FIMA
KUMPULAN FIMA BERHAD
(197201000167) (11817-V)

Positioning for the Future

Annual Report 2024

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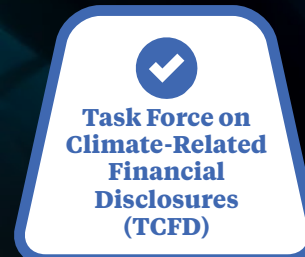# $\mathcal{S}ustainability$ **Report**

Introduction

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

Our Approach

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

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

- **Stakeholder Engagement**
- **Sustainability Governance**
- **Sustainability Development Goals (SDGs)**
- **Materiality Matters**
- **Task Force on Climate-Related Financial Disclosures (TCFD)**

Stakeholder Engagement

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

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

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

Stakeholders	Engagement Platform	Key Concerns	Our Response
Employees	• Employee Engagement Survey • Performance and career development reviews • Labour union meetings and negotiations • Virtual meetings • Internal communications	• Job security and wages • Conducive workplace • Career development and growth development • Occupational safety and health and well-being • Human rights	• Investing in the attraction, retention, and professional development of a highly skilled and talented workforce. • Offering a range of job opportunities and career advancement paths, along with competitive salary and benefits packages. • Establishing grievance mechanisms and a confidential Whistle-Blowing Policy to address and resolve employee concerns and complaints effectively. • Investing in and enforcing Occupational Safety and Health Management Systems to ensure the health and safety of all employees. • Complying with the United Nations Human Rights Council's Human Rights Policy to uphold and protect fundamental rights and freedoms, guaranteeing equitable treatment for all employees. • Delivering continuous training on integrity and anti-bribery to foster a workplace culture committed to ethical practices and compliance.
Shareholders & Investors	• AGM meetings • Corporate website • Comprehensible reports and timely disclosure of financial and ESG matters • Response to queries • Meetings with fund managers • Investor Relations Channel	• Timely disclosure of information • Financial performance and resilience • Transparent communication	• Ensuring that communications regarding business performance and policies are rolled out clearly, concisely and promptly to reinforce our shareholders' confidence.

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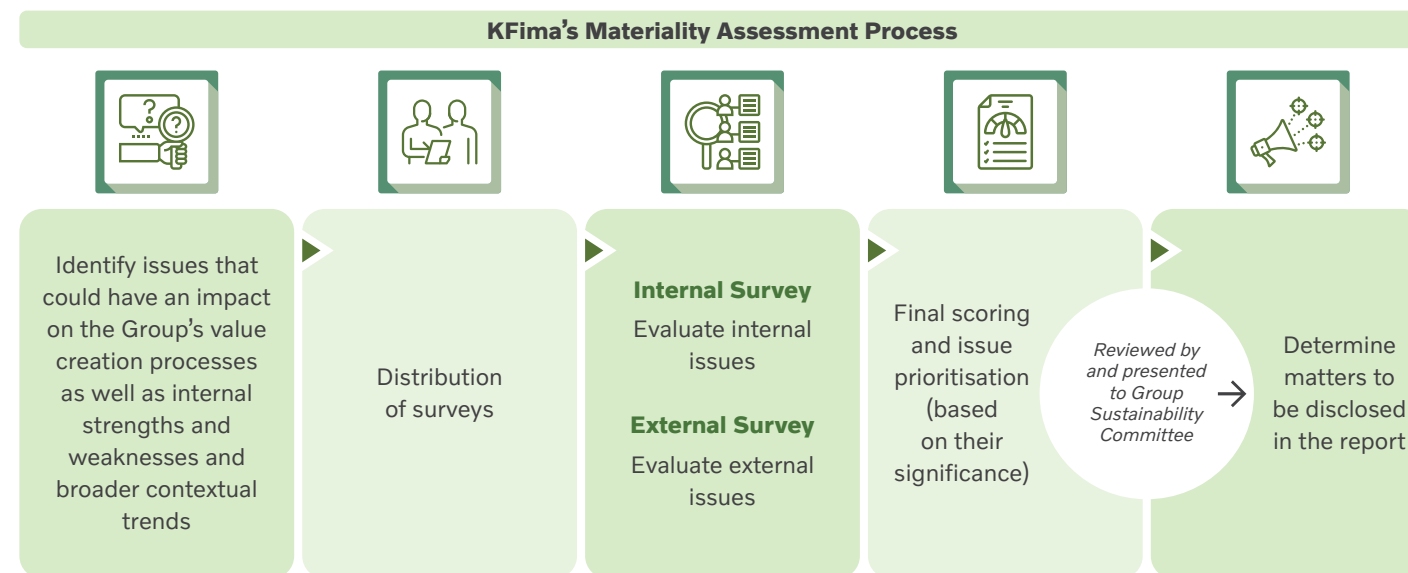| Stakeholders	Engagement Platform	Key Concerns	Our Response
Customers	• Physical or virtual meetings • Audit • Survey • Training and support	• Changing needs of customers and consumers • Business ethics • Innovation • Traceability • Food safety • Health and safety certification • Transparent supply chain	• Maintaining a steadfast commitment to integrity and fairness in all customer interactions, ensuring that our products and services consistently meet established quality and satisfaction standards. • Providing goods and services that are suitable for their intended use and adhere to all relevant safety and quality regulations. • Striving to exceed industry and international certification standards, thereby building trust with stakeholders and increasing our market share. • Regularly assessing consumer feedback, audit outcomes, and satisfaction surveys to pinpoint crucial areas for improvement and continued development. • Adopting a proactive stance to maintain adherence to current standards and prevent complacency in our operations.
Communities	• Town hall with local residents • Community volunteering activities • Environmental and Social Impact Assessment	• Economic empowerment • Livelihood protection • Community safety and health • Environmental protection	• Enhancing local communities by offering employment and nurturing partnerships with local suppliers. • Bettering the lives and economic well-being of local communities through the development and enhancement of infrastructure, along with providing welfare contributions and financial support during hardships or disasters. • Providing financial assistance to facilitate the education of school-age children.
Suppliers & Business Partners	• Meetings • Training and support	• Quality control • Business ethics • Transparency • Sustainability requirements	• Adhering to ethics and integrity policies to ensure fair and impartial procurement practices, fostering stable and long-term relationships with suppliers. • Regularly updating suppliers on regulatory changes to ensure uninterrupted business operations. • Collaborating with suppliers to guarantee a consistent supply of materials, securing long-term availability, and investigating potential new opportunities. • Identifying improvement opportunities based on audits, internal reviews, and other evaluations.
National & Local Governments	• Meetings/dialogues	• Updated licences and permits • Zero compliance issue • Community issues • Community development	• Proactively engaging with federal and local governments, as well as regulatory authorities, to advocate for industry-specific legislation and collaborate on policy development. • Supporting national strategies and contributing actively to the economic and social advancement of the countries in which the Group operates, promoting sustained growth.

Our Materiality Matters

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

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

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

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

KFima's Materiality Assessment Process

Identify issues that could have an impact on the Group's value creation processes as well as internal strengths and weaknesses and broader contextual trends	Distribution of surveys	**Internal Survey** Evaluate internal issues **External Survey** Evaluate external issues	Final scoring and issue prioritisation (based on their significance)	*Reviewed by and presented to Group Sustainability Committee*	Determine matters to be disclosed in the report

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Materiality Matrix

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

The materiality matrix has identified the following four critical sustainability themes for the Group:
- Anti-bribery and corruption measures
- Occupational safety, health, and well-being
- Human rights protection
- Effective water and waste management

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

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

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

Importance to Stakeholders (Y) — High / Medium / Low

Importance to the Group (X) — Low / Medium / High

ABC	Anti-bribery & corruption
BD	Biodiversity & Deforestation
CR	Climate Risk
CI	Community Investment
HR	Human Rights
ITE	Innovative & Technology Excellence
OSHWB	Occupational Safety, Health & Well-being
PQS	Product Quality & Safety
STSC	Sustainability & Traceability Supply Chains
WIWM	Water Impact & Waste Management

United Nations Sustainable Development Goals

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

The Group strategically leverages its business operations to contribute towards these goals with a particular emphasis on the following:
- The manufacturing and sale of products it produces and the way in which they are produced.
- The use by host government of the taxes that the Company pays.
- The creation of economic and social value in the communities where we operate by creating local jobs.
- Supporting local supply chains through development programmes, training, and investment, fostering economic independence and resilience.
- The efforts undertaken to reduce the environmental footprint of the business.

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

Our Environment — Land, Water & Climate

Group Material Matters	Metrics Measured and Monitored	Our Contribution
- Climate Risk - Water Impact and Waste Management - Biodiversity and Deforestation **Alignment with GRI** 302, 303, 304, 305, 306	- Energy Consumption – renewable and non-renewable - Greenhouse gas emissions ("GHG") (Scope 1 and 2 emissions) - Intensity for fuel consumption (harvesting operation) - Intensity for water consumption (FFB processing) - Tracking water withdrawals and consumption - Waste disposal amount and type	- Implementing sustainable agricultural practices and best management practices across our estates, adhering to the Malaysian Sustainable Palm Oil ("MSPO") and Good Agricultural Practices ("GAP") standards. - Ensuring wastewater discharge quality meets or exceeds regulatory standards to effectively mitigate water pollution. - Optimising alternative water sources through initiatives such as water harvesting and recycling. - Adopting renewable energy sources, such as solar power, biodiesel, and biomass, to reduce the Group's carbon footprint. - Maintaining efficient water and energy management systems that comply with industry and international standards, including ISO 14001 and ISO 5001. - Utilising natural resources efficiently through the principles of Recycle, Reuse, Reduce, and Refuse. - Ensuring supply chain transparency and compliance with international standards, including certifications from the National Fisheries Authority (NFA), Marine Stewardship Council (MSC), and Dolphin-Safe labels.

