



Mewah

Global Brands, Local Favourites



**MAKING
A DIFFERENCE**

REPORTING SCOPE AND BOUNDARIES:

1. Mewah International Inc has worked unwaveringly to integrate corporate responsibility and sustainability across every aspect of our business. We published our first sustainability report in year 2017. Through the sustainability report, we endeavour 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 in building a sustainable business.
2. In this Sustainability Report 2019, we remain focus on the core areas which are spelled out in Mewah Sustainability Framework. We seek to strengthen this framework by continue promoting sustainability and putting sustainability at the heart of our business and leadership.
3. We have sought to seek guidance from the Global Reporting Initiative (GRI) Standard index for boundary settings, focusing on performance data and reporting on aspects which are most significant, as reflected in our Sustainability Framework and our Sustainable Palm Oil Policy.
4. The content of this report focuses primarily on our refineries and manufacturing plants in Malaysia and Singapore. It also features sustainability performance of our palm oil mill operations in Indonesia. There has been no restatement of information in the scope of our reporting from the previous report. We commit to progressively extend the scope of our reporting to cover other business segments more comprehensively in forthcoming reports as we increase our reporting capacity and understanding of our new businesses.
5. In order to define the contents of this report, we have worked with our stakeholders to identify our key risk areas. Such data is collected and analysed to further discern and design improvement plans qualitatively and annually.
6. In relation to our Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO) supply chain, the reporting will be based on policies, traceability milestones and progress in Traceability to Mill (TTM) & Traceability to Plantation (TTP). The performance data will also focus on identifying material ESG (Environmental, Social, and Governance) factors in all our manufacturing sites.

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BOARD OF DIRECTORS' STATEMENT FOR 2019

Welcome to Mewah's Sustainability Report 2019. This report presents an overview of our Sustainability performance, which we measure against objectives and targets we set based on the identified key material Environmental, Social & Governance (ESG) factors where we have direct influence and impact on environments, societies and economies.

The framework of Mewah's sustainability reporting is consistent with Singapore Exchange's (SGX) Guidelines and Rule on Sustainability Reporting. These guidelines are in line with increasing investor demand for sustainable returns. This report is also prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. It is part of our strategic planning process to assess the various sustainability issues and we have also set out our priorities for the next reporting period and beyond.

Since our first published Sustainability Report in 2017, we have worked consistently to ensure our disclosures meet the expectations of our stakeholder groups. In this third Sustainability Report, we have raised the bar further by expanding our reporting scope. The sustainability performance of our recent acquisition of palm oil mill in Indonesia is included in this report for a more complete monitoring.

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 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 SGX to better measure risks and opportunities within sight as well as manage for future returns.

The theme of this Sustainability Report is "Making a Difference". We are at a key moment in the evolution of sustainability in our business. Our world is transforming at a rapid pace along with consumer expectations and competitive landscape. It is undeniable to the fact where shared and concerted effort from all stakeholder groups

is required to "make a difference" in order to achieve positive progress in SDGs as well as towards our overall sustainability objectives.

Minimizing our environmental impact has been the top priority under Mewah's Sustainability Framework. Articulating our ambitions for sustainable energy, we made a bold move to invest in cogeneration plant in our refineries. The investment in cogeneration technology at our refineries has significantly reduce the Greenhouse Gas (GHG) emission footprint of our operations. Furthermore, it has presented the Group with a valuable opportunity to strengthen our commitment to energy conservation and effective climate change mitigation.

Our efforts to strengthen Mewah's position as a leading producer of sustainable palm oil continued throughout 2019, with focus on the implementation of our Sustainable Palm Oil Policy and in promotion of Malaysia's national sustainability standard, the Malaysian Sustainable Palm Oil Certification (MSPO). MSPO is known as an important catalyst to enhance the sustainability standards across all oil palm value-chains in Malaysia palm oil industry. In September 2019, the Group becomes the first palm oil refinery in Malaysia to produce and export first shipment of MSPO-certified RBDPO to international market.

