

2023

SUSTAINABILITY STATEMENT



BLD PLANTATION BHD.

[Registration No.: 200101026441 (562199-A)]

INTRODUCTION

BLD Plantation Bhd. Group of Companies (“BLDP”) recognises that long term success of its business is supported by embedding sustainable practices into its business strategies. Sustainability continues to play an essential role in our operations of business. BLDP is driven to make greater commitments in sustainability through incorporation of sustainability practices into its daily operations. Therefore, we are constantly mindful of the impacts of its operations to the economy, environment and society. BLDP takes strong interest in balancing sustainability and profitability by creating value while serving public interest without exploiting the environment.

SCOPE

The scope of this Sustainability Statement (“Statement”) covers the environmental, social and economic performance across BLDP’s oil palm estates, palm oil mills, refinery and kernel crushing plant operations. This Statement mainly focuses on the activities and issues that are material to BLDP’s operations for the financial year ended 31 March 2023.

SUSTAINABILITY HIGHLIGHTS FOR THE FINANCIAL YEAR ENDED 31.03.2023

- 100% Plantations, Mills, Refinery and Kernel Crushing Plant with MSPO certified.
- 0% Fatalities.
- 100% Compliance with Applicable Laws and Regulations.
- Emphasizing on “Let’s Environment Safe & Sustainable” Programme Planning and Implementation.
- Commencement of Forest Conservation & Protection And Livelihood Project.

SUSTAINABILITY GOVERNANCE MANAGEMENT STRUCTURE



The roles of each team in the Sustainability Governance Structure are as follows:

Board of Directors	<ul style="list-style-type: none"> • Monitors overall strategies, direction of BLDP and agenda for implementation of sustainability strategies. • Assesses the sustainability performance of BLDP’s operations.
Group Sustainability Management Committee (“GSMC”)	<ul style="list-style-type: none"> • Evaluates overall sustainability risks and opportunities, and develops the sustainability strategies with agenda for implementation and submits to the Board. • Monitors sustainability implementation to ensure compliance from all departments at operational level. • Resolves critical or major sustainability issues that may impact BLDP. • Periodically reviews the progress of sustainability implementation and reports to the Board. • Reports to the Board of any unresolved critical sustainability issues.

Plantation Division Sustainability Committee	<ul style="list-style-type: none"> • Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in all plantations. • Ensuring resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet Malaysian Sustainable Palm Oil Standard ("MSPO"). • Periodically reports to GSMC on the progress of sustainability implementation in plantation. • Reports to GSMC of any critical or major sustainability issues in plantation.
Processing Division Sustainability Committee	<ul style="list-style-type: none"> • Promotes effective implementation of the sustainability strategies through regular monitoring, reviewing and improving sustainability practices in mills, refinery and kernel crushing plant. • Ensuring resources and procedures are in place to achieve its sustainability commitments and targets. • Continuously improves the management system to meet MSPO. • Periodically reports to GSMC on the progress of sustainability implementation in mills, refinery and kernel crushing plant. • Reports to GSMC of any critical or major sustainability issues in mills, refinery and kernel crushing plant.

SUSTAINABLE PALM OIL POLICY

Sustainable Palm Oil Policy ("SPO Policy") is the guide to the sustainability journey for BLDP. Published on 1 May 2019, SPO Policy consists of four key areas as follows:

- Environment & Biodiversity – No deforestation, no new development on peat and protection of HCV areas;
- Human Rights & Workers' Management – Prevention of all forms of forced and bonded labours, ethical recruitment, child protection, respect of diversity, prevention of harassment and violence, occupational health & safety management, and human resource management best practices;
- Respect indigenous and local communities' rights;
- Implementation of complaints and grievance management procedure.

BLDP has successfully developed a Sustainability Dashboard in Year 2020 as a platform to inform stakeholders on BLDP sustainability movements which is published in www.bldpb.com.my. BLDP has been continuously monitoring and improving its sustainability implementation plan, taking into consideration the impacts of the COVID-19 pandemic on the economy, environment, and society.



The infographic below provides an overview of some of the key progresses we have made in our commitment journey:



CORPORATE GOVERNANCE

- Code of Business Conduct and Ethics

Code of Business Conduct and Ethics lays out our Group's principles, core value and the ethical expectation towards our employees and third parties to produce more efficient business and creating a level of transparency for a healthy business relationship.

- Anti-Bribery and Corruption Policy

BLDP has adopted a zero-tolerance approach against all forms of bribery and corruption. This policy is guided by the Guidelines on Adequate Procedure issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

- Whistleblowing Policy

BLDP is committed to upholding integrity, accountability and transparency in the conduct of its business functions by embracing good corporate governance practices. The whistleblowing policy is formulated to allow BLDP Group's employees, stakeholders or members of the public to disclose any suspected or actual improper conduct that is observed within the Group. The transparent and fair mechanism is provided to encourage genuine concerns to be raised at the earliest opportunity as practicable in a responsible and appropriate manner. BLDP strictly prohibits retaliation against those who report information or raise concerns in good faith under this policy.

- Sexual Harassment Policy

BLDP recognised that all staff in workplace have the right to be treated with dignity and respect. All staff must cooperate to ensure a harassment-free work environment by refusing to accept or participate in any behaviours which constitute sexual harassment.