Our People
Livelihood, Health & Well-Being

Group Material Matters	Metrics Measured and Monitored	Our Contribution
• Human Rights • Occupational Safety, Health and Well-being • Community Investment **Alignment with GRI** 102, 202, 203, 401, 402, 403, 404, 405, 406, 407, 409, 412, 413	• Diversity throughout the Group • Employee training and development • Number of work-related fatalities • Work related injuries • Accident & Lost time Injury Frequency Rate (LTIFR) • Community engagement and investments where we operate	• Creating business opportunities and economic empowerment through gainful employment for local community members to sustain their livelihoods. • Implementing human resources policies that ensure minimum wage compliance and fair remuneration for work performed. • Meeting employees' personal and professional development needs through substantial investments in training programmes. • Offering educational support and initiatives for youth development. • Addressing the increasing demand for affordable protein. • Promoting the health and well-being of local communities. • Sharing company infrastructure, such as providing solar energy and clean water to neighbouring communities. • Offering humanitarian support during times of adversity or following natural disasters. • Minimising food waste and repurposing waste as by-products. • Enhancing agricultural yields and extraction rates through the adoption of best practices. • Sourcing from vendors that are environmentally and socially responsible, reputable, and adhere to sustainable practices. • Maintaining a healthy, safe, and conducive work environment.

Our Business
Fair, Inclusive and Decent Society

Group Material Matters	Metrics Measured and Monitored	Our Contribution
• Sustainable and Traceable Supply Chains • Product Quality and Safety • Innovation and Technology Excellence • Code of Ethics & Governance **Alignment with GRI** 102, 201, 204, 205, 417, 418	• Anti-bribery and corruption • Value Distribution to our Stakeholders • Supporting Local Procurement • Y-o-Y improvement, technology and process innovation • Quality standards and certifications of our operations	• Implementing and maintaining transparency in the supply chain with adherence to international standards such as MSPO, ISO 37001, and BSCI. • Ensuring compliance with Occupational Health and Safety standards to maintain a safe and healthy work environment. • Integrating human rights commitments into our operations, including non-discrimination, anti-modern slavery, child labour prevention, and anti-harassment policies. • Sourcing from environmentally and socially responsible vendors known for their sustainable practices. • Establishing corporate and sustainability governance policies including Codes of Conduct, Anti-Bribery Policies, and Whistle-Blowing Policies. • Collaborating with non-governmental organisations that advocate for a fair, inclusive, and decent society. • Upholding the practice of freedom of association by recognising and engaging with union members.

Task Force on Climate-Related Financial Disclosures

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

GOVERNANCE

Board-Level Oversight

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

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

• The Audit and Risk Committee ("ARC") is tasked with overseeing comprehensive ESG reporting, which encompasses climate-related disclosures.

• The Group Sustainability Committee ("GSC") monitors the execution of the Group's sustainability strategy, focusing on climate initiatives and the exploration of related opportunities. We closely track the intensity of our resource consumption. Following the principle of "measure to manage," this approach helps us pinpoint areas where we can significantly reduce our resource footprint, and set targeted sustainability goals while tracking progress on improvement initiatives.

• The Nomination & Remuneration Committee ensures that ESG factors, including specific climate-related targets, are incorporated into the Key Performance Indicators ("KPIs") for the Group Managing Director ("Group MD").

• The Risk Steering Committee ("RSC") evaluates climate risks as a component of its broader review of key enterprise and emerging risks, and manages these within the Group's Enterprise Risk Management ("ERM") framework.

Management-Level Oversight

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

RISK MANAGEMENT

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

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STRATEGY

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

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

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

METRICS AND TARGETS

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

Our approach follows the "measure-monitor-manage" principle. We assess the efficiency of energy and water usage by measuring their intensity (e.g., kWh per square meter of office space) for key processes. These metrics are interconnected with our governance, strategy, and risk management framework, and guide us in identifying necessary actions and interventions to be taken to drive increased resource efficiency and mitigate the impact of our activities on climate change.

🟢 On track/Completed 🟠 Work in progress 🔴 Pending

Progress Made in FYE2024	What's Next
GOVERNANCE	
Sustainability targets (including climate-related targets) are integrated into the Group MD's KPIs in FYE2024 which is then cascaded down to divisional management.	🟢 To enhance and review our sustainability KPIs to ensure alignment with industry best practices and to address significant ESG issues. These KPIs may vary based on factors such as the pace of industry changes, emerging sustainability trends, regulatory developments, and stakeholder expectations.
	🟠 Climate-risk training programmes to develop the skills of key personnel and general knowledge of the wider Group.
	🔴 To implement a pilot quantitative scenario exercise to develop relevant methodologies.
Embedded ESG (including climate-related risks) for any new major projects are presented to the Board for decision making. The GSC reviews the operating units' performance and delivery against agreed actionable plans to ensure accountability and continuous improvement.	🟢 To identify individuals to champion sustainability projects within their respective divisions and improve line of sight.

🟢 On track/Completed 🟠 Work in progress 🔴 Pending

Progress Made in FYE2024	What's Next
RISK MANAGEMENT	
The Group's commitment to minimise its environmental impact is integrated in the Group's Key Enterprise Risks. Furthermore, all our key risks are aligned with our prioritised material matters and SDGs.	🟢 Regular review of our Group's Key Risk Areas to ensure their ongoing relevance.
	🔴 Develop internal climate-risk reporting formats.
	🟠 To further embed climate-risk in our risk management and decision-making processes.
	🟠 To implement training and awareness programmes to keep our teams informed and prepared for evolving sustainability challenges.
STRATEGY	
KFima strategically invests in resources as well as infrastructure adaptation to improve the resilience of its businesses e.g., land development planning, energy-efficient lighting and heating systems, plant and machinery, and reporting system enhancements. In FYE2024: • The Group's solar power capacity increased by 82.3% from 384kWp to 700kWp. Renewable energy sources make up 3.9% of the Group's total energy usage in FYE2024; • Introduced task-based activities and amalgamated estate operations which improved the efficiencies and productivity of the estate's FFB production and collection processes.	🟢 The Group is currently committed to: • further advancing our adaptation efforts by investing in mechanisation, improving our processes and expanding our renewable energy initiatives across the entire Group. • accelerating our regenerative agriculture programmes that can improve nutrient retention, reduce soil erosion and increase carbon sequestration. 🟠 To enhance our Sustainability Reporting System (SRS), we will implement the following: • to include new metrics and data points • to include data analytics capabilities

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Progress Made in FYE2024			What's Next
METRIC AND TARGETS	FYE2024	FYE2023	
Intensity Our GHG emissions intensity (tCO2eq/RM million revenue) by divisions are as follows: • Bulking • Plantation • Food • Manufacturing *Further information on the Group's Energy Management is available in the Environment section of the Sustainability Report and the Performance Data section of this Annual Report*	 95.69 45.06 42.24 25.20	 114.49 37.61 37.80 15.89	The Group will continue to analyse the impact of our strategy to reduce GHG emissions/resource use as we pursue value creation. This involves ongoing assessments of the effectiveness of our initiatives to achieve greater efficiency in resource consumption and generation while maintaining our business's growth.
Greenhouse gas (GHG) (tCO2e) • Scope 1 emissions • Scope 2 emissions • Scope 3 emissions *Note: Employee commuting was included in Scope 3 emission in FYE2024*	 33,153 4,150 1,281	 32,389 4,238 1,421	Our Scope 3 emissions reporting will consist of: • upstream transportation and distribution • waste generated from operations • employee commuting Moving forward we will include business travel in the Scope 3 emissions reporting.
Energy Consumption (gigajoule ("GJ")) • Bulking • Plantation • Food • Manufacturing	 186,254 87,230 76,302 7,718	 184,373 81,375 75,660 9,248	To remain focused on energy efficiency efforts, optimising operational processes and regularly monitoring and analysing energy usage to achieve sustainable reductions in consumption and cost.
Waste (MT) • Bulking • Plantation • Food • Manufacturing	 398 161,368 920 58	 195 190,233 1,040 148	To continuously prevent and minimise waste by reusing, recycling and energy recovery as well as practicing safe waste disposal. We aim to maximise resource efficiency, reduce environmental impact, and promote sustainable business practices.

Main Risks and Opportunities

TRANSITION RISKS

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

Potential Impacts

Decrease in revenue

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

Increased compliance costs

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

Required investment in new technologies and process change costs

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

PHYSICAL RISKS

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

Potential Impacts

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

OPPORTUNITIES

- Potential opportunities to develop innovative "green" products and services.
- Lower operational costs through greater resource and energy efficiency.
- Innovation to improve productivity and drive sustainability efforts to address climate-related challenges, which can simultaneously reinforce the Group's reputation as a responsible corporate citizen.

Our *Environment*

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

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

Our Alignment to SDGs

Please scan this QR code to view our Environmental Policy

PT Nunukan Jaya Lestari

Strategic Commitments

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

BIODIVERSITY AND DEFORESTATION
GRI 304-1, 304-2, 304-3, 304-4

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

Sustainable Agricultural Practices

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

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

Conservation Areas

Riparian reserves populated by native species are maintained along riverbanks within our oil palm estates. These reserves play a crucial role as safe corridors for wildlife, offering sanctuary and a natural habitat for various species of jungle flora and fauna. Our protected areas Group-wide total 863 hectares in aggregate. Areas which are not planted (e.g. steep areas/slopes) are earmarked as conservation areas where the natural vegetation is maintained.

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

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Estate	FYE2024 Conservation Area (HA)	FYE2024 Buffer Zone (HA)	FYE2023 Conservation Area (HA)	FYE2023 Buffer Zone (HA)
Ladang Fima Cendana	7	0	7	0
Ladang Bunga Tanjong	0	5	0	5
Ladang Fima Dabong	31	0	31	0
Ladang Fima Aring	11	19	11	19
Ladang Machap	0	1	0	1
Ladang Ayer Baloi	0	3	0	3
Ladang Kota Tinggi	0	3	0	3
Ladang Fima Sg. Siput	337	13	337	13
Ladang Amgreen	15	136	15	136
Ladang FCB Kuala Betis	52	58	52	58
Ladang FCB Aring	36	8	0	0
PTNJL	22	106	22	106
TOTAL	**511**	**352**	**475**	**344**

Soil Management

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

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

Biological Pest Controls

Beneficial plants such as *Turnera subulata*, *Antigonon leptopus*, and *Cassia cobanensis* are planted to attract predators (insects) of leaf pests. These predators feed on leaf pest larvae, thereby minimising the usage of pesticides. In addition, and as part of our efforts to curb the prevalent rodent population without the use of pesticides or chemicals, our estates in Johor, Kelantan and Terengganu have installed a total of 83 nest boxes to attract owls. The method has so far proven to be effective and there are plans to install 20 more nest boxes in Ladang FCB Aring by July 2024. These practices also help reduce operational greenhouse gas emissions and prevents the release of pollutants into the soil and waterways.