Looking forward, the Board is fully committed to continue working closely with Management, to identify opportunities relevant to the long-term success of Mewah and to determine the material ESG risks to be managed. The Management are supported in this regard by Group Sustainability Team comprising senior executives from functions across the organization. As we continue to develop our core edible oils & fats business and invest in growth opportunities, strong governance remains the cornerstone of our business. We aspire to continue enriching lives by being a positive influence for our people, the environment and the society that underpin Mewah's sustainability strategy.

Board of Directors
Mewah International Inc.



ABOUT MEWAH GROUP

Mewah Group is an integrated agri-business focused on edible oils and fats and headquartered in Singapore.

We are one of the largest edible oil processors in the world by capacity. Our business activities include edible oil refining, specialty fats and biodiesel. Featuring integrated operations throughout the edible oils and fats value chain, from sourcing and processing of raw materials to packing, branding, merchandising, shipping and distribution of the products.

Mewah's portfolio of high quality products is the preferred choice of the food manufacturing industry, as well as the industrial and consumer food businesses. Mewah's products are sold to customers in more than 100 countries, duly supported by its wide range of brands including the long established and well recognized OKI and MOI brands. We are growing at an impressive rate with more than 2,500 employees under Mewah's wings.



CORPORATE PROFILE

“ Our operations are integrated throughout the value chain from sourcing of raw materials, refining, processing, packing, branding to marketing and distribution to end customers under our own brands. ”

Consumer Products Range

Our range of consumer products include cooking oils, margarine, rice, sweetened condensed creamer, evaporated milk, cheese, soap, detergent and premix powder. We are continuously working on expanding the products range.

Long established and well recognised brands –

OKI & MOI

An **integrated agri-business** focused on edible oils and fats



- Plantation
- Milling

Upstream



- Refining palm oil
- Specialty fats
- Applications developments

Midstream



- Consumer packs
- Branding
- Private Label
- Sale / marketing
- Distribution

Downstream



Customers





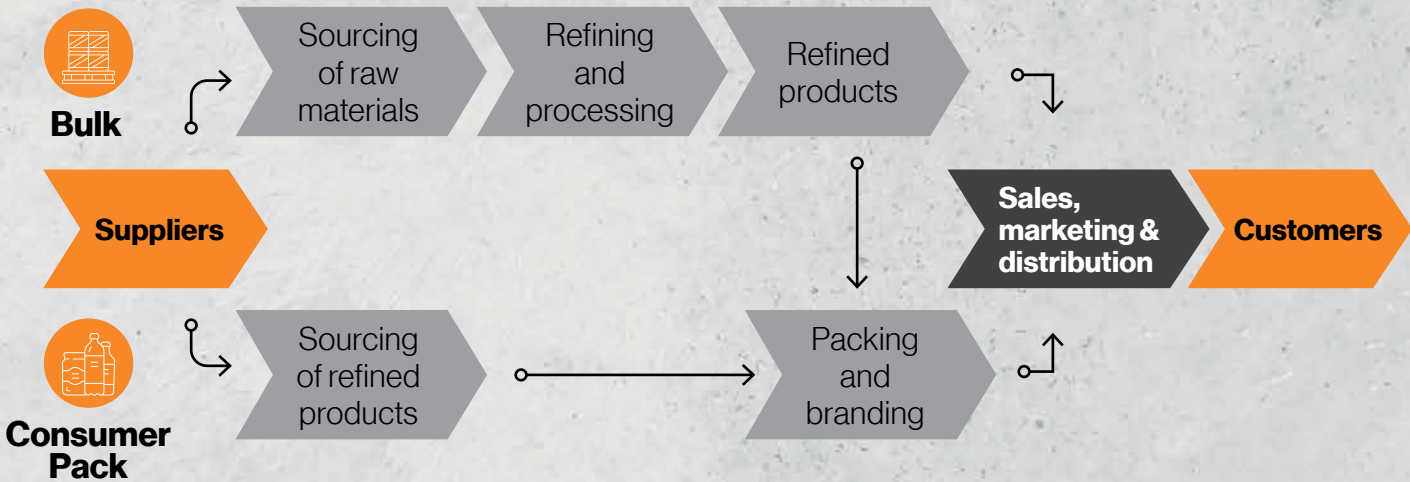
Bulk

Bulk segment produces and sells vegetable-based edible oil and fat products in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items.