TARGETS AND ACHIEVEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Target	Status of Target	Material Sustainability Matters
Sustainable Palm Oil Policy	Achieved	All
No Child Labour	Achieved	Human and Workers' Rights
No Forced Labour	Achieved	Human and Workers' Rights
No Work-Related Fatalities	Achieved	Safety and Health
Auxiliary Polices for security of own operations and nearby communities	Achieved	Social and Workers' Welfares
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 9001	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 14001	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - ISO 22000	Achieved	Certification
Kirana Kernel Crushing Plant - GMP+FSA	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - GMP for Food	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HACCP	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - HALAL	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - KOSHER	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MeSTI	Achieved	Certification
BLD Igan Palm Oil Mill - MSPO Part 4 & SCCS	Achieved	Certification
BLD Sawai Palm Oil Mill - MSPO Part 4 & SCCS	Achieved	Certification
BLD Sawai Estates - MSPO Part 3	Achieved	Certification
BLD Lambir Estates - MSPO Part 3	Achieved	Certification
Niamas Estates - MSPO Part 3	Achieved	Certification
BLD Kabang Estates - MSPO Part 3	Achieved	Certification
Grand Mutual Sawai Estates – MSPO Part 3	Achieved	Certification
Grand Mutual Lassa Estates – MSPO Part 3	Achieved	Certification
Kirana Palm Oil Refinery & Kernel Crushing Plant - MSPO SCCS	Achieved	Certification
Monitor and Update Sustainability Dashboard	Achieved	All
Commencement of Biogas Plant in BLD Igan Palm Oil Mill	Achieved	Environmental Protection
Commencement of Polishing Plant in BLD Igan Palm Oil Mill	Achieved	Environmental Protection
Develop Forest Conservation & Protection and Livelihood Project	Achieved	Environmental & Biodiversity Protection

TARGETS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

Target	Material Sustainability Matters
Initiate Forest Conservation & Protection and Livelihood Project	Environmental & Biodiversity Protection
Develop "Let's Environment Safe & Sustainable" Programme (LESS)	Environmental Protection

One of the Group's mill has been awarded with the *Anugerah Kilang Kelapa Sawit Lestari Tahun 2022* by Department of Environment (DOE), Sarawak as a recognition for its accomplishment during the financial year.



STAKEHOLDERS ENGAGEMENT

Stakeholder engagement is an ongoing process that BLDP has continuously striven to better understand and identify the needs of its key stakeholders to ensure those needs are met. BLDP recognises the importance of our stakeholders towards supporting and ensuring our success in commercial and sustainability endeavours. BLDP also acknowledges that each stakeholder has a unique perspective on how our operations impact them and each of them is equally valuable to us.

In facilitating a transparent approach in the engagement with relevant stakeholders, the GSMC as delegated by the Board, is responsible in assessing and identifying the sustainability matters by prioritising them according to the impact and importance not only to our businesses, but also to our key stakeholders. The GSMC undertakes review on materiality assessment, monitors sustainability performance and discloses material sustainability matters in order to ensure proper sustainability management is in place.

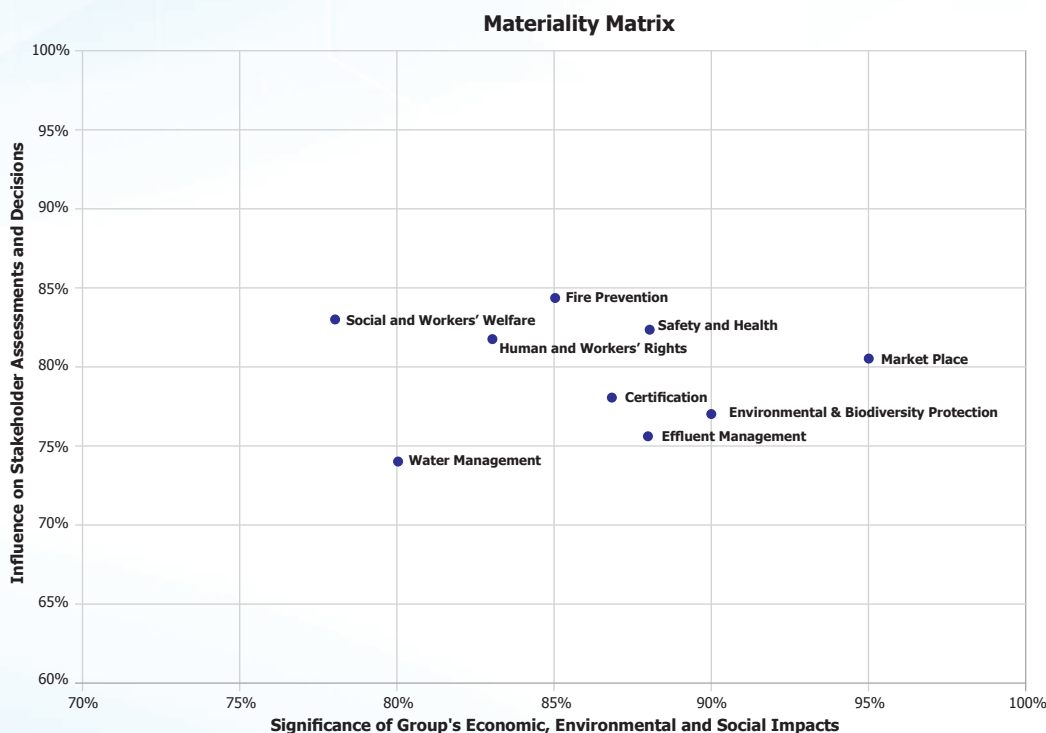
The key stakeholder groups of BLDP include shareholders, customers, employees, local communities, government authorities, suppliers and contractors, and non-governmental organisations ("NGOs"). BLDP continues to monitor stakeholders' concerns and engage with the stakeholders to address material matters when necessary.

Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
Shareholders	Annual General Meetings	Annually	<ul style="list-style-type: none"> Company performance and development Business sustainability 	<ul style="list-style-type: none"> Market Place
	Annual Reports	Annually		
	Company Website	As necessary		
Customers	Site visits	As necessary	<ul style="list-style-type: none"> Product quality, pricing and delivery Sustainability related matters 	<ul style="list-style-type: none"> Market Place Certification Safety and Health Environmental and Biodiversity Protection
	Customer Surveys & Feedbacks	As necessary		
	Electronic Communication	As necessary		
	Meetings	As necessary		
Employees	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> Employees' welfare Employees' safety and health Employees' working conditions and harassment 	<ul style="list-style-type: none"> Human and Workers' Rights Safety and Health Certification Social and Workers' Welfare Environmental and Biodiversity Protection Fire Prevention Waste and Effluent Management Water Management
	Safety and Health Committee Meetings	Quarterly		
	Women Welfare Committee Meetings	Quarterly/ Annually		
	Memos/Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings	As necessary		

Stakeholders Group	Engagement Approach	Frequencies	Sustainability Matter	Addressed by Material Sustainability Matters
Communities	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> Communities development Job opportunities Awareness on safety and environmental protection 	<ul style="list-style-type: none"> Certification Social and Workers' Welfare Safety and Health Environmental and Biodiversity Protection Fire Prevention
	Community Engagement	As necessary		
	Notices	As necessary		
	Electronic Communication	As necessary		
	Briefings/Trainings	As necessary		
Government Authorities	Site visits / On-site inspections	Periodically	<ul style="list-style-type: none"> Compliance with the legal requirements 	<ul style="list-style-type: none"> Safety and Health Environmental and Biodiversity Protection Certification Fire Prevention Waste and Effluent Management
	Stakeholders' Meetings	Annually		
	Dialogue sessions	As necessary		
	Electronic Communication	As necessary		
Suppliers & Contractors	Stakeholders' Meetings	Annually	<ul style="list-style-type: none"> Products quality, pricing and delivery Sustainability related matters Compliance with the legal requirements 	<ul style="list-style-type: none"> Market Place Certification Safety and Health Environmental and Biodiversity Protection Waste and Effluent Management
	Site visits	As necessary		
	Meetings/Dialogues	As necessary		
	Trainings/Briefings	As necessary		
	Electronic Communication	As necessary		
NGOs	Engagement Meetings	As necessary	<ul style="list-style-type: none"> Sustainability related matters 	<ul style="list-style-type: none"> Safety and Health Human and Workers' Rights Environmental and Biodiversity Protection Certification
	Electronic Communication	As necessary		
	Company Website	As necessary		

MATERIALITY MATRIX

BLDP considers and prioritises the significance of environmental, economic and social aspects, impacts, risks and opportunities that are fundamental to the success and sustainable growth of BLDP. These material sustainability matters have been identified as crucial to our business and stakeholders. BLDP reassesses the material sustainability matters and prioritises them according to the influence on stakeholders' assessments and decisions against the significance of BLDP's economic, environmental and social impacts. Since there are no significant changes to our business model or operating boundaries, the material sustainability matters remain relevant and appropriate adjustments of their priority are made after the materiality evaluation. The Materiality Matrix is shown below:



Summary of Materiality Matters linked to United Nation Sustainable Development Goals:

Pillars	Significant Materiality Matters	Link to UN SDG & GRI Standards
Economic	1. Market Place 2. Certification	<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div></div>
Environment	3. Environmental & Biodiversity Protection 4. Waste and Effluent Management 5. Water Management	<div><div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div><div><div>14</div><div>LIFE BELOW WATER</div><div></div></div><div><div>15</div><div>LIFE ON LAND</div><div></div></div></div> <div><div><div>GRI Standards Disclosure</div><div><div>303: Water and Effluents</div><div>306: Effluents and Waste</div></div><div><div>304: Biodiversity</div><div></div></div></div></div>
Social	6. Safety and Health 7. Fire Prevention 8. Human and Workers' Rights 9. Social and Workers' Welfare	<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div></div> <div><div><div>GRI Standards Disclosure</div><div><div>403: Occupational Health & Safety</div><div>408: Child Labour</div></div><div><div>405: Diversity & Equal Opportunity</div><div>409: Forced or Compulsory Labour</div></div></div></div>

Market Place

The Malaysian oil palm industry has seen a stable recovery following the COVID-19 pandemic in recent years. There has been a moderate increase in the exports of palm oil and other palm-based products compared to the previous period. External drivers including improving demand from the emerging economies such as China and India and also government policy on biodiesel mandate, considering its affordability relative to other alternatives, are expected to contribute to the rebound in the overall performance of the industry. Additionally, the return of foreign workers to plantations has expedited harvesting processes, while improved oil extraction rates have enhanced crude palm oil production. Despite rising operational costs and tighter margins, the palm oil industry remains resilient in view of the essential nature of palm oil as a consumable commodity in terms of both food and fuel, making it an attractive crop compared to other edible oils in the global market.

