



# 50<sup>th</sup> ANNIVERSARY

**Honouring the Past,  
Positioning for the Future**



## Our Approach to Sustainability

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

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

KFima's prioritised material matters are shown on page 49 and discussed throughout this Annual Report and in the Sustainability sections.

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

### Stakeholder Engagement

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

Each stakeholder group is important to us and to that end, we have come up with responses to meet the needs of each group individually. Maintaining an open dialogue helps us define and develop strategies aimed at mitigating risks and identifying opportunities along the Group's value chain. A list of the key stakeholders that have a stake in our business and our responses to their key concerns is provided on page 47.

The stakeholders include:

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

Stakeholder	Engagement Platform	Frequency	Key concerns	Our Response
<b>Customers (Cont'd)</b> 	Training & support	Whenever necessary		<ul style="list-style-type: none"> <li>Making sure that the goods and services that are provided are fit-for-purpose and meet the required safety and quality standards.</li> <li>Aiming to meet or exceed industry and international standards certifications to gain trust and an improved market share.</li> <li>Constantly evaluating consumer feedback, audit reports and satisfaction surveys to identify key areas for improvement and further development. This also ensures that current standards are met and we do not get complacent.</li> </ul>
<b>Communities</b> 	Town hall with local residents Philanthropic activities Community volunteering	Once a year Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Economic empowerment/livelihood</li> <li>Community safety and health</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the local communities by offering them employment, and providing business opportunities to local suppliers.</li> <li>Improving the lives and livelihoods of the local communities by building, maintaining and upgrading infrastructure and through welfare contributions, which include financial assistance in times of difficulty or disaster.</li> <li>Financial assistance for schoolgoing children.</li> </ul>
<b>Memberships and associations</b> 	Virtual meetings Association meetings/dialogues	Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Advancing industry-specific matters with policymakers and other key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Actively engaging with members of various associations, professional and otherwise, to maintain and contribute to industry aims, goals and standards by keeping other association members informed and up-to-date on the current advances in the sector.</li> </ul>
<b>Suppliers</b> 	Virtual meetings/emails Audits Training & support	Whenever necessary Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Quality control</li> <li>Business ethics</li> <li>Supply chain transparency</li> <li>Sustainability requirements</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that ethics and integrity policies are followed to ensure procurement practices are fair and without favour to establish and maintain a harmonious long-term relationship with suppliers.</li> <li>Informing suppliers in a timely manner of updates on regulatory requirements, which ensures efficient business operations without disruptions.</li> <li>Collaborating with suppliers to secure sources of materials, which guarantees the long-term availability of the materials and the opportunity to pursue other ventures in the future.</li> </ul>

Stakeholder	Engagement Platform	Frequency	Key concerns	Our Response
<b>Suppliers (Cont'd)</b> 				<ul style="list-style-type: none"> <li>Finding areas for development based on auditors' reports and in-house or other assessments.</li> </ul>
<b>National and local government</b> 	Virtual meetings Dialogues/consultations	Whenever necessary Whenever necessary	<ul style="list-style-type: none"> <li>Licence to operate</li> <li>Compliance &amp; regulations</li> <li>Land issues</li> <li>Level 'playing fields' for all sectors</li> <li>Local economic development programmes</li> <li>Corporate responsibility initiatives</li> <li>Industry-specific matters</li> </ul>	<ul style="list-style-type: none"> <li>Connecting with federal and local governments and regulatory bodies in a proactive manner with regards to policy matters to further industry-specific matters with legislators.</li> <li>Supporting national agendas and contributing actively to the economic and social progress and continued growth of the countries in which the Group has a presence.</li> </ul>

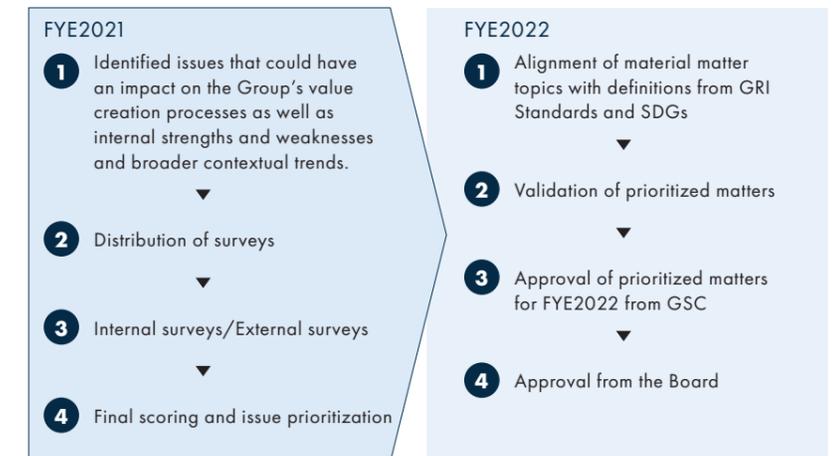
**Materiality Assessment**

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

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

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

Note: The aligned SDGs are based on KFima's prioritised SDGs. For more information on the prioritised SDGs, please refer to pages 50 to 51.



## Contributing To The United Nations Sustainable Development Goals

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

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

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

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

### Prioritised SDGs

The Group has considered all the 17 SDGs and chosen eight of them to concentrate on, as they are the most applicable to the Group's present business model and are most in line with our corporate vision and future plans. This year, we included SDG 6 as our 9th prioritised global goal to expand our contributions to the SDGs. Although only nine SDGs are prioritised, most of our goals and values are aligned with the global goals.



SDG	Material Matter	Key Risk	Our Contribution	
	<b>No Poverty</b> End poverty in all its forms everywhere	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Economic empowerment and the creation of business opportunities and other means of gainful employment for members of the local community to earn a livelihood.</li> <li>Having human resources policies on minimum wage and fair pay for work done in place.</li> </ul>
	<b>Zero Hunger</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"> <li>Community Investment</li> <li>Human Rights</li> <li>Product Quality and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Regulatory</li> <li>Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>Acting in response to the greater demand for affordable protein.</li> <li>Ensuring greater yields and higher rates of extraction through the adoption of agricultural best practices.</li> <li>Making welfare contributions and providing assistance, financial or otherwise, in times of adversity or in the wake of natural disasters.</li> </ul>
	<b>Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>Human Rights</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Humanitarian initiatives, especially in the areas of education and youth development.</li> <li>Looking after the health and well-being of local communities.</li> <li>Ensuring that employees' personal and professional development needs are met through investments of time, money and other resources in training programmes.</li> <li>Education financial assistance.</li> </ul>
	<b>Clean Water and Sanitation</b> Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> <li>Water Impact and Waste Management</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Putting in place sustainable agricultural practices and best management practices across our estates.</li> <li>Ensuring the quality of wastewater discharge meets regulatory compliance to mitigate water pollution.</li> <li>Optimising water sources by recycling water and sharing water sources with the local community.</li> </ul>
	<b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Occupational Safety, Health and Well-being</li> <li>Innovation &amp; Technology Excellence</li> <li>Code of Ethics &amp; Governance</li> </ul>	<ul style="list-style-type: none"> <li>Investment: Acquisitions, Divestment, Joint Ventures and Projects</li> <li>Geopolitical Risk</li> <li>Health &amp; Safety</li> <li>Regulatory</li> <li>Integrity</li> </ul>	<ul style="list-style-type: none"> <li>Making a positive impact on the growth of businesses in the countries in which we operate via taxes, job creation and other fiscal and monetary contributions.</li> <li>Maintaining a strong stance against modern slavery, forced or compulsory labour and unfair work contracts or conditions and a clear and unambiguous zero-tolerance policy against child labour.</li> </ul>
	<b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Sustainable and Traceable Supply Chains</li> <li>GHG Emissions</li> <li>Water Impact and Waste Management</li> <li>Biodiversity &amp; Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Natural Environment</li> <li>Investment: Acquisitions, Divestment, Joint Ventures, and Projects</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Implementing and maintaining transparency in the supply chain and steadfast adherence to international standards (MSPO, ISO, BSCI).</li> <li>Having water and waste management policies and procedures in place and ensuring that they are adhered to.</li> <li>Ensuring that Occupational Health and Safety standards are met and adhered to so that the workplace remains in good condition, the workforce remains healthy and the work environment is safe.</li> <li>Using renewable energy and energy-efficient tools and devices. Balancing the energy mix to ensure productivity while reducing the carbon footprint.</li> <li>Adopting agricultural best practices as per industry and international standards.</li> <li>Conserving marine life and resources by ensuring that procurement is from responsible and reputable vendors with proper sustainable infrastructure and practices.</li> </ul>
	<b>Climate Action</b> Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>Climate Risk</li> <li>Water Impact and Waste Management</li> <li>Biodiversity and Deforestation</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> </ul>	<ul style="list-style-type: none"> <li>Using renewable energy sources where possible.</li> <li>Having efficient water and waste management systems capable of tackling water scarcity through wastewater efficiency and treatment programmes.</li> <li>Implementing agricultural best practices.</li> <li>Making use of energy and other natural resources in the most efficient manner, with as little loss or waste as possible.</li> </ul>
	<b>Life below Water</b> Conserve and sustainably use the oceans, seas, and marine resources for sustainable development	<ul style="list-style-type: none"> <li>Climate Risk</li> <li>Water Impact and Waste Management</li> <li>Biodiversity and Deforestation</li> <li>Code of Ethics and Governance</li> <li>Sustainable and Traceable Supply Chains</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> <li>Regulatory</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Implementing and maintaining supply chain transparency and adherence to international standards ("NFA", "MSC", Dolphin-Safe, etc.).</li> <li>Adopting a zero-tolerance policy against illegal, unreported and unregulated practices.</li> </ul>
	<b>Life on Land</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> <li>Biodiversity and Deforestation</li> <li>GHG Emissions</li> <li>Water Impact and Waste Management</li> <li>Code of Ethics and Governance</li> <li>Sustainable and Traceable Supply Chains</li> </ul>	<ul style="list-style-type: none"> <li>Natural Environment</li> <li>Regulatory</li> </ul>	<ul style="list-style-type: none"> <li>Using renewable energy sources where possible to reduce the Group's carbon footprint.</li> <li>Making efficient use of energy and other natural resources with as little loss or waste as possible.</li> <li>Having a water and waste management plan in place that meets industry and international standards.</li> <li>Adopting good agricultural procedures.</li> </ul>

## Task Force on Climate-Related Financial Disclosures

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

### Governance

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

The allocation of responsibilities is summarised below:

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

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

### Risk Management

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

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

### Strategy

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

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

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

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

### Metrics and Targets

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

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

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

## Progress made in FYE2022

### Governance

Integrated sustainability targets (including climate-related targets) into the Group MD’s KPIs which is then cascaded down to divisional management.

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

### Risk Management

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

### Strategy

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

Expanded the use of solar energy across the Group, thereby increasing our total solar power capacity by 135kWp. Setting y-o-y targets for business units to reduced their energy, water usage and/or GHG emissions.

*kWp refers to kilowatt-peak*

### Metrics and Targets

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

Area	GHG Emissions Intensity (tCO <sub>2</sub> eq/RM million revenue)	
	FYE2021	FYE2022
Plantation	7.78	<b>4.68</b>
Manufacturing	16.84	<b>16.54</b>
Food	9.92	<b>9.46</b>
Bulking	21.89	<b>16.22</b>

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

The use of renewable energy enabled us to avoid 265 tCO<sub>2</sub>eq in FYE2022, equivalent to 32 homes electricity use for one year.

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

 For more information on the Group’s GHG emissions and environmental performance, please refer to the Environmental section under the Sustainability Report from pages 54 to 66 and Performance Data from pages 250 to 255.

## Main Risks and Opportunities

### Transition Risks

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

### Physical Risks

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

### Potential impacts

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

Disruptions to business operations, risk to workforce due to illness/ injury, damage to physical assets and infrastructure

### Opportunities

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



### Next Steps

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



 ENVIRONMENTAL

**ENVIRONMENTAL POLICY**

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

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

 For detailed information on our Environmental Policy, please visit our corporate website at <https://www.fima.com.my/corporate-governance.html>

Environmental sustainability is a critical part of KFima’s business strategy, requiring a careful balance to be struck between our growth aspirations and our sustainability obligations. We are driving concerted efforts to integrate sustainable practices into our business operations, improve our carbon footprint and lower emissions across our value chains. Our environmental management approach is aligned with the Group’s Environmental Policy and we have in place robust mechanisms to measure our environmental impacts such as energy consumption and energy and water intensity, as well as quantity of effluents and waste.

**Biodiversity and Deforestation**

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

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

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

**Sustainable Agricultural Practices**

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

**Conservation Areas**

In our Plantation division, we conserve biodiversity by establishing protected buffer zones along riverbanks to serve as wildlife passageways throughout our oil palm estates. These buffer zones also serve as a sanctuary and natural habitat for many migratory birds, elephants and other animals.

**Our protected areas Group-wide total 779 hectares in aggregate.**

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

Before commencing any new plantation development activities, environmental impact assessments (“EIA”) are performed. The last EIA was in FYE2020 for our greenfield development, Ladang Sg. Siput Estate in Perak, whose approval

condition required the adoption of good practices and guidelines with regards to riparian buffer zones, air quality, water management and forest conservation areas. This estate has often been referred to by the Department of Environment (“DOE”) of the Perak state government as a model estate due to its comprehensive adoption of good environmental practices.

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



**Soil Management**

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

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

**Biological Pest Control**

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



**Human-Elephant Conflict Management**

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

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

Overall, our efforts to better control and manage the intrusion of elephants into our estates have led to a significant reduction in damaged palms in Ladang Aring, which recorded 1,760 damaged palms compared to 7,095 palms in the previous financial year. The number of damaged palms in Ladang Cendana also reduced significantly, from 1,205 palms to 707 palms. However, Ladang Kota Tinggi in Johor experienced a higher number of intrusion incidences in the first 3 quarters of FYE2022, resulting in an increase in the number of palms damaged, from 745 palms in FYE2021 to 1,323 palms. Going forward, we will continue to look for ways to mitigate recurrences of elephant intrusions without disrupting their natural habitat.

**Mechanisation**

In FYE2022, the Group ramped up its initiatives to increase the level of mechanisation within our plantation operations, particularly for in-field collection and application of fertiliser, to overcome the acute labour shortage. These initiatives have yielded positive results, as FFB are being evacuated more efficiently in bigger volumes and with less damage to the fruits through the utilisation of Land Surf, a form of motorised wheelbarrow and Badang, a mechanical buffalo. This, in turn, increases the productivity levels of workers as well as their earnings potential. In the current financial year, another machine, known as 'Big Bull', will be deployed in Ladang Amgreen, Sarawak. The Big Bull can operate in all weather conditions and access flood-prone areas where the soil is soggy and the water table is high. The long-term goal is to expand the use of these machines to all our estates where feasible.



**Spotlight Story**

**Land Surf and Badang**

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



**Land Surf**

- Higher land to labour ratio (**26:1**)
- Has a load capacity of **300kg** (compared to wheelbarrow's 80kg).
- Improved productivity by **30.0%**.
- Increase harvesters' earnings.
- Improve harvesting area coverage from **1-1.5hectares/man-day** to **2.5-3hectares/man-day**.

**Badang**

- Has a load capacity of up to **500kg**.
- Can be utilised at flat and undulating areas of land.
- Covers more areas of harvesting terrain compared to other conventional methods.

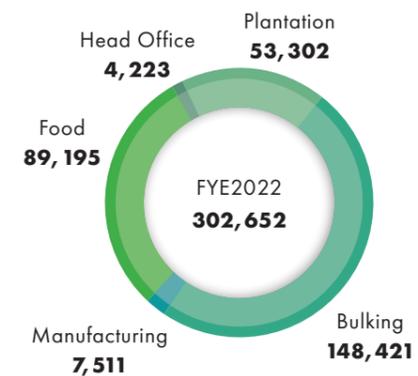
**Energy Management**

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

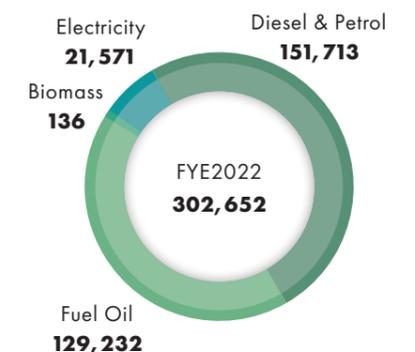
Efficient management of energy will reduce the usage of natural resources, carbon emissions and effectively lower operational costs. We strive to efficiently manage our energy consumption across all our operations, where each division has its own energy consumption and intensity targets.

In FYE2022, our energy consumption increased by 29.4% due largely to the increase in fuel oil and diesel consumption by Bulking and Food divisions on the back of higher levels of economic activities.