Consumer Pack

Consumer pack segment produces vegetable-based edible oil and fat products, in consumer pack form and sell under own brands and under the brands of third parties, primarily to importers and distributors at destination markets.



Sales and Marketing Offices

Malaysia, Singapore, Indonesia, Australia, China, Russia, Turkey, India, Ivory Coast, Thailand, USA, Benin, Ghana, Uganda, Cameroon and Mozambique



Manufacturing Operations

Malaysia, Singapore

Malaysia:

- 4 refining and processing plants
- 2 packing plants
- 1 biodiesel plant
- 1 dairy manufacturing plant

Indonesia:

- 1 plantation
- 1 milling plant

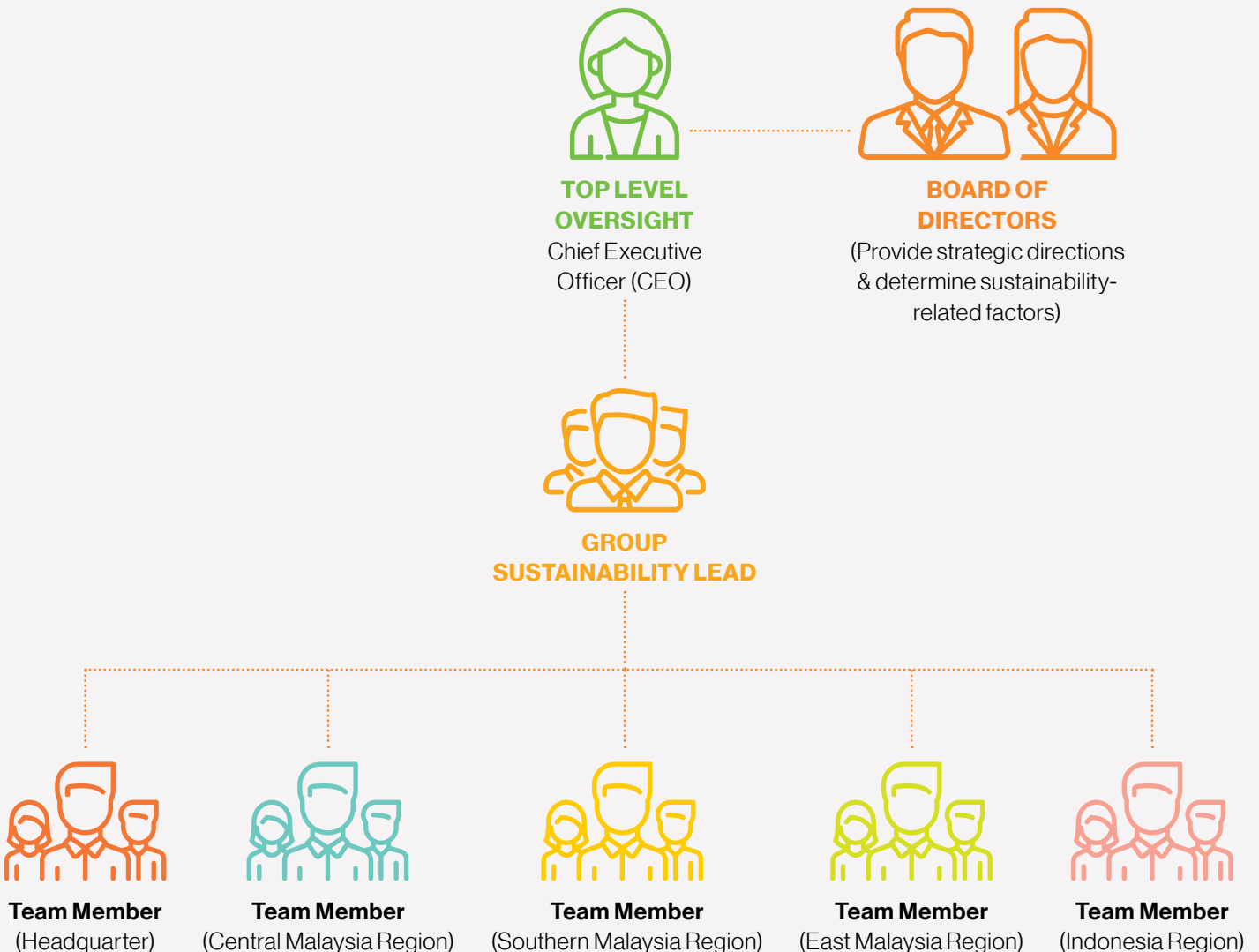
Singapore:

