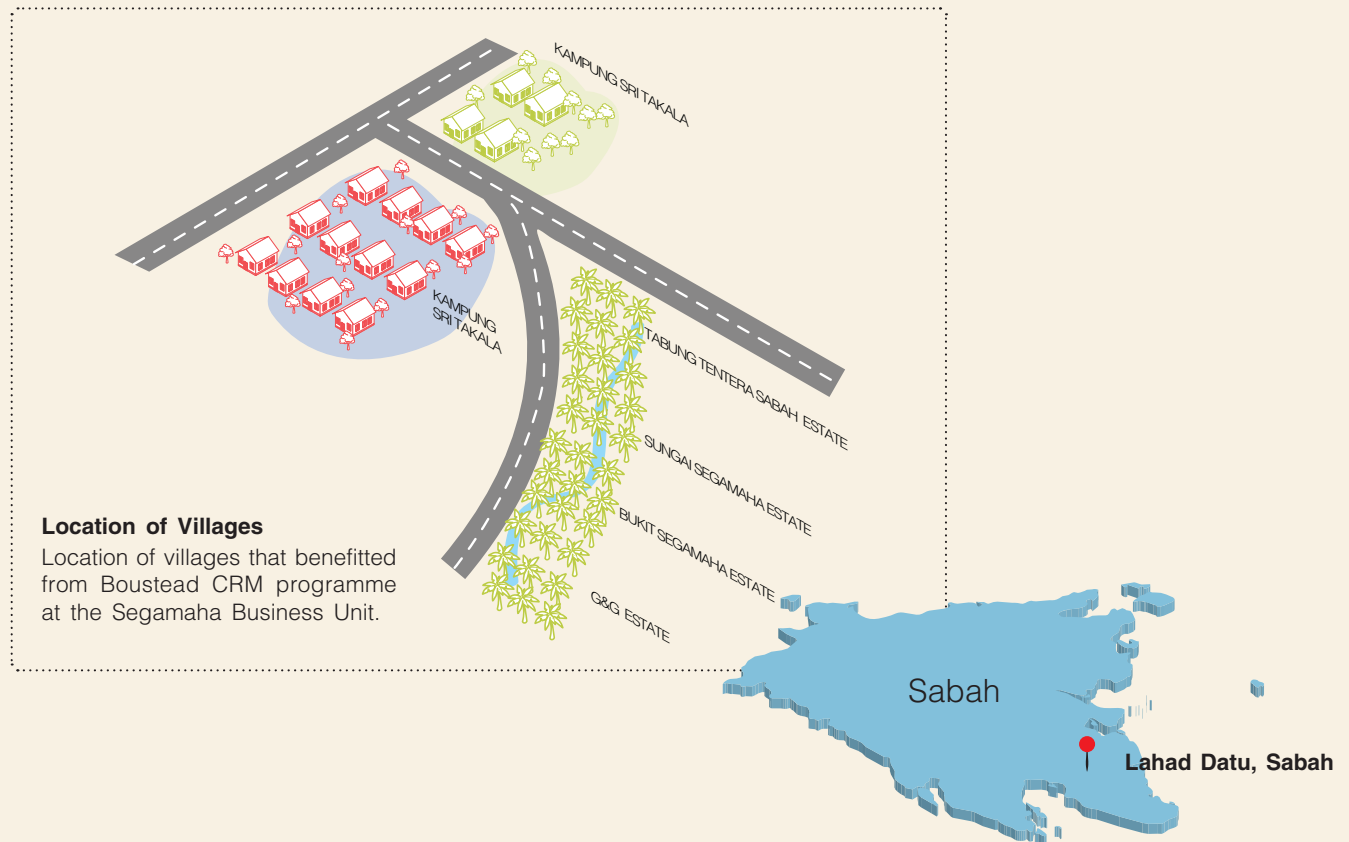
**14 million**

# 01

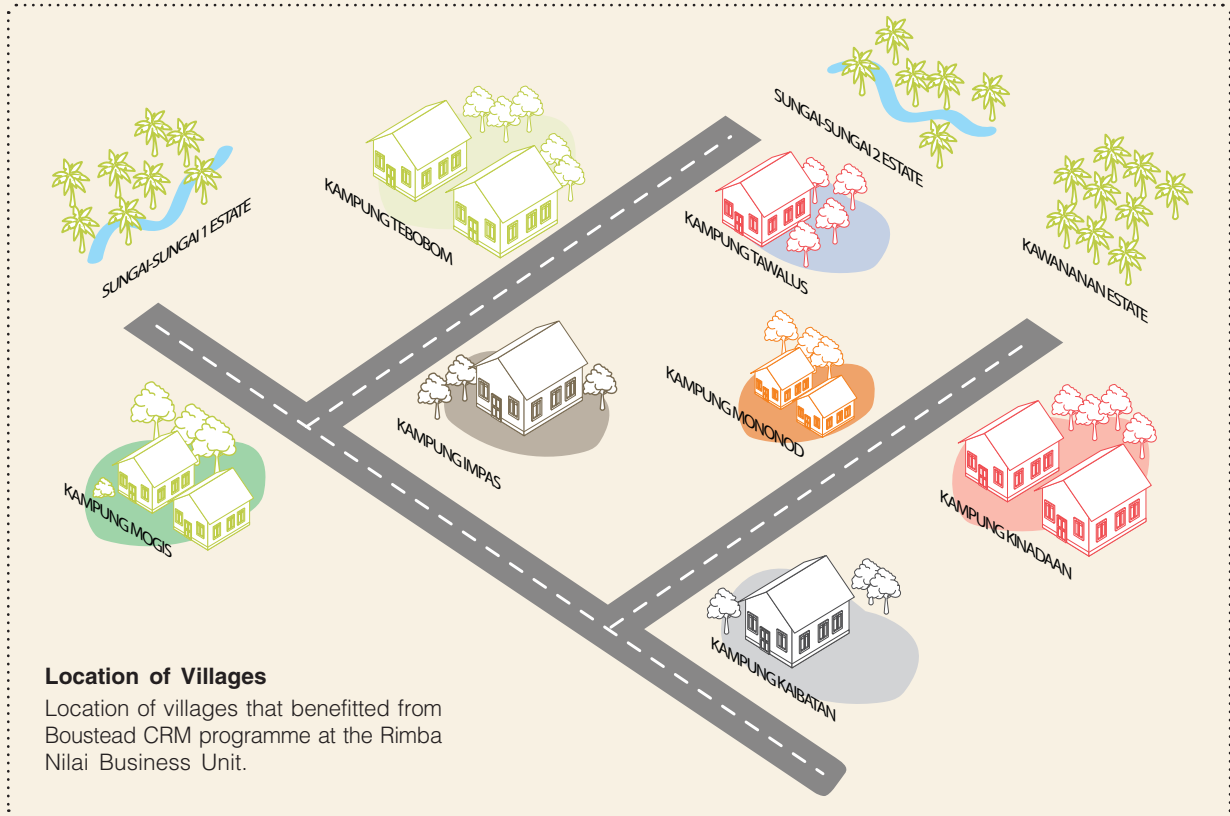
## CREATING BUSINESS OPPORTUNITIES

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 Boustead Community Road Maintenance (CRM) Programme.



## ACHIEVING STRATEGIC GROWTH





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.