BLDP brings direct and indirect economic impacts to the regional economic growth and development. In our procurement practices, BLDP engages in local sourcing for quality products and services to support our local suppliers. Long-term business relationship with our suppliers has been established over the years, hence minimises the potential risk of supply chain disruption caused by shortage of supply. In Processing Division, the BLDP mills that are strategically located in the vicinity of many surrounding estates, accepts consistent Oil Palm Fresh Fruit Bunches ("FFB") supply not only from our own estates but also from nearby estates and smallholders. Owing to the strategic location of the mills, suppliers of FFB from the nearby estates and smallholders could save up on transportation costs and ensure best quality of FFB in freshness when delivered to the palm oil mills.

BLDP has engaged in the Native Customary Rights ("NCR") Land Development Scheme that was initiated by the State Government of Sarawak in Year 1997. The joint venture has provided BLDP to allocate its financial resources and technological expertise to develop idle and under-utilized NCR land for commercial oil palm plantation. This has successfully created job opportunities to the indigenous community and their standards of living have been improved in tandem with the development of infrastructure facilities and amenities in the rural areas.

Our priority remains geared towards the twin objectives of increasing both yields and labour productivity. Through enhancing internal efficiencies and continuously rebuilding internal organisational strengths by accelerating the implementation of mechanisation in our oil palm estates, we envisage that our continuing efforts are bearing fruits. In line with BLDP's commitment to produce palm oil in a sustainable manner through continuous improvement in our operations, all oil palm estates, palm oil mills, refinery and kernel crushing plant are MSPO certified. In consideration of the economic downturn since the outbreak of Covid-19 pandemic, BLDP continues putting efforts in retaining employees and sustaining the employees' benefits to sustain positive impact in the local and regional economies.

While BLDP continues to focus on improving yields from its oil palms, the Board is mindful of external factors beyond BLDP's control that can impact profits-potential turbulence in the global economy such as weaker ringgit, rising interest rates and fluctuating of palm oil prices. During this financial year, BLDP did not receive any complaints of improper conduct or allegations of corruption involving management, employees and workers; as well as fines pertaining to non-compliance and breach of environmental and social laws and regulations.

Certification

Certification is of great importance in providing our customers' confidence in our products. It also enhances credibility and trust to BLDP's customers relating to its products. BLDP is fully committed to actively work towards obtaining relevant certification to utilise the quality standards in our production processes. Implementation of recognised system allows BLDP to make continuous improvement and kept align with the standard requirement.

► Sustainability Certification

BLDP has obtained MSPO certifications for all palm oil mills and oil palm estates in Year 2019 to build a more traceable, transparent and sustainable palm oil supply chain. Besides that, all palm oil mills, refinery and kernel crushing plant had been certified under MSPO Supply Chain Certification Standard ("SCCS") in December 2019. Nominated staff from oil palm estates, palm oil mills, refinery and kernel crushing plant who had attended the MSPO and MSPO SCCS Lead Auditor Courses organised by the Certification Bodies are qualified to conduct internal auditor trainings at their respective work stations. BLDP endeavours to produce good quality oil palm products with sustainable practices.

► Food Safety, Feed Safety, Environmental and Quality Management System Certification

The kernel crushing plant of BLDP has been certified under GMP+ Feed Safety Assurance System for the production of Palm Kernel Expeller since Year 2009. Since Year 2011, the refinery and kernel crushing plant have also been certified for ISO9001 (Quality Management System), ISO14001 (Environmental Management System), ISO22000 (Food Safety Management System), MS1514 (Good Manufacturing Practice for Food), MS1480 (Food Safety according to HACCP System), HALAL, KOSHER and MeSTI Certification.

BLDP views certification as an opportunity to further improve internal process and gain competitive marketing advantages. BLDP's Sustainability Department continuously monitors and conducts assessments to ensure the operations of the Group are maintaining and complying with relevant certification requirements which include MSPO, MSPO SCCS and ISO standards.

► Trainings

BLDP places strong emphasis on staff development through proper trainings to enhance their knowledge and skill to enable them to perform their assigned task more effectively and efficiently. Training allows employees to address their weaknesses by improving their skills and knowledge which can benefit both individual and organisation as a whole. These trainings include Best Agriculture & Management Practices, Safety and Health, Environmental and Sustainability and others. Training schedules are prepared for our employees annually in the respective oil palm estates, palm oil mills, refinery and kernel crushing plant to ensure that various trainings are being carried out on a regular basis throughout the year, which promotes leadership succession in driving the organisation towards its goals.

Various in-house trainings that focus on specialised field are conducted to better meet the training requirements of the staffs. In identifying skill gaps and developing job competencies, staffs are given the opportunities to attend relevant training programs, seminars or conferences to equip themselves with necessary skills, expertise and knowledge to ensure a consistent and accurate assessment of talent. Staffs from oil palm estates, palm oil mills, refinery and kernel crushing plant have attended trainings relevant to their job scope to enhance their understanding of their responsibilities as well as to boost workplace engagement.