- 1 packing plant

SUSTAINABILITY MANAGEMENT AND GOVERNANCE STRUCTURE

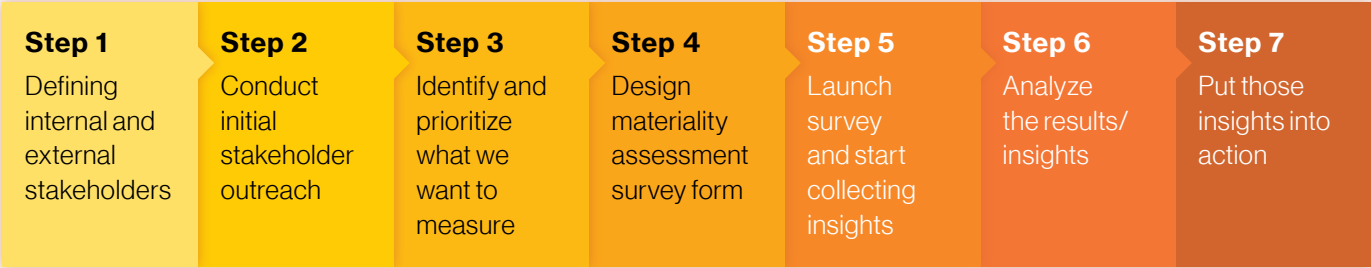
Mewah's CEO is responsible for overseeing the overall implementation of our Sustainable Palm Oil Policy. The Group Sustainability Lead is responsible for spearheading the overall strategy of our sustainability agenda and also responsible for leading the development and execution of the company sustainability initiatives. The implementation of Mewah's sustainability framework is delegated to the Sustainability Department.

The Sustainability Team consists of the representatives of our employees in all manufacturing sites. The Team is responsible for supporting policy implementation; benchmarking and sharing best practises and ensuring compliance of our supply chain. Sustainability practises are embedded into daily operations. Line management including factory managers and the operations team in each location are empowered to improve factory operations, look after the welfare of the workers, engage local communities and engage with the supply chain so as to further improve our sustainability practises.