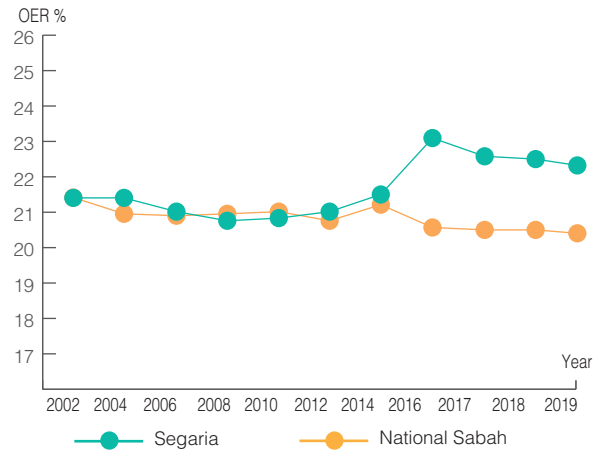
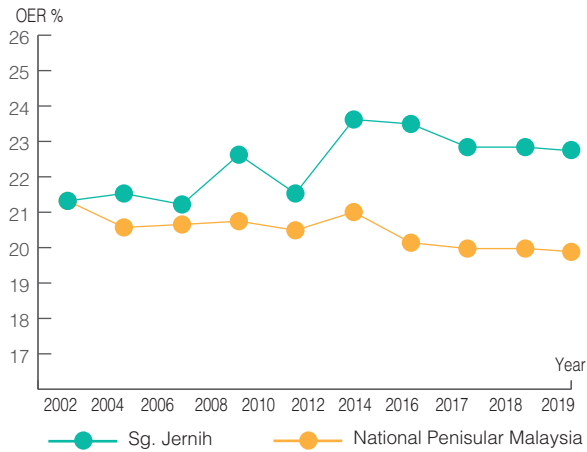
Our new variety planting material, the AA Hybrida LS which features a long stalk DxP, is projected to make harvesting easier, particularly in the use of motorised cutters. Moreover, this planting material features a better fruit set.



*AA Hybrida LS which features a long stalk DxP*

## 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.

# 03

## SUSTAINABILITY CERTIFICATION SCHEME

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

**28%**

Increase  
in CSPO  
Produced

**21%**

Increase  
in CSPK  
Produced

**30%**

Increase  
in RSPO  
Certified Area

#### TOTAL CSPO

TOTAL CSPO  
2016 42,089 MT

TOTAL CSPO  
2017 57,292 MT

TOTAL CSPO  
2018 84,420 MT

TOTAL CSPO  
2019 108,317 MT

#### TOTAL CSPK

6,623 MT TOTAL CSPK  
2016

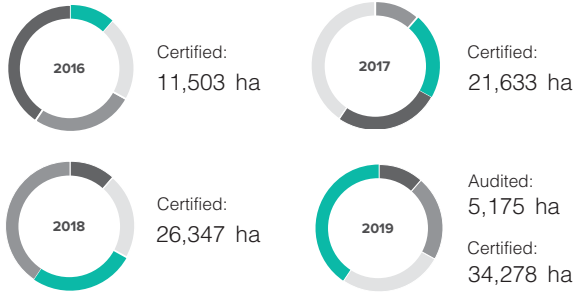
10,221 MT TOTAL CSPK  
2017

15,964 MT TOTAL CSPK  
2018

19,278 MT TOTAL CSPK  
2019

### ACHIEVING STRATEGIC GROWTH

#### RSPO AUDITED / CERTIFIED AREA



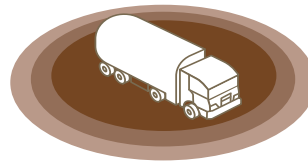
#### MSPO AUDITED / CERTIFIED UNIT

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



## 04

## TRACEABILITY AND SUPPLY CHAIN



FFB Harvesting

FFB Collection

FFB Evacuation

FFB Processing

CPO and PK

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





## SAFEGUARDING THE ENVIRONMENT

Environmental responsibility is a primary concern for the Group as we move forward to grow our business in an environmentally responsible and sustainable manner.

05

HIGH CONSERVATION  
VALUE AND  
BIODIVERSITY

06

GREENHOUSE GAS  
EMISSIONS

07

WASTE AND EFFLUENT  
MANAGEMENT

### HIGHLIGHTS

**HCV ASSESSMENTS**  
COMPLETED **100%**

**HCV AREA** **364** ha

### METHANE CAPTURED

2017

**460,952** m<sup>3</sup>

2018

**1,566,088** m<sup>3</sup>

2019

**2,111,735** m<sup>3</sup>





*HCV set-aside area at Sungai Segamaha Estate, Lahad Datu, Sabah*

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.