Mechanisation

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

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

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

Water Consumption and Management

KFima's water supply is obtained from various sources, including municipal sources, harvested rainwater, and treated surface water from nearby lakes, rivers, and borewells. Within our operations, water is primarily utilised in our Bulking, Food, and Plantation divisions for utility systems, including steam generation and cooling processes. In the Food division, water is also used as a process medium and cleaning agent to meet the requisite product hygiene and quality standards.

Water by Source (ML)

	FYE2024	FYE2023
Surface water	183	302
Groundwater	277	293
Municipal water	310	294
Grand Total	**770**	**889**

Water by Division (ML)

	FYE2024	FYE2023
Plantation	216	343
Bulking	259	237
Manufacturing	15	18
Food	265	276
Head Office	15	15
Grand Total	**770**	**889**

The Group's water consumption data for FYE2024 reflects both progress and areas for improvement. While there was a burst pipeline incident at Ladang Bunga Tanjong in June 2023, we are pleased to report a significant 39.4% reduction in surface water consumption compared to last year. This achievement is driven by PTNJL's palm oil mill installation of a decanter that was completed last year.

Installation of rainwater tanks have now become a standard green feature in all new developments of workers' quarters and factory complex, wherever possible. This allows us to harvest rainwater for various uses. As at the date of this report, there are 142 rainwater tanks with a combined storage capacity of 239,461 litres across the Group.

Water Discharge

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

Within our Bulking division, our effluent management procedures are aligned with the Waters Act 1920 and the Water Services Act 2006. Similarly, in Papua New Guinea ("PNG"), IFC abides by the directives set forth by the Conservation & Environment Protection Authority ("CEPA") and local governing bodies. IFC operates its own wastewater treatment plant that treats process water from their tuna and mackerel operations. The quality of treated wastewater discharged by the plant consistently meets the standards established by PNG Water.

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

Spotlight
Story

IFC's Water Optimisation Initiative in Papua New Guinea

Production at IFC's fish processing facility requires large amounts of water. As such, over the last few years, IFC has kept its focus on ways to optimise the water usage in their factory. The factory's water usage was estimated to exceed 1,000 cubic meters (cbm) per day, raising concerns about efficiency of its resource management and environmental impact. To address this challenge, IFC installed flowmeters at key points throughout its production line in FYE2023 to measure, monitor, and manage water usage at various stations, pinpointing areas that required improvement.

With the flowmeters in place, the data collected revealed inefficiencies in key areas where most water was used: mackerel and tuna sanitation, tuna trolleys, mackerel can washers, boilers, and tuna retorts. More specifically, it was determined that the initial fish cleaning process was using 20% more water than necessary. By adjusting the water pressure and implementing a timed-release system that automatically shuts off water flow when not in use, IFC managed to reduce water usage in this area.

Furthermore, IFC introduced a water sprayer system especially for the sanitation areas such as pre-cooker, loins, and packaging with a lesser amount of water. This system not only conserves water but also reduced the consumption of fresh water by 10% and as a result, the factory's water footprint shrank by 17% compared to the 2020 baseline year. This translates to savings of approximately 162.1 cbm of water per day.

Continuous improvement has also become a cornerstone of the initiative, encouraging employees to brainstorm and develop ideas to further enhance water efficiency, thus fostering a culture of innovation and collective responsibility.

In this current financial year, IFC aims to reduce its manufacturing costs per metric tonne by cutting water use for its tuna and mackerel production by 10%. The project has already begun, and the team at IFC is currently undertaking detailed process mapping to identify water usage at each stage of production and pinpoint the processes with the highest water consumption.

Water Intensity

Company	Business	Unit	FYE2024	FYE2023
PTNJL	Palm Oil Mill	cbm/MT	0.28	0.48
IFC	Fish Process	cbm/MT	26.85	23.73

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

At IFC, water intensity per tonne of fish processed increased, by 13.1%. Despite this increase, water usage decreased by 3.9%, from 273,992 cbm to 263,327 cbm compared to last year. This reduction is primarily attributed to ongoing initiatives to lower its water usage across all stages of the production process areas.

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

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

Focused efforts are directed towards our Plantation and Food division, where organic waste generation is most pronounced. Through targeted waste management schemes tailored to these sectors, we aim to optimise resource usage and

minimise environmental impact and strive towards zero waste and zero discharge.

Waste by Type (MT)

Type	FYE2024	FYE2023
Hazardous	124	178
Non-hazardous	162,620	191,438
Grand Total	**162,744**	**191,616**

Waste by Division (MT)

Type	FYE2024	FYE2023
Plantation	161,368	190,233
Bulking	398	195
Manufacturing	58	148
Food	920	1,040
Grand Total	**162,744**	**191,616**

During the year, there is a reduction in hazardous waste generation through a combination of operational improvements and category adjustments. Notably, the Bulking division reclassified flexibags, which now store non-hazardous palm oil, which resulted in a significant decrease in classified hazardous waste.

Spotlight
Story

Transforming Waste into Sustainable Fuel

Fima Biodiesel's plant ("FBio") was originally designed and set up to process vegetable oils for biofuels as an alternative to petroleum diesel.

In 2022, FBio saw an opportunity to transform Used cooking oil ("UCO") and palm oil mill effluent oil ("POME") into valuable biofuels. Used cooking oil ("UCO"), vegetable or animal-based oil used for cooking, and oil extracted from palm oil mill effluent ("POME"), as well as the wastewater generated from palm oil processing, were traditionally considered waste products. However, unlike previously used feedstock, UCO and POME have higher free fatty acid ("FFA") levels. Through extensive six-month lab trials, FBio's team successfully identified optimal processing settings to utilise these waste feedstocks without requiring significant plant modifications.

The result of these efforts has been favourable. Our plant's achievements to date include consistently maintaining a high production yield, lower steam, and methanol consumption comparatively to last year performance. The environmental benefits are equally significant. The use of waste products as feedstock contributes to a circular economy and calculations based on International Sustainability and Carbon Certification ("ISCC") methodology indicate a carbon avoidance ("GHG emissions savings") exceeding 80%. (For more information, please visit: https://www.iscc-system.org/about/sustainability/ghg-emissions-calculations/).

Waste by Disposal Method by Type (MT)

Disposal Method	FYE2024		FYE2023	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Reuse	1	121,194	Nil	137,709
Recycle	Nil	178	Nil	291
Composting	Nil	40,871	Nil	53,438
Recovery	122	Nil	110	Nil
Landfill	Nil	377	63	Nil
Incineration	1	Nil	5	Nil
Grand Total	**124**	**162,620**	**178**	**191,438**

Total Waste Reused, Recycled, Recovered and Composted	Fish Parts/Trimming Converted to Value Added-Products		Avoided Waste
Quantity	Fishmeal (MT)	Crude Fish Oil (MT)	Total
FYE2024 161,811	747	68	162,626
FYE2023 190,722	784	134	191,640

Value from Waste : Fertiliser and Fuel

Within the Plantation division, waste reduction is achieved through reusing, recycling, and energy recovery. Our palm oil mill in Indonesia produces EFB and POME, which are recovered and reprocessed into fertiliser, compost, and energy feedstock. We make sure that our POME is properly treated before it is combined with shredded EFB to generate compost. POME discharged from the mill cannot be released into the environment in its raw form as it contains high acids and nutrients that can increase the levels of Biochemical Oxygen Demand ("BOD"). Since the implementation of POME treatment, our average BOD reading for POME during land application has been within the permitted discharge limits of less than 5,000 parts per million (ppm).

Empty fruit bunches ("EFB") produced (MT)

Type	FYE2024	FYE2023
Total EFB produced	33,540	38,576

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

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

Transforming By-Products into Value-Added Goods

The Group's production processes generate various residuals and wastes, such as biomass from plantation and fish parts from the Food division. These waste streams are diverted from landfills, with the biomass utilised as a fuel source for internal steam and electricity generation, while fish parts from IFC's main production lines are processed into fishmeal and fish oil. The Halal, Kosher and Marine Stewardship Council certifications of IFC's main production line ensure compliance with strict quality and sustainability standards. The demand for fishmeal and fish oil is strong, driven by the aquaculture and animal feed sectors, where these products are important high-protein ingredients in feed.

Fishmeal and Crude Fish Oil produced (MT)

Type	FYE2024	FYE2023
Fishmeal	747	784
Crude Fish Oil	68	134

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

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

The Group's energy consumption in FYE2024 saw a 1.9% increase primarily due to Plantation division's fuel consumption increased by 5.8% from 1,448,162 litres to 1,532,436 litres as Ladang Fima Cendana and Ladang FCB Kuala Betis have adopted the use of motorised wheelbarrows in their operations. On the other hand, lower electricity consumption in the Manufacturing division as PKN's total purchased electricity consumption decreased by 31.7% from 2,282 megawatts to 1,559 megawatts. Their relocation to a new, more energy-efficient facility complex, along with lower operational levels largely contributed to the decline.

Energy Consumption by Division (GJ)

Division	FYE2024	FYE2023
Plantation	87,230	81,375
Bulking	186,254	184,373
Manufacturing	7,718	9,248
Food	76,302	75,660
Head Office	869	933
Grand Total	**358,373**	**351,589**

Types of Energy (GJ)

Types of Energy	FYE2024	FYE2023
Diesel & Petrol	164,045	154,721
Fuel Oil	163,501	165,290
Solar PV	2,938	1,955
Biomass	10,909	12,287
Purchase Electricity	16,980	17,336
Grand Total	**358,373**	**351,589**

Fuel Intensity

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

	Unit	FYE2024	FYE2023
Malaysia	L/MT	3.73	3.11
Indonesia	L/MT	2.85	2.92

Note: Fuel Oil consist of diesel and petrol. Transportation includes motorised wheelbarrow and internal transport.