MATERIALITY ASSESSMENT

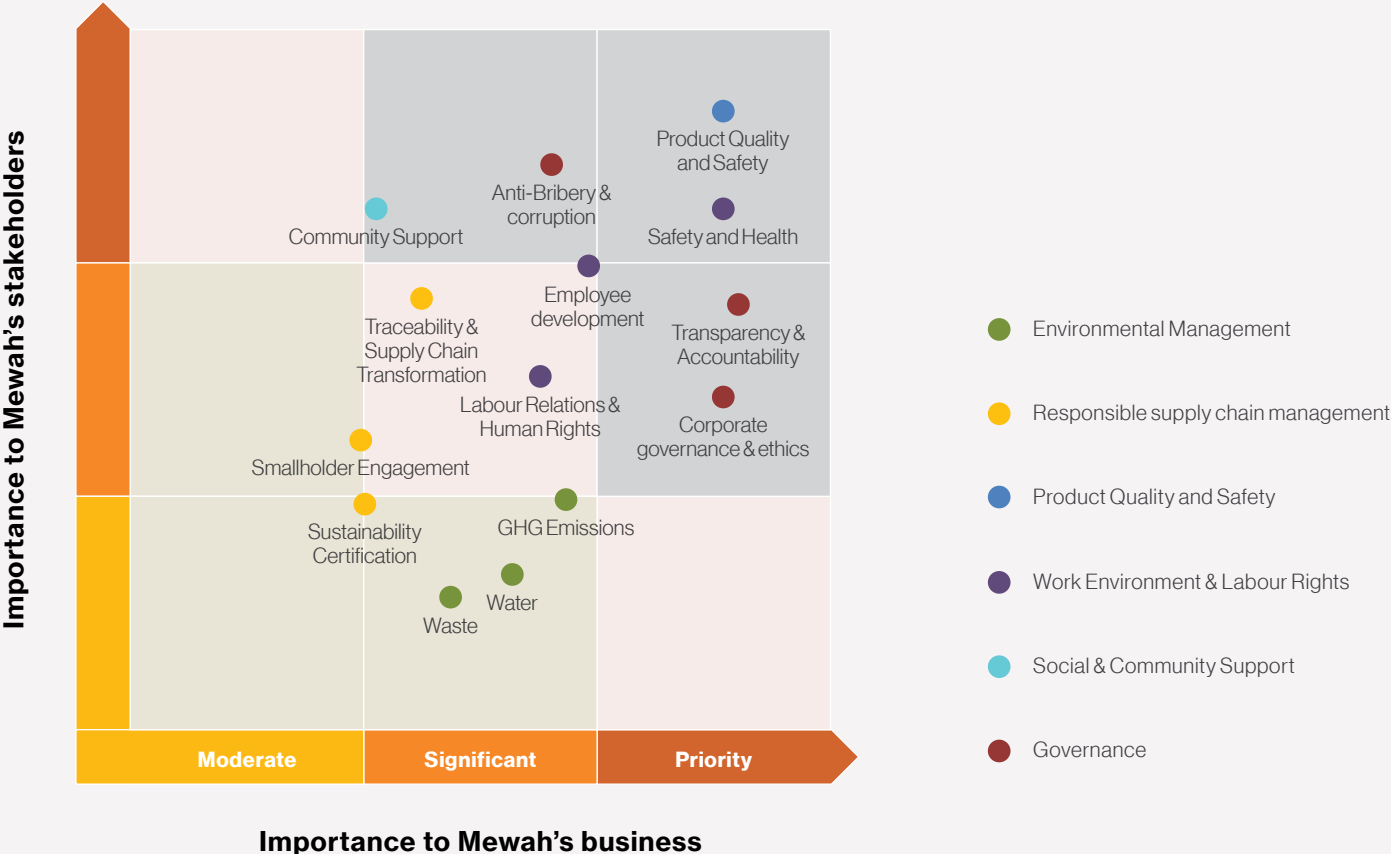
Materiality assessments are formal exercises aimed at engaging stakeholders to find out how important specific environmental, social and governance (ESG) issues are to them. The materiality assessment outcome allows us to identify key economic, social and environmental issues that will help us in our planning in designing our sustainability agenda and program. There are 7 steps in our materiality assessment process:



In 2019, our materiality matrix was derived based on a set of materiality assessment guidelines as set out in the Global Reporting Initiative (GRI) methodology. Our materiality assessment survey has successfully reached out to more than 100 respondents. The materiality assessment has identified Product Quality & Safety and Safety & Health as our top priorities, for both internal and external stakeholders. The next key priorities are Transparency & Accountability, Corporate Governance

& Ethics, followed by Anti-Bribery and Corruption, Community Support, Employee Development, Traceability & Supply Chain Transformation and Labor Relations & Human Rights.

Since there were no significant changes to our business model as well as operating boundaries, the material concerns continue to be an indicative to help to place enhanced emphasis on the key issues moving forward.