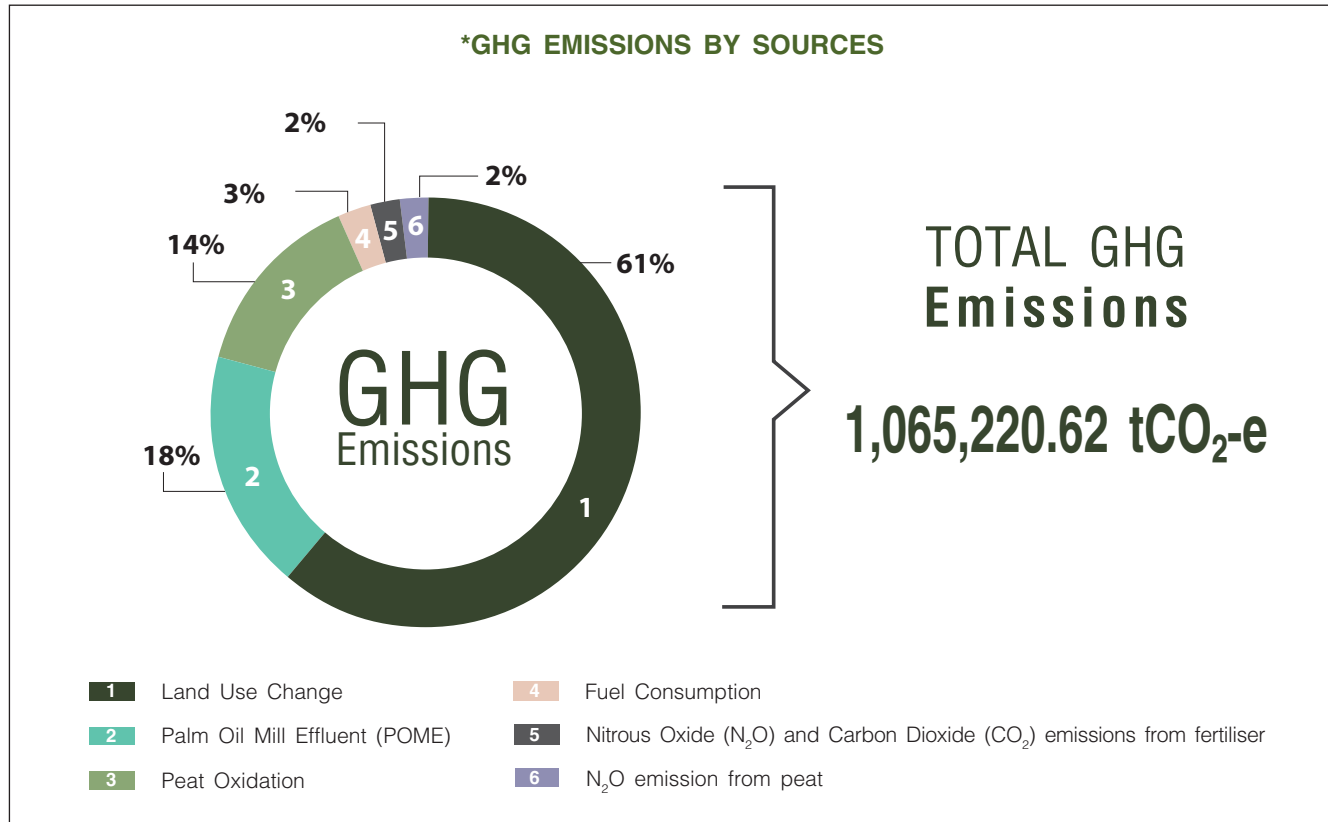
*Restoration of riparian zones*

## SAFEGUARDING THE ENVIRONMENT

06

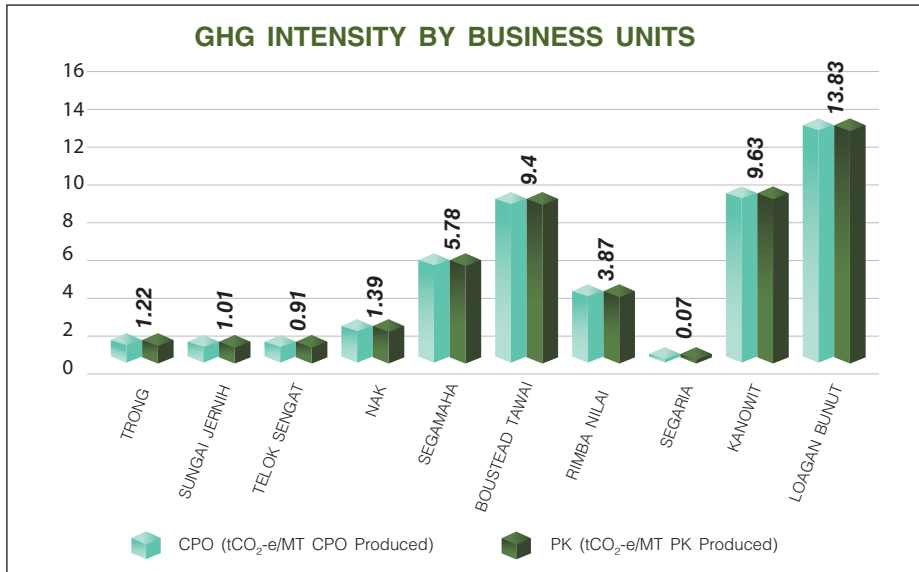
## GREENHOUSE GAS (GHG) EMISSIONS

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.



\* These calculations are part of limited assessment and are representative of the GHG emissions in our 10 mills and its owned supply bases.

At 61%, Land Conversion Change which involves the replanting activities at our oil palm estates, was the leading sources 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.







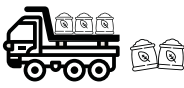
Lagoon biodigester system at our Biogas Plant, Telok Sengat Palm Oil Mill



Visit to Biogas plant for GHG emissions Baseline Study

## SAFEGUARDING THE ENVIRONMENT

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

GHG EMISSIONS SOURCES	EMISSIONS (tCO <sub>2</sub> -e)	IMPACT FROM SOURCES OF GHG EMISSIONS
Land Use Change 	648,026.70 (61%)	<ul style="list-style-type: none"> <li>• Release of stored carbon through replanting activities</li> </ul>
POME 	191,279.61 (18%)	<ul style="list-style-type: none"> <li>• Methane (CH<sub>4</sub>) release from POME</li> </ul>
Peat Oxidation 	150,471.06 (14%)	<ul style="list-style-type: none"> <li>• Carbon stored in drained peatland is lost through oxidation</li> </ul>
Fuel Consumption 	27,765.79 (3%)	<ul style="list-style-type: none"> <li>• Carbon Dioxide (CO<sub>2</sub>) emissions from the usage of tractors, lorries and other machineries in estate operations</li> </ul>
N <sub>2</sub> O and CO <sub>2</sub> emitted from fertiliser usage 	27,047.60 (2%)	<ul style="list-style-type: none"> <li>• N<sub>2</sub>O emissions from soil treated with nitrogen-based fertilisers</li> <li>• CO<sub>2</sub> emissions from the transportation of fertiliser to estates</li> </ul>