To provide greater flexibility and encourage effective participation, trainings are conducted through online platform to better accommodate the nominated staffs to attend the online trainings from their respective branch offices. This initiative aims to promote learning culture, improve their individual skills and expertise and foster motivation to excel in their roles.

Environmental & Biodiversity Protection

BLDP is committed to comply with all applicable environmental laws and regulations. Natural Resources and Environment Board ("NREB") conducted several site inspections to our oil palm estates. In addition, Department of Environment ("DOE") conducted several site visits to our palm oil mills, refinery and kernel crushing plant. Sample of industrial effluent are collected to determine whether the quality of our palm oil mills' final discharge complies with the requirements. To date, all relevant reports have shown compliance with the applicable environmental requirements.

BLDP acknowledges the importance of protecting natural environment to ensure sustainability. BLDP is guided by relevant regulations on protection of the biodiversity of wildlife sanctuaries within our concessions. BLDP has conducted several biodiversity assessments at unplanted areas to assess Rare, Threatened or Endangered ("RTE") biodiversity and ecosystem for our oil palm estates in accordance with the International Union on Conservation of Nature and Natural Resources (IUCN) Red List, Appendix 1 of Convention on International Trade in Endangered Species (CITES) and protection status assessed according to Wildlife Protection Ordinance 1998 (WLPO) with the purpose of collecting information for improving management decision to ensure long term protection of flora and fauna in our concession and its surrounding.

BLDP is promoting the conservation and development of biodiversity through several actions including prohibiting all illegal activities such as hunting, poaching, encroachment, and burning. Auxiliary Polices and estate teams have been patrolling periodically. BLDP has initiated the Forest Conservation and Protection and Livelihood Project since Year 2022 which is currently in preliminary stage.

Environment monitoring assessments are carried out at all oil palm estates, palm oil mills, refinery and kernel crushing plant quarterly and submitted to relevant government agencies such as NREB and DOE. These monitoring assessments includes ambient air quality, stack emission, water quality, ambient noise level measurement and genset's noise and dark smoke observation.

Meanwhile, BLDP is currently planning for "Let's Environment Safe & Sustainable" Programme with the objectives of promoting the sustainable development goals to our employees and the nearby (local) communities focusing on recycling, reducing the consumption of plastics and papers as well as optimising the natural resources.

► Greenhouse Gas ("GHG")

GHG emission from oil palm operation makes up majority of carbon dioxide (CO₂) and small amounts of methane (CH₄) and nitrous oxide (N₂O). These gases cause global warming which are released during the operation of oil palm plantation, combustion of fossil fuel, and release of palm oil mill waste into palm oil mill effluent ("POME"). To reduce the emission of GHG in oil palm sector, the operation site is complied with MSPO standard which stated the need of using GHG calculator to reduce the GHG emission. BLDP is aware of the adverse environmental impact of burning. Therefore, BLDP strives for implementation of zero open burning in all our oil palm estates, palm oil mills, refinery and kernel crushing plant to minimise and reduce GHG emission. Continuous monitoring of GHG emission throughout operations is required. In terms of technology involvement, BLDP adopts solar technology as another source of electricity and operating the biomass plant in palm oil mill.

Waste and Effluent Management

Growing of oil palm and processing of palm oil may produce a certain amount of organic wastes. BLDP takes proactive actions in managing our waste to avoid polluting the environment. BLDP has set a dedicated waste management plan to manage the waste generated from all oil palm estates, palm oil mills, refinery and kernel crushing plant in an effective manner. BLDP strives to minimise waste generation through reducing, reusing and recycling of materials in its operating activities whenever feasible.

BLDP monitors its management practices in handling of wastes at our sites by minimising waste generation and proper segregation, storage, transport and disposal of scheduled waste and domestic waste in adherence to standards set by DOE and local municipal councils. Scheduled waste generated are collected and disposed in accordance with prevailing regulations approved by the local government. All scheduled wastes are handled in accordance with the Environmental Quality (Scheduled Wastes) Regulation 2005 requirements. Designated competent person for all operation sites is responsible in periodically submitting of reports through DOE online reporting system (Electronic Scheduled Waste Information System).

Regular monitoring of waste and effluent treatment plant is an approach to improve and optimise the waste management processes as well as minimise the environmental pollution. Effluent discharge water quality samplings are conducted monthly at effluent final discharge point and send to external accredited laboratory for analysis. DOE will come for regular site inspection and collect effluent sample at final discharge point for analysis. To date, BLDP managed to achieve 100% compliance with the Environmental Quality (Industrial Effluent) Regulations 2009.

POME is properly treated and monitored by designated competent person to ensure full compliance with the above regulations before allowing to be discharged into the waterways. Other measure taken by palm oil mill for monitoring of effluent water discharge is by operating a Polishing Plant nearby the POME ponds. Polishing process is a tertiary treatment system by applying high-stream filtration which reduces total suspended solid (TSS) and biochemical oxygen demand (BOD) from wastewater of secondary effluent treatment. The outcome of the process was to improve the quality of effluent and hence becomes compatible with required legal standards.

Water Management

Water is a crucial resource required for oil palms cultivation during dry season, processing of oil palm fruits and palm oil refining. Our water management is focused on the optimisation of water usage and reduction of water wastage.