**Total Energy Consumption - Gigajoules [GJ]**



**Types of Energy (GJ)**



**Energy Management Initiatives**  
**What We Have Done**

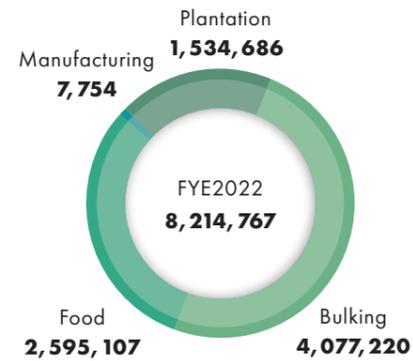
- 1** **Expanded** the rollout of solar PV installation across the Group's operations, generating 1,029% of renewable energy since FYE2019.
- 2** **Installed** energy-efficient light bulbs with 5-star energy ratings.
- 3** **Installed** skylight roofing at International Food Corporation Limited's ("IFC") warehouse to provide natural light.
- 4** **Installed** variable speed drive at depericarper fan, winnower fan and FFB conveyor at PTNJL's palm oil mill.
- 5** **Maintained** heating, ventilation and air conditioning ("HVAC") to ensure that the rated capacity of the equipment was maintained.
- 6** **Utilised** mesocarp fibre, palm shells and shredded EFB as feedstock for steam boilers at PTNJL's palm oil mill. Excess energy was used to power workers' quarters, government facilities, schools and mosques.
- 7** **Reduced** utilisation of genset diesel consumption during non-productive periods at PTNJL's palm oil mill and IFC's production facility.
- 8** **Purchased** 10-tonne boiler with an economiser and 7-tonne energy-efficient boiler for the Food and Bulking divisions.

**Fuel Consumption**

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

In FYE2022, our total fuel consumption from non-renewable sources increased by 31.0%, from 6,270,245 litres in FYE2021 to 8,214,767 litres, due to increased levels of activities. In particular, the Bulking division consumed higher amounts of fuel as it handled more products that required heating.

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



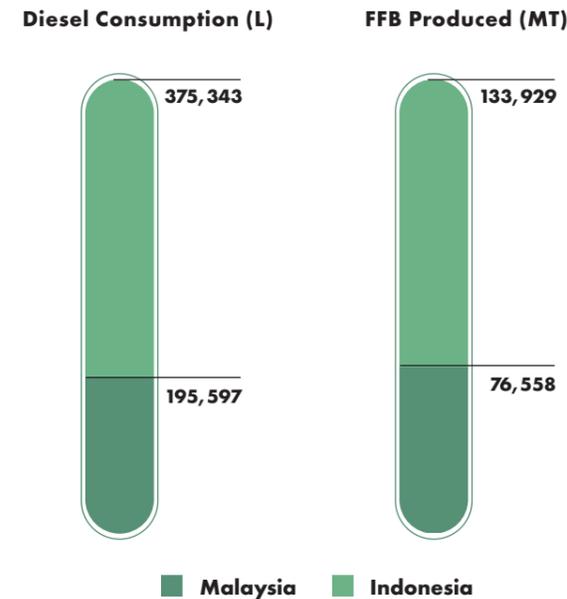
Note: Non-Renewable Sources consist of petrol, diesel and fuel oil

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

Our estates in Malaysia that engage external transporters recorded a 16.7% y-o-y reduction in diesel consumption per tonne of FFB. This was attributable to some estates rearranging their harvesting blocks while some experienced longer harvesting intervals due to the emergency movement control order (EMCO) and floods during the year under review.

In addition, through simple yet innovative modifications, Ladang Amgreen had, by increasing the height of its land craft tanker's ("LCT") steel compartments, expanded the LCT's carrying capacity from 140 MT to 180 MT per trip. This translated to a significant reduction in fuel consumption and annual savings of RM452,000.

**Malaysian and Indonesian Plantations' Transportation Diesel Intensity per Tonne FFB Produced in FYE2022**



**Diesel Intensity Per Tonne FFB Produced (L/MT)**



In the Bulking division, stored products such as palm oil, speciality fats, technical fats and oleochemicals must be above a certain temperature to remain in a liquid state so that they can be handled properly. In this regard, thermal boilers are used to generate heat. Boiler fuel intensity decreased by 1.3% despite the increase in the volumes of heated products compared to FYE2021. The Bulking division has also installed a new boiler in its effort to conserve fuel oil consumption.

Over the years, the Bulking division has made encouraging progress in its route reduction for its freight forwarding and haulage fleet through route optimisation initiatives. Furthermore, the use of a fleet management system has contributed to a reduction of 0.9% in diesel consumed and has improved driving standards.

**Bulking Boiler Fuel Oil Intensity per Tonne Heated Product in FYE2022**

Fuel Oil Consumption (L)	Heated Product (MT)	Diesel Intensity per Tonne Heated Product (L/MT)
2,813,594	605,397	4.65

**Bulking Transportation Diesel Intensity per Tonne per Kilometre in FYE2022**

Diesel Consumption (L)	Kilometre (KM)	Diesel Intensity per Tonne per Kilometre (L/KM)
285,078	605,437	0.47

In the Food division, total diesel consumption increased by 20.4% due to higher volumes of total fish processed compared to the previous year. IFC uses three generator sets to provide electricity to specific areas of their operations to enhance energy efficiency within the division. Their latest initiative to conserve energy was maintaining the scheduling of a single generator set on weekends to support the cooling system and wastewater treatment. In addition, when there is no production of either mackerel or tuna, only the lower capacity generator set will be used.

**Food Generator Set Diesel Intensity per Tonne Fish Processed in FYE2022**

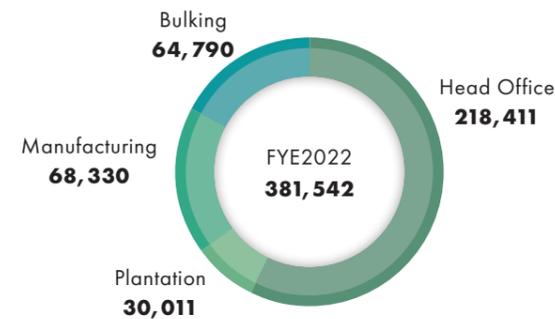
Diesel Consumption (L)	Fish Processed (MT)	Diesel Intensity per Tonne Fish Processed (L/MT)
807,413	12,008	67.24

**Food Boiler Diesel Intensity per Tonne Fish Processed in FYE2022**

Diesel Consumption (L)	Fish Processed (MT)	Diesel Intensity per Tonne Fish Processed (L/MT)
1,467,519	12,008	122.21

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

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



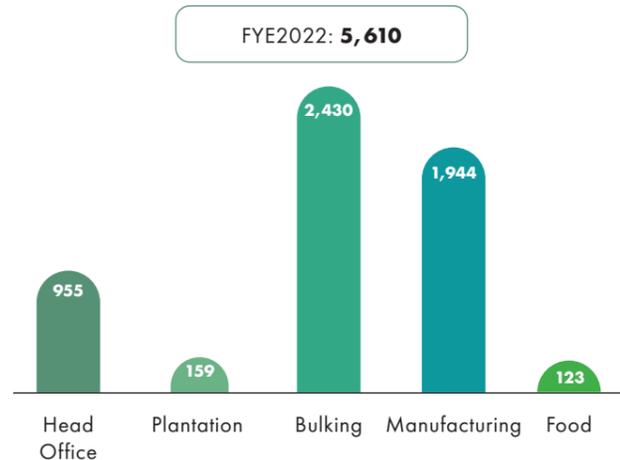
**Total Consumption from Renewable Sources (Biomass - MT)**



**Electricity Consumption**

Our consumption of electricity has been gradually reduced over the years due to effective utilisation of solar-generated electricity and other factors related to the nature of our business operations. In FYE2022, our electricity consumption increased by 9.7%, from 5,113 MWh in the previous year to 5,610 MWh, due to more business activities being carried out following the relaxation of movement restrictions.

**Group Electricity Consumption (MWh)**



The Food division continued to see a reduction in electricity usage and fuel consumption since it now fully depends on generator sets for electricity, which has increased its fuel consumption. IFC has ceased its usage of electricity from the national grid due to the frequent disruptions stemming from interruptions/unavailability of power supply. In FYE2022, the Bulking division consumed the most electricity and had recorded an increase of 30.7% in its electricity usage due to increased product handling, which required the usage of pumps with longer running hours to handle the higher throughput.

**Solar Power**

We continue to make improvements in our ongoing initiatives to reduce our GHG emissions, including the expansion of solar photovoltaic ("PV") systems installed across the Group's operations. We have invested approximately RM1.41 million since 2019 in solar PV systems to enhance our energy efficiency and reduce operational costs. In FYE2022, we invested an additional RM0.42 million to install a total of 135 kWp rated capacity in two locations – Fima Biodiesel and Ladang Cendana.

We currently have Solar PV systems at:

Ladang Ayer Balo, Johor

PKN's warehouse, Bangi

Head Office building, Kuala Lumpur

Ladang Cendana in Kemaman, Terengganu

Fima Biodiesel, North Port, Port Klang

**Spotlight Story**

**Cost Saving of Solar PV**

KFima operates predominantly in locations where there is a good amount of sunlight, and as such, the installation of solar photovoltaic ("PV") technology has proven to be cost-effective. As of March 2022, we saved over RM420,000 in electricity usage and generated 844,504 kWp of power. Besides enabling us to significantly reduce electricity costs, the use of solar PV supports our green initiatives and efforts towards sustainability. In the long-run, the utilisation of solar PV will be beneficial, reliable and long-lasting, ensuring that we have a constant supply of clean and renewable energy while reducing our carbon footprint across our operations.

**Total Solar power investment**

Area	kWp	Commencement Date	Investment (RM)	Total Energy Generated (kWp) as at 31 March 2022	Total Savings (RM) as at 31 March 2022
Fima Head Office (Phase 1)	25	April 2018	140,000	617,973	314,548
Fima Head Office (Phase 2)	150	March 2019	551,650		
Ladang Ayer Balo	10	June 2020	50,000	21,169	10,775
Ladang Cendana (Phase 1)	10	June 2019	45,000	30,935	15,746
Ladang Cendana (Phase 2)	15	Feb 2021	65,000	8,222	4,185
PKN warehouse Bangi	50	Oct 2020	205,000	101,416	51,621
Fima Biodiesel	120	Sep 2021	350,500	64,790	32,978
<b>Total</b>	<b>380</b>		<b>1,407,180</b>	<b>844,504</b>	<b>429,853</b>

Climate Risk

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

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

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

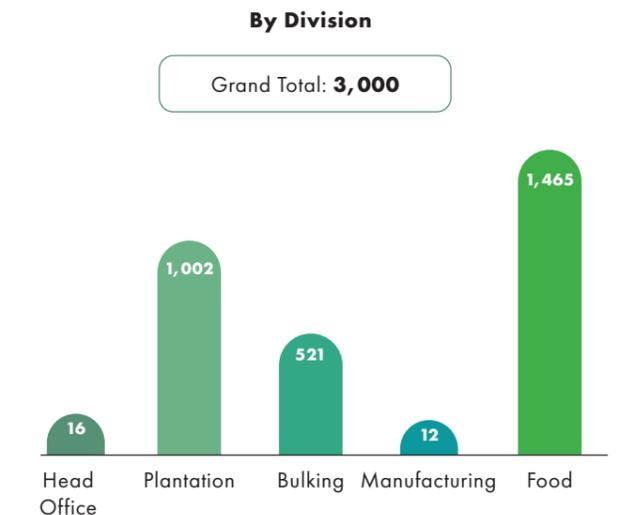
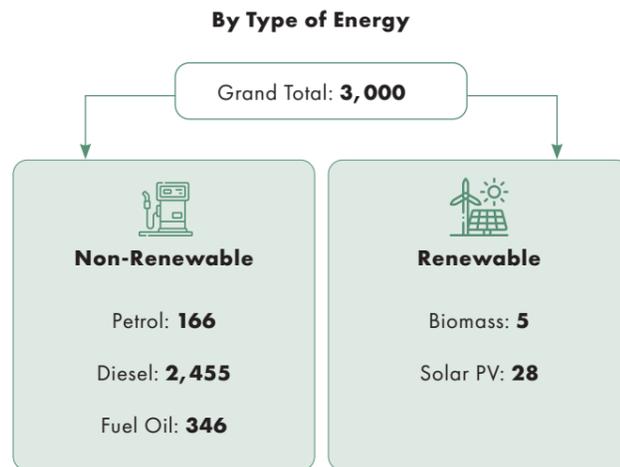
**SCOPE 1:**  
Direct emissions from non-renewable fuel consumption such as diesel and gas from sources owned by our business operations, e.g transportation, heat & power generated and equipment.

**SCOPE 2:**  
Indirect emissions, e.g purchased electricity.

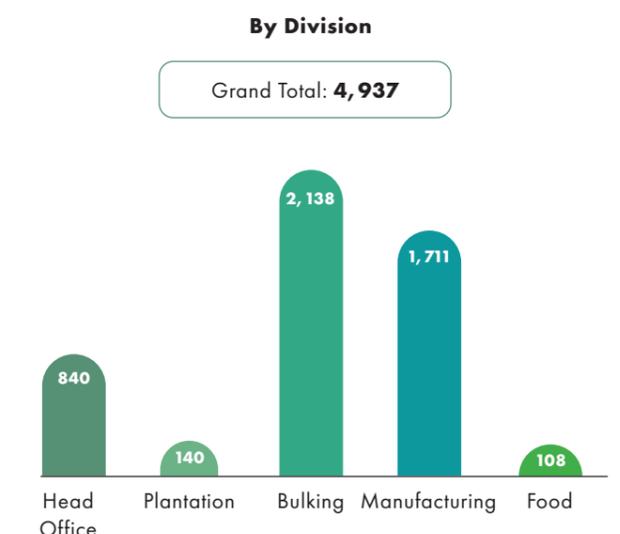
**SCOPE 3:**  
Plantation activities that generate waste such as Palm Oil Mill Effluent ("POME").

**“ We included Scope 3 emissions from our plantation activities for the first time as part of our effort to improve our environmental disclosures ”**

Direct (Scope 1) GHG Emissions (tCO<sub>2</sub>eq) in FYE2022



Energy Indirect (Scope 2) GHG Emissions (tCO<sub>2</sub>eq) in FYE2022



Other Indirect (Scope 3) GHG Emissions (tCO<sub>2</sub>eq) in FYE2022

**Plantation (POME)**  
**611**

GHG Emissions Intensity (tCO<sub>2</sub>eq/RM million revenue) in FYE2022

**Plantation**

Total Emission	Revenue RM million	GHG Emission Intensity per Revenue
<b>1,150</b>	<b>245.50</b>	<b>4.68</b>

**Bulking**

Total Emission	Revenue RM million	GHG Emission Intensity per Revenue
<b>2,659</b>	<b>163.90</b>	<b>16.22</b>

**Manufacturing**

Total Emission	Revenue RM million	GHG Emission Intensity per Revenue
<b>1,723</b>	<b>104.13</b>	<b>16.54</b>

**Food**

Total Emission	Revenue RM million	GHG Emission Intensity per Revenue
<b>1,568</b>	<b>165.72</b>	<b>9.46</b>

Water Impact

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

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

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

Water Consumption

Our primary water use in our Bulking, Food and Plantation divisions is in utility systems, i.e. steam generation and cooling processes. Water is also used by the Food division as a process medium and cleaning agent to meet the desired product hygiene and quality standards.

**Spotlight Story**

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

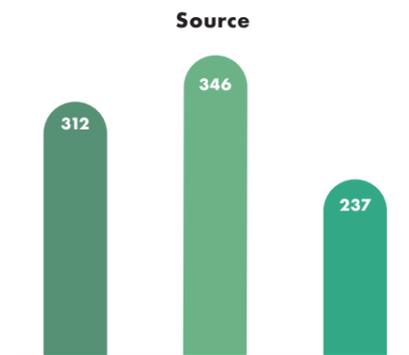
	FYE2022 Water Consumption (m <sup>3</sup> )	Daily Average Consumption (m <sup>3</sup> )
Operational Activities	220,694	613.04
Domestic Usage (PTNJL & Local Communities)	67,124	186.45



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

For example, the use of reverse osmosis ("RO") water in IFC's water boilers has helped to significantly reduce the level of total dissolved solids ("TDS") and water hardness, thereby improving conductivity of the boilers. As at 31 March 2022, we have 114 rainwater harvesting tanks, with a capacity of 187,500 litres, installed in our workers' quarters across our plantation operations. In FYE2022, we installed 11 new rainwater harvesting tanks in our estates.

**Water Withdrawal by Source All Areas - Megalitres (ML) in FYE2022**



Our Ladang Amgreen in Miri, Sarawak has constructed and adapted drainage designed to either evacuate surplus water or maintain water at optimal levels. IFC also helps to mitigate floods by building a storm drain that channels rainwater into its collection pond. Over time, the collected rainwater will seep into the ground or evaporate.

In FYE2022, the Group's total water consumption increased by 21.3% due to higher levels of economic activity at our Bulking division, which recorded an increase of 105.1% compared to FYE2021.