## 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.

## SAFEGUARDING THE ENVIRONMENT

### 07

## WASTE AND EFFLUENT MANAGEMENT

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.



*Stacking of fronds to conserve soil moisture*

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 Segamaha Palm Oil Mill in Sabah has been equipped with a Wet Scrubber system.

## CASE STUDY – WASTE AND EFFLUENT MANAGEMENT

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<sup>3</sup> of liquid biomass consisting of POME is transformed into 2,111,735 m<sup>3</sup> 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.



# RECYCLING WASTE AT EACH CPO PRODUCTION STAGE



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.



# SOCIAL

## EMBRACING THE DIVERSITY OF PEOPLE

- 51 Occupational Safety and Health
- 54 Workforce Management





## 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.

08

OCCUPATIONAL SAFETY  
AND HEALTH

09

WORKFORCE  
MANAGEMENT

### HIGHLIGHTS

TOTAL  
NUMBER OF  
EMPLOYEES

6,924 (72%)

9,555



2,631 (28%)



### PROMOTIONS

1 person

(HEADQUARTER)

6 persons

(ESTATES AND MILLS)



### UPGRADING

68 persons

(ESTATES AND MILLS)

## INDICATORS

Total Number of Lost Days

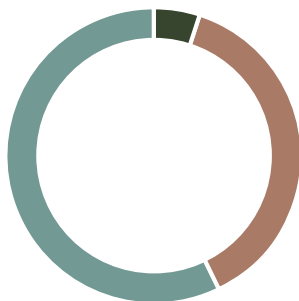
**1,013 days**

Fatality Rate

**0%**

Loss Time Injury  
Frequency Rate

**10.69**



Major / Serious	5%
Minor	23.55%
First Aid	57%
Fatality	0%
Dangerous Occurrence	0%

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



*OSH Awareness programme collaboration with Malaysian Society for OSH conducted at Sungai Jernih Business Unit, Pahang*



*Fire and rescue training organised by Bomba, Pahang*

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).