BLDP recognises that maintaining good water quality is vital for safeguarding the health of our employees as well as of the local communities. Measures that have been taken include setting up water treatment plant to process and supply clean water safe for human consumption. Testing of water quality is also carried out at least once a year to ensure that it is safe for drinking and other daily usage.

Furthermore, water management plays an important role in peat soil management and mitigate the impact of drought and flooding. BLDP has taken some measures such as proper maintenance of riparian zone along waterways where spraying and manuring activities are strictly prohibited and strict prohibition of discharging chemical waste, solid waste and used lubricant into the waterway.

Proper water management is essential to prevent irreversible peat drying by ensuring sufficient soil moisture. BLDP has taken measure to maintain or restore water level as close to the natural references condition as possible by installation of weir at appropriate locations as well as to carry out drainage and other activities only when required and avoid unnecessary deterioration in the quality and quantity of ground and surface water. Other measures taken for monitoring of water table are as follows:

- Installation of water level gauge beside the stop-off or weir in the collection drains and daily changes in the water level are monitored.
- Field piezometers are installed for monitoring of the groundwater table.
- Subsidence poles are installed for monitoring of peat subsidence.

Environmental monitoring report (EMR) is carried out at oil palm estates quarterly by NREB approved consultant. Environmental monitoring includes water quality, other environmental parameters with respect to the Terms and Conditions of Approval from NREB, and fertilisers and agrochemicals applications. For water quality monitoring, the water samples are collected from all water sampling points and were sent to an accredited laboratory for analysis.

Human and Workers' Rights

BLDP ensures that the dignity and rights of our workers are respected in line with legal regulations and the United Nations' guiding principles on human rights taking into consideration of the significance in local and international social setting. Our commitments are as follows:

- Provide equal opportunities in employment and no discrimination to employees regardless of race, gender and religion.
- Provide, for all employees, a safe environment free from discrimination and violence on any ground, and form of harassment at work.
- Ensure employees are paid based on legal requirement on minimum wage.
- Prohibit child labour and forced labour within our organisation.
- Resolve all complaints and grievances of employees through a standard procedure.
- Ensure workers' availability of their own passports.
- Practice Human Resource Management Best Practices by continuing to attract, motivate and retain talented employees at all levels by providing training, job security and opportunities to grow within the organisation.

Social and Workers Welfare

BLDP constantly strives to improve the health and well-being of our employees by creating a conducive working environment for all our employees. In addition, BLDP also provides quality quarters, playgrounds, recreational and medical facilities for our staffs. BLDP emphasises on establishing a corporate culture that encourage work-life balance of our employees, showing appreciation to staff and valuing their supports. We encourage all employees to participate in teambuilding activities and engage with others through the recreational activities such as Family Day, Sport Carnival and Staff Gathering Dinner.

► Talent Development Programme

BLDP also recognises the value of human capital and has been initiating support for training and talent development programmes as below:

Young People Development Programme ("YPDP")

In Year 2012, BLDP launched the YDPD for Plantation Management as an initiative to help post-secondary school students who passed their SPM or STPM by providing them the opportunity in paving a better career path in Plantation Management at young age. The main objective of the YPDP is to recruit SPM and STPM school leavers as trainees in BLDP and will be given opportunity to pursue a higher education with part-time study. Currently, Diploma or Degree courses offered to the students are conducted through online learning under scholarship programme.

Employee Enhancement Programme

BLDP provides sponsorship to encourage employees to undertake academic courses in order to enhance their skills and knowledge, and allow them to achieve better performance at work. Currently, the Diploma or Degree courses offered to employees are conducted through online learning under scholarship programme.

► Donation to Local Communities, Education Sectors and Government Bodies

As a socially responsible company, BLDP makes regular contribution to the charity and donation to local communities, schools, foundations, associations and government bodies. BLDP continues to support local communities when need arises.

► Establishment of Auxiliary Police Unit

On 25 May 2015, BLDP was awarded with the approval certificate by the Crime Prevention and Community Security Department to set up Auxiliary Police unit. In present, a total of 120 Auxiliary Police ("AP") had been recruited and completed their basic Police training at Pusat Latihan Polis ("PULAPOL"). They were assigned to designated estates, mills, refinery and kernel crushing plant in Miri, Sibu and Bintulu regions. The function of AP is to safeguard BLDP's properties as well as protect the safety of local communities. Our AP performs static guard duty at checkpoints and conducts daily security patrol at the premises, quarters, estates, mills, refinery and kernel crushing plant and vicinity to ensure a safe and secure environment. In order to strengthen the security in the workplace, BLDP is progressively recruiting more calibre AP candidates to attend the basic Police training at PULAPOL to meet the requirement for having sufficient numbers of AP in each operation.

► Grievances Procedure

BLDP has implemented a transparent Complaint and Grievances Procedure in all operation units. Trained and designated staffs are assigned to handle any complaints or grievances received in accordance with the procedure. Briefings are conducted to all staffs and stakeholders during stakeholder meetings or one-to-one briefings.

► Women Welfare Committee

Women Welfare Committee has been established to encourage female employees to raise their concerns or problems encountered at workplace, to protect themselves against sexual harassment and violence. Quarterly or annual activities are organised by the committee to enhance the relationship among the female employees. The committee has contributed to promoting awareness of women's rights or welfare within the organisation and has been receiving positive response from the female employees.