Bulking: Fuel Oil Intensity Per Tonne Heated Product (L/MT)

	Unit	FYE2024	FYE2023
Boiler	L/MT	3.03	3.67
Transportation	L/KM	0.43	0.43

Food: Diesel Intensity Per Tonne Fish Processed (L/MT)

	Unit	FYE2024	FYE2023
Generator	L/MT	105.10	75.83
Boiler	L/KM	116.03	110.38

Renewable Energy

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

The integration of solar power and biomass technologies allows us to diversify our renewable energy portfolio and aligns with our ongoing goals to reducing our carbon footprint. Renewable energy accounts for 3.9% of the Group's energy usage in FYE2024.

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

Renewable Energy – Consumption (MWh)

Division	FYE2024	FYE2023
Solar Power		
Plantation	57	42
Bulking	126	144
Manufacturing	432	149
Head Office	201	208
Total Solar Power	**816**	**543**
Biomass		
Plantation	3,030	3,413
Total Renewable Energy	**3,846**	**3,956**

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

GHG EMISSIONS

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

GHG Emission by Division (tCO2e)

Division	FYE2024	FYE2023
Plantation	7,977	7,686
Bulking	21,814	21,209
Manufacturing	1,552	2,059
Food	7,105	7,034
Head Office	136	60
Grand Total	**38,584**	**38,048**

Notes: The GHG emission in Bulking & Biodiesel factor for fuel oil has been revised and the factor for diesel has been revised from 2.69 to 3.14, reflecting the changes from DEFRA to ISCC.

GHG Emission by Type (tCO2e)

Type	FYE2024	FYE2023
Non-Renewable		
Petrol	665	217
Diesel	15,578	15,214
Fuel Oil	18,115	18,314
Purchase Electricity	4,151	4,238
Renewable		
Biomass	4	4
Solar PV	59	40
POME	12	21
Grand Total	**38,584**	**38,048**

Direct Energy (Scope 1) GHG Emissions (tCO2e)

Division	FYE2024	FYE2023
Plantation	6,843	6,112
Bulking	19,264	19,318
Manufacturing	75	50
Food	6,957	6,894
Head Office	14	15
Grand Total	**33,153**	**32,389**

Indirect Energy (Scope 2) GHG Emissions (tCO2e)

Division	FYE2024	FYE2023
Plantation	197	153
Bulking	2,416	1,892
Manufacturing	1,372	2,008
Food	129	140
Head Office	36	45
Grand Total	**4,150**	**4,238**

Other Indirect (Scope 3) GHG Emissions (tCO2e)

Division	FYE2024	FYE2023
Waste Generated	12	21
Upstream Transportation and Distribution	863	1,400
Employee Commuting	406	-
Grand Total	**1,281**	**1,421**

The Group conducted its inaugural survey to assess employee commuting, in alignment with Bursa Malaysia's requirements for companies to disclose emissions from employee commute (Scope 3). Based on the responses received, the findings revealed that employees commuting emitted approximately 406 tCO2e per annum, based on a total distance travelled of 2,770,100 km. For next year's reporting, data on business travel will be included.

Definitions

Scope 1	Direct emissions from non-renewable fuel consumption such as diesel and gas from sources owned by our business operations, e.g. transportation, heat and power generated and equipment
Scope 2	Indirect emissions, e.g. purchased electricity
Scope 3	**Category 4:** Upstream Transportation and Distribution
	Category 5: Waste Generated in Operations
	Category 7: Employee Commuting
tCO2e	Tonnes of Carbon Dioxide Equivalent
GHG	Greenhouse Gas
GJ	Gigajoule

Our *People*

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

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

Our Alignment to SDGs

| 1 NO POVERTY | 2 ZERO HUNGER | 4 QUALITY EDUCATION | 6 CLEAN WATER AND SANITATION | 8 DECENT WORK AND ECONOMIC GROWTH | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION |

Strategic Commitments

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

Ladang Amgreen, Miri, Sarawak

HUMAN CAPITAL

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

Our Workforce

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

We also actively promote local employment in the regions where we operate. As of FYE2024, our local employment rate was 86.4%. In Malaysia, 70.3% of the workforce were local hires, a decrease from the previous year's 82.9%, primarily due to an increase in the number of guest workers recruited in our Plantation division during the year. Despite this change, the turnover rates within this division have improved.

Nationality \ Country	Malaysia	Indonesia	Papua New Guinea
Malaysian	1,006	5	6
Indonesian	215	906	1
Papua New Guinean	0	0	933
Others	211	0	11
By Country:			
Total Headcount	**1,432**	**911**	**951**
Total Local Headcount	**1,006**	**906**	**933**
Local Headcount Ratio	**70.3%**	**99.5%**	**98.1%**

Total Headcount	Total Local Headcount
3,294	**2,845**

Group Local Headcount Rate

86.4%

Malaysia Plantation Division	FYE2024	FYE2023
Guest Workers	424	220
Malaysian Workers	397	440

Furthermore, 91.7% of our senior management positions are filled by local talent. Moving forward, we will continue to prioritise the recruitment of local talents, as this not only enhances our ability to navigate local regulations and practices, but also fosters a stronger connection with the local stakeholders.

Sustainability Report

Equal Opportunity, Diversity and Inclusion

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

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

Gender Balance

The Group is committed to achieving gender balance across all levels of our organisation, acknowledging the complexities introduced by the nature of our operations and the cultural nuances of the countries in which we operate. The Group's workforce is generally balanced, with 33.9% of the Group's workforce are female. This reflects the specific circumstances of our operations and the cultural context of the countries where we operate.

In our plantation and bulking operations, the representation of females is noticeably lower, and the tasks and occupations are often gender-segregated. For instance, women are typically less likely to work as truck/tractor drivers or harvesters due to the physical nature of these roles which are also often perceived as more suited for male workers. Conversely, in PNG, females make up the majority of the workforce in IFC's tuna loining processes, as the nature of the work requires more delicate handling to maintain quality and prevent the meat from bruising.

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

New Hires

For FYE2024, the Group welcomed 864 new employees, a slight decrease from the 981 recruited the previous year. Of the new recruits, 79.4% were male, and 43.4% of the total new hires were appointed on a permanent basis. Notably, Bulking and Plantation divisions recorded the highest new hire rates at 31.2% and 29.4% respectively.

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

Total Number of New Employees Hired in FYE2024:

864

Group New Hire Rate:

26.2%

Turnover

In FYE2024, the Group's employee turnover rate in the Plantation, Food, and Bulking divisions all saw year-on-year reductions compared to FYE2023.

Total Number of Employees Turnover in FYE2024:

571

Group Turnover Rate:

17.3%
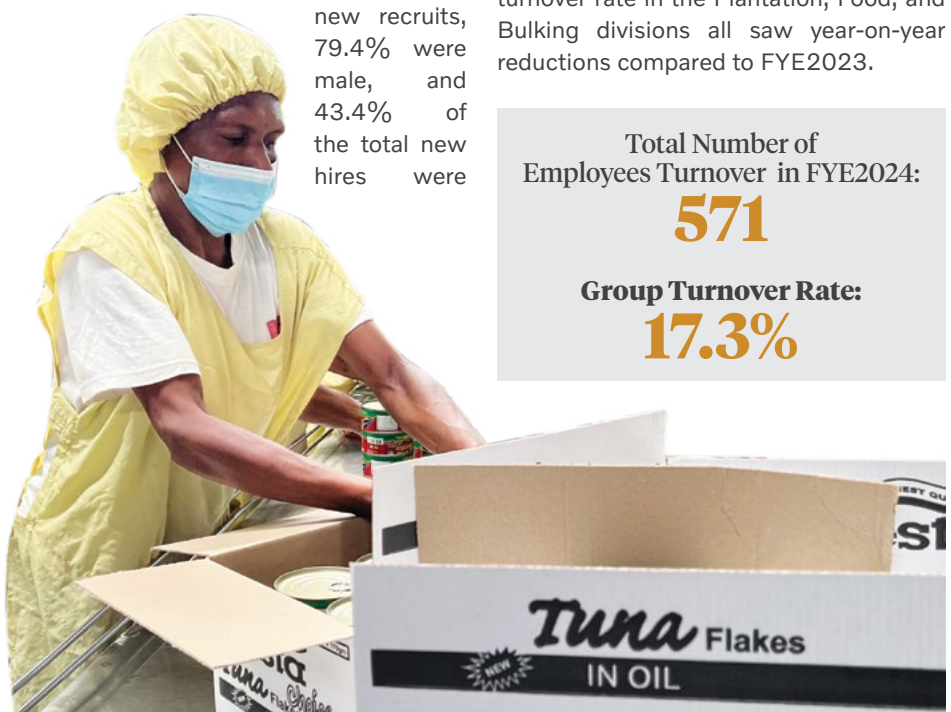
Headcount	FYE2024		Total	FYE2023		Total
	Male	Female	FYE2024	Male	Female	FYE2023
Total Headcount	2,177	1,117	**3,294**	2,056	1,122	**3,178**
By Employment Status:						
Permanent	1,380	1,039	**2,419**	1,415	1,043	**2,458**
Temporary	797	78	**875**	641	79	**720**
By Region:						
Malaysia	1,099	333	**1,432**	957	339	**1,296**
Indonesia	752	159	**911**	788	193	**981**
Papua New Guinea	326	625	**951**	311	590	**901**
By Age Group:						
<30	680	266	**946**	707	309	**1,016**
30-50	1,311	740	**2,051**	1,189	714	**1,903**
>50	186	111	**297**	160	99	**259**
By Employee Category:						
Senior Management	10	2	**12**	9	2	**11**
Management	48	13	**61**	49	13	**62**
Executive	112	45	**157**	108	49	**157**
Non-Executive	2,007	1,057	**3,064**	1,890	1,058	**2,948**
By Division:						
Plantation	1,410	322	**1,732**	1,303	338	**1,641**
Manufacturing	125	94	**219**	159	113	**272**
Bulking	263	38	**301**	235	37	**272**
Food	341	639	**980**	324	608	**932**
Head Office	38	24	**62**	35	26	**61**
By Nationality:						
Malaysian	734	283	**1,017**	775	311	**1,086**
Indonesian	919	209	**1,128**	946	221	**1,167**
Papua New Guinean	310	623	**933**	294	588	**882**
Philippines	9	2	**11**	9	2	**11**
Bangladesh	205	0	**205**	31	0	**31**
Nepal	0	0	**0**	1	0	**1**
Other	0	0	**0**	0	0	**0**

"

In line with our policies, the Group holds a strict zero-tolerance stance to any form of discrimination, harassment, or unfair treatment.