#### ZERO INCIDENTS OF FATALITIES



2017



2018



2019

## EMBRACING THE DIVERSITY OF PEOPLE

# 09

## WORKFORCE MANAGEMENT

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.



*Various staff training conducted as part of learning and development*



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.



Women workforce at our plantation

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.

#### CASE STUDY – WORKFORCE MANAGEMENT

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.

conditions. Additionally, the Group ensures that mosquito fogging takes place periodically in order to prevent the outbreak of dengue.

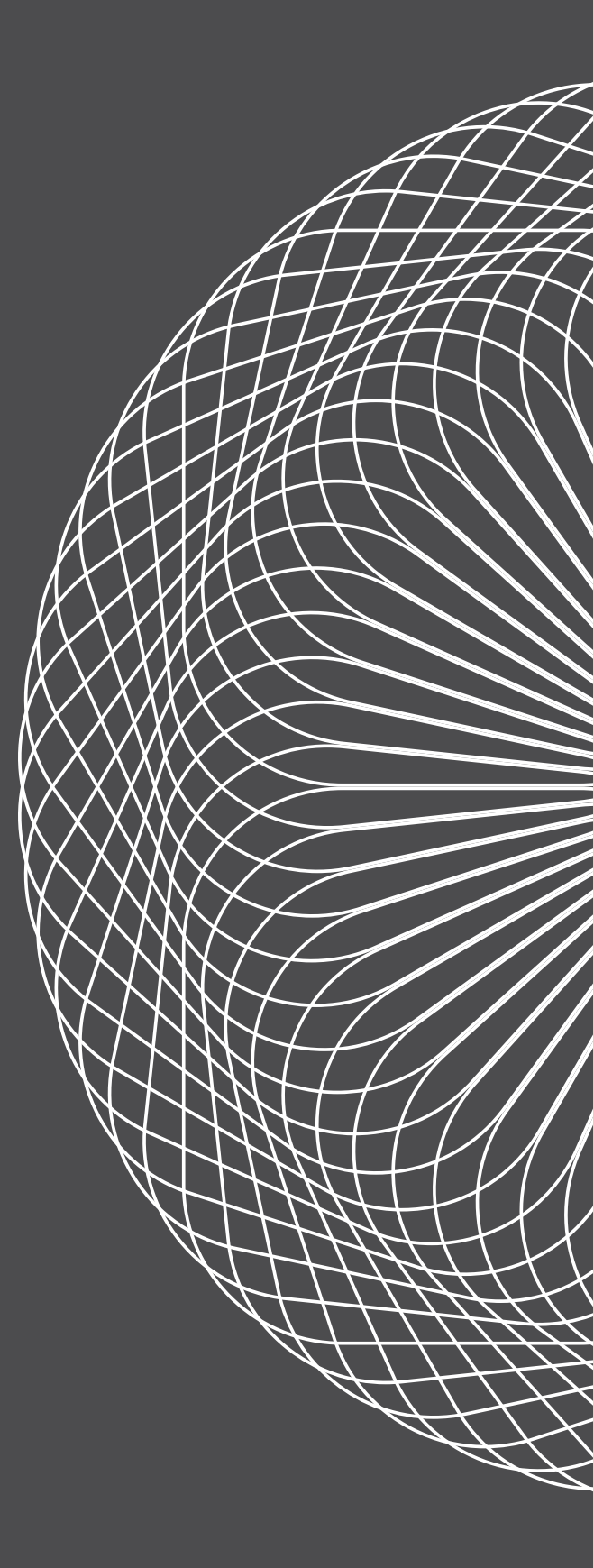
To this end, we have adapted the Worker's Minimum Standards of Housing and Amenities (Amendment) Act 2019 which specifies that all estate workers, irrespective of their employment position are eligible for housing, known as Ordinary Workers Accommodation (OWA).

