

# Corporate Social Responsibility & Sustainability

## Sustainability is a Value Driver

The Group has worked unwaveringly to integrate corporate responsibility and sustainability across every aspect of our business. Our first Group Sustainability Report was published in year 2017, with the objectives to provide our stakeholders with an understanding of our sustainability approach, the measurements we have put in place at all our operating sites and our approach to building a sustainable business.

Today, the Environmental, Social and Governance (ESG) issues are gaining prominence as the world looks at the impact of the COVID-19 pandemic. We agree that more concerted efforts are needed to ensure further adoption of ESG initiatives at all levels. As a listed company in the Singapore Stock Exchange (SGX), the Group is aware that we must take cognisance of the importance of sustainable investments amongst socially conscious investors. At the same time, we are determined to have our Sustainability approaches stay align with the 17 United Nations Sustainable Development Goals (SDGs) as well as to ensure our businesses are adopting the relevant ESG standards and practices. The Group believe that Sustainability is a value driver and that the corporate success and social welfare are interdependent upon one another.

To maintain our continuing success and to deliver sustainable returns to our shareholders, we are committed to supporting and contributing towards the 17 United Nations Sustainable Development Goals



(SDGs). All 17 SDGs are closely integrated to our identified material ESG factors defined under the Mewah Sustainability Framework. By setting the SDGs targets as the blueprint of our sustainability

framework, we are confident that we can further improve our commitment towards ESG factors set out by the SGX to better measure risks and opportunities within sight as well as manage for future returns.

## CORE AREA 1: ENVIRONMENTAL PROTECTION AND STEWARDSHIP

At Mewah, we continue to evaluate and make changes in our operations and throughout our value chain to minimise our manufacturing carbon emissions and improve our environmental footprint per metric-ton of product produced. We focus our efforts on key areas where our portfolio and business scale enable us to have the biggest impact that offers the biggest opportunities for our business. We drive collaboration throughout our supply chain in an effort to strive for reduction in our climate impact associated with our raw materials processing up to delivering our products into the hands of our buyers.

### A. Carbon Management

An all-encompassing Greenhouse Gas (GHG) Emissions Matrix has been instigated in all our factories to measure energy consumption, chemicals consumption, wastewater treatment and fuel consumption. The goals are to drive improved production efficiency and to achieve a lower GHG footprint in our production activities.

### B. Water Management

Clean, accessible water is critical for the well-being of communities, wildlife and aquatic ecosystems.

We consistently monitor the impact that our palm oil operations have on waterways. The water footprint maps and measures how, when and where we use freshwater resources.

### C. Waste Management

As a responsible manufacturer, we always look to manage the waste from our production in an environmental-friendly manner.

Our action plan to assure sustainable waste management includes:

- i. Regular assessment of waste-related impacts and risks across all direct operations and the supply chain.
- ii. Continual identification of the 5Rs' components in managing waste:
  - a. **Refuse** – Refuse to receive unnecessary materials helps to eliminate waste from the very beginning.
  - b. **Reduce** – Focus to improve efficiency. To establish practices that are capable of reducing the amount of waste we generate to help the environment.
  - c. **Reuse** – Practice to reuse materials without change whether for the original or a different application instead of discarding them away, or passing those unused materials on to others who could use them.
  - d. **Recover** – To set up ways to recover the energy values contained within the waste material.
  - e. **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 existing ones.

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## 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 types of vegetable oils. It is also the most widely used vegetable oil in the world. The palm oil industry employs many people and creates opportunities to bring many communities out of poverty. However, these opportunities come with the responsibility to address the known risks associated with the palm oil supply chain.

Our Group’s Sustainable Palm Oil policy is a multi-stakeholder approach which seeks:

1. To build a traceable and transparent supply chain.
2. 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.
3. To reject new oil palm development in forested peatland plantation after 31<sup>st</sup> December 2015.
4. To respect human rights and ensure protection of the rights of all workers.
5. 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.

### B. Towards Full Traceability

Our 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.