We are also working towards managing water more effectively across the Group through monitoring our water usage and installing more water-efficient equipment. In recent years, and as part of its long-term water strategy, our subsidiary in PNG has been investing in and has installed flow meters on a number of its water consumers to help improve its monitoring and measurement of water used as well as released to water bodies.

Monitoring of water use is carried out monthly through readings from flow meters. IFC's water usage accounted for 35.1% of the Group's total water use this year.

**Water Consumption by Division (ML) in FYE2022**



**IFC Water Consumption Intensity per Tonne Fish Processed in FYE2022**

Water Consumption (m <sup>3</sup> )	Fish Processed (MT)	Water Intensity per Tonne per Fish Processed (m <sup>3</sup> /MT)
312,426	12,008	26.02

IFC recorded higher water intensity, as the total volume of tuna and mackerel processed increased from 11,276 MT in FYE2021 to 12,008 MT in FYE2022. However, this increase was offset by reduction in water consumed by the tuna operation largely as a result of the installation of a new washing station which had improved the operation's water use efficiency, despite the volume increase in the tuna processed.

**Indonesian Plantation's Water Consumption Intensity per Tonne FFB Produced in FYE2022**

Water Consumption (m <sup>3</sup> )	FFB Processed (MT)	Water Intensity per Tonne per FFB Processed (m <sup>3</sup> /MT)
288,050	181,140	1.59

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

**Effluents**

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

Our Fima Sg. Siput Estate Sdn Bhd in Perak manages its effluents within the restrictions outlined by the DOE in the EIA approval conditions. Inter alia, the EIA approval specifies that our water quality must be under Class IIA. An external approved laboratory was engaged to take samples of the estate's surrounding water quality and sediment basin discharge at specific areas along local rivers on a monthly basis, as advised by the DOE. In FYE2022, the total suspended solids ("TSS") from the estate's water and effluent samples extracted from 9 locations as the estate entered Phase 2 were all within the DOE's requirement of 50 mg/litre.

In the Food division, IFC is overseen by the Conservation & Environment Protection Authority ("CEPA") and the local civic authority, which stipulate that wastewater must be treated in a treatment plant before it can be released into the waterways and/or public sewer water system. IFC ensures that the wastewater from its tuna and mackerel operations is treated in its treatment plant before being released into the public sewer system.

It also constantly ensures that the level of TDS and suspended solids discharged is below the minimum standard of 500 mg/l of contaminant in water. Furthermore, IFC works closely with the local authorities to ensure full regulatory compliance and that its treated wastewater meets the standards set by PNG Water.

The Bulking division conducts daily monitoring and sends samples to third-party labs for testing on a weekly basis before submitting the results to the DOE. The parameters tested include chemical oxygen demand (COD), TSS and oil and grease.

**Waste Management**

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

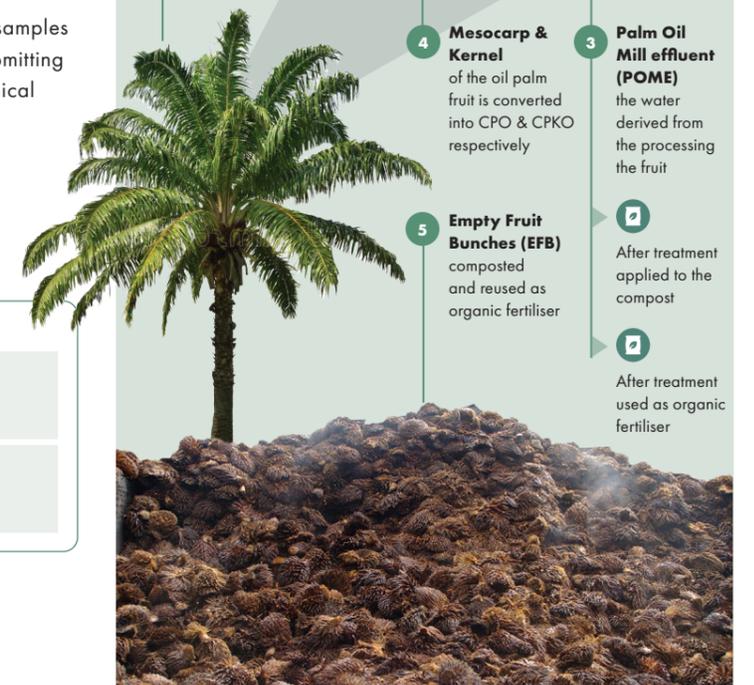
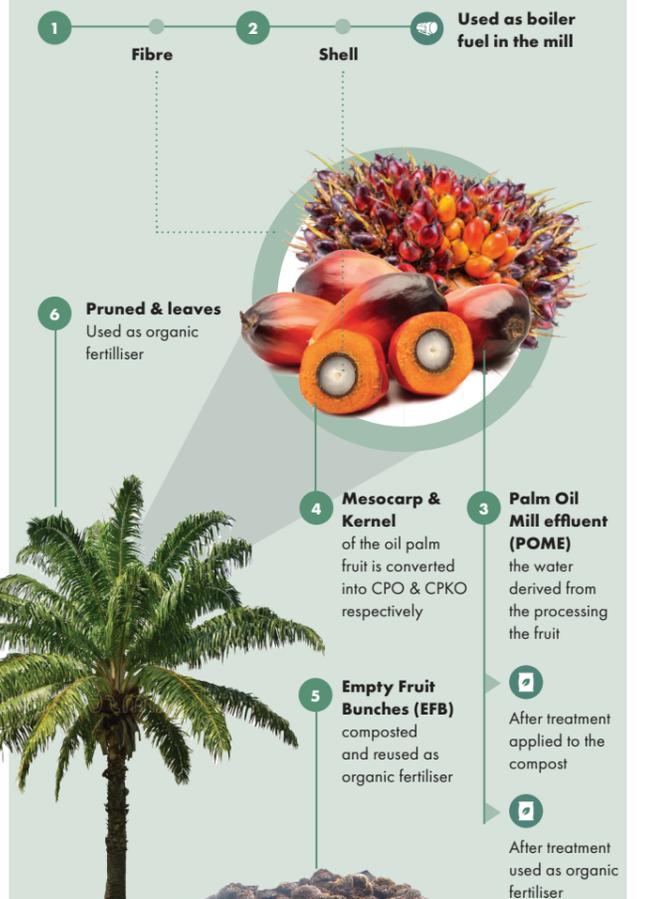


Treating waste as a resource can help improve efficiency and reduce costs at our operations. We prevent and minimise waste by reusing, recycling and energy recovery, as well as by practising safe waste disposal to reduce risks to the environment and human health. For example, we have installed water-filling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

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

In FYE2022, our total waste was 204,466 MT. There were zero reported incidences of non-compliance or fines with regards to waste disposal in the year under review.

**Zero Waste Model**





**Reused** waste - materials that are used as the same material again.



**Recycled** waste - waste converted into recyclable material.



**Composted** - decomposed organic matter used as fertiliser.



**Recovered** waste - materials that have been recovered or redirected from landfills.



**Incinerated** - a treatment process involving the burning of waste, which may also include energy recovery from the heat produced.

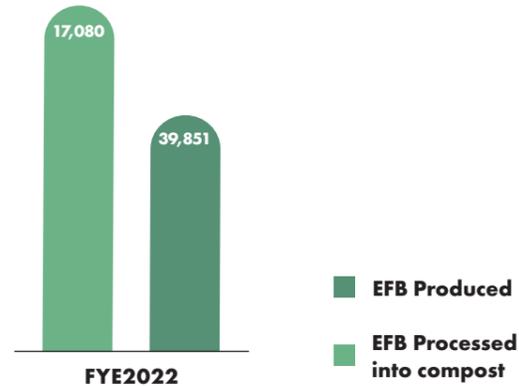


**Landfill** - a system of garbage and trash disposal in which waste is covered between layers of earth.

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

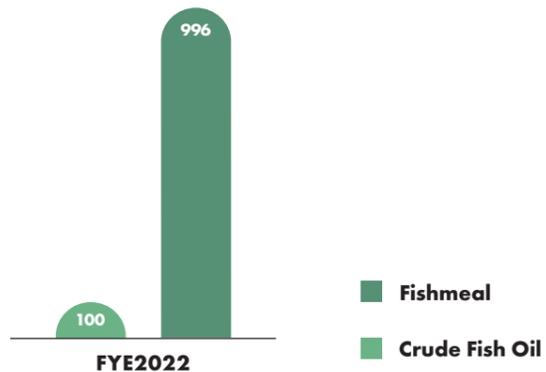
Once the POME is collected from the mill, it is treated in on-site open ponds, away from any other water sources to prevent contamination. Then, the organic material in the wastewater is broken down naturally by the anaerobic and aerobic workings of bacteria. This process omits the need to add any chemicals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

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



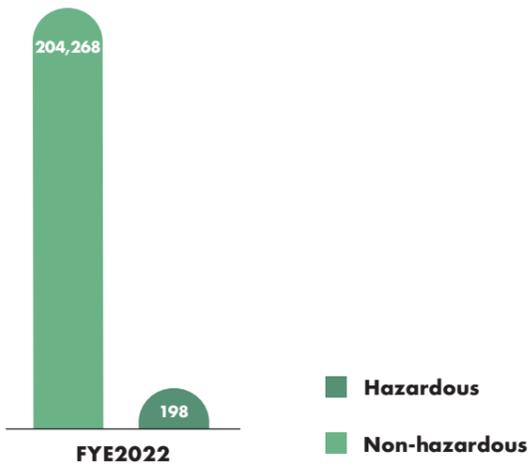
**Food**

Our subsidiary in PNG produces a considerable amount of fish parts that are converted into fishmeal and crude fish oil. Fishmeal is sold to companies in the aquaculture and livestock industries. Since FYE2020, IFC has been producing crude fish oil, which is extracted from tuna and mackerel trimmings. The crude fish oil also cuts down on our waste by making better use of by-products from IFC's main food production line, which is Halal, Kosher and Marine Stewardship certified.



**Type of Waste**

Grand Total: **204,466**



**Plantation**

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



**SOCIAL**

**Good Social Practices Policy**

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

**Our commitment to human rights includes:**

- Rejecting all forms of slavery, including forced or child labour.
- Providing a fair, safe and healthy working environment to ensure our employees are free from unlawful discrimination, harassment or victimisation.
- Respecting the rights of employees to associate freely
- Recognising and respecting the cultural values and heritage of the communities in which we operate, securing a social licence to operate.
- Being responsible stewards of the natural resources in our operations and reducing harmful effects through innovation, waste elimination and reuse, as stated in our Environmental Policy.

For detailed information about our Good Social Practices Policy, please visit our corporate website at <https://fima.com.my/corporate-governance.html>

**Our Approach**

The Group recognises the importance of all its stakeholders, including the communities where it operates, employees, vendors, suppliers and business associates. We seek to create positive long-term relationships with everyone we engage with, to discern and meet their needs better and manage the impact of our activities. This includes organising impactful initiatives that help to build a sustainable future.

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

**Human Rights**

GRI 409-1, 412-2

**Our Approach**

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

“All our Malaysian estates are Malaysian Sustainable Palm Oil (MSPO) certified and have during the year, conducted human rights reviews as part of the standards’ requirements”

**Guest Workers**

We employ guest workers from Indonesia, India, Nepal and Bangladesh, and they make up 10.6% of the Plantation division’s total workforce. We continuously strive to ensure that we do not engage in any form of unlawful discrimination in our recruitment and employment of guest workers and make certain that their legal rights are fully respected.

We ensure that prior to hiring our guest workers, the basic terms of employment are provided and explained clearly to them in their native language. We fully bear the costs involved in recruitment, including working permit fees, levy and medical reports/FOMEMA. Passports and other forms of personal identification always

remain in the possession of our guest workers and are never withheld by us or any third party. Further to that, our guest workers receive the same wages as our local workers. Salary deductions are only made for salary advances and statutory contributions to EPF and SOCSO. Our guest workers are also provided with comfortable housing quarters with complete basic amenities including recreational areas and internet connection.

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

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

**In our own operations**  
We ensure that we fully adhere to both international and local labour standards to protect human rights and ensure no human trafficking.

**With suppliers and customers**  
We practise traceability and social compliance through surveys and audit procedures.

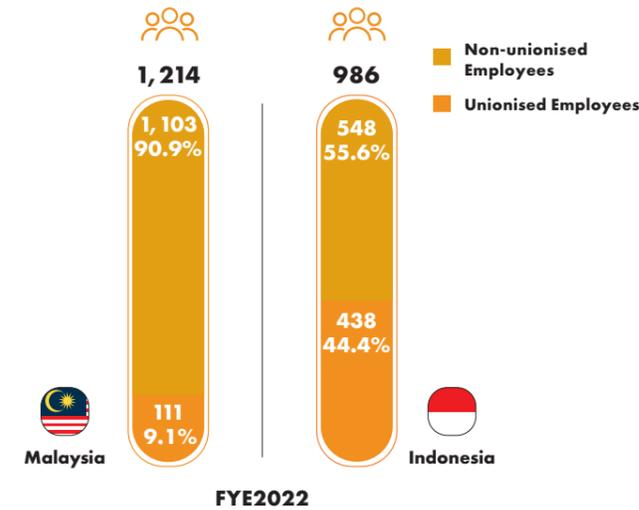
**Broader issues facing our segments of industry**  
The collective and concerted efforts of all our stakeholders are required to ensure human rights issues are upheld. The Group continues in its commitment in engaging regulators, NGOs and relevant stakeholders to identify and address potential conflicts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

“Zero reported cases of breach of human and workers’ rights”

**Freedom of Association & Collective Bargaining**

GRI 402-1, 407-1

We recognise that our employees have a right to freedom of association and to participate in labour unions and collective bargaining, in accordance with local regulations. To this end, we are dedicated to working closely with the labour unions and we ensure all negotiations are undertaken in good faith. The provisions stated in our collective bargaining agreements include grievance and disciplinary procedures, paid time-off, paid maternity leave, severance and separation benefits, salary and performance management. There were no operations or suppliers whose workers’ rights to freedom of association or collective bargaining were violated or put at risk in the year under review. As at 31 March 2022, 17.3% of our employees were union members.



**Whistle-blowing Policy**

GRI 102-17

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

In the year under review, there was one complaint received via the whistle-blowing email channel. However, as the nature of the complaint related to a workplace dispute, the matter was subsequently dealt with and classified as an industrial relation case.

**Diversity**

GRI 102-8, 202-2, 401-1, 405-1, 406-1, 408-1

**Our Approach**

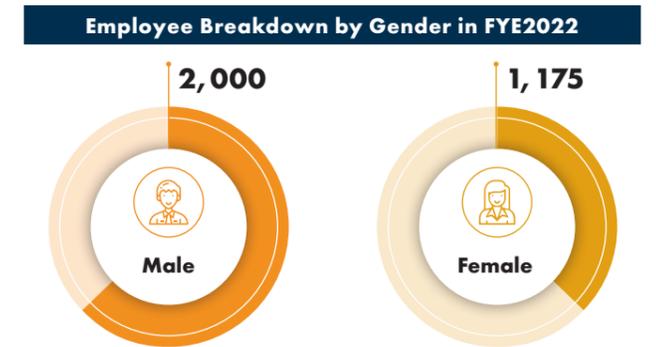
With our operations spanning across 3 countries, we have a diverse community footprint. As such, we strive to always respect and protect the rights of everyone, including those from indigenous tribes. During the year under review, there were no incidents of violations involving the rights of indigenous people.

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



“72.8% of our plantation workers in Malaysia are locals”

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



The Board of KFima comprises 2 women and 5 men. There is an opportunity to improve at the senior management and middle management levels where women hold 20.0% and 21.3% of positions, respectively. We acknowledge that while our Group workforce is fairly balanced, with 37.0% of our team members female, there is still room to strengthen the gender balance in the Group. Moving forward, we endeavour to improve the number of women in our organisation, at all levels, taking into account the specific circumstances of each division, including the nature of our operations and the culture in the countries in which we operate.

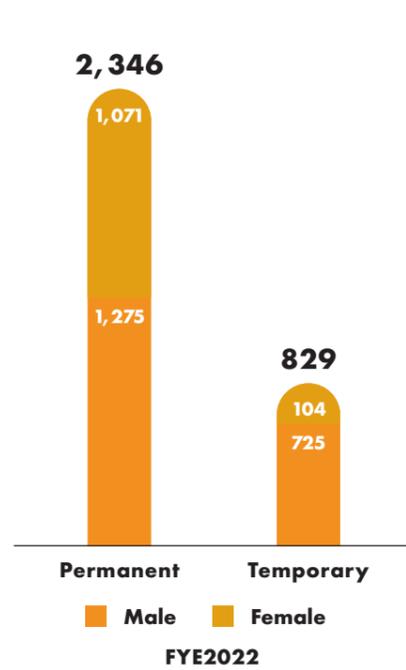
We continue to support the employment of locals in countries where we operate and in FYE2022, we achieved a 93.7% local employment rate, while 90.0% of the Group’s senior management were locals.