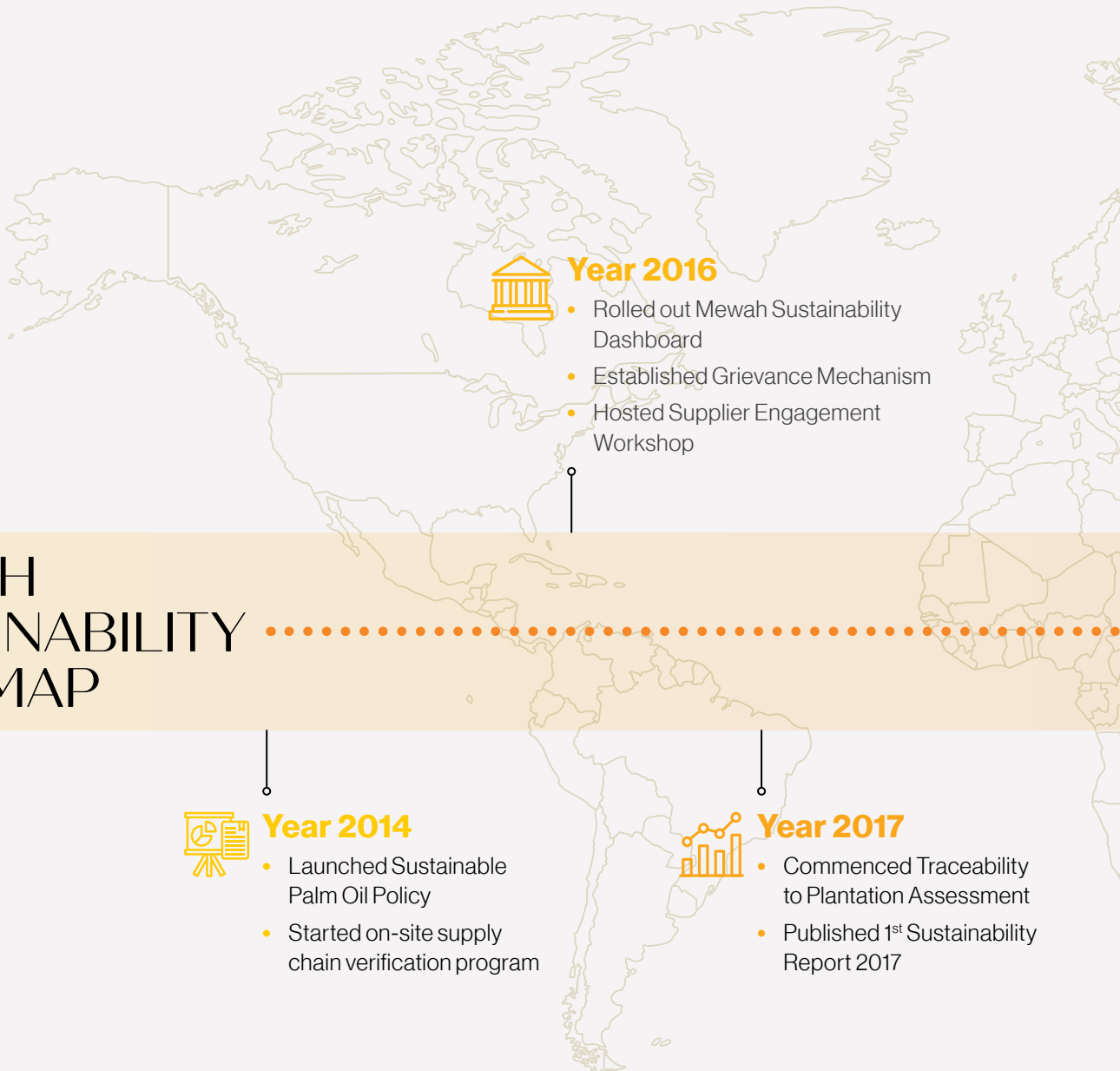


OVERVIEW OF MEWAH SUSTAINABILITY FRAMEWORK

At Mewah, sustainability is part of everything we do and building a sustainable business is part of our value proposition. We believe that Environmental, Social, Governance (ESG) investing is the right way forward. There are many studies done by the academia as well as anecdotal evidence suggests that Companies that are ESG compliant tend to behave in a more responsible manner, protect stakeholders' interest in terms of governance structure and care for environment as well as community that a company serves.