### 1. Traceability to Mill Approach

Today, transparency and accountability are critical aspects of sustainability. It is extremely crucial that companies are capable of tracing the palm oil they use back to its 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:

- i. Parent Company Name of Mill Party
- ii. Mill Name
- iii. Mill Address
- iv. GPS Coordinates of Mill Party
- v. Volumes of CPO receive into our refinery

### 2. Traceability to Plantation Approach

Our 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.

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 provides us with the opportunity to socialize our Sustainable Palm Oil Policy with our direct suppliers, providing them with a platform to discuss the implications and requirements of adopting similar policies.

Today, we continue the Supplier Group Level Engagement 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 set the guideline on how grievances raised by the stakeholders in our supply chain will be handled by us.

We started the Grievance Procedure on our Sustainability Dashboard 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 organizations, NGOs or media outlets with concerns related to the implementation of Mewah's Sustainable Palm Oil Policy.

In Mewah, we value the input of stakeholders in helping to achieve the aims of the policies and in 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**

At Mewah Group, 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 strict quality assurance process to ensure the safety of our products.

Our commitments to ensure quality and safety includes:

- i. Building trust by offering products and services that match consumer expectations and preferences;
- 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.

### **B. Certification at our Manufacturing Sites**

Certification provides evidence that a product conforms to applicable standards, and that there is a program of ongoing factory inspections.

As a responsible refiner and food manufacturer, we make sure all our factories are certified to one or more internationally recognized food safety standards and sustainability certification.

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## 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 recognizes that one of the cornerstones of its success is our employees and we believe in investing in our people. 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 recognized 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 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 organizing and promoting social activities.



Medical Check-ups



Sport Activities



Health Program



Safety Training

**B. Fair Employment Practices**

We believe in providing equal opportunities and follow fair employment practices. The Group recognizes 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 members of the Sedex and have all 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 organization for businesses 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

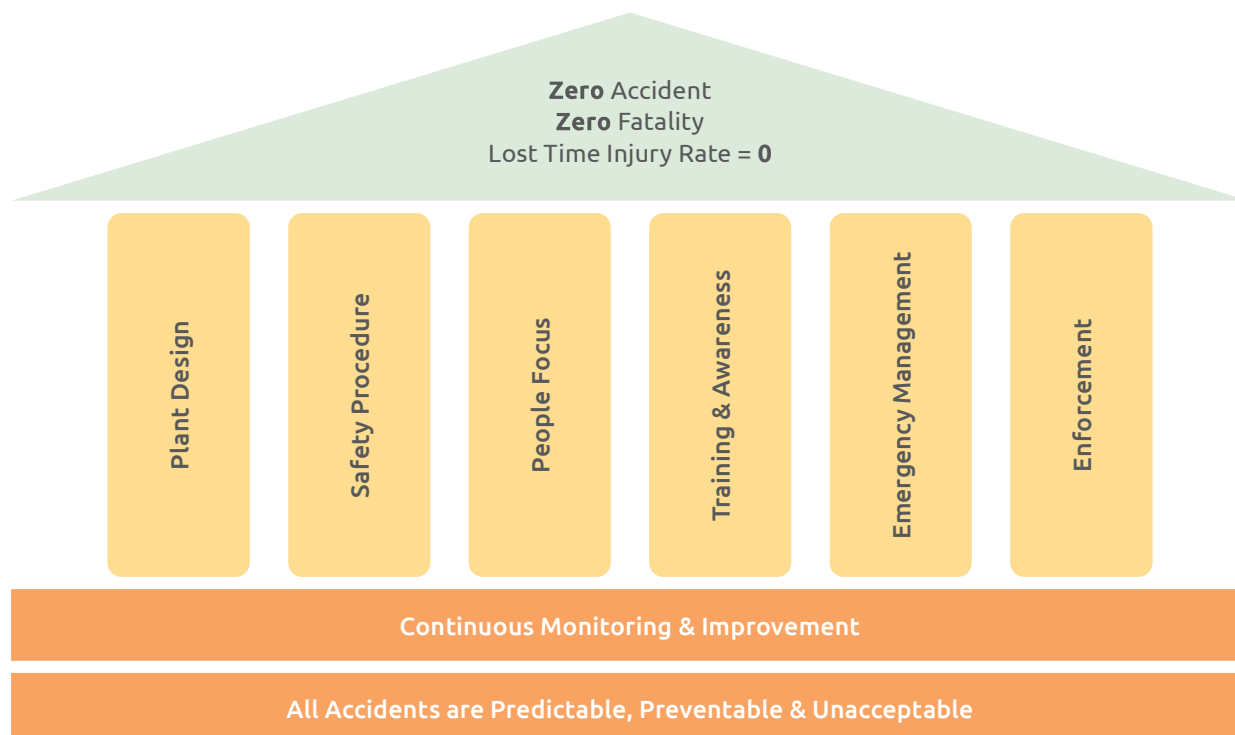
the usage of personal protective equipment, embarking on work sites audits and inspections, as well as regular reviews and controls of safety risks. We strive to achieve zero loss workday from workplace accidents.