The majority of our employees are from the 30 to 50 years' old age group, which makes up 58.3% of the total headcount in the Group. Employees from the Food and Plantation divisions form 31.5% and 51.0% of the Group's total headcount, respectively.

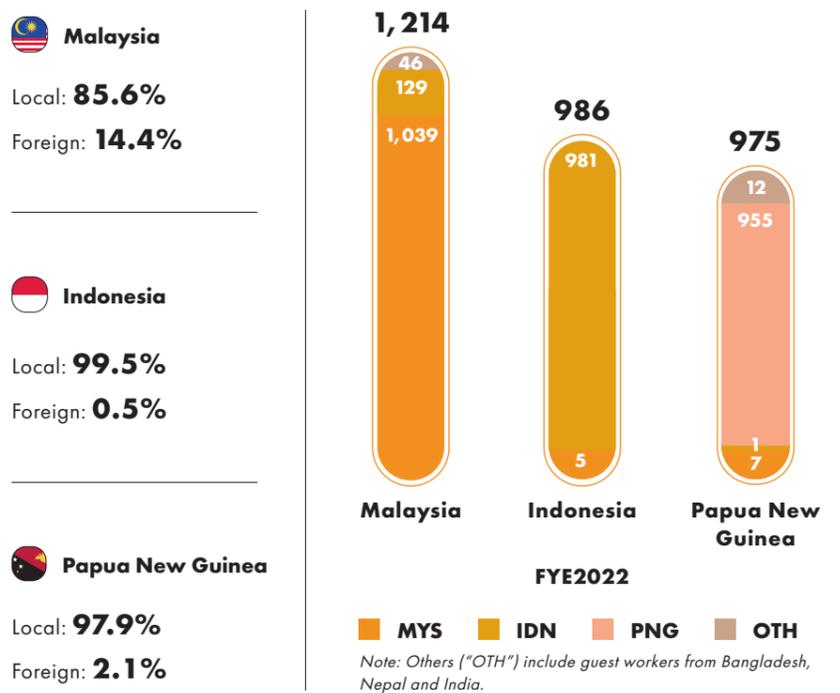
**In FYE2022, our local employment rate was 93.7%**

Most of our employees are permanent employees, who represent 73.9% of the Group's total headcount. The rest of the workforce is made up of temporary employees hired on a contract basis, mostly in the Plantation division. We normally offer to renew their employment contracts based on legal and performance reviews.

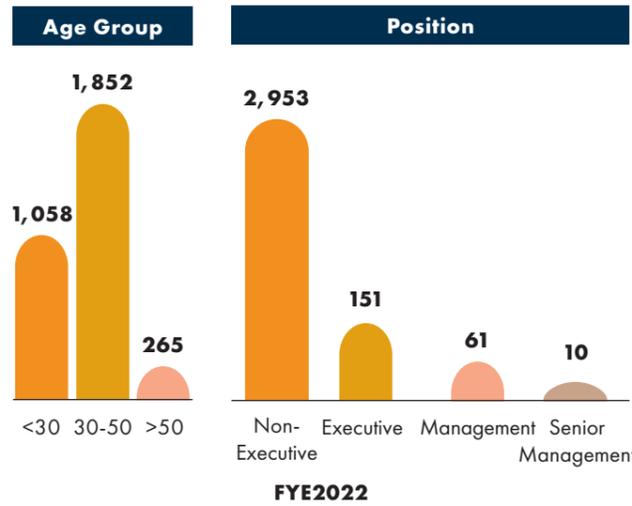
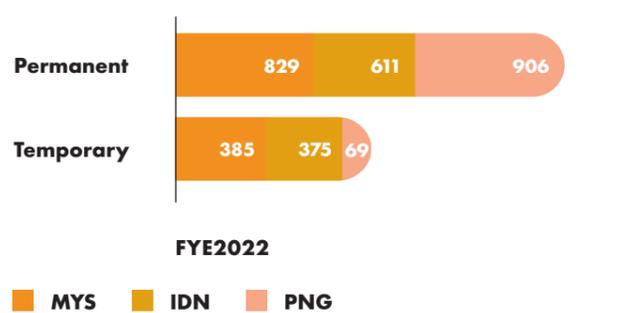
**Employees by Employment Contract and Gender**



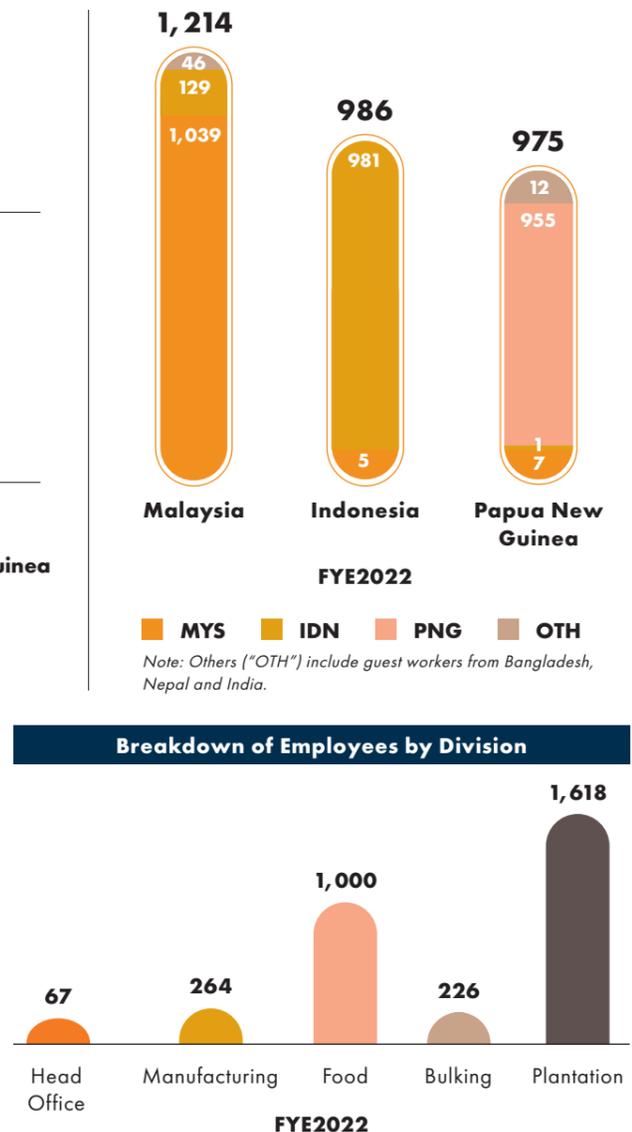
**Breakdown of Employees by Nationality**



**Employees by Employment Contract and Country**



**Breakdown of Employees by Division**



**New Hires**

In FYE2022, the Group's total new hires stood at 986 compared to 485 in FYE2021. Of the total new hires, 28.1% were female and 52.7% were permanent staff. In FYE2022, the Plantation division accounted for the most number of newly hired employees at 569 of which 60.6% of the recruitment was made by our Malaysian estates.



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

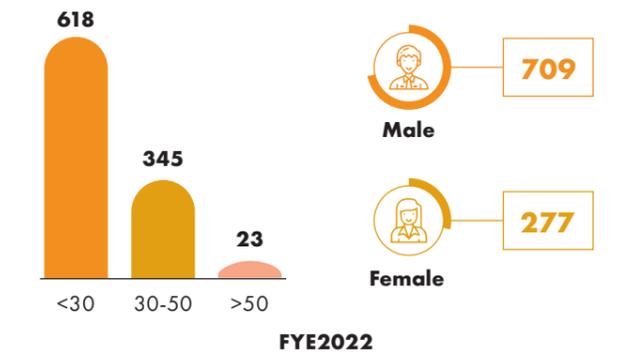
Furthermore, each employee's profile and identity documents are recorded in our HR data system, and we ensure that they fulfil the minimum legal working age requirement as enforced by local authorities in the countries where we operate. We continue to ensure that all our employees are working of their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

**New Hire by Country**

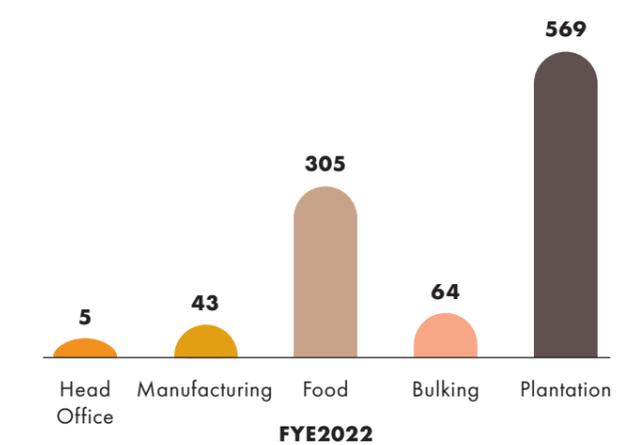


New employees are required to go through an induction programme to acquaint themselves with all aspects of the Company and the Group, and to understand their responsibilities, the culture of our business and the procedures that they need to follow, including our expectations of ethical conduct. Each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

**New Hire by Age Group** and **New Hire by Gender**



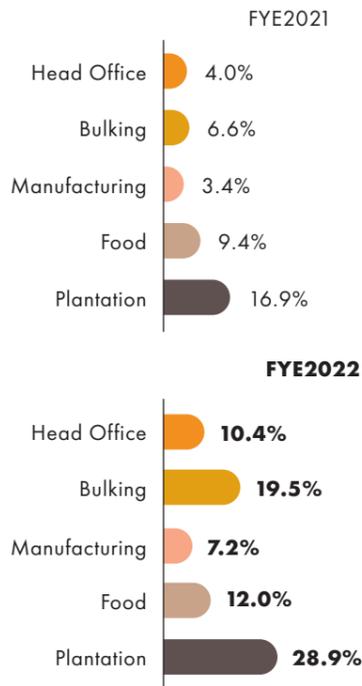
**New Hire by Division**



Turnover

In the year under review, KFima's employees turnover increased to 20.7% from 12.4% recorded last year. Plantation division recorded the highest turnover in FYE2022. Improving retention is a critical priority for the Plantation division and as such, the division has ramped up efforts in building and upgrading workers' living quarters and estate infrastructure, which are now complete with basic amenities, sundry shops, recreational spaces, places of worship and internet connection, as well as in providing rewards for high performers.

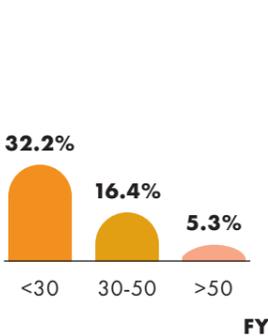
Employee Turnover by Division



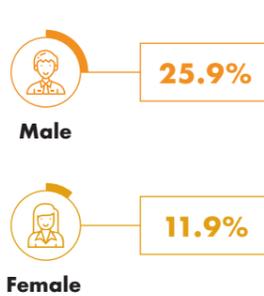
**Total No. of Employees Turnover**  
**658**

**Turnover Rate**  
**20.7%**

Turnover Rate by Age Group



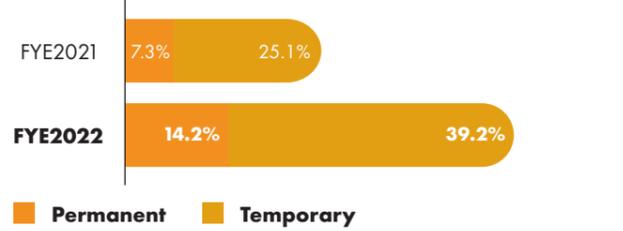
Turnover Rate by Gender



Turnover Rate by Country



Turnover Rate by Employment Contract



Employee Engagement & Development

GRI 402-1, 404-1, 404-2

Our Approach

Employee engagement enables the Group to meet the needs of its people and shape a high-performing workforce. A highly engaged workforce helps to attract and retain the best talent, ensuring long-term sustainable business growth. The Group pursues a policy of active and open communication with its employees and an emphasis on keeping all parties promptly and thoroughly informed builds trust and mutual respect. Employees are kept regularly informed on important events and decisions by the respective Human Resource departments, as well as directly by their line managers.

Our engagement programmes during the year included social events such as family days, long service awards, sports activities, religious classes and festive gatherings (subject to the strict conditions mandated by the government in respect of social events).



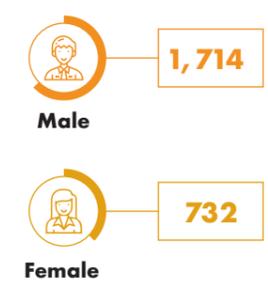
During the year, KFima distributed over RM107,000 Zakat Wakalah in the form of cash and essential food items to 216 eligible Group employees and their family members who were impacted by the Covid-19 pandemic and the 2021 floods. In addition, KFima distributed over RM173,000 Zakat Wakalah to 357 children of eligible employees attending primary and secondary schools, as well as to those pursuing tertiary education at local institutions.

Training

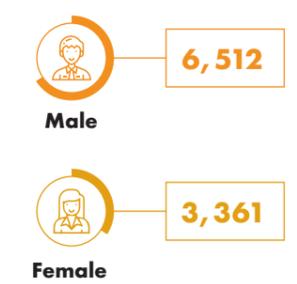
We continuously provide technical and soft-skill training to ensure our employees stay relevant and updated with the latest industry knowledge. In FYE2022, we conducted training and workshops on integrity, tax issues and laws, Integrated Management Systems, analytics training, internal auditing and ISO awareness training, among others.

**Average Training Hours per Employee**  
**3.11 hours**

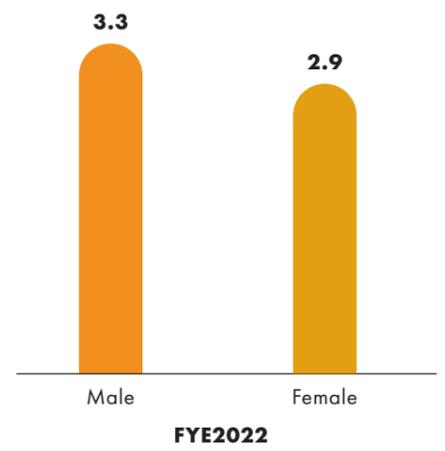
Total Attendance by Gender



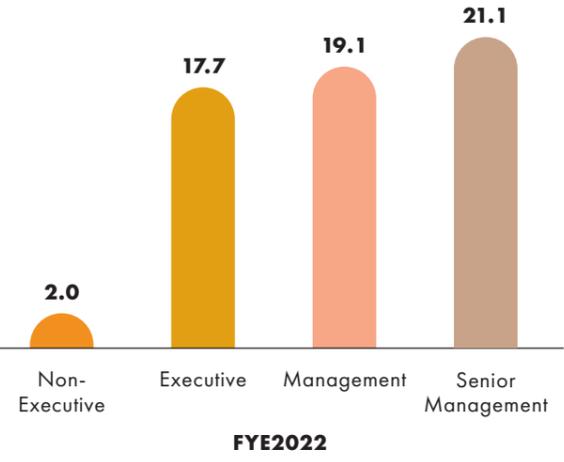
Total Training Hours by Gender



Average Training Hours by Gender



Average Training Hours by Employee Category

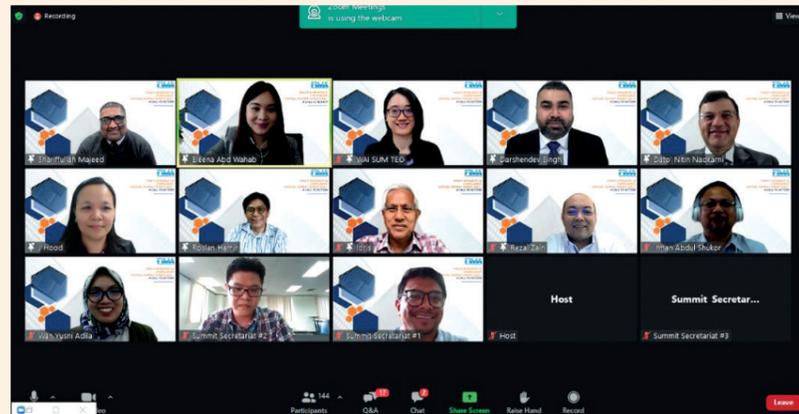




Spotlight Story

FIMA's Integrity, Compliance & Risk Virtual Summit Series

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



**11**  
Summit Series organised

Over **10**  
key topics covered

More than  
**1,000**  
total accumulative viewers of live streaming

Over  
**3,600**  
of total accumulative hours of live streaming recorded for all participants



Employee Benefits

GRI 401-2, 404-3

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

Each operation and division within the Group has its own specific employee benefits scheme and we offer an attractive remuneration package to our short-term workers. We also provide competitive benefits to our employees, depending on their individual performance, qualifications and/or experience. Despite the economic challenges brought about by the pandemic, the Group was able to retain the headcount of our permanent workforce and maintain their benefits this year. For permanent employees, these benefits include:

- Contributions to retirement fund
- Medical benefits for employees, spouses and children
- Group term life and personal accident insurance
- Maternity and paternity leave\*
- Mobile phone expenses
- Professional association membership fees
- Uniforms
- Alternative working hours
- Provision of housing with basic comforts such as recreational spaces and internet connection for plantation workers
- Meals for workers at IFC

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



Performance Review

Our employees receive an annual performance review, which functions as an effective communication platform to gather feedback, exchange ideas, identify areas for improvement and determine individual training or development needs. Every employee is given a set of annual key performance indicators, which, along with their annual performance and contribution, determines their annual increment, bonus and/or promotion. In FYE2022, 100% of our employees received annual performance reviews.