Sustainability Report

New Hires	FYE2024		FYE2023	
	Total New Hire	New Hire Rate	Total New Hire	New Hire Rate
Total Headcount	864	26.2%	981	30.9%
By Gender:				
Male	686	31.5%	743	36.1%
Female	178	15.9%	238	21.2%
By Employment Status:				
Permanent	375	15.5%	372	15.1%
Temporary	489	55.9%	609	84.6%
By Region:				
Malaysia	374	26.1%	453	35.0%
Indonesia	256	28.1%	301	30.7%
Papua New Guinea	234	24.6%	227	25.2%
By Age Group:				
<30	507	53.6%	579	57.0%
30-50	349	17.0%	393	20.7%
>50	8	2.7%	9	3.5%
By Employee Category:				
Senior Management	0	0.0%	0	0.0%
Management	1	1.6%	4	6.5%
Executive	19	12.1%	29	18.5%
Non-Executive	844	27.5%	948	32.2%
By Division:				
Plantation	510	29.4%	574	35.0%
Manufacturing	19	8.7%	64	23.5%
Bulking	94	31.2%	94	34.6%
Food	237	24.2%	240	25.8%
Head Office	4	6.5%	9	14.8%

New Hires	FYE2024		FYE2023	
	Total New Hire	New Hire Rate	Total New Hire	New Hire Rate
By Nationality:				
Malaysian	198	19.5%	366	33.7%
Indonesian	274	24.3%	388	33.2%
Papua New Guinean	234	25.1%	227	25.7%
Philippines	0	0.0%	0	0.0%
Bangladesh	158	77.1%	0	0.0%

Turnover	FYE2024		FYE2023	
	Total Turnover	Turnover Rate	Total Turnover	Turnover Rate
Total Headcount	571	17.3%	955	30.1%
By Gender:				
Male	486	22.3%	728	35.4%
Female	85	7.6%	227	20.2%
By Employment Status:				
Permanent	278	11.5%	464	18.9%
Temporary	293	33.5%	491	68.2%
By Region:				
Malaysia	201	14.0%	377	29.1%
Indonesia	303	33.3%	327	33.3%
Papua New Guinea	67	7.0%	251	27.9%
By Age Group:				
<30	269	28.4%	505	49.7%
30-50	293	14.3%	427	22.4%
>50	9	3.0%	23	8.9%

Turnover	FYE2024		FYE2023	
	Total Turnover	Turnover Rate	Total Turnover	Turnover Rate
By Employee Category:				
Senior Management	0	0.0%	0	0.0%
Management	2	3.3%	6	9.7%
Executive	17	10.8%	21	13.4%
Non-Executive	552	18.0%	928	31.5%
By Division:				
Plantation	435	25.1%	603	36.7%
Manufacturing	13	5.9%	30	11.0%
Bulking	48	15.9%	55	20.2%
Food	72	7.3%	260	27.9%
Head Office	3	4.8%	7	11.5%
By Nationality:				
Malaysian	174	17.1%	312	28.7%
Indonesian	314	27.8%	384	32.9%
Papua New Guinean	67	7.2%	250	28.3%
Philippines	0	0.0%	1	9.1%
Bangladesh	16	7.8%	7	22.6%

HUMAN RIGHTS
GRI 409-1, 412-2

Human Rights

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

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

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

Modern Slavery and Child Labour

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

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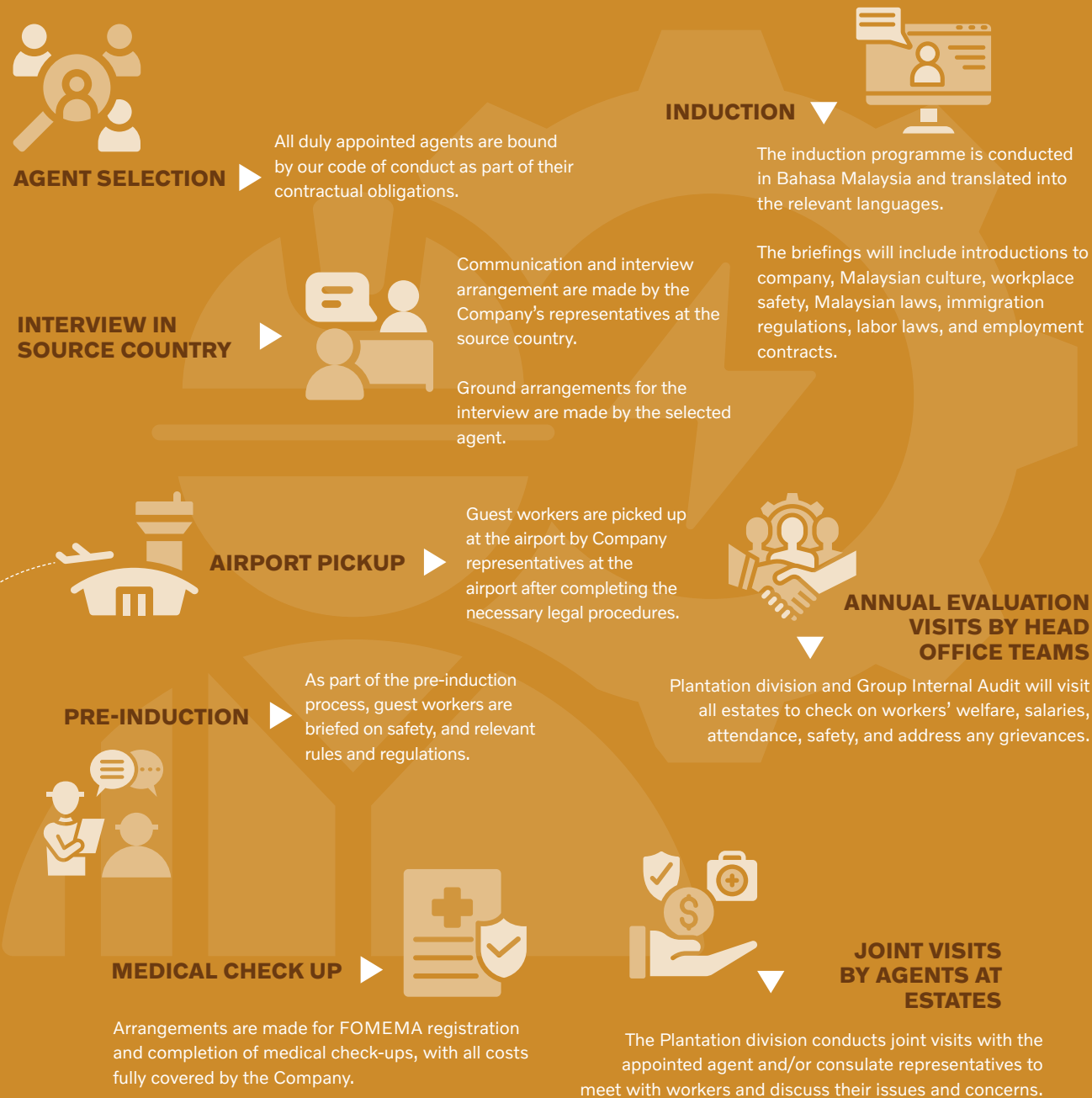
Guest Workers

Our Malaysian estates employ guest workers and they make up 51.6% of their total workforce. Recognising that guest workers can be vulnerable to exploitation and situations of modern slavery, we continuously strive to ensure that they are recruited through legal channels in accordance with processes recognised and approved by the authorities of Malaysia and the source countries.

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

RECRUITING FOREIGN WORKERS

Guest workers at our Malaysian estates make up 51.6% of their total workforce.

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

AGENT SELECTION
All duly appointed agents are bound by our code of conduct as part of their contractual obligations.

INDUCTION
The induction programme is conducted in Bahasa Malaysia and translated into the relevant languages.

The briefings will include introductions to company, Malaysian culture, workplace safety, Malaysian laws, immigration regulations, labor laws, and employment contracts.

INTERVIEW IN SOURCE COUNTRY
Communication and interview arrangement are made by the Company's representatives at the source country.

Ground arrangements for the interview are made by the selected agent.

AIRPORT PICKUP
Guest workers are picked up at the airport by Company representatives at the airport after completing the necessary legal procedures.

ANNUAL EVALUATION VISITS BY HEAD OFFICE TEAMS
Plantation division and Group Internal Audit will visit all estates to check on workers' welfare, salaries, attendance, safety, and address any grievances.

PRE-INDUCTION
As part of the pre-induction process, guest workers are briefed on safety, and relevant rules and regulations.

MEDICAL CHECK UP
Arrangements are made for FOMEMA registration and completion of medical check-ups, with all costs fully covered by the Company.

JOINT VISITS BY AGENTS AT ESTATES
The Plantation division conducts joint visits with the appointed agent and/or consulate representatives to meet with workers and discuss their issues and concerns.