**Mewah Group Safety Framework**

Mewah Group Safety Framework is established as the guiding safety principle that aims to improve safety performance in our factories. Our targets of zero accident and zero fatality have been emphasized in the Key Performance Indicators (KPIs) for all levels of employees.

The Mewah Group's Safety Framework focuses on 6 core areas:

- a. Plant design
- b. Safety procedure
- c. People focus
- d. Training & awareness
- e. Emergency management
- f. Enforcement



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## CORE AREA 5: COMMUNITY SUPPORT

At Mewah Group, we realize that it is important to proactively engage 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 very effective for keeping pulse on what is happening on the ground and what concerns and priorities our stakeholders have.

At every location that we operate, Mewah partners with local communities to support their needs. 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 neighbouring communities. 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 most of our staff can have more opportunities to give back to the 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. When there are natural disasters in our neighbourhood, we raise money and donate other necessities to support victims of natural disasters.

### Mewah's COVID-19 Response:

The global spread of COVID-19 is affecting everyone around us. At Mewah, we are people first. Since the COVID-19 pandemic, our primary objective is to stand strong in solidarity with our employees, their families and the local communities in the surrounding of our business operation.

Preventative interventions are implemented across all management units to ensure the wellbeing of our employees. We have developed our own COVID-19 protocol following the COVID-19 Infection Prevention and Control Guidance developed by the World Health Organization (WHO).

Our Business Continuity Committee (BCC) is continuously assessing and appropriately responding to the crisis as it develops. Safe management guidelines and briefings amongst employees and local communities have been conducted to support the governments' directions to control the spread of this disease. Face masks, sanitizers, regular cleaning and disinfection, temperature checks, and social distancing procedures are adopted across our business operations.

In addition, to keep our workforce safe, our employees are taking turns to work remotely to minimize workplace exposure. The use of various digital communication channels, including emails, conference calls, automation, and process improvements have helped us to overcome the challenge. Our productivity proved remarkably resilient during the pandemic, despite the reduction of on-site headcounts.

**CSR Highlights: “WE STAND TOGETHER” in Lahad Datu, Sabah**

In March 2020, Sabah had the third-highest number of confirmed cases nationwide while Tawau was declared as one of the COVID-19 “red zone” cities in Malaysia.

Our subsidiary company at Lahad Datu, donated 2 units of Life-Support Ventilators worth more than RM100,000 to Tawau General Hospital in response to the acute shortage of medical supplies faced by the hospital. Ventilators are lifesaving breathing machines for the critically ill patients of COVID-19.

**CSR Highlights: “EMBRACED THE USE OF FACE MASK” in Jambi, Indonesia**

Face masks prevent the spread of respiratory droplets that can carry the novel coronavirus. It is a disease-control personal protective equipment (PPE) that has been proven that, when used properly, can reduce transmission by somewhere between 50% and 85%.

Since April 2020, we have made continuous contributions of medical supplies and face masks for the 280 villagers in Tanjung Pauh Village, Jambi Province, battling the ongoing pandemic outbreak in Indonesia. The masks were handed over to the Head of Village at its office and had been allocated to the communities.