PERFORMANCE MANAGEMENT SYSTEM



Occupational Health & Safety

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

Our Approach

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

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



Health & Safety Training Programmes	Company	Month
<ul style="list-style-type: none"> <li>Safety training in relation to Tirathaba spraying, usage of herbicide and handling of machinery &amp; farm tractor.</li> <li>Fire drill</li> </ul>	Amgreen Gain	Jun/Jul 2021 Sept 2021
Safety at the Workplace	Fima Biodiesel	Jan 2022
Latihan Keselamatan Pemasangan Scaffold Tower	PKN	Feb 2022
Fire drill organised by Bulking	Fimachem	Mar 2022
Bengkel OSH Compliance Support Kesehatan Pekerja Dan Hygiene Industri – Ergonomik	Fima Instanco	Mar 2022
Fire Extinguisher Handling	Fima Sg Siput	Mar 2022
Fire drill	Pineapple Cannery of Malaysia	Mar 2022

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

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

- Employee reports the hazard/ incident to the Person in Charge of their respective unit
- Person in Charge will record the hazard/incident and will report it to the Safety, Health and Environment ("SHE") manager
- SHE manager will lodge a report with DOSH within a minimum of 7 days
- SHE manager will carry out an investigation into how the incident occurred in consultation with OSH committee members
- Safety & Health committee members will recommend risk mitigation methods
- Corrective actions will be taken to prevent the incident from recurring
- A report will be presented to management

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

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

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

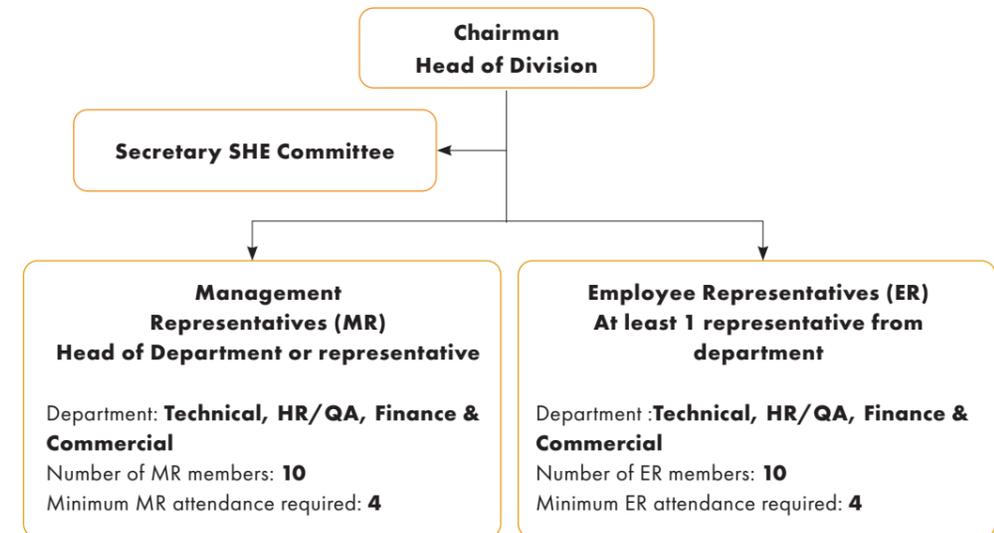
The health and safety of our employees are managed by each business division's health and safety committee, which comprises management and employee representatives, in compliance with local regulatory requirements. These committees oversee the health and safety management of their staff, including managing,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



**Spotlight Story**

**Bulking Division's SHE/OSH Committee Structure**

Bulking's Safety and Health Committee is chaired by a Senior General Manager who is supported by a SHE Department representative. The committee comprises representatives from the management and employees from the Technical, HR/QA, Finance and Commercial departments. The committee meets at least 4 times a year to discuss key issues such as injuries, accidents and work-related illnesses and to conduct investigations into any reported incidents at the workplace.



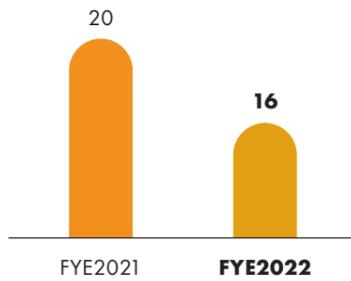
**Health and Safety Performance**

We aim to achieve zero injuries and zero fatalities at the workplace and are pleased to report that there were no work-related fatalities among our employees since FYE2020. The total number of injuries also declined from 20 in FYE2021 to 16 in FYE2022. We regret to report however, that there was one fatality involving a contractor's worker in the Bulking division. Following the incident, management conducted a thorough investigation together with DOSH. The incident had served to remind us that we must continually strive to make our workplaces safer and our employees cognisant of the risks in their respective job functions.

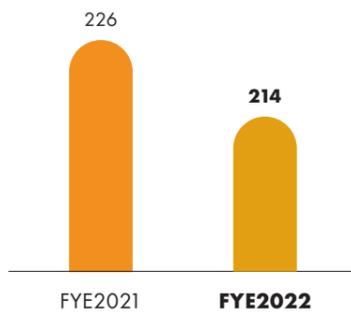
In FYE2022, our accident rate dropped to 5.04 from 6.15 in FYE2021. The decrease was in tandem with the fewer number of hours worked in the year under review. Our lost time injury frequency rate (LTIFR) improved to 2.38 compared to 2.90 recorded last year. The most common work-related injuries across our business divisions were falling objects, tool-related accidents and logistical and physical injuries.



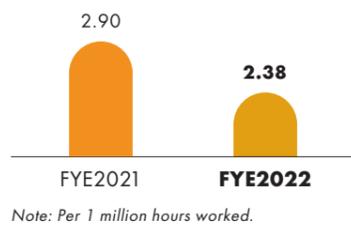
Total Recorded Injuries (Employees)



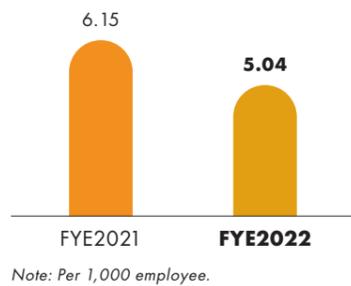
Injuries by Absent Days (Employees)



Lost Time Injury Frequency Rate (LTIFR)



Accident Rate (Employees)



Spotlight Story

IFC partnered and sponsored the tent city rangers club in the Lae Rugby League competition since July 2021, as part of their community initiative to nurture new rugby talents. This will give the players much needed game experience through their participation in a rugby league and playing against other big-name teams.



Community Investment

GRI 203-2, 413-1

We believe in contributing economically and socially to the well-being of the communities where we conduct business. With businesses across Malaysia, Indonesia and Papua New Guinea, the Group has a local footprint in many communities. Our approach to community engagement is driven and managed by our businesses to ensure value is created in ways that best fit their operations and geographic spread.

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

Since 2018, the Group has taken in 106 university graduates to undergo 8 months of workplace experience with companies within the Group (with the possibility of progression to permanent employment) through our participation in and support of the PROTÉGÉ programme. This programme involves a mix of on-the-job placements and skills development workshops that allows trainees to absorb organisational and work culture while also developing relevant job-specific skills. Allowances and benefits are given during the programme. We also hire and train locals at our job sites, providing technical training and skills to improve their wage-earning potential.



GOVERNANCE

Our Approach

At KFima, we are guided by our corporate values in ensuring responsible business practices. We uphold accountability, ethics and integrity while integrating sustainability with responsibility. Underpinning our management approach to responsible business practices are robust policies and frameworks to manage and monitor material topics, as well as operational efficiency that ensure continuous value creation for our stakeholders.

Governance

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

Due to the nature of our businesses, most of our activities are highly regulated by laws that are related to health, safety, environment and community impacts. In relation to this, we have in place a comprehensive system of stewardship and accountability that is compliant with applicable rules, regulations and standards, as well as internal and external policies. These policies and systems that make up our sustainability governance ensure that our conduct and business activities align with our corporate values, i.e. good corporate citizenship, zero tolerance for fraud, bribery and corruption, sustainable and traceable supply chains and ensuring the safety, quality and standards of our products by meeting local and international standards.

Our commitment to sustainability starts at the top, with the Board of Directors providing comprehensive oversight of the management and governance of the Group. The Board is responsible for setting the direction, strategies and financial objectives of the Group, having regard to the interests of shareholders, stakeholders and the wider community. The Board is supported by dedicated Board Committees, each with its own charter setting out its roles and responsibilities. A more detailed description of the role of the Board can be found in the Corporate Governance section of this Annual Report.

The Audit & Risk Committee ("ARC"), majority of whom are Independent Directors, helps the Board in meeting its responsibilities to oversee the Group's sustainability practices. The ARC reviews risks that could materially affect KFima's ability to achieve its planned objectives and is responsible for ensuring that the management addresses these risks by executing appropriate mitigation measures in a timely manner.

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



The day-to-day management of sustainability commitments and implementation of programmes is guided by divisional leadership. The divisions are also responsible for adopting sustainability strategies tailored to their operating needs, as well as for providing the resources needed for their implementation. They align their brands, technologies and sites involved with sustainability in line with the specific challenges and priorities of their business portfolios. Each division prepares its sustainability report for the Head Office on a monthly basis. The reports are then collated and presented to the ARC on a quarterly basis and include topics such as safety, environment, attrition and compliance issues.

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

*For more information on:*  
 i. The Group's Sustainability Committee, please refer to Task Force on Climate-Related Financial Disclosures (TCFD) on page 52 and the Corporate Governance Overview Statement on page 103.  
 ii. The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on page 118.

**Anti-Fraud, Bribery and Corruption**

GRI 205-2, 205-3

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

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

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

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

In addition, we ensure that training materials are updated so that they remain relevant to the risks that stakeholders, employees and business partners are exposed to. Periodic reviews of mandated authority limits are also undertaken to strengthen transparency and integrity procedures. Furthermore, all employees are required to attest on an annual basis that they have complied, and will



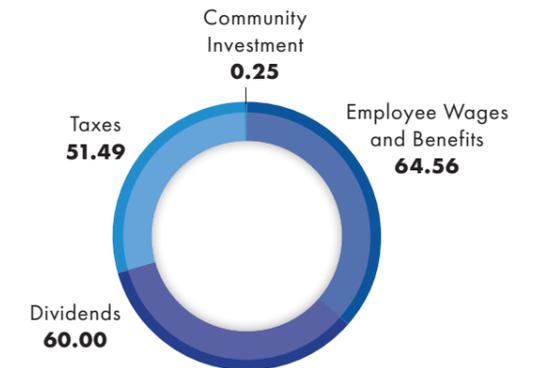
continue to comply, with the Group's Anti-Bribery Policy and will report any concerns that they may have. We expect our suppliers and contractors to likewise uphold the same high ethical standards as our people. Through implemented procedures and training tools, we seek to ensure that all employees and service providers are aware that any suspicious activity, particularly in relation to bribery and corruption, must be reported.

**Responsible Business Practices**

GRI 201-1

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

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



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

**Cyber and Data Security**

GRI 418-1

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

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

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

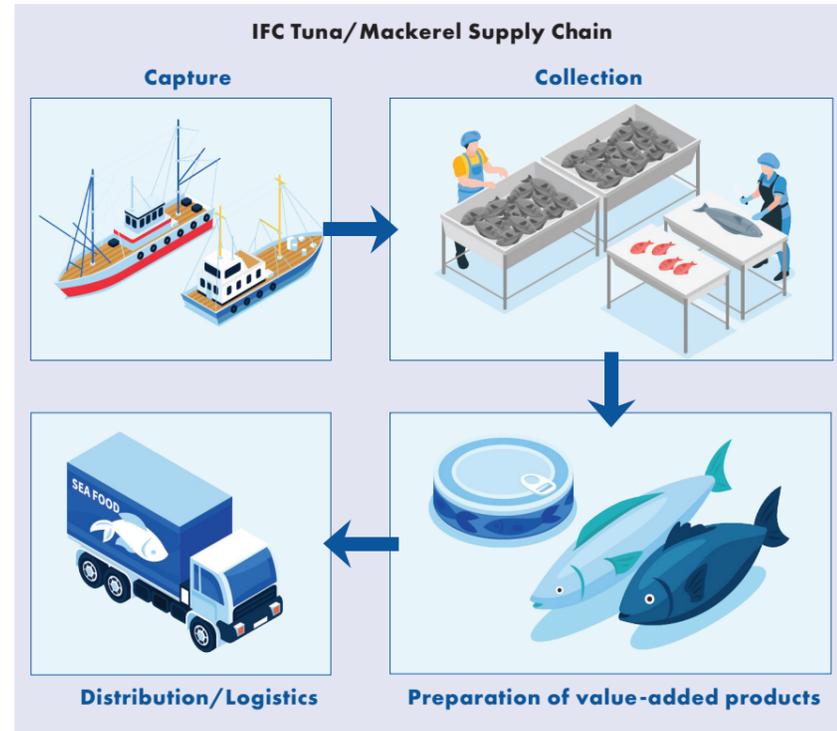
**Sustainable and Traceable Supply Chain**

GRI 102-9, 204-1

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

On this note, each of our businesses has in place documented policies and procedures that the business should follow for specified

processes and when actively engaging with suppliers throughout the procurement process, from tendering and bidding to surveying and inspecting sites. We constantly communicate with our suppliers to address issues such as cost efficiencies and environmental and social compliance to improve the traceability and transparency of our supply chains.



**Bulking**

Fima Biodiesel Sdn Bhd complies with the International Sustainability and Carbon Certification – EU (“ISCC”) and utilises Proof of Sustainability (“POS”), a tag on every batch or truck of feedstock, to trace the origins of its feedstock. Fima Biodiesel also complies with the MSPO Supply Chain Certification Standard, which assures customers that the products are legally and sustainably sourced from certified suppliers.

**Food**

IFC does not support illegal fishing from vessels listed under the PNG government’s Illegal, Unreported and Unregulated (“IUU”) blacklist. This ensures that IFC’s yellowfin and skipjack tuna are legally sourced from vessels that are registered with PNG’s ProActive Vehicles Register. IFC is also able to track the time, place and method of fishing for each catch by checking the Purse Seiner Log Sheet (a fishing vessel’s log sheet). In addition, on-site visits are conducted prior to any purchases being made to ensure that new and potential suppliers comply with IFC’s standards.

Due to PNG’s strict tuna fishery regulations, fishing vessels are not allowed to exceed the total amount of daily catch stated under the National Tuna Fishery Management Plan. The National Fisheries Authority of Papua New Guinea (“NFA”) regularly boards fishing vessels to ensure that all laws and regulations are complied with, in order to maintain a sustainable tuna stock supply in PNG. In the year under review, IFC did not commit any IUU-related violations.

IFC aspires for 100% of its tuna to be sourced without fish-aggregated devices (“FADs”), a fishing method that is capable of trapping other marine animals in the net, including juvenile fish. In FYE2022, our FAD-free catch was 99.9%.



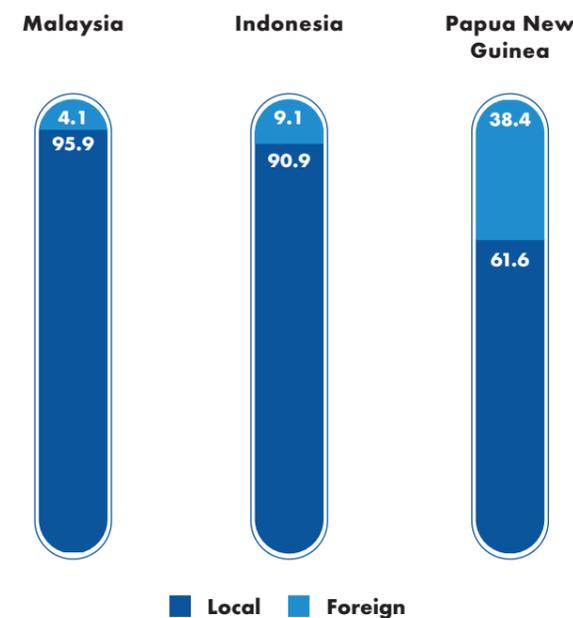
**FAD-free Catch (%)**  
**99.9**

**By-catch (%)**  
**0.3**

**Supporting local procurement**

We strive to positively impact the lives of the local communities through job creation and business opportunities. We support local suppliers and entrepreneurs through the procurement of local goods and services. In Malaysia and Indonesia, 95.9% and 90.9%, respectively, of contracts for goods and services are awarded to local companies. In addition, 26.1% of the FFB processed by the palm oil mill is purchased from smallholder farmers and third-party growers. Similarly, in PNG, 61.6% of procurement contracts are awarded to local companies.