Occupational Safety and Health

Raising environment, health and safety (EHS) awareness among BLDP's employees is crucial to reduce workplace accidents and exposure of harmful situation and substances. BLDP is committed in providing a safe and healthy working environment for all the employees through the following approaches:

► Safety and Health Policy

Safety and Health Policy has been formalised as a written commitment from Top Management to safeguard the safety and health of all employees at work.

► Management Measures to combat Covid-19

BLDP is mindful of its role in combating the Covid-19 pandemic and has prioritised the well-being of the employees. Through the Public-Private Partnership Covid-19 Immunisation Programme (PIKAS), BLDP had taken the necessary action to ensure all employees received their vaccination. In adherence to most current regulations and Standard Operating Procedure (SOP) issued by the Ministry of Health (MOH) and the State Government of Sarawak, BLDP has a procedure at workplace to ensure the employees are working in a safe environment.

► Chemical Health Risks Assessment ("CHRA")

Competent Assessor registered with Director General of Occupational Safety and Health is appointed to carry out CHRA for all our operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify health risks arising from the use of hazardous chemical at workplace and to recommend control measures to mitigate the severity of the effects from the hazardous chemical used. CHRA will be conducted once every five (5) years by competent assessor in accordance with Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("USECHH Regulations").

► Personal Chemical Exposure Monitoring

Identification and quantification of airborne contaminants through monitoring is an essential component of a health and safety program at a hazardous workplace. Airborne contaminants can present a significant threat to worker's health and safety. Based on CHRA recommendation, competent Hygiene Technician 1 registered with Department of Occupational Safety And Health ("DOSH") is appointed to conduct Employee Personal Exposure Monitoring for staffs handling hazardous chemicals to monitor their degree of exposure once a year. The said staff will be required to go for medical surveillance once a year to ensure their good health and promote well-being in maintaining a safe workplace.

► Hazards Identification, Risks Assessment and Risks Control ("HIRARC")

HIRARC has been conducted on all operation units including oil palm estates, palm oil mills, refinery and kernel crushing plant to identify all hazards related to work activities. Risk assessments are conducted to prioritise the identified risks and control measures to be implemented to mitigate the risks. HIRARC is reviewed whenever there are any changes in process, work activities, new equipment, findings from any incident or near miss accident and findings from workplace inspection reported by the safety committee member. In year 2020, with the implementation of movement control order in Malaysia in relations to the Covid-19 pandemic, HIRARC regarding Covid-19 had been conducted to identify emerging risks by evaluating potential adverse consequences. All control measures had been put in place to address the identified risk.

► Noise Exposure Monitoring

According to Occupational Safety and Health (Noise Exposure) Regulations 2019, BLDP has appointed Noise Competent Person registered with DOSH to conduct Area Noise Mapping and Employee Noise Exposure Monitoring to ascertain whether any employee is exposed to noise level above Permissible Exposure Limit of 85dB(A) at palm oil mills, refinery and kernel crushing plant. BLDP has provided Personal Hearing Protection (“PHP”) and trainings to its staff to ensure proper usage and care of PHP.

Measuring noise levels and workers’ noise exposures are essential for safety workplace. Noise mapping and noise exposure monitoring have been conducted for palm oil mills, refinery and kernel crushing plant. Staffs working at high noise areas have been sent for audiometric testing program by registered Occupational Health Doctor on an annual basis. Briefings on the results of the audiometric tests, the provisions of the regulations and effects of noise on hearing are conducted to the relevant staffs.

► Local Exhaust Ventilation (“LEV”) System Inspection

A periodic inspection, examination and testing of engineering control equipment is conducted annually at laboratory of refinery and kernel crushing plant to ensure LEV system is in good and normal working condition. Effectiveness of LEV system can reduce the exposure of employees to chemical hazardous to health to the lowest practicable level. The testing and examination of the LEV system is based on the guidelines from DOSH Malaysia 2008 in accordance with the requirements of the USECHH Regulations and industrial ventilation.

► Safety Training

Safety awareness trainings conducted by site safety personnel are compulsory for new employees before they start their work in all operation sites. This also includes training of personnel in accident prevention, accident response, emergency preparedness and use of protective clothing and equipment. Briefing is conducted in relevant languages to ensure all employees can understand. Emergency Response Team members are trained in BOMBA to enhance their skill in firefighting and emergency evacuation procedure. External Safety Competency trainings attended by the employees are Basic Occupational First Aid, CPR + AED Training and Competent Forklift Driver Training with certificates issued by qualified trainer.

Fire Prevention

► Emergency Response and Preparedness

Emergency Response Team (“ERT”) has been set up in all oil palm estates, palm oil mills, refinery and kernel crushing plant. Selected ERT members from mills, refinery and kernel crushing plant have undergone training conducted by BOMBA to equip themselves with knowledge and skills in firefighting and rescue to enable them to conduct internal firefighting training to other ERT members.

Regular trainings for all ERT members and fire drills at all operation units are conducted on an annual basis to test the readiness of the firefighting system. Implementation of effective fire prevention practices can improve the level of safety through cooperative education, such practices include:

- ▶ Regular checking and maintenance of firefighting equipment is carried out and ensure all equipment are in good working condition and are easily accessible.
- ▶ Flammable materials or other hazardous substances are stored in a safe place.
- ▶ Fire safety demonstrations/fire drill practice are conducted.
- ▶ Designated smoking area with a safe distance away from the building is provided.
- ▶ Emergency plans and assembly location are assigned.
- ▶ Installation of smoke detector in the building.
- ▶ Update of list of emergency contact.
- ▶ Fire extinguisher servicing.
- ▶ Fire assessment and safety surveillance.

