

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

At Mewah Group, we believe that corporate success and social welfare are interdependent. As such, we believe in Creating Share Value, or CSV. We strive to create value for our shareholders by being responsible for our activities and looking after our stakeholders such as, consumers, employees, suppliers, competitors and communities we operate in. As a socially responsible corporation, we strive to honour the triple bottom line: People, Planet and Profit.

Sustainability is part of everything we do. We aim to build a business that lasts for generations and we strive to continuously build a sustainable business that will bring a positive change to the environment which we live in.

There are
5 core
areas in our
Sustainability
Framework.

- I. Minimising Our Environmental Footprint
- II. Responsible Supply Chain
- III. Product Quality and Safety



- IV. Valuing Our People
- V. Community Support

CORE AREA 1: MINIMISING OUR ENVIRONMENTAL FOOTPRINT

A. CARBON MANAGEMENT

- We have implemented an encompassing Greenhouse Gas ("GHG") Emissions Matrix to measure energy consumption, chemicals consumption, wastewater treatment and fuel consumption in all our manufacturing sites. Our goals are to drive better production efficiency and to lower our GHG footprint.

B. WATER MANAGEMENT

- We constantly monitor our impact on local waterways as we want to ensure that our operation does not affect the availability and quality of water for local communities and ecosystems in the areas where we operate. At the same time, we are taking multiple steps to manage our water resources effectively by conserving water as well as improving water quality and ensuring access to clean water in the communities where we operate.

C. WASTE MANAGEMENT

- All our manufacturing sites are complying with a stringent waste management policy where we commit to manage waste generated from our production activity in an environmental-friendly manner.
- Our action plan to assure sustainable waste management includes:
 - Systematic assessment of waste-related impacts and risks across all direct operations and supply chain.
 - Continue to identify the 5Rs' components in managing waste:
 - Refuse** – Refuse to receive unnecessary materials helps to eliminate waste from the very beginning.
 - Reduce** – Focus to improve efficiency. To establish practices that are capable to reduce the amount of waste we generate to help the environment.

- Reuse** – Practice to reuse materials without change whether for the original or a different application instead of throwing them away, or pass those unused materials on to others who could use them.
- Recover** – To set up ways to recover the energy values contained within the waste material.
- Recycle** – Many of the things we use every day can be recycled. Recycled items are put through a process that makes it possible to create new products out of the materials from the old ones.

CORE AREA 2: RESPONSIBLE SUPPLY CHAIN

A. SUSTAINABLE PALM OIL POLICY

- Oil palm has the highest oil output for the least amount of land area than any other vegetable oil. It is also the most widely used vegetable oil in the world. The oil palm industry employs many people and creates opportunity to bring many communities out of poverty. However, this opportunity comes with the responsibility to address the known risks associated in the palm oil supply chain.
- Our Sustainable Palm Oil Policy is a multi-stakeholder approach which seeks:
 - To build a traceable and transparent supply chain.
 - To continue the journey of no deforestation and to commit no burning, protection of high conservation value (HCV) areas and high carbon stock (HCS) areas since 31st December 2015.
 - To reject new oil palm development in forested peatland plantation after 31st December 2015.
 - To respect human rights and ensure protection of the rights of all workers.
 - To respect the rights of indigenous people and local communities to give or withhold Free, Prior, and Informed Consent (FPIC) where oil palm development takes place.

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B. TOWARDS FULL TRACEABILITY

- Mewah Group has developed a Traceable Palm Oil Framework to trace the origin of our palm oil. At the initial stage, we review each of our suppliers through desktop assessment and in-house risk profiling analysis, with the traceability process developing well; we are progressing fast to the next step of assessing the suppliers' practices. Based on the outcome from our risk analysis, we will perform the site assessment of the suppliers' mills based on the general principle & criteria, procedures and questionnaires that are in line with industrial standards.
- For every ton of palm oil and palm kernel oil received into our refineries, we need know the source of this oil. Traceability is useful because the information can be utilised to evaluate our suppliers' performance against our Sustainable Palm Oil Policy, and to engage with our supply base to bridge the gap between us and our suppliers.

1. Traceability to Mill Approach

- Today, transparency and accountability are critical aspects of sustainability. It is extremely crucial that companies are capable to trace the palm oil they use back to the origin.
- We started tracing back our direct suppliers (palm oil mills) since year 2015. There are 5 key components in our traceability to mill approach:
 - Parent Company Name of Mill Party
 - Mill Name
 - Mill Address
 - GPS Coordinates of Mill Party
 - Volumes of CPO receive into our refinery

2. Traceability to Plantation Approach

- The definition of traceable to plantation, or fresh fruit bunch (FFB) traceability, is a subject of considerable debate. This is because there is still no common consensus on the definition of traceable to plantation in the industry today.
- The Mewah's current approach on traceability to plantations establishes on ensuring the availability & validity of Malaysia Palm Oil Board (MPOB) and volumes of FFB supply to the supplied mills.