**Percentage of Suppliers Engaged in Malaysia, Indonesia and Papua New Guinea in FYE2022**



Note: Data for Malaysia is limited to FYE2022.

**Product Information and Product Labelling**

In our food business, product information and labelling requirements are stringent in the jurisdiction in which we operate. We have an obligation to keep our customers and consumers informed by providing accurate and specific information, such as date of manufacture and expiry, ingredients, components of food additives (if any), nutritional information and storage instructions. We are pleased to report that there were zero incidents of fines/penalties imposed on the Group due to non-compliance with any product labelling regulations.

**Innovation and Technology**

We leverage on innovation and technology to adapt to various challenges amid rapid economic development and changing consumer needs, and to mitigate the risks. Not only that, application of various digital technology and automation tools form part of the Group’s continuous efforts to integrate sustainable practices into our business operations, improve our carbon footprint and lowering emissions across our value chains.

In the Manufacturing division, our IT support staff are equipped with mobile devices to enhance the process of accessing, storing and reporting information, which has reduced operational staff time and total management costs, as well as improved customer engagement.

In Bulking, the rollout of the tank farm inventory management system across their terminals in FYE2020 had provided a common platform for all the terminals, thereby enhancing internal controls and improve the division’s global reporting and analysis capabilities. This in turn helps to increase productivity and cross-functional efficiencies apart from allowing customers to access real-time information on the movement and volumes of their stocks. Furthermore, the use of a fleet management system helps the division to track and collect data through on-board sensors installed on the vehicles. Data collected by these sensors, such as speed, fuel consumption, real-time positioning, etc. are then transmitted to the division’s internal database. The collected data can be used inter alia, to analyse the transmission of vehicle’s driving status, driver behaviour and other information.

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

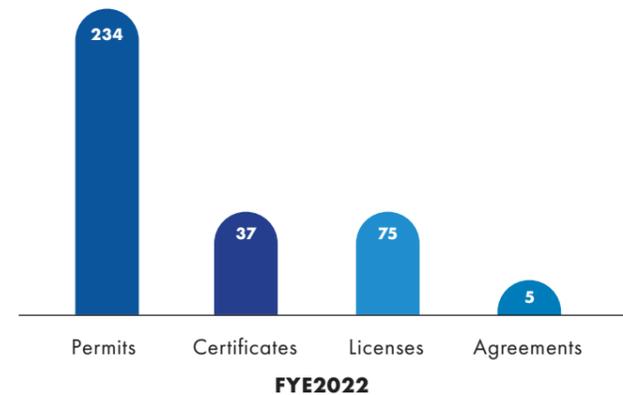
The estate management system (EMS) employed by the Plantation division enables management to not only monitor operational expenses, maintenance and consumption of inventories of each estate on a day-to-day basis, but it can also evaluate the efficiency of the economic activities by calculating the intensity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

In the Food division, IFC has installed automatic transfer switch (“ATS”) on all its three generator sets to regulate the power supplied from the generators to the new refrigeration cold

room which requires continuous uptime, and for fish processing activities. The ATS ensures that the load connection from one generator set will be quickly shifted if the power of another generator set is interrupted. On the other hand, non-critical loads are powered down to avoid capacity overload.

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

In the year under review, we maintained our licences and permits required to operate in accordance with the requirements of the governing authorities. Plantation and Bulking have the most licenses and permits due to the industries' tighter regulations and higher standards.



**Upholding Quality, Standards and Certifications**

GRI 417-1, 417-2

To ensure that safety and quality standards are maintained throughout our supply chains, the Group stays current with marketplace conditions, industry best practices and that our businesses are compliant with new regulations.

The Food division's production facilities and suppliers of ingredients and packaging materials are required to follow strict international standards and regulations, government regulations and company policies, procedures and controls, as well as good manufacturing practices, throughout their operations. Regular audits and inspections are carried out to ensure we fully comply with all the requirements.

These audits include (but are not limited to) those conducted by government and regulatory authorities, such as the National Fisheries Authority of Papua New Guinea, and yearly audits performed by independent third-party organisations for the British Retail Consortium ("BRC"), International Feature Standard Food ("IFS Food"), Dolphin-Safe, Good Manufacturing Practice ("GMP"), Marine Stewardship Council ("MSC"), Kosher

Certification & Supervision, Hazard Analysis Critical Control Points ("HACCP") and Halal (from JAKIM) accreditations. IFC is also subject to the Business Social Compliance Initiative ("BSCI") Code of Conduct, which is based mainly on the standards of the International Labour Organisation.

IFC's production plant in PNG has been given the MSC Chain of Custody certification, which indicates that IFC has adhered to international best practices in each step of its manufacturing process. To this end, IFC was required to pass an independent audit conducted by an accredited certification body to obtain the Chain of Custody certification. IFC is subject to annual surveillance audits to ensure its continued conformance to the MSC standards.

With the recognition of the MSC, IFC is now part of the council's seafood eco-labelling programme that helps to promote a sustainable seafood supply, as shown in the diagram below.

- Fisheries which meet the MSC Standard are independently certified as sustainable
- Consumers preferentially purchase seafood with the MSC ecolabel
- Retailers and restaurants choose MSC certified sustainable seafood
- A traceable supply chain assures consumers that only seafood from an MSC certified fishery is sold with the MSC ecolabel
- Market demand for MSC certified seafood increases
- More fisheries choose to improve their practices and volunteer to be assessed against MSC Standard

Source: Environmental Evidence Journal

**Plantation**

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

Malaysia Sustainable Palm Oil (MSPO)	ISO 50001:2011 (Energy Management System)	ISO 14001:2015 (Environment Management System)
10 Malaysian estates are MSPO-certified. The MSPO ensures responsible management of oil palm plantations, smallholdings and palm oil processing facilities. The MSPO certification also covers human and workers' rights protection. To maintain the MSPO certification, selected employees were sent for training to ensure we meet the necessary standards set by the Malaysian Palm Oil Certification Council, which cover responsible practices, including human and workers' rights.	PTNJL is accredited with ISO 50001:2011 for its energy management system ("EMS"). This certification is awarded to companies that have a robust EMS in place. The EMS is a tool that enables PTNJL to implement continuous improvement plans to improve its energy efficiency and help preserve resources.	PTNJL is ISO 14001:2015-certified for its sustainable environmental practices in the production of its CPO, CPKO and palm kernel.

**Bulking**

Obtaining international certifications to ensure that we meet global standards and benchmarks is part of our endeavour to integrate sustainable practices into our daily operations. In FYE2022, the Bulking division continued to meet international standards and retained its accreditations for the handling, storing and shipping of various product categories to maintain objective oversight of the quality of their operations:

MSPO-SCCS	Fima Biodiesel Sdn Bhd's biodiesel plant was among the first to be awarded the Malaysian Sustainability Palm Oil Supply Chain Certification Standards (MSPO-SCCS) in 2020, validating its position as a sustainable biodiesel producer. The certification also underscores Fima Biodiesel's commitment to optimising economic and environmental benefits by incorporating sustainable practices into its operations, while ensuring transparency for customers.						
ISCC	The International Sustainability and Carbon Certification ("ISCC") provides proof of compliance with environmental, social and traceability criteria. It aims to provide sustainability solutions for fully traceable and deforestation-free supply chains. The companies that are accredited with ISCC are:						
	<table border="1"> <thead> <tr> <th>Certification and scope</th> <th>Company</th> </tr> </thead> <tbody> <tr> <td>ISCC-EU (Group Certification) Scope: Warehouse</td> <td>1. Fima Bulking Services Berhad 2. Fimachem Sdn Bhd 3. Fima Liquid Bulking Sdn Bhd 4. Fima Palmbulk Services Sdn Bhd 5. Fima Butterworth Installation Sdn Bhd</td> </tr> <tr> <td>ISCC-EU (Biodiesel Plant) Scope: Raw Material</td> <td>Fima Biodiesel Sdn Bhd</td> </tr> </tbody> </table>	Certification and scope	Company	ISCC-EU (Group Certification) Scope: Warehouse	1. Fima Bulking Services Berhad 2. Fimachem Sdn Bhd 3. Fima Liquid Bulking Sdn Bhd 4. Fima Palmbulk Services Sdn Bhd 5. Fima Butterworth Installation Sdn Bhd	ISCC-EU (Biodiesel Plant) Scope: Raw Material	Fima Biodiesel Sdn Bhd
Certification and scope	Company						
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ISCC-EU (Biodiesel Plant) Scope: Raw Material	Fima Biodiesel Sdn Bhd						
	<ol style="list-style-type: none"> <li>1. RBDPO</li> <li>2. POME Oil (Refined)</li> <li>3. UCO (Refined)</li> <li>4. UCO</li> <li>5. Brown Grease</li> <li>6. Waste and Residue (Vegetable oil processing)</li> <li>7. Food waste oil</li> </ol>						

	As an ISCC-accredited company, Fima Biodiesel is legally recognised by the European Renewable Energy Directive 2009/28/EC (EU RED).								
 <b>ISO 9001:2015</b>	This is an international standard that outlines the framework for improving product quality. With the certification, our companies are able to enhance customer satisfaction and deliver products and services that are regulatory compliant and meet customers' demands. Our certified companies are:								
	<table border="1"> <tr> <td><b>Fima Bulking Services Berhad</b></td> <td>Handling, storage &amp; shipment of oleochemicals, oils and fats</td> </tr> <tr> <td><b>Fimachem Sdn Bhd</b></td> <td>Transferring from ships, handling, filling of drums and transport of hazardous &amp; non-hazardous liquids</td> </tr> <tr> <td><b>Fima Freight Forwarders Sdn Bhd</b></td> <td>Freight forwarding &amp; bulk transportation</td> </tr> <tr> <td><b>Fima Palmbulk Services Sdn Bhd</b></td> <td>Handling, storage &amp; shipment of oleochemicals, edible oils, molasses and latex</td> </tr> </table>	<b>Fima Bulking Services Berhad</b>	Handling, storage & shipment of oleochemicals, oils and fats	<b>Fimachem Sdn Bhd</b>	Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids	<b>Fima Freight Forwarders Sdn Bhd</b>	Freight forwarding & bulk transportation	<b>Fima Palmbulk Services Sdn Bhd</b>	Handling, storage & shipment of oleochemicals, edible oils, molasses and latex
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<b>Fima Freight Forwarders Sdn Bhd</b>	Freight forwarding & bulk transportation								
<b>Fima Palmbulk Services Sdn Bhd</b>	Handling, storage & shipment of oleochemicals, edible oils, molasses and latex								
Fimachem Sdn Bhd is certified with OHSAS 18001:2007 in transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids. This certification assists organisations to establish a management system that manages their health and safety risks, ultimately improving their occupational health and safety performance.									
 <b>OHSAS 18001:2007</b>	Fimachem is also regulated under Control Of Industrial Major Accident Hazards (CIMA)								

**Food**

IFC continues to uphold regulatory compliance and maintain high standards of food safety and quality in its production facilities. IFC's suppliers for packaging materials and ingredients are required to comply with stringent international standards and regulations, government regulations and company policies, procedures and controls, as well as good manufacturing practices applicable to their operations. IFC's operations are subject to regular audits and inspections by local government and regulatory authorities, including PNG's National Fisheries Authority. This is in addition to quarterly/yearly audits by independent third-party organisations to maintain the certifications and international standards that it has attained.

 <b>BRC</b>	British Retail Consortium (BRC) is a trade association for the UK food retail industry that publishes the Global Standard for Food Safety to help the food industry comply with UK and EU food safety laws. IFC is among the more than 17,000 BRC-certified sites worldwide and has maintained Grade A for best practices in food safety, quality and responsibility since FYE2020.
 <b>BSCI</b>	Business Social Compliance Initiative (BSCI) Code of Conduct is based on international conventions that protect workers' rights. IFC is committed to implementing the code of conduct to uphold human and workers' rights in its business operations.
 <b>Dolphin-Safe</b>	IFC is one of the approved Dolphin-Safe Tuna Processing and Fishing Companies listed by the International Marine Mammal Project. Today, every can of tuna produced by IFC carries a Dolphin-Safe label, underlining our support for dolphin-safe fishing companies.  (To view the approved Dolphin-Safe list of companies, please visit <a href="http://savedolphins.eii.org/news/entry/eii-approved-dolphin-safetuna-processing-companies-and-fishing-companies">http://savedolphins.eii.org/news/entry/eii-approved-dolphin-safetuna-processing-companies-and-fishing-companies</a> )
 <b>GMP</b>	Good Manufacturing Practice (GMP) is a system that ensures products are consistently produced according to quality standards and controls. IFC and FISB are GMP-certified, ensuring safe, quality products for their customers.

 <b>HACCP</b>	Hazard Analysis Critical Control Point (HACCP) is a food safety management system that controls biological, chemical and physical hazards, from raw material production, procurement and handling to manufacturing, distribution and consumption of the finished product. IFC complies with the HACCP to maintain the highest food safety standards.
 <b>Halal</b>	IFC and FISB comply with JAKIM's Halal guidelines on the preparation and handling of Halal food.
 <b>IFS Food</b>	International Feature Standard (IFS) is a Global Food Safety Initiative ("GFSI") benchmarked standard. It addresses food safety and management of product quality in food and ingredient manufacturing. IFC ensures that all its food products are IFS-compliant to fulfil consumers' and retailers' expectations.
 <b>Kosher Certification &amp; Supervision</b>	IFC is a kosher-certified company and produces foods that adhere to, and are permissible for consumption under, Jewish Dietary Law.
 <b>MSC</b>	<p>Marine Stewardship Council (MSC) is an independent international eco-label for sustainable fisheries. IFC's production plant in PNG continues to maintain its MSC Chain of Custody certification, which reflects its commitment to sustainable environmental practices.</p> <p>To maintain the certification, IFC is required to undergo annual surveillance audits and meet MSC standards, which include:</p> <ul style="list-style-type: none"> <li>• A randomly chosen batch reconciliation or traceability test to measure the input and output of fish quantities as MSC fish are processed</li> <li>• Proper labelling</li> <li>• Storage of MSC-certified fish</li> <li>• Accurate and reliable record-keeping.</li> </ul>

**Manufacturing**

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

 <b>ISO 27001:2013 Information Security Management</b>	This accreditation reflects PKN's compliance with the highest international and security control standards to protect information against any security risks, underpinning the company's commitment to delivering excellence.
 <b>ISO 37001:2016 Anti-Bribery Management Systems</b>	This certification strengthens PKN's commitment against bribery and corruption while validating the division's professionalism and capability in printing documents with high-level security and confidentiality.

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

Type	FYE2020	FYE2021	FYE2022
Hazardous	16	111	198
Non-hazardous	156,849	208,238	204,268
<b>Total</b>	<b>156,865</b>	<b>208,439</b>	<b>204,466</b>

**Total waste by division (MT)**

Type	FYE2020	FYE2021	FYE2022
Bulking	2	108	170
Food	846	1,043	1,326
Manufacturing	155,840	207,182	124
Plantation	177	106	202,846
<b>Total</b>	<b>156,865</b>	<b>208,439</b>	<b>204,466</b>

**Total waste by disposal method according to hazardous and non-hazardous (MT)**

Disposal Method	FYE2021		FYE2022	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Reuse	Nil	145,046	Nil	142,964
Recycle	96	1,134	Nil	161
Composting	Nil	62,051	Nil	61,142
Recovery	Nil	86	Nil	Nil
Landfill	12	12	164	Nil
Incineration	2	Nil	35	Nil
<b>Grand Total</b>	<b>110</b>	<b>208,439</b>	<b>199</b>	<b>204,466</b>

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

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

**Fishmeal (MT) and crude fish oil (litres) produced**

	FYE2020	FYE2021	FYE2022
Fishmeal (MT)	769	941	996
Crude Fish Oil (Litres)	93	98	100

**Water Consumption (Megalitre)**

Year	Water Consumption (ML)
FYE2020	841
FYE2021	738
FYE2022	895

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

Source	FYE2020	FYE2021	FYE2022
Surface Water (Lakes, Ponds)	336	316	312
Groundwater (Wells)	343	279	346
Municipal Water (Tap Water)	162	143	237
<b>Total</b>	<b>841</b>	<b>738</b>	<b>895</b>

**Water Consumption by Division (ML)**

Division	FYE2020	FYE2021	FYE2022
Bulking	110	92	189
Food	340	276	314
Head Office	16	15	11
Manufacturing	13	15	17
Plantation	363	340	365
<b>Total</b>	<b>841</b>	<b>738</b>	<b>895</b>

**IFC Water Consumption Intensity per Tonne Fish Processed**

	Water Consumption (m <sup>3</sup> )	Fish Processed (MT)	Water Intensity per Tonne per Fish Processed (m <sup>3</sup> /MT)
FYE2020	338,157	9,732	34.75
FYE2021	284,343	11,276	25.22
FYE2022	312,426	12,008	26.02

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

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

**Energy Consumption**

Year	Total Energy Consumption (GJ)
FYE2020	225,862
FYE2021	233,945
FYE2022	302,652

## Energy consumption by division (GJ)

Division	FYE2020	FYE2021	FYE2022
Head Office	5,251	4,047	4,223
Plantation	57,271	57,109	53,302
Bulking	84,343	90,979	148,421
Manufacturing	9,569	7,356	7,511
Food	69,428	74,454	89,195
<b>Grand Total</b>	<b>225,862</b>	<b>233,945</b>	<b>302,652</b>

## Types of Energy (GJ)

Types of Energy	FYE2020	FYE2021	FYE2022
Diesel & Petrol	135,923	141,594	151,713
Fuel Oil	66,208	72,849	129,232
Biomass	142	131	136
Electricity	23,589	19,371	21,571
<b>Grand Total</b>	<b>225,862</b>	<b>233,945</b>	<b>302,652</b>

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

Division	FYE2020	FYE2021	FYE2022
Plantation	1,650,143	1,642,565	1,534,686
Bulking	2,266,165	2,464,535	4,077,220
Food	1,987,825	2,155,348	2,595,107
Manufacturing	6,142	7,797	7,754
<b>Grand Total</b>	<b>5,910,275</b>	<b>6,270,245</b>	<b>8,214,767</b>

Note: Non-Renewable Sources consist of petrol, diesel and fuel oil

## Fuel Consumption Intensity

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

	Fuel Oil Consumption (L)	FFB Produced (MT)	Fuel Oil Intensity per Tonne FFB Produced (L/MT)
FYE2020	176,920	49,929	3.54
FYE2021	220,363	71,930	3.06
FYE2022	195,597	76,846	2.55

Note: Fuel oil consists of diesel and petrol. Petrol consumption by Land Surf has been included in the intensity computation.