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

LABOUR RELATIONS

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

Employee Development

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

	Total Training Hour (FYE2024)	Average Training Hour per Employee (FYE2024)
	16,000	**4.86**
	FYE2023 | **14,820**	FYE2023 | **4.66**

	FYE2024		FYE2023	
	Total Training Hour	Average Training Hour	Total Training Hour	Average Training Hour
By Gender:				
Male	12,876	5.91	11,100	5.40
Female	3,124	2.80	3,720	3.32
By Employee Category:				
Senior Management	440	36.67	169	15.36

	FYE2024		FYE2023	
	Total Training Hour	Average Training Hour	Total Training Hour	Average Training Hour
Management	3,084	50.56	1,726	27.84
Executive	5,198	33.11	3,255	20.73
Non-Executive	7,287	2.38	9,670	3.28
By Region:				
Malaysia	14,563	10.17	13,466	10.39
Indonesia	1,283	1.41	820	0.84
Papua New Guinea	154	0.16	534.00	0.59
By Division:				
Plantation	4,669	2.70	6,233	3.80
Manufacturing	1,204	5.50	2,880	10.59
Bulking	7,843	26.06	3,974	14.61
Food	461	0.47	638	0.68
Head Office	1,823	29.40	1,095	17.95

Benefits and Remuneration

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

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

By focusing on the right compensation, benefits and development support, we inspire our employees to achieve their personal and professional aspirations which, in turn, improves employee productivity and engagement. For eligible employees, benefits include health coverage for themselves and their dependents, group term life and personal accident insurance, maternity and paternity leave, professional association membership fees, and uniforms.
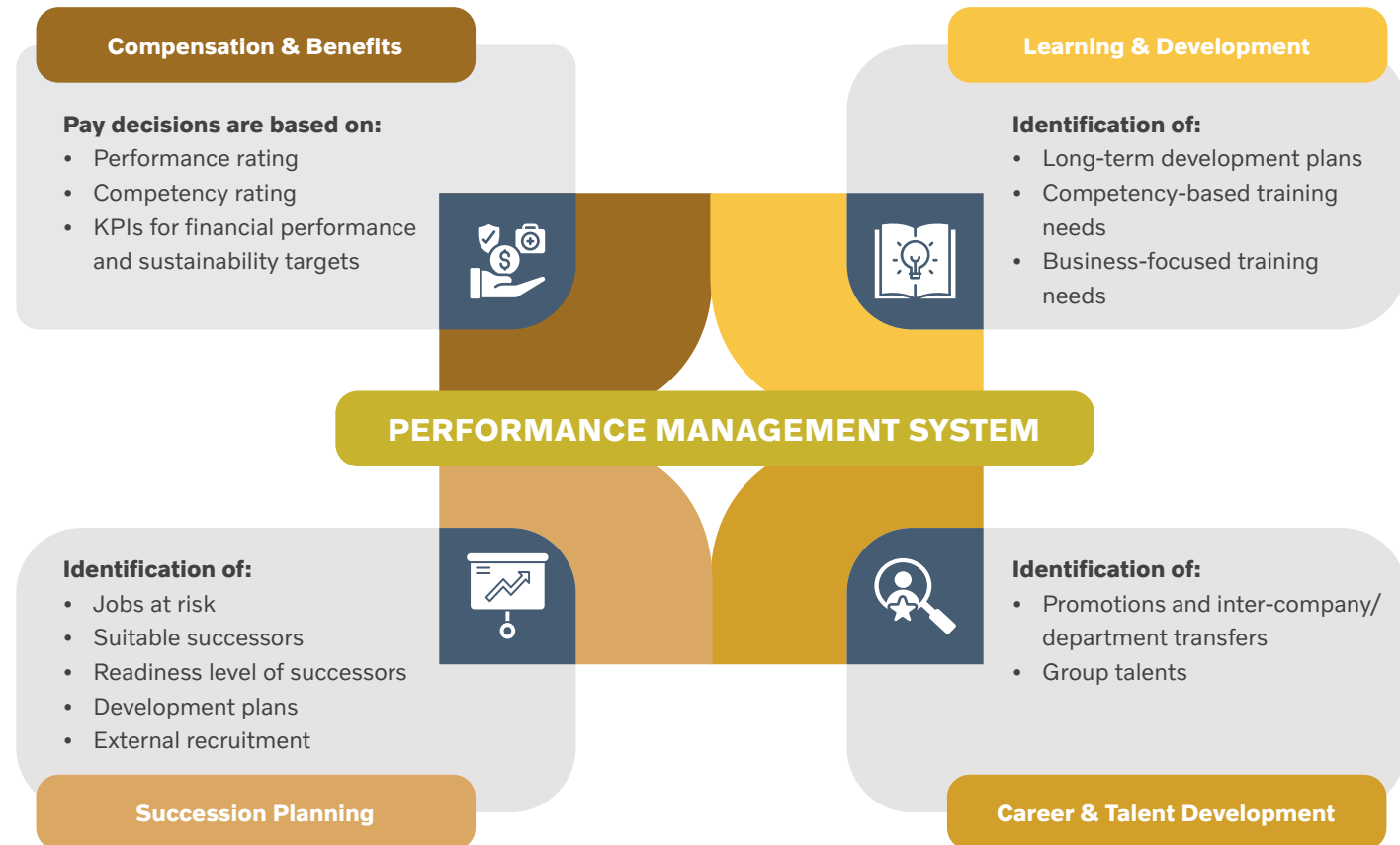
In Indonesia, our subsidiary PTNJL provides free transportation for the children of our workers to local schools. There is a company-subsidised crèche that supports the plantation staff and workers by providing safe and convenient childcare. This facility has facilitated the increased participation of women in the workforce at PTNJL and enables them to effectively manage their work and family responsibilities.

Sustainability Report

Performance Review

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

Compensation & Benefits

Pay decisions are based on:
- Performance rating
- Competency rating
- KPIs for financial performance and sustainability targets

Learning & Development

Identification of:
- Long-term development plans
- Competency-based training needs
- Business-focused training needs

PERFORMANCE MANAGEMENT SYSTEM

Succession Planning

Identification of:
- Jobs at risk
- Suitable successors
- Readiness level of successors
- Development plans
- External recruitment

Career & Talent Development

Identification of:
- Promotions and inter-company/ department transfers
- Group talents

Employee Engagement

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

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

In FYE2024, the Group's contribution towards our various employee engagement initiatives totalled RM0.86 million (FYE2023: RM0.73 million).

Freedom of Association and Collective Bargaining

KFima upholds the rights of our employees to freedom of association and collective bargaining, in line with local regulations. Our approach involves collaborating closely with labour unions and ensuring that all negotiations are conducted in good faith. A testament to this collaborative approach is PKN's successful renewal of their collective agreement with their labour union which took effect in May 2023. Our collective agreements safeguard essential worker rights and benefits encompassing among others, clear grievance and disciplinary procedures, paid time off entitlements, maternity leave provisions, severance and separation benefits, as well as salary and performance management frameworks.

Our Indonesian subsidiary PTNJL had also during the year, established *Lembaga Kerjasama Bipartit*, a joint committee which is intended to serve as a forum for regular dialogue between workers and management on various workplace matters, including industrial relations and employee welfare.

A severe tuna shortage in Q1 FYE2024 caused IFC to temporarily halt production on their tuna line. This impacted the income of tuna production workers leading to a collective approach by a group of them to voice their concerns to management. There were no disruptions to IFC's overall operations. Management engaged in discussions with the affected workers to address their concerns, and the issues were subsequently resolved without any untoward incident.

> **As at 31 March 2023, 16.2% of our employees are union members and no workers' freedom of association or collective bargaining rights across our supply chain were violated or put at risk in the year under review.**

Grievance Procedures

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

Reports can be emailed to whistleblowing@ kfima.com.my, while the Whistle-Blowing Policy can be accessed at https://www.fima. com.my/service-provider.html.

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

In FYE2024, an anonymous complaint was received via the whistle-blowing email channel. The matter underwent thorough investigation led by GIA and the outcome thereof was presented to the Audit and Risk Committee for deliberation.

In addition, our Malaysian estates are Malaysian Sustainable Palm Oil certified while our Bulking subsidiaries are accredited with International Standards and Carbon Certification ("ISCC"), both of which contain rigorous criteria on governance and integrity.

Ladang FCB Kuala Betis

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

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

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

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

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

Sustainability Report

OSH Performance

The Group's overall accident rate increased to 15.51 from 10.07 the previous year. PTNJL recorded the highest number of accidents in the Group, mainly involving logistical and tool-related accidents. In response, PTNJL has initiated several actions to improve their safety protocols and procedures to prevent future accidents and improve their overall lost time injury rates. Safety briefings are conducted for the workers before they start their daily tasks while newly recruited workers are required to undergo mandatory safety briefings on operational and tools/equipment handling.

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

This incident nevertheless underscores the importance of further enhancing our safety protocols and procedures to prevent future accidents and improve overall lost time injury rates within the Group and ensure the well-being of our employees.

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

Employee OSH Performance		
	FYE2024	**FYE2023**
Recorded Injuries	50	32
Recorded Injuries by Absent Days	772	477
Average Headcount	3,223	3,179
Total Working Hours	6,817,712	6,712,288
Accident Rate*	15.51	10.07
Severity Rate**	113.23	71.06
Lost Time Injuries Frequency Rate ("LTIFR")***	7.33	4.77
Fatalities	1	0

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

Hazard Identification, Risk Assessment and Risk Control

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

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

1 Incident Reporting
The employee identifies and reports the hazard or incident to the Person in Charge within their respective unit.

2 Documentation and Escalation
The Person in Charge records the details of the incident and escalates it to the Safety, Health, and Environment ("SHE") Manager.

3 Regulatory Reporting
The SHE Manager is responsible for lodging a formal report with the DOSH within seven days of the incident.

4 Investigation
The SHE Manager, in consultation with the Occupational Safety and Health Committee members, conducts a thorough investigation to understand the cause of the incident.

5 Risk Mitigation Recommendations
The Safety and Health Committee reviews the findings and recommends appropriate risk mitigation strategies.

6 Implementation of Corrective Actions
Corrective measures are implemented to prevent the recurrence of the incident.

7 Management Review
A detailed report of the incident, its investigation, and the corrective actions taken is presented to the management for review.