Mewah Traceability to Plantation Approach

Traceability to Plantation	Volume FFB Supplied	Availability of MPOB License	Validity of MPOB License
Estate/ Plantation	✓	✓	✓
Smallholders	✓	✓	✓
Dealers	✓	✓	✓

C. SUPPLIER ENGAGEMENT PROGRAM

- We hold training and engagement dialogue sessions with our suppliers as well as periodic audits to evaluate and ensure compliance to our Sustainable Palm Oil Policy. The supplier engagement program also provides us the opportunity to socialise our Sustainable Palm Oil Policy with our direct suppliers, providing them with a platform to discuss the implications and requirements of adopting similar policies.
- In year 2019, we initiated Supplier Group Level Engagement. We identified 10 supplier groups in our supply chain that responsible for about 50 palm oil mills or equivalent 20% of palm oil production volume in our supply base. The program serves as a platform for us to communicate the mill assessment findings with the supplier group's management including the business owners or senior management, group sustainability department and other relevant leaders. In addition, the program enables the supplier group's management to take ownership of their own supply chain's transformation, and to lead a longer-lasting change within their supply base.

D. GRIEVANCE PROCEDURE

- As part of our Sustainability Sourcing Guide, the Grievance Procedure provide guidelines on how grievances raised by the stakeholders in our supply chain.
- We started the Grievance Procedure on our Sustainability Dashboard (www.mewahgroup.com/DashboardForm.html) since June 2016. This procedure serves as a platform for all stakeholders in our supply chain to address concerns or to report complaints that can be found in Mewah Sustainability Dashboard. The Grievance Procedure is to ensure that we are responsive to grievances from external parties. This includes any individuals, government organisations, NGOs or media outlets with concerns related to the implementation of Mewah's Sustainable Palm Oil Policy.
- We value the input of stakeholders in helping us to achieve the aims of the policies and enhancing transparency throughout our supply chain. We will be providing regular progress updates via the Mewah Group Ongoing Sustainability Grievances on our Sustainability Dashboard.

CORE AREA 3: PRODUCT QUALITY AND SAFETY

A. ASSURANCE ON OUR PRODUCT QUALITY AND SAFETY

- Assurance on product Quality and Safety for our consumers is always our top most priority. We consistently review and refine our manufacturing processes, and establish a stringent quality assurance process.
- Our commitments to product quality and safety are:
 - i. Building trust by offering products and services that match consumer expectation and preference;
 - ii. Complying with all internal and external food safety, regulatory and quality requirements;
 - iii. Gaining a zero-defect, no-waste attitude by everyone in our Company;
 - iv. Making quality assurance a group-wide objective at all our factories and offices.



Training and engagement meeting with our suppliers under Supplier Group Level Program.

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B. QUALITY & SUSTAINABILITY CERTIFICATIONS

- Certification marks the evidence that a product conforms to applicable standards.
- As a responsible refiner and food manufacturer, we make sure all our factories are certified to one or more internationally recognised food safety standards such as FSSC 22000, ISO 22000 and GMP+.
- Today, all our refineries are certified with RSPO Supply Chain Certification. Since 2017, our main refineries have been certified for food safety with FSSC 22000.

CORE AREA 4: VALUING OUR PEOPLE

At Mewah Group, we believe that people and businesses achieve the greatest impact in sustainable development when they join forces and invest in each other.

A. HUMAN CAPITAL – TALENT MANAGEMENT

We are committed to recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

The Group recognises that one of the cornerstones of its success is our employees. We believe that having a highly motivated, well trained and involved set of employees is crucial to the enduring success of our corporation. To this end, we will ensure that our employees are developed to their fullest potential and talent, and their competency are fully recognised and rewarded. Department heads, who are also their mentors, will continuously assess and evaluate their subordinates to ensure that there is a structured career development in accordance with their potential, talent and competency.

We will continue to attract, motivate and retain our talented employees at all levels by providing them with job security and growth opportunities. We strive to provide all employees with career and personal development opportunities and to promote a continuous learning through training and development, job rotations and overseas assignments. We continuously recruit fresh graduates from reputable universities worldwide to be part of our team. Potential leaders will undergo a comprehensive, 2-year Leadership Training Programme to prepare them to take on challenging roles within the Group.