## Indonesian Plantation's Transportation Diesel Intensity per Tonne FFB Produced

	Diesel Consumption (L)	FFB Produced (MT)	Diesel Intensity per Tonne FFB Produced (L/MT)
FYE2020	453,715	188,930	2.40
FYE2021	418,079	156,983	2.66
FYE2022	375,343	133,930	2.80

## Bulking Boiler Fuel Oil Intensity per Tonne Heated Product

	Fuel Oil Consumption (L)	Heated Product (MT)	Fuel Oil Intensity per Tonne Heated Product (L/MT)
FYE2020	1,740,554	451,381	3.86
FYE2021	1,740,086	369,661	4.70
FYE2022	2,813,594	605,397	4.65

## Bulking Transportation Diesel Intensity per Tonne per Kilometre

	Diesel Consumption (L)	Kilometre (KM)	Diesel Intensity Per Tonne Kilometre (L/KM)
FYE2020	247,184	512,963	0.48
FYE2021	287,669	591,448	0.49
FYE2022	285,078	605,437	0.47

## Food Generator Set Diesel Intensity per Tonne Fish Processed

	Diesel Consumption (L)	Fish Processed (MT)	Diesel Intensity per Tonne Fish Processed (L/MT)
FYE2020	845,164	9,732	86.84
FYE2021	859,377	11,276	76.21
FYE2022	807,413	12,008	67.24

## Food Boiler Diesel Intensity per Tonne Fish Process

	Diesel Consumption (L)	Fish Processed (MT)	Diesel Intensity per Tonne Fish Processed (L/MT)
FYE2020	1,130,497	9,732	116.16
FYE2021	1,257,086	11,276	111.49
FYE2022	1,467,519	12,008	122.21

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

Division	FYE2020	FYE2021	FYE2022	Purpose of Usage
Head Office	153,390	212,376	218,411	Office building
Plantation	8,399	21,915	30,011	Workers' quarters
Manufacturing	-	33,086	68,330	Bangi warehouse
Bulking	-	-	64,790	Biodiesel operation
<b>Total</b>	<b>161,789</b>	<b>267,377</b>	<b>381,542</b>	

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

Division	FYE2020	FYE2021	FYE2022	Purpose of Usage
Plantation	33,898	31,409	32,594	Palm oil mill (fibre & shell)

**Electricity Consumption (MWh)**

Year	Electricity Consumption (MWh)
FYE2020	6,391
FYE2021	5,113
FYE2022	5,610

Division	FYE2020	FYE2021	FYE2022
Head Office	1,305	912	955
Plantation	185	201	159
Bulking	1,900	1,859	2,430
Manufacturing	2,600	1,936	1,944
Food	401	206	123
<b>Grand Total</b>	<b>6,391</b>	<b>5,113</b>	<b>5,610</b>

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

Type of Energy	FYE2020	FYE2021	FYE2022
<b>Non-Renewable</b>			
Petrol	111	150	166
Diesel	2,209	2,293	2,455
Fuel Oil	177	195	346
<b>Renewable</b>			
Biomass	5	4	5
Solar PV	12	19	28
<b>Grand Total</b>	<b>2,513</b>	<b>2,661</b>	<b>3,000</b>

Division	FYE2020	FYE2021	FYE2022
Head Office	11	15	16
Plantation	1,016	1,049	1,002
Bulking	370	385	521
Manufacturing	9	12	12
Food	1,118	1,215	1,465
<b>Grand Total</b>	<b>2,513</b>	<b>2,661</b>	<b>3,000</b>

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

Division	FYE2020	FYE2021	FYE2022
Head Office	1,149	802	840
Plantation	162	177	140
Bulking	1,672	1,636	2,138
Manufacturing	2,288	1,704	1,711
Food	353	181	108
<b>Grand Total</b>	<b>5,624</b>	<b>4,500</b>	<b>4,937</b>

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

Division	FYE2020	FYE2021	FYE2022
Plantation (POME)	167	621	611

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

Plantation	FYE2020	FYE2021	FYE2022
Total Emissions (tCO <sub>2</sub> eq)	1,184	1,233	1,150
Revenue (RM million)	123.38	158.47	245.50
GHG Emissions Intensity per Revenue	<b>9.60</b>	<b>7.78</b>	<b>4.68</b>

**Bulking**

	FYE2020	FYE2021	FYE2022
Total Emissions (tCO <sub>2</sub> eq)	2,042	2,020	2,659
Revenue (RM million)	106.66	92.30	163.90
GHG Emissions Intensity per Revenue	<b>19.14</b>	<b>21.89</b>	<b>16.22</b>

**Manufacturing**

	FYE2020	FYE2021	FYE2022
Total Emissions (tCO <sub>2</sub> eq)	2,296	1,716	1,723
Revenue (RM million)	134.00	101.93	104.13
GHG Emissions Intensity per Revenue	<b>17.13</b>	<b>16.84</b>	<b>16.54</b>

**Food**

	FYE2020	FYE2021	FYE2022
Total Emissions (tCO <sub>2</sub> eq)	1,471	1,394	1,568
Revenue (RM million)	131.69	140.53	165.72
GHG Emissions Intensity per Revenue	<b>11.17</b>	<b>9.92</b>	<b>9.46</b>

**SOCIAL****Headcount**

	FYE2020	FYE2021	FYE2022
No. of Employees	3,266	3,250	3,175

**Headcount by Gender**

	FYE2020	%	FYE2021	%	FYE2022	%
Male	2,047	62.7	2,015	62.0	2,000	63.0
Female	1,219	37.3	1,235	38.0	1,175	37.0

**Headcount by Age, Gender, Employee Category and Ethnicity**

FYE2020	Gender		Age			Ethnicity			
						Malaysian			Non-Malaysian
						<30 years	30-50 years	>50 years	
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Non-Malaysian
Senior Management	9	2	0	6	5	11	0	0	0
Management	47	12	1	40	18	54	1	1	3
Executive	112	51	59	84	20	123	0	2	38
Non-Executive	1,879	1,154	983	1,792	258	688	1	33	2,311
<b>Total</b>	<b>2,047</b>	<b>1,219</b>	<b>1,043</b>	<b>1,922</b>	<b>301</b>	<b>876</b>	<b>2</b>	<b>36</b>	<b>2,352</b>

FYE2021	Gender		Age			Ethnicity			
						Malaysian			Non-Malaysian
						<30 years	30-50 years	>50 years	
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Non-Malaysian
Senior Management	8	2	0	6	4	10	0	0	0
Management	46	13	1	42	16	55	1	0	3
Executive	106	52	55	86	17	117	0	1	40
Non-Executive	1,855	1,168	1,030	1,761	232	645	0	40	2,338
<b>Total</b>	<b>2,015</b>	<b>1,235</b>	<b>1,086</b>	<b>1,895</b>	<b>269</b>	<b>827</b>	<b>1</b>	<b>41</b>	<b>2,381</b>

FYE2022	Gender		Age			Ethnicity			
						Malaysian			Non-Malaysian
						<30 years	30-50 years	>50 years	
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Bumiputera	Chinese	Indian	Non-Malaysian
Senior Management	8	2	0	5	5	10	0	0	0
Management	48	13	1	43	17	58	1	0	2
Executive	102	49	46	93	12	108	0	1	42
Non-Executive	1,842	1,111	1,011	1,711	231	825	0	29	2,099
<b>Total</b>	<b>2,000</b>	<b>1,175</b>	<b>1,058</b>	<b>1,852</b>	<b>265</b>	<b>1,001</b>	<b>1</b>	<b>30</b>	<b>2,143</b>

**Headcount by Division**

	FYE2020	FYE2021	FYE2022
Bulking	210	211	226
Food	962	1,052	1,000
Head Office	81	75	67
Manufacturing	287	268	264
Plantation	1,726	1,644	1,618
<b>Total</b>	<b>3,266</b>	<b>3,250</b>	<b>3,175</b>

**Headcount by Nationality**

	FYE2020	FYE2021	FYE2022
Malaysia	931	879	1,051
Indonesia	1,348	1,298	1,111
Papua New Guinea	913	1,006	955
Philippines	9	9	12
Bangladesh	47	45	38
Indian	14	9	4
Nepal	4	4	4
<b>Total</b>	<b>3,266</b>	<b>3,250</b>	<b>3,175</b>

**Headcount by Employment Contract and by Gender**

	FYE2020		FYE2021		FYE2022	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Male	1,333	714	1,225	790	1,275	725
Female	1,101	118	1,087	148	1,071	104
<b>Total</b>	<b>2,434</b>	<b>832</b>	<b>2,312</b>	<b>938</b>	<b>2,346</b>	<b>829</b>

**Headcount by Employment Type by Gender**

	FYE2020		FYE2021		FYE2022	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Male	2,047	N/A	2,015	N/A	2,000	N/A
Female	1,219	N/A	1,235	N/A	1,175	N/A
<b>Total</b>	<b>3,266</b>	<b>N/A</b>	<b>3,250</b>	<b>N/A</b>	<b>3,175</b>	<b>N/A</b>

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

**Headcount by Country**

	FYE2020	FYE2021	FYE2022
Malaysia	1,214	1,130	1,214
Indonesia	1,122	1,097	986
Papua New Guinea	930	1,023	975

**Local Employment Breakdown by Country**

	FYE2020	FYE2021	FYE2022
Malaysia	919	869	1,039
Indonesia	1,117	1,094	981
Papua New Guinea	913	1,006	955
<b>Total</b>	<b>2,949</b>	<b>2,969</b>	<b>2,975</b>

**Local Employment Rate by Country**

FYE2020	Malaysia	Indonesia	Papua New Guinea
Local	75.7%	99.6%	98.2%
Foreign	24.3%	0.4%	1.8%

FYE2021	Malaysia	Indonesia	Papua New Guinea
Local	76.9%	99.7%	98.3%
Foreign	23.1%	0.3%	1.7%

FYE2022	Malaysia	Indonesia	Papua New Guinea
Local	85.6%	99.5%	97.9%
Foreign	14.4%	0.5%	2.1%

## Local Senior Management by Country

	FYE2020	FYE2021	FYE2022
Malaysia	9	9	9
Indonesia	-	-	-
Papua New Guinea	-	-	-
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>
%	<b>81.8</b>	<b>90.0</b>	<b>90.0</b>

## New Hires

## Group New Hire

FYE2020		FYE2021		FYE2022	
No. of New Hire	Rate	No. of New Hire	Rate	No. of New Hire	Rate
830	25.4%	485	14.9%	986	31.1%

## New Hire by Age Group

	FYE2020	FYE2021	FYE2022
<30	464	296	618
30-50	360	154	345
>50	6	35	23

## New Hire by Gender

	FYE2020	FYE2021	FYE2022
Male	672	247	709
Female	158	238	277

## New Hire by Division

	FYE2020	FYE2021	FYE2022
Bulking	63	17	64
Food	167	319	305
Head Office	9	7	5
Manufacturing	75	19	43
Plantation	516	123	569

## New Hires by Country

	FYE2020	FYE2021	FYE2022
Malaysia	419	142	460
Indonesia	256	26	224
Papua New Guinea	155	317	302
<b>Total</b>	<b>830</b>	<b>485</b>	<b>986</b>

## Turnover (%)

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

## Group Turnover

FYE2020		FYE2021		FYE2022	
No. of Turnover	Rate	No. of Turnover	Rate	No. of Turnover	Rate
708	21.7%	403	12.4%	658	20.7%

## Turnover by Age Group

	FYE2020	FYE2021	FYE2022
<30	29.7%	15.5%	32.2%
30-50	19.5%	11.6%	16.4%
>50	8.0%	5.9%	5.3%

## Turnover by Gender

	FYE2020	FYE2021	FYE2022
Male	27.8%	14.2%	25.9%
Female	11.4%	9.5%	11.9%

## Turnover by Division

	FYE2020	FYE2021	FYE2022
Bulking	17.1%	6.6%	19.5%
Food	14.3%	9.4%	12.0%
Head Office	7.4%	4.0%	10.4%
Manufacturing	4.5%	3.4%	7.2%
Plantation	29.8%	16.9%	28.9%

## Turnover by Country

	FYE2020	FYE2021	FYE2022
Malaysia	19.3%	21.2%	24.3%
Indonesia	30.7%	6.4%	25.4%
Papua New Guinea	14.0%	9.2%	11.6%

## Turnover by Employment Contract

	FYE2020	FYE2021	FYE2022
Permanent	13.5%	7.3%	14.2%
Temporary	45.6%	25.1%	39.2%

## Training

## Average Training Hours per Employee

	FYE2020	FYE2021	FYE2022
	3.88	1.52	3.11

## Average Training Hours by Gender

	FYE2020		FYE2021		FYE2022	
	Male	Female	Male	Female	Male	Female
Total No. of Employees	2,047	1,219	2,015	1,235	2,000	1,175
Total No. of Training Hours	9,039.5	3,636.0	2,988.5	1,967.0	6,512.0	3,361.0
Average Training Hours per Employee	4.4	3.0	1.5	1.6	3.3	2.9

## Average Training Hours by Employee Category

	FYE2020		FYE2021		FYE2022	
	Total No. of Training Hours	Average Training Hours per Employee	Total No. of Training Hours	Average Training Hours per Employee	Total No. of Training Hours	Average Training Hours per Employee
Non-Executive	7,357.5	2.4	2,336.5	0.8	5,830.0	2.0
Executive	3,771.0	23.1	1,831.5	11.6	2,667.8	17.7
Management	1,268.0	21.5	616.5	10.4	1,164.3	19.1
Senior Management	279.0	25.4	171.0	17.1	211.0	21.1

## Average Training Hours by Gender and by Country

	FYE2020		FYE2021		FYE2022	
	Male	Female	Male	Female	Male	Female
Malaysia	9.8	11.2	2.8	5.4	6.8	8.8
Indonesia	0.2	0.1	0.5	1.2	0.3	0.3
Papua New Guinea	0.1	0.3	0.5	0.2	0.6	0.8

## Parental Leave

	FYE2021		FYE2022	
	Male	Female	Male	Female
Total number of employees who were entitled to parental leave	NA	NA	1,350	1,175
Total number of employees who took parental leave	17	89	28	61
Total number of employees who returned to work in the reporting period after parental leave ended	17	82	28	46
Total number of employees who returned to work after parental leave ended and who were still employed 12 months after their return to work	NA	NA	16	44

	FYE2022
Return-to-Work Rate	83.1%
Retention Rate	60.6%

## Occupational Health and Safety Performance

## Total Injuries

	FYE2020	FYE2021	FYE2022
Recorded Injuries	19	20	16
Fatalities	2	0	1

## Work-related Injuries (Employees)

	FYE2020		FYE2021		FYE2022	
	Number	Accident Rate	Number	Accident Rate	Number	Accident Rate
Hours Worked	6,871,040	-	6,903,248	-	6,712,640	-
Fatalities	0	0	0	0	0	0
High-consequence Work-related Injuries	0	0	0	0	0	0
Recordable Work-related Injuries	19	5.91	20	6.15	16	5.04

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

## Lost Time Injury Frequency Rate ("LTIFR")

	FYE2020	FYE2021	FYE2022
	2.77	2.90	2.38

Note: Per million hours worked.