OSH Awareness and Training

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

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

Employees have received training in various areas, including control of industrial major hazards, which covers topics such as hazard identification, risk assessment, CPR/first-aid, and compliance with occupational safety and health regulations. During the year, 524 employees received essential training in these critical areas of safety and health. Just subsequent to the year-end, 30 employees had successfully completed the OSH Coordinator certification training and are now certified OSH coordinators.

COMMUNITY
GRI 203-2, 413-1

Our approach to community engagement is driven and managed by our businesses to ensure value is created in ways that best fit their operations and the communities' cultural context.

Social Impact Assessment ("SIA")

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

Community Engagement and Investments

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

■ **Local Employment, Internships and Training**
Since 2018, 114 university graduates have participated in an 8-month workplace experience within the Group's Malaysian operations under the Protégé programme, which includes practical training and the development of job-specific skills, along with allowances and benefits. 12 vocational students majoring in agriculture and business from a local institution in Nunukan gained practical experience through a 6-month internship programme at PTNJL. We are also upskilling workers in our oil palm plantations as we move towards greater mechanisation in our harvesting operations. This transition not only leads to a higher land-to-labour ratio and enhanced productivity, but also and improves worker well-being through reduced physical strain and potentially higher earnings.

■ **Water Treatment and Distribution**
PTNJL processes and distributes water from its own catchment area to nearby villages for daily use and irrigation.

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

■ **Platform Konsultasi dan Komunikasi**
This platform enhances communication between our Plantation division's Malaysian estates and local stakeholders, improving community relations and collaboration.

Our *Business*

Our Alignment to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Strategic Commitments

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

Bulking Terminal, North Port, Port Klang

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

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

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

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

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

down approach to resolving sustainability matters.

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

The Group Internal Audit assesses the accuracy of sustainability data submitted by business units and the implementation of sustainability initiatives in the course of their audits. Additionally, external audits by authorities, certification

bodies, and customers verify compliance with regulations, standards, and contracts. Any non-conformities or incidents are thoroughly analysed, and corrective actions are implemented to prevent recurrence. Any identified non-conformities and incidents will be investigated to identify root causes and implement necessary preventive measures.

For more information on:
i. The Group's Sustainability Committee, please refer to Task Force on Climate-Related Financial Disclosures ("TCFD") on page 79 and the Corporate Governance Overview Statement on page 130.
ii. The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 146 to 158.

RESPONSIBLE BUSINESS PRACTICES
GRI 201- 1

We strive to uphold responsible business practices that align with our corporate

values. Our values guide our employees to act with integrity, accountability and a strong sense of responsibility. By caring about the work that we do, about our fellow employees and stakeholders, we strive to build a business that is respectful and responsible. We treat all our stakeholders with dignity and respect, and we hold the same expectation for our stakeholders to do the same.

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

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

For further details, please visit our governance page: https://www.fima.com.my/corporate-governance.html or **scan the QR Code**

ANTI-BRIBERY AND CORRUPTION
GRI 205-2, 205-3

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

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

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

We regularly update training materials to ensure stakeholders, employees, and business partners are aware of evolving bribery risks. Additionally, we conduct periodic reviews of authority limits, fostering transparency and strengthening our integrity procedures. All employees are required to annually confirm their compliance with the Group's Anti-Bribery Policy and their commitment to reporting

any concerns they may have. Through these efforts, we aim to mitigate bribery risks and uphold the highest ethical standards.

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

VALUE DISTRIBUTION TO OUR STAKEHOLDERS
GRI 201-1, 201-3, 203-2

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

Spotlight
Story

Strengthening Integrity and Upholding Ethical Standards

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

These include on-site integrity training sessions for workers and employees at Cendana estate in Kemaman, Ayer Baloi, Ayer Hitam and Kota Tinggi estates in Johor, and Bulking Group in Port Klang. The training sessions, facilitated by the Group Secretarial and Legal department, had over 380 participants in attendance. The training aimed to refresh and enhance awareness of the Group's anti-bribery policies and address critical workplace issues including child labour, bullying, sexual harassment, and grievance procedures.

FIMA's 2nd Virtual Summit Series held in Q3 of FYE2024 also included a

dedicated session on anti-bribery, with specific focus on the corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. This session aimed to ensure that employees at all levels understand their roles and responsibilities in safeguarding the business against corruption risks. The session, led by a senior MACC officer, was attended by more than 70 participants online. Further, in December 2023, an e-learning video focusing on conflicts of interest was launched to enhance employees' understanding of the topic.

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

Value Distribution to Our Stakeholders:

Revenue:
RM638.82
million
FYE2023 : RM709.75 million

Employee Wages and Benefits:
RM88.87
million
FYE2023 : RM88.00 million

Taxes Paid:
RM32.42
million
FYE2023 : RM68.37 million

Dividends:
RM54.42
million
FYE2023 : RM59.38 million

Number of Employees:
3,294
FYE2023 : 3,178

Community Investments:
RM0.48
million
FYE2023 : RM0.56 million

CYBER AND DATA SECURITY
GRI 418-1

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

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

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

SUSTAINABLE AND TRACEABLE SUPPLY CHAIN
GRI 102-9, 204-1

The Group recognises that a sustainable and traceable supply chain is integral to our business operations. Any interruptions to our supply chains can impact production

output of our operating units, exposing us to legal, financial, reputational and other risks that might have lasting consequences on our profitability.

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

Bulking

Operating entities under our Bulking division are accredited with International Sustainability and Carbon Certification – EU ("ISCC") where we follow strict guidelines for sustainable practices and traceability. Fima Biodiesel Sdn. Bhd. is also ISCC accredited, and utilises and implements the Proof of Sustainability ("POS") system to trace the origins of its feedstock. Each batch or truck of feedstock is accompanied by a POS tag, providing transparency and accountability. In addition to the ISCC certification, Fima Biodiesel fully complies with the MSPO Supply Chain Certification Standard, ensuring that its products are legally sourced and derived from certified suppliers who meet and prioritise sustainable practices. These certifications and standards demonstrate Fima Biodiesel's commitment to environmental sustainability and responsible sourcing throughout its supply chain.

Food

The Food division's production facilities and suppliers of ingredients and packaging materials must follow strict international standards, government regulations, company policies, procedures, controls,

Sustainability Report

and good manufacturing practices. Regular audits and inspections are conducted to ensure full compliance with these requirements.

Our PNG subsidiary, International Food Corporation ("IFC") has been certified with the Marine Stewardship Council's ("MSC") Chain of Custody since April 2013. The MSC is globally recognised as the leading authority for certifying and eco-labelling seafood. To retain this certification, IFC undergoes annual surveillance audits and meets the MSC's stringent standards. Furthermore, IFC's fish oil is also MSC-certified. These certifications ensure 'ocean-to-purchase' traceability throughout IFC's entire supply chain, providing customers the assurance they need.

IFC does not support illegal fishing from vessels enlisted under 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" (fishing vessel's log sheet). In addition,

IFC performs on-site visits prior to any purchases made to ensure that new and potential suppliers comply with IFC's standards. Our commitment to these practices support global efforts to enhance traceability and sustainability in the seafood industry, ensuring responsible sourcing and contributing to the health of marine ecosystems.

Due to PNG's strict tuna fishery regulations, fishing vessels are not allowed to exceed the daily catch limits set by the National Tuna Fishery Management Plan. The National Fisheries Authority of Papua New Guinea (NFA) regularly boards fishing vessels to ensure compliance with all laws and regulations, maintaining a sustainable tuna stock supply in PNG. During 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 FYE2023, we achieved an impressive 99.5% FAD-free catch up from 67.3% recorded in FYE2023. our FAD-free catch accounted for 99.5% of our total catch (FYE2023: 67.3%. We ensured that all our partners

or fishing companies that we work with are MSC-certified and their FADs, when used, are designed to minimise bycatch on their vessels. Additionally, we have also ensured that all non-target species are promptly released.

Supporting Local Procurement

We support local suppliers and entrepreneurs through the procurement of local goods and services. In Indonesia and PNG, 87.0% and 68.9% of contracts for goods and services are awarded to small and medium-sized local companies respectively. In Malaysia the local procurement rate is 87.0%, a positive improvement from last year. Sourcing locally also helps us to reduce our carbon footprint and the footprint of the products and services we provide to our customers.

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

Percentage (%) of Suppliers Engaged in Malaysia and Indonesia

	FYE2024		FYE2023	
	Local	Foreign	Local	Foreign
Malaysia	99.2	0.8	98.8	1.2
Indonesia	87.0	13.0	79.5	20.5
PNG	68.9	31.10	77.8	22.2

Product Information and Product Labelling

Our food business maintains stringent standards for product information and labelling accuracy across all operational regions. It is our responsibility to ensure that our customers and consumers are well-informed, offering detailed insights into every aspect of our products, including manufacturing and expiry dates, ingredients, relevant food additive components, nutritional facts, and storage recommendations. There were zero incidents of fines/penalties imposed on the Group due to non-compliance with any product labelling regulations in FYE2024.

Innovation and Technology

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

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

We have expanded our fleet by acquiring an additional 3 prime movers and 35 trailers during the year. The new fleet will be monitored by a fleet management system which provides comprehensive data tracking, including speed, fuel consumption, real-time positioning, and analysis of vehicle performance and driver behaviour. Through this system we can identify areas for improvement such as reducing fuel costs and optimising delivery routes. Ultimately, this data-driven approach strengthens our control over the transportation process ensuring timely deliveries and maintaining the high quality of our services throughout the supply chain.

In line with our data-driven approach, the Bulking division has implemented a tank farm inventory management system. This centralised platform standardises operations across all terminals, enhancing internal controls and global reporting capabilities and fosters customer satisfaction.

The Plantation division utilises geospatial technologies, including GPS and GIS, to enhance various aspects of their operations. These technologies ensure accurate preplanning, and data-driven decision making in aspects like road construction, and terrace positioning.