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.

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





# **SOCIAL**

## CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY OUTREACH

**58** Education

**60** Health

**61** Welfare





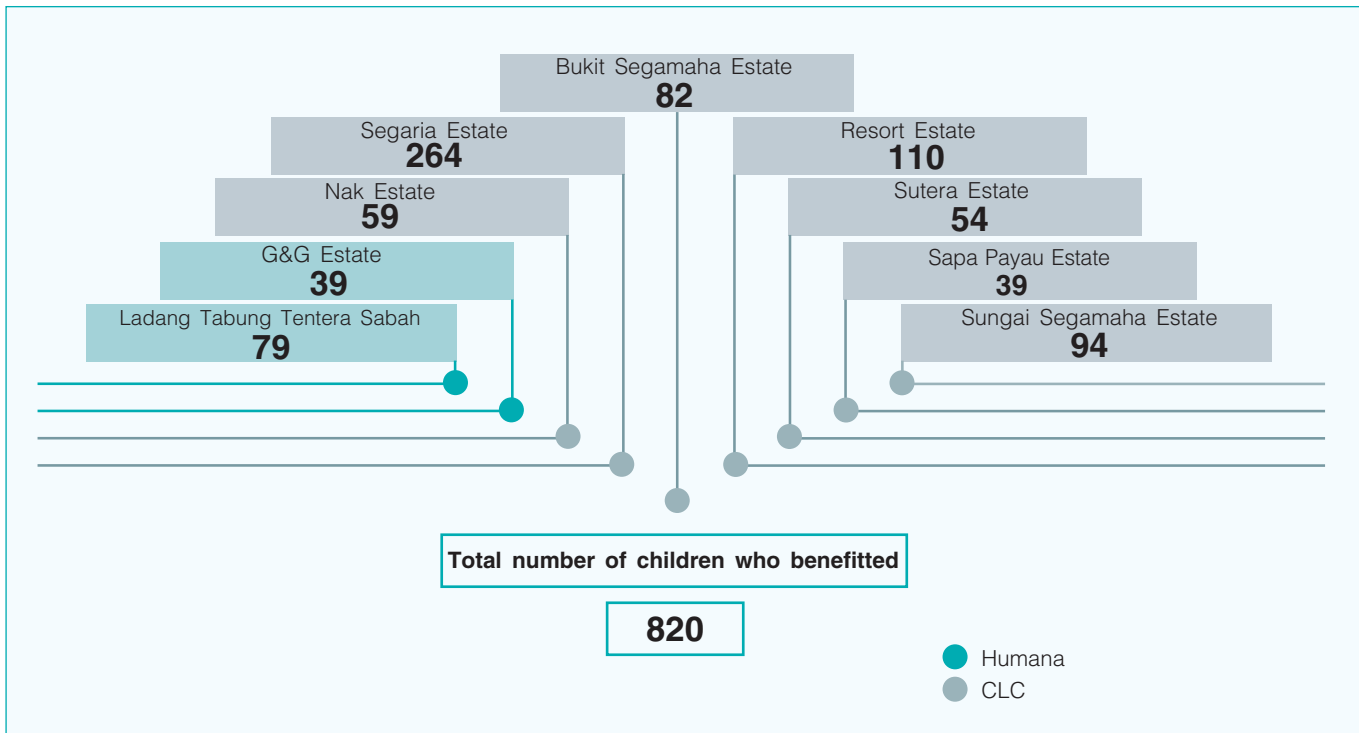
# CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY OUTREACH

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.



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*

## WELFARE

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.



*Contribution of love to the underprivileged at LTT – Terengganu Estate, Kemaman, Terengganu*

*Fun day with the community at Segaria Business Unit, Semporna, Sabah*





# GOING FORWARD

64 Going Forward







# GOING FORWARD

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.

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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.

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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.

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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.

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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.

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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.

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For More Info

## Please Contact

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### WHISTLEBLOWING

Our whistleblowing channels are as below:

1-800-800-2040

[alert@boustead.com.my](mailto:alert@boustead.com.my)

[www.bousteadplantations.com.my](http://www.bousteadplantations.com.my)

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