## Injuries by Absent Days

	FYE2020	FYE2021	FYE2022
	173	226	214

## GOVERNANCE

## Value distribution to stakeholders (RM million)

Stakeholders	FYE2020	FYE2021	FYE2022
Community Investment	0.74	0.44	0.25
Dividends	25.29	25.14	60.00
Employee Wages and Benefits	62.53	55.14	64.56
Taxes	29.97	40.18	51.49
<b>Total</b>	<b>118.53</b>	<b>120.90</b>	<b>176.30</b>

## Supply Chain – Support for local procurement (%)

	FYE2020		FYE2021		FYE2022	
	Local	Foreign	Local	Foreign	Local	Foreign
Malaysia	-	-	-	-	95.9	4.1
Indonesia	92.1	7.9	91.8	8.2	90.9	9.1
PNG	53.3	46.7	45.4	54.6	86.0	14.0

Note: Data for Malaysia is limited to FYE2022.

GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		Page	Remarks
102-1	Name of the organisation	Front Cover	Kumpulan Fima Berhad (197201006167)(11817-V)
102-2	Activities, brands, products, and services	9, 14 and 20	Refer to Group Corporate Structure, Management Discussion & Analysis, and Segmental Review.
102-3	Location of headquarters	242	Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur
102-4	Location of operations	247	Refer to the Directory of Group Operations in this Report.
102-5	Ownership and legal form	242	KFima is a public company listed on the Main Market of Bursa Malaysia Securities Berhad <ul style="list-style-type: none"> <li>Stock Name: KFima</li> <li>Stock Code: 6491</li> <li>Sector: Industrial Products and Services</li> <li>Sub-Sector: Diversified Industrials</li> </ul>
102-6	Markets served	20	Refer to Segmental Review.
102-7	Scale of the organisation	8, 9, 14, 20, 256	Refer to the following sections in this Report: <ul style="list-style-type: none"> <li>Group Corporate Structure and workforce data in this Report.</li> <li>Management Discussion &amp; Analysis, Segmental Reviews, 5-Year Group Financial Highlights.</li> </ul>
102-8	Information on employees and other workers	70 and 258	All KFima employees are full-time workers. Total Permanent workers: 2,346 Total Temporary workers: 829 Refer also to the Social section of the Sustainability Report and Performance Data.
102-9	Supply chain	82	KFima's supply chain predominantly consists of contractors and vendors providing raw materials, services, packaging materials and logistics services.
102-10	Significant changes to the organisation and its supply chain	-	There were no significant changes in FYE2022.
102-11	Precautionary Principle or approach	118	Refer to the Statement on Risk Management and Internal Control in this Report.
102-12	External initiatives	50, 68, 85	SDG, MSPO, Certifications
102-13	Membership of associations	88	<ul style="list-style-type: none"> <li>Association of Malaysian Hauliers (Honorary Treasurer)</li> <li>Association of Plantation Investors of Malaysia in Indonesia (APIMI)</li> <li>Chemical Industry Council of Malaysia (Committee Member)</li> <li>Fishing Industry Association</li> <li>Gabungan Pengusaha Kelapa Sawit Indonesia (GAPKI)</li> <li>Incorporated Society of Planters</li> <li>Lae Chamber of Commerce</li> <li>Malaysian Association of PNG</li> <li>Malaysian Biodiesel Association</li> <li>Malaysian Employers Federation</li> <li>Malaysia-Pakistan Business Council</li> <li>Morobe Football Association</li> <li>Palm Oil Refiners Association of Malaysia</li> <li>Selangor Freight Forwarders and Logistics Association</li> <li>Tuna Process Association (Secretary)</li> <li>Papua New Guinea University of Technology (Board Member)</li> </ul>
102-14	Statement from senior decision-maker	10, 14	Refer to the Chairman's Statement and Management Discussion & Analysis in this Report.

GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		Page	Remarks
102-15	Key impacts, risks, and opportunities	46, 118	Our approach to managing the key impacts, risks and opportunities is reviewed in the respective Environmental, Social and Governance sections in this Report. Refer also to the Statement on Risk Management and Internal Control.
102-16	Values, principles, standards, and norms of behaviour	2, 100, 118	Refer to the Our Values section as well as the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-17	Mechanisms for advice and concerns about ethics	69, 108	The Group has in place a Whistle-blowing Policy and grievance procedures to address employees' and third parties' concerns.
102-18	Governance structure	100	Refer to the Corporate Governance Overview Statement in this Report.
102-19	Delegating authority	100	Refer to the Corporate Governance Overview Statement in this Report.
102-20	Executive-level responsibility for economic, environmental, and social topics	100	Refer to the Corporate Governance Overview Statement in this Report.
102-21	Consulting stakeholders on economic, environmental, and social topics	46	Refer to Sustainability Report.
102-22	Composition of the highest governance body and its committees	89, 96, 100	Refer to the Corporate Information, Our Board of Directors, Our Senior Management and the Corporate Governance Overview Statement sections in this Report.
102-23	Chair of the highest governance body	89	KFima's Chairman, Dato' Idris bin Kechot, is an Independent Non-Executive Director.
102-24	Nominating and selecting the highest governance body	100	Refer to the Corporate Governance Overview Statement in this Report.
102-25	Conflicts of interest	100	Refer to the Corporate Governance Overview Statement in this Report.  Directors and Group employees are required to observe the highest ethical standards in conducting the Group's business.
102-26	Role of highest governance body in setting purpose, values, and strategy	100	Refer to the Corporate Governance Framework.
102-27	Collective knowledge of highest governance body	100	KFima Directors are encouraged to attend continuous training programmes. In FYE2022, the Directors attended and participated in various seminars, presentations and workshops, details of which are set out in the Directors' Training section of the Corporate Governance Overview Statement in this Report.
102-28	Evaluating the highest governance body's performance	100	Refer to the review of ethical leadership in the Corporate Governance Overview Statement in this Report.
102-29	Identifying and managing economic, environmental, and social impacts	52, 80, 100	The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance with quarterly reporting to Audit & Risk Committee. Refer also to the Corporate Governance Overview Statement in this Report.
102-30	Effectiveness of risk management processes	116, 118	The Audit & Risk Committee has oversight of the Group's risk management processes. Refer to the Audit & Risk Committee Report and Statement of Risk Management & Internal Control in this Report.

GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		Page	Remarks
102-31	Review of economic, environmental, and social topics	52, 80, 100	The Board reviews and approves the SR2022. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-32	Highest governance body's role in sustainability reporting	52, 80, 100	The Board reviews and approves the SR2022. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-35	Remuneration policies	100, 102	The Group's compensation structure includes fixed and variable components depending on the employee's job grade. Each location within the Group has its own locally defined employee benefit schemes.
102-36	Process for determining remuneration	112	Refer to the Corporate Governance Overview Statement in this Report.
102-37	Stakeholders' involvement in remuneration	237	The Non-Executive Directors' ("NEDs") remuneration is subject to annual shareholders' approval. Details of the fees and benefits payable to the NEDs are disclosed in KFima's Notice of 50 <sup>th</sup> Annual General Meeting.
102-40	List of stakeholder groups	47	KFima has identified seven stakeholder groups.
102-41	Collective bargaining agreements	68	KFima respects the right of workers to have collective bargaining agreements and honours all the provisions covered in the agreements.
102-42	Identifying and selecting stakeholders	47	KFima has identified seven stakeholder groups.
102-43	Approach to stakeholder engagement	47	We respond to our stakeholders' expectations in various ways, depending on the nature and scale of the issues.
102-44	Key topics and concerns raised	47	
102-45	Entities included in the consolidated financial statements	130	The Group's core divisions are Manufacturing, Plantation, Bulking and Food. Refer to the Management Discussion & Analysis and the Financial Statements in this Report.
102-46	Defining report content and topic boundaries	2	Refer to About This Report.
102-47	List of material topics	49	
102-48	Restatements of information	72, 259	Historical data relating to employee turnover has been restated.
102-49	Changes in reporting	-	No significant changes to the Group's organisational structure.
102-50	Reporting period	2	1 April 2021 to 31 March 2022.
102-51	Date of most recent report	-	Our last Sustainability Report was dated 27 August 2021.
102-52	Reporting cycle	2	Annual; financial year ending 31 March 2022.
102-53	Contact point for questions regarding the report	2	All enquiries and comments can be forwarded to info@fima.com.my
102-54	Claims of reporting in accordance with the GRI Standards	2	Refer to About This Report.
102-55	GRI content index	262-269	
102-56	External assurance	-	This Report has not been externally assured. We are incrementally improving the reporting of our sustainability disclosures and we aspire for our SR to be externally assured in the future.

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		Page	Remarks
<b>Economic</b>			
<b>Management Approach</b>			
103-1	Explanation of the material topic and its boundary	47, 48 and 50	Refer to materiality and boundaries of economic performance sections.
103-2	The management approach and its components		The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2022. We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-3	Evaluation of the management approach		
<b>201: Economic Performance</b>			
201-1	Direct economic value generated and distributed	81, 261	
201-2	Financial implications and other risks and opportunities due to climate change	52, 54	Addressing the impacts of climate change on the business is a material issue and issues are raised in various sections of the SR2022, notably, the Environmental section. Refer also to the Taskforce on Climate-Related Disclosures (TCFD) section in this Report.
201-3	Defined benefit plan obligations and other retirement plans	173, 174	Details are also provided in KFima's Audited Financial Statements 2022 in this Report in notes 6 (Staff Costs) and 7 (Directors' Remuneration).
<b>202: Market Presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	We are committed to providing competitive and fair wages and believe that we do so in all our operations. The Group pays at least minimum wage as required by law in the countries in which we operate and in no area of operation does minimum wage vary by gender.
202-2	Proportion of senior management hired from local community	70	In FYE2022, our local employment rate was 93.7% and 90.0% of the Group's senior management were local employees
<b>203: Indirect Economic Impacts</b>			
203-2	Significant indirect economic impacts	78	We believe in contributing economically and socially to the well-being of the communities where we conduct business
<b>204: Procurement Practices</b>			
204-1	Proportion of spending on local suppliers	83, 261	
<b>205: Anti-Corruption</b>			
205-1	Operations assessed for risks related to corruption	-	All of our operations, as well as our suppliers, are monitored for fraudulent activity and corruption. No specific corruption-related risks have been identified.
205-2	Communication and training about anti-corruption policies and procedures	81	Our group policies and training modules are periodically reviewed to comply with anti-bribery and corruption legislation
205-3	Confirmed incidents of corruption and actions taken	81	There were no confirmed incidents of corruption during the review period.
<b>206: Anti-Competitive Behaviour</b>			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice	-	There were no such legal actions during the review period.

MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		Page	Remarks
<b>Environment</b>			
<b>Management Approach</b>			
103-1	Explanation of the material topic and its boundary	54	Refer to materiality and boundaries of environmental performance sections.  The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2022.  We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
<b>302: Energy</b>			
302-1	Energy consumption within the organisation	57-61, 251-254	We strive to efficiently manage our energy consumption across all our operations, where each division has its own energy consumption and intensity targets.
302-3	Energy Intensity	57-61, 251-254	
302-4	Reduction of energy consumption	57-61	
302-5	Reduction in energy requirements of products and services.	57-61	
<b>303: Water and Effluents</b>			
303-1	Interactions with water as shared resource	63-65, 250	
303-2	Management of water discharge-related impacts	63-65,250	We are incrementally improving our water impact disclosures, and we aim to include our water discharge data in the near future.
303-3	Water withdrawal	63-65,250	
303-5	Water consumption	63-65,250	
<b>304: Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	54-56	Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna.
304-2	Significant impacts of activities, products, and services on biodiversity	54-56	Environmental impact assessments are carried out ahead of any new plantation development, or as may be required by relevant legislation.
304-3	Habitats protected or restored	54-56	Except for Plantation, the Group's operations have limited impact on natural habitats.  Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna.  PTNJL has also set aside areas within its plantation as water catchment zone. Chemical applications are strictly prohibited at the water catchment zone in order to preserve them
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	54-56	We adopt sustainable practices through the establishment of an Elephant Conflict Task Force to improve human-elephant conflict management which involves Asian elephants, an 'endangered species' on the IUCN Red List.

MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		Page	Remarks
<b>Environment</b>			
<b>Management Approach</b>			
<b>305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	62, 254	We focus on actively reducing our GHG emissions by executing operational efficiencies across our business operations, including cutting down on our fuel consumption, incorporating renewable energy and adopting new energy-efficient technology.
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
<b>306: Waste</b>			
306-1	Waste generation and significant waste-related impacts	65-66	We prevent and minimise waste by reusing, recycling and energy recovery, as well as by practising safe waste disposal to reduce risks to the environment and human health.
306-2	Management of significant waste-related impacts	65-66	
306-3	Waste generated	65-66, 250	
306-4	Waste diverted from disposal	65-66, 250	
306-5	Waste directed to disposal	65-66, 250	
<b>307: Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	-	No environmental-related penalties or fines were payable during the reporting period.
<b>MATERIAL TOPICS - SOCIAL</b>			
Disclosure Number		Page	Remarks
<b>Social</b>			
<b>Management Approach</b>			
103-1	Explanation of the material topic and its boundary	67	Refer to the materiality and boundaries of social performance sections.  The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2022.  We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
<b>401: Employment</b>			
401-1	New employee hires and employee turnover	72-73, 258	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	74	
401-3	Parental leave	260	The Group provides maternity and paternity leave to entitled employees. Data on parental leave is set out in the Performance Data section.

MATERIAL TOPICS - SOCIAL			
Disclosure Number		Page	Remarks
<b>Social</b>			
<b>Management Approach</b>			
<b>402: Labour Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	-	With regards to any operational changes, we provide a minimum notice period of one to three months depending on the geographical location of the operating companies.
<b>403: Occupational Safety and Health</b>			
403-1	Occupational health and safety management system	75	Health and safety committees are in place in all divisions.
403-2	Hazard identification, risk assessment, and incident investigation	76	
403-4	Worker participation, consultation, and communication on occupational health and safety	77	All divisions have health and safety committees which consist of divisional management and employees. It is to these committees that incidences are reported, and where compliance with policies is monitored and improvements are discussed.
403-5	Worker training on occupational health and safety	76	
403-9	Work-related injuries	77-78, 261	
<b>404: Training and Education</b>			
404-1	Average hours of training per year per employee by gender and by employee category	73, 260	
404-2	Programmes for upgrading employee skills and transition assistance programmes	74	We continuously provide technical and soft-skill training to ensure our employees stay relevant and updated with the latest industry knowledge.
404-3	Percentage of employees receiving regular performance and career development reviews	75	
<b>405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	69-70, 89-99, 256	The composition of our workforce is detailed in the SR2022. The composition of our Board of Directors and Key Senior Management is provided on pages 89 to 99 in this Report
405-2	Ratio of basic salary and remuneration of women to men	-	Our HR management principles are based on equal opportunity and non-discrimination. In no area of operation does minimum wage vary by gender.
<b>406: Non-Discrimination</b>			
406-1	Incidents of discrimination and corrective action taken	69	There were zero reported cases of discrimination in the year under review.
<b>407: Freedom of Association and Collective Bargaining</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	68	No such operations or suppliers have been formally identified within the Group. Freedom of association and collective bargaining are fundamental rights which KFima has committed to uphold.

MATERIAL TOPICS - SOCIAL			
Disclosure Number		Page	Remarks
<b>Social</b>			
<b>Management Approach</b>			
<b>408: Child Labour</b>			
408-1	Operations and suppliers at significant risk for incidents of child labour	71	No operations or suppliers were found to have significant risk of child labour. There have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in loose fruit collection and other light tasks; however, these are not considered to be significant. Details on how this issue is being addressed is set out in the SR2022.
<b>409: Forced or Compulsory Labour</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	68	No operations or suppliers were found to have significant risk of forced or compulsory labour. There were zero reported cases of breaches of human and workers' rights in the year under review.
<b>412: Human Rights Assessment</b>			
412-2	Employee training on human rights policies or procedures	68	
<b>413: Local Community</b>			
413-1	Operations with local community engagement, impact assessments, and development programmes	78	All our operations have some degree of community engagement. Impact assessments are conducted as and when needed, particularly for new development projects.
<b>415: Public Policy</b>			
415-1	Political contribution	-	KFima does not make any donations to political parties.
<b>417: Marketing and Labelling</b>			
417-1	Requirements for product and services information and labelling	83, 86-87	All our food products are governed by stringent food safety laws and these are highly regulated. For example, IFC's products that are exported to the EU must comply with EU food regulations.
417-2	Incidents of non-compliance concerning product and services information and labelling	83	There were no incidents of fines/penalties imposed on the Group due to non-compliances concerning product and services information and labelling in the year under review.
<b>418: Customer Privacy</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	82	There were zero breaches of data privacy and information during the year under review.
<b>419: Socioeconomic Compliance</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	-	There were no non-compliances with laws and regulations in the social and economic areas during the year under review.



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