Satellite imagery is also used to map new estate developments and facilitate tree counting, maximising planting density of potential planting areas and overall efficient management of plantation operations.

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

UPHOLDING QUALITY, STANDARDS AND CERTIFICATIONS
GRI-417-1, 417-2

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

Food

The Food division's production facilities and suppliers of ingredients and packaging materials must follow strict international standards and regulations, government regulations, company policies, procedures, and controls, as well as good manufacturing practices throughout their operations. Regular audits and inspections are conducted to ensure full compliance with these requirements.

Our subsidiaries undergo yearly audits by independent third-party organisations to maintain the certifications and other international standards they have achieved.

British Retail Consortium (BRC)

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.

Business Social Compliance Initiative (BSCI)

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.

Earth Island Institute (Dolphin-Safe)

IFC is one of the approved Dolphin-Safe Tuna Processing and Fishing Companies listed certified by the Earth Island Institute. Today, every can of tuna produced by IFC carries a Dolphin-Safe label.

GMP

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.

HACCP

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.

Halal

IFC and FISB comply with JAKIM's Halal guidelines on the preparation and handling of Halal food. IFC is also certified by the Fiji Muslim League.

International Feature Standard (IFS Food)

IFS is a Global Food Safety Initiative 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.

Plantation

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

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

Malaysia Sustainable Palm Oil (MSPO)

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

ISO 50001:2011 (Energy Management Systems)

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

ISO 14001:2015 (Environmental Management Systems)

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

Bulking

The Bulking division has maintained accreditations for handling, storing, and shipping various product categories, ensuring objective oversight of the quality of their operations.

International Sustainability and Carbon Certification (ISCC)

The 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:

Certification and scope
ISSC-EU (Group Certification) Scope: Warehouse

Company	
1. Fima Bulking Services Bhd	4. Fima Palmbulk Services Sdn. Bhd.
2. Fimachem Sdn. Bhd.	5. Fima Butterworth Installation Sdn. Bhd.
3. Fima Liquid Bulking Sdn. Bhd.	

ISCC-EU (Biodiesel Plant) Scope: Raw Material

1. RBDPO	5. Brown Grease
2. POME Oil (Refined)	6. Waste and Residue (vegetable oil processing)
3. UCO (Refined)	7. Food waste oil
4. UCO	

Company
1. Fima Biodiesel Sdn. Bhd.

As an ISCC accredited company, Fima Biodiesel Sdn. Bhd. is legally recognised by the European Renewable Energy Directive 2009/28/EC (EU RED).

Sustainability Report

ISO 9001:2015 (Quality Management Systems)

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' demand. Our certified companies are:

Fima Bulking Services Bhd

Handling, storage & shipment oleochemicals, oils and fats

Fimachem Sdn. Bhd.

Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids

Fima Freight Forwarders Sdn. Bhd.

Freight forwarding & bulk transportation

Fima Palmbulk Services Sdn. Bhd.

Handling, storage & shipment of oleochemicals, edible oils, molasses and latex

Fima Liquid Bulking Sdn. Bhd.

Handling bulk storage of latex and palm oleo-based products

Fima Butterworth Installation Sdn. Bhd.

Handling, storage & shipment of palm oil and edible oil

ISO 45001:2018 (Occupational Health & Safety)

Fimachem Sdn. Bhd., Fima Liquid Bulking Services Sdn. Bhd., and Fima Bulking Services Berhad are certified with ISO 45001:2018 for their expertise in transferring, handling, storage, filling of drums, and transporting hazardous and non-hazardous liquids. This certification helps them establish a management system to manage health and safety risks, leading to improved occupational health and safety performance.

Manufacturing

The Manufacturing division upholds the following regulatory standards and certificates:

ISO 27001:2013 (Information Security Management Systems)

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

ISO 37001:2016 (Anti-Bribery Management Systems)

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

ISO 9001:2015 (Quality Management Systems)

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

ISO 14298:2013 (Graphic Technology-Management of Security Printing Processes)

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

PT Nunukan Jaya Lestari

STATEMENT OF ASSURANCE

To the Board of Directors and Management and Kumpulan Fima Berhad,

Scope

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

Procedures

Our procedures include:

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

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

Subject Matters/Performance Indicators

The selected subject matters and performance indicators are as follows:

Type of Assurance	Component	Subject Matter/Performance Indicator	Scope
Internal Review	Environmental	Water impact: • water consumption and management • water intensity for fish processed and FFB processed	Operations assessed: 1. Malaysia 2. Indonesia 3. Papua New Guinea
		Waste management: • waste generation • disposal method of hazardous and non-hazardous waste for domestic, scheduled, and production	
		Energy management: • scope 1 and 2 emissions by the renewable and non-renewable • fuel intensity for harvesting operations transportation, fish processed, boiler, and generator set • renewable energy	
	Social	Equal opportunity, diversity and inclusion: • employee headcount by gender, age group, and country • employment status by permanent and contract • new hire, attrition, and turnover by gender, age group, country, employment status, and category	Operations assessed: 1. Malaysia 2. Indonesia 3. Papua New Guinea
		Labour relations: • total hours of training by employee category, country, and gender	
		Occupational safety and health: • work-related accidents and incidents • lost time injuries • fatalities • accident rates	

Type of Assurance	Component	Subject Matter/Performance Indicator	Scope
Internal Review	Governance	Value distribution to stakeholders: • community investment (for the Corporate Social Responsibility programmes) • dividend payout • employee wages and benefits • taxes	Operations assessed: 1. Malaysia 2. Indonesia 3. Papua New Guinea
		Sustainable and traceable supply chain: • supporting local procurement	
		Upholding quality, standards and certifications: • certifications and international standards achieved	

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

Considerations and Limitations

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

Conclusion

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

Thank you.

Muhammed Erman Bin Mat Zoki
Head, Group Internal Audit

Date: 11 July 2024

Sustainability Report

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	873.00	889.00	770.00
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	0	0	0
Three years of total water withdrawal data is disclosed by source - Surface water from rivers, lakes, natural ponds	Cubic meters	312,341.36	302,180.78	182,773.88
Three years of total water withdrawal data is disclosed by source - Groundwater from wells, boreholes	Cubic meters	322,727.00	293,025.30	277,073.00
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	237,780.79	293,808.61	310,395.02
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	872,849.15	889,014.69	770,241.90
Plantation Water Intensity	cbm/MT	0.53	0.48	0.28
Food Water Intensity	cbm/MT	26.02	23.73	26.85
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	204,085.41	191,615.87	162,743.78
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	204,044.70	191,437.38	162,242.53
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	40.71	178.49	501.26
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	40.71	178.49	124.05
Disclosure of three years of non-recycled waste generation (tonnes)	Metric tonnes	203,920.86	191,324.95	162,565.84
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	164.55	290.92	177.94
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	86,500.58	97,663.48	99,548.14
Plantation Fuel Intensity	L/MT	2.66	3.01	3.29
Bulking Boiler Fuel Intensity	L/MT	5.34	3.67	3.03
Food Fuel Intensity	L/MT	0.00	0.00	0.00
Bulking Transportation Fuel Intensity	L/KM	0.47	0.43	0.43
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	28,221.68	32,389.41	33,153.12
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	4,143.68	4,237.86	4,150.29
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	961.05	1,421.00	1,280.94
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	58.33	54.55	41.67
Senior Management Above 50	Percentage	41.67	45.45	58.33
Management Under 30	Percentage	1.69	0.00	0.00
Management Between 30-50	Percentage	69.49	75.81	78.69
Management Above 50	Percentage	28.81	24.19	21.31
Executive Under 30	Percentage	30.46	28.66	20.38
Executive Between 30-50	Percentage	61.59	62.42	71.97
Executive Above 50	Percentage	7.95	8.92	7.64
Non-executive Under 30	Percentage	34.24	32.94	29.83
Non-executive Between 30-50	Percentage	57.94	59.43	61.52
Non-executive Above 50	Percentage	7.82	7.63	8.65
Gender Group by Employee Category				
Senior Management Male	Percentage	83.33	81.82	83.33
Senior Management Female	Percentage	16.67	18.18	16.67
Management Male	Percentage	77.97	79.03	78.69
Management Female	Percentage	22.03	20.97	21.31
Executive Male	Percentage	67.55	68.79	71.34
Executive Female	Percentage	32.45	31.21	28.66
Non-executive Male	Percentage	62.38	64.11	65.50
Non-executive Female	Percentage	37.62	35.89	34.50

Indicator	Measurement Unit	2022	2023	2024
Bursa (Diversity)				
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	71.43	71.43	71.43
Female	Percentage	28.57	28.57	28.57
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	14.29	14.29	14.29
Above 50	Percentage	85.71	85.71	85.71
Percentage of women in the global workforce.	Percentage	37.01	35.31	33.91
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	207	169	440
Management	Hours	1,124	1,726	3,084
Executive	Hours	2,541	3,255	5,198
Non-executive	Hours	5,763	9,670	7,278
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	26.11	22.66	26.56
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	1	6	2
Executive	Number	20	21	17
Non-executive	Number	638	928	552
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	1	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.48	0.95	1.47
Bursa C5(c) Number of employees trained on health and safety standards	Number	750	861	524
Number of work-related employee fatalities, over last 3 years	Number	0	0	1
Number of work-related contractor fatalities, over last 3 years	Number	1	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	226,229.00	561,247.00	482,424.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	109	132	189
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	58.33	0.00	50.00
Management	Percentage	100.00	22.58	40.98
Executive	Percentage	68.21	18.47	50.32
Non-executive	Percentage	1.93	7.43	12.63
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	56.89	60.80	95.29
Disclosure of certificates for responsible or sustainable seafood (e.g. MSC, ASC) as a percentage of total seafood sourced	Percentage	60.76	56.98	55.23
Disclosure of certified seafood (e.g. MSC, ASC) as a percentage of total seafood produced/used/processed	Percentage	65.86	63.12	66.52
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Fima (Governance)				
Number of Board Directors	Number	7	7	7
Number of independent Directors on the board	Number	3	3	3
Number of women on the board	Number	2	2	2
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	25	28	28