Upon BOMBA's requirement, BLDP's refinery and kernel crushing plant have installed the specific fire safety system namely Automatic Fire Alarm Monitoring Control System (Sistem Pengawasan Kebakaran Automatik) (SPKA) which connects directly to the Fire and Rescue Station associated with the switching bypassing the switchboard to ensure this automatic fire alarm monitoring system is conducted in an organised fire surveillance station to meet the established standards in developed countries.

~ Our Engagement with Stakeholders ~

Collaboration with Government



- Collaborate with Sarawak Forest Corporation (SFC) on the appointment of Honorary Wildlife Ranger.



- Dental health survey for employees done by KKM.

Collaboration with Consulate



- Establishment of Community Learning Centre (CLC) with collaboration between BLDP Group and Indonesian Consulate.

Took Part in the Event Organised by Government



- 'Pertandingan Kawad Kecekapan Organisasi Keselamatan Kebakaran Peringkat Bahagian Miri' organised by BOMBA.

On-Site Training by Government Authority



- Firefighting training conducted by BOMBA at mill's premise.

Give Support to Education Institution



- Donation of ICT equipment to nearby school in Sibul.

Caring Our Nearby Local Communities



- Repair damaged road that connects to nearby communities' settlements.

Join Talks with Supplier



- Mill's personnels attending talks given by supplier related to Shell Lubricants Oil.

Caring Our Employees



• Implementation of recycling program by segregating waste.



• Badminton tournament event involving Sibul staffs.



• Joggerton event at plantation in Sibul.



• Mothers' Day celebration organised by Women Welfare Committee.



• Funeral aid donation to employees who recently lost a family member.



• Donation to employees who were affected by fire disaster at their longhouse.



• Repair road at staffs' housing area in plantation.



• Gawai Dayak celebration at plantation.

Other welfare programs for employees during the financial year ended 31 March 2023:

- Conducted several talks related to health and other social related for staffs.
- Health screening program for staffs.
- Long service award recipient as appreciation token for staff.
- Vitamin C supplement distribution to foreign workers in field.
- Distribution of foods to workers during the celebration of their festival.

Trainings and Development of Employees

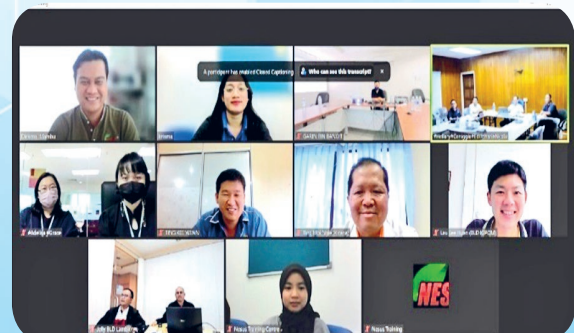
BLDP employees had involved in trainings/seminars covering various field of expertise as follows:

1. Best Agricultural and Management Practice
 - Technical Training for Boilerman Grade 1 & 2
 - Managing Group Dynamics for Team Effectiveness Course
 - Fundamental Industrial Mechanical Components Maintenance, Servicing & Installation
 - Defensive Driving & Operation Training (Competent Forklift Operator)
 - Seminar on Risk Management Technique
 - Understanding the Requirements of GMP+Feed Safety Management System
 - MSPO Internal Auditor Training
 - Realising Your Leadership Potential
 - Sesi Latihan Sistem myPremis Bagi Pemegang Lesen PYDT
 - Budgeting, Forecasting & Budgetary Control: A System Thinking Approach
 - MS1514:2022 Transition
2. Safety and Health
 - Occupational Safety & Health Regulations & Requirements
 - Occupational Safety and Health Coordinator (OSH-C)
 - 7th Borneo Occupational Safety & Health Conference and Exhibition (BOSH 2022)
 - Chemical Safety Training
 - Occupational Safety & Health Coordinator and OSH Committee's Responsibilities
 - Authorised Entrant and Standby Person for Confined Space
 - Authorised Entrant and Standby Person for Confined Space Refresher
 - Workplace Ergonomics Risk Assessment Method (DOSH 2017) Ergonomics Guideline
 - Authorised Gas Tester & Entry Supervisor for Confined Space (AGTES)
 - Authorised Gas Tester & Entry Supervisor for Confined Space Refresher (AGTESR)
3. Environment
 - Environment Compliance Audit Training
 - Scheduled Waste Management Training
 - Seminar on Environmental Quality Regulation (Scheduled Waste) 2005 in Conjunction with Earth Day Year 2023
4. Sustainability
 - Green Future Sarawak Exhibition & Conference
 - Asiaflux 2022 – The Nexus of Land Use Change, Ecosystem & Climate Change: A Path Towards SDGs

*Occupational Safety & Health Coordinator and
OSH Committee's Responsibilities*



Environment Compliance Audit Training





BLD PLANTATION BHD.

[Registration No.: 200101026441 (562199-A)]

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