It is our view that an all-rounder workforce is essential for motivation and endurance. Aside from providing job satisfaction, we encourage our employees to have a balanced work life by organising and promoting social activities.

B. FAIR EMPLOYMENT PRACTICES

We believe in providing equal opportunities and follow fair employment practices. The Group recognises the value of its employees and long term retention as key to the success of the business. The Group aims to attract and retain skilled employees by giving them job security. On a side note, all our main refineries are the members of Sedex and all have passed the ethical Sedex SMETA audit. Sedex (Supplier Ethical Data Exchange) was founded in 2001 by a group of UK retailers to drive convergence in social audit standards and monitoring. It is a not-for-profit membership organisation for business committed to the continuous improvement of ethical performance within their supply chain.

C. WORKPLACE HEALTH AND SAFETY

The Group aims to provide each employee with a safe place to work. All group locations are required to abide by local health and safety regulations. We conduct regular work risk assessments, vigorously taking action to address any identified risks by setting up protective guidance, employing the usage of personal protective equipment, embarking on work sites audits and inspections, as well as regular reviews and controls of safety risks. We strive to achieve zero loss work day due to work place accidents.

All our refineries have adopted the latest OHSAS (International Occupational Health and Safety Management System) guideline with the objective to build a demonstrably sound occupational health and safety workplace. Our subsidiary, Mewaholeo Industries Sdn Bhd was the first company under Mewah Group to be certified with OHSAS 18001 in February 2010. All our refineries have the quality management system ISO 9001, ISO 14001 and HACCP in place.

CORE AREA 5: COMMUNITY SUPPORT

We understand that it is important to proactively engaging with the community which we operate in. Contributing to, and being part of, the community in which Mewah operates is essential for maintaining a positive relationship with our neighbors. We find regular engagement is very effective for keeping pulse on what is happening on the ground and what concerns and priorities our stakeholders have.

At every place that we operate, Mewah partners with the local communities to support the particular needs of the community. We contribute regularly to local charities. Our people organise and participate in social events to support and bring joy to the less fortunate in our nearby community. Our goal is to enrich the lives of the people around the touchpoints that we have established.

There are three (3) major objectives that we have set for our CSR programs:

A. SUPPORTING OUR NEXT GENERATION

We believe that every child deserves a chance at a life filled with love, laughter, friends and family.

B. ACTIVE VOLUNTEERISM OF OUR EMPLOYEES

We encourage our staff to volunteer and give back to the community. Therefore, we hold companywide community volunteer events so that our employees can find it easier to give back to community.

C. DISASTER RELIEF

We wish to support the communities that we operate in. One of the most important initiatives is to help our neighbours in their time of need. We raise money and donate other necessities to support victims of natural disasters.

1. **CSR Program: Every child deserves a chance to learn – Kechara Soup Kitchen (KSK) Tuition Class**

Kechara Soup Kitchen (KSK) is a community action group that distributes food, basic medical aid and provides free counseling to the homeless Malaysian. In 2018, KSK set up training center to train and empower single mothers with knowledge and skills.



CSR Program: Collaboration with KSK to provide free weekly tuition class for underprivileged children.

Mewaholeo had initiated collaboration work with KSK since 2018. Our employees had spread words of kindness to hundreds of underprivileged families, single mothers and children through multiple charity events and activities to progressively improve the livelihoods of these families. Starting from March 2019, our employees had also volunteered their time and knowledge to provide free weekly tuition class to children of single mothers, who require special attention on extra support and guidance in education.

After a successful run in the collaboration programs with KSK, we aim to do more in years to come. We commit to continue inspire our employees to explore meaningful initiatives to contribute more for the deprived children particularly on the education.

2. **CSR Program: Supporting fire victims of Kampung Tanjung Batu Laut Otentik, Tawau**

On 26 August 2019, a massive blaze happened at Kampung Tanjung Batu Laut Otentik, Tawau. Almost 70 houses have been destroyed, leaving about 300 people homeless. Our employees from our subsidiary in Mewah Datu extended their helping hands to the fire victims in collaboration with Pertubuhan Kebajikan Anak Leluhur Nusantara Negeri Sabah (PERKALAS), a local non-profit organisation. Our "Disaster Action Team" consists of 15 volunteers had offered emotional support, financial assistance as well as donation of necessities and information to help the victims' families to begin the process of recovery.



CSR Program: Support given to fire victims, Tawau, Malaysia.