There are 5 focus areas in Mewah's Sustainability Framework:

- I. Minimizing our Environmental Footprint**
- II. Responsible Supply Chain**
- III. Product Quality and Safety**
- IV. Valuing our People**
- V. Community Support**



MEWAH SUSTAINABILITY ROADMAP



Year 2016

- Rolled out Mewah Sustainability Dashboard
- Established Grievance Mechanism
- Hosted Supplier Engagement Workshop



Year 2014

- Launched Sustainable Palm Oil Policy
- Started on-site supply chain verification program



Year 2017

- Commenced Traceability to Plantation Assessment
- Published 1st Sustainability Report 2017

The five (5) focus areas and thirteen (13) core areas of Mewah Sustainability Framework:

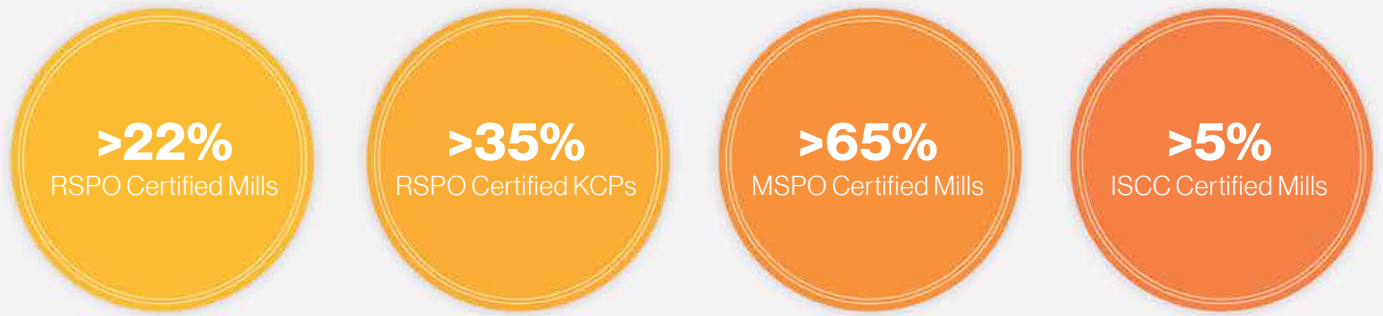
I. Minimizing Our Environmental Footprint	II. Responsible Supply Chain	III. Product Quality and Safety	IV. Valuing Our People	V. Community Support
Carbon Management	Sustainable Palm Oil Policy	Our Commitment to Customers	Labour Policy & Code of Ethics	Active Volunteerism of Our Employee
Water Management	Towards Full Traceability	Quality Management System	Sedex SMETA Compliance	Supporting the Next Generation
Waste Management	Stakeholder Engagement Grievance Mechanism	Quality & Sustainability Certification	Training & Development Safety, Health & Well-being	Disaster Relief



KEY HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE IN YEAR 2019



CPO & CPKO Supply Base Sustainability Certification





FOCUS AREA 1:

Minimizing Our Environmental Footprint

Focus Area 1: Minimizing Our Environmental Footprint

MAKING A DIFFERENCE — IN ACTION



Our Key Sustainability Efforts:

Utilising less water with the increasing food production to satisfy the world's demand of a higher population has become one of the greatest challenges to the world. Our water management strategies focus in safeguarding water quality, reduction in water consumption and optimisation of water use.



Our Key Sustainability Efforts:

We have put in place renewable energy resources (cogeneration plant) as a clean energy initiative to improve the use of renewable energy sources and reduce greenhouse gas emissions.



Our Key Sustainability Efforts:

Achieving responsible consumption and production is essential to ensure that the natural resources we depend on are not depleted and used efficiently. We maintain 100% reuse and recycle of solid waste generated from our factory. We will explore further reduction or recycling of waste in our operations.





At Mewah, we continue to evaluate and make changes in our operations and throughout our value chain so as 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 allow us to have the biggest impact that offer the biggest opportunities for our business.

We drive collaboration throughout our supply chain in an effort to reduce our climate impact associated with our raw materials processing till delivering our products to the hands of our buyers.

This focus area covers our impact on various environmental footprints in terms of:

- 1) Carbon Management
- 2) Water management
- 3) Waste management

The processing of edible oils is both complex and energy-intensive. Mewah's processing plants differ in capacity, capability and range of products. This brings about different environmental footprint in different facilities. Therefore each plant has different greenhouse gas (GHG), water and waste emissions.

Focus Area 1: Minimizing Our Environmental Footprint

CORE AREA 1:

CARBON MANAGEMENT

Carbon footprint is defined as the total amount of greenhouse gases (GHG) that is produced directly and indirectly with our manufacturing activities. The standard unit of measurement for carbon footprint is carbon dioxide equivalents (CO₂e). GHG Emissions is an all-encompassing measurement for the carbon footprint and energy efficiency in our production.

At Mewah, we are mindful that increasing carbon footprint has profound effects on the environment. We are committed to progressively reduce greenhouse gas (GHG) emissions by identifying significant pollutants and emissions and implementing plans to mitigate or minimise them.

The primary contributing factors of GHG emissions in our production sites are:

- i. Electricity consumption,
- ii. Chemicals consumption,
- iii. Fuel consumption.

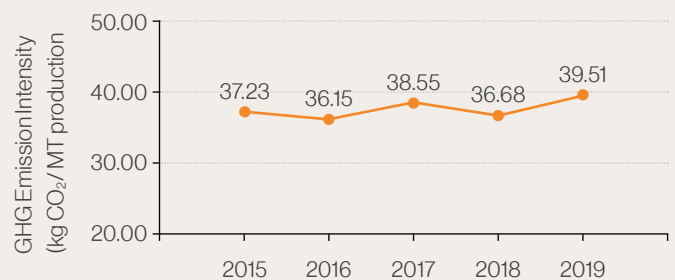
Our GHG emissions from our production activity are calculated using the ISCC methodology and includes data from all processing facilities under Mewah Group. These numbers are compiled on a monthly basis, evaluated and projects are in place to further improve these consumption figures.

1.1.1 GHG Emissions in our Production Sites

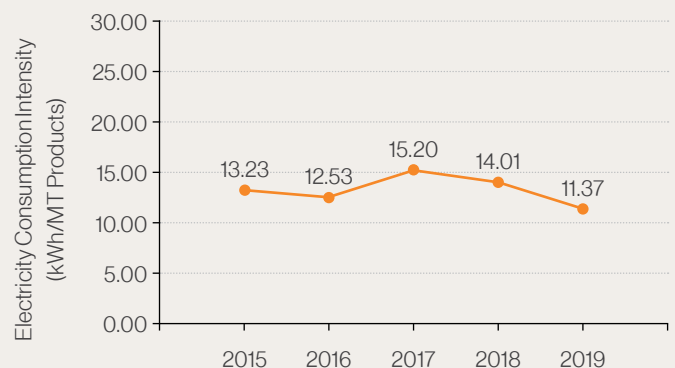
Our greenhouse gas emissions (GHG) index depicts the results of quantity of GHGs emitted per metric-ton of product processed or packed in our manufacturing premises. The measurement is in kilograms of carbon dioxide-equivalent per metric ton of product (kg CO₂e/MT). In 2019, the GHG emission achieved in our operation is 39.51 kgCO₂/MT production the average GHG measured in our palm oil mill operation is 936.75 kgCO₂/MT CPO. On the other hand, the electricity consumption in our operation has improved by around 18% to 11.37 kwh/MT product from 14.01 kwh/MT in 2018. We note that the GHG emission in our operation is on a rising trend and we are implementing efforts to reduce carbon emission in our operation. Such effort including commencement of an assessment project to help further improve our carbon footprint.

As we keep expanding our business and investments, we are mindful that of our responsibility to minimize our manufacturing emission and improve our environmental footprint. As such, in managing our day-to-day business, we remain committed to low carbon operations and evident from our target for GHG emissions. We seek to reduce our GHG emissions by being more efficient in our production abilities as well as seeking more environmentally friendly sources of energy.

GHG Emission Summary



Electricity Consumption Summary



1.1.2 Energy efficiency in our Production Sites

Articulating our ambitions for a sustainable future, energy efficiency has been one of the top priorities of Mewah Group in the way we develop and manage our business. For the past two decades, we have continuously innovated, invested in green technology and improved our operating efficiencies. Since 2018, driven by our commitment to play integral part in mitigating the effects of climate change, one of our refinery introduced high efficiency air-cooled compressor and high efficiency natural circulation high pressure boiler to our palm oil refinery plant. These projects are part of our low carbon strategies with the aim to achieve higher energy and resource efficiency.

In 2019, we made a bold move to invest in cogeneration plant replacing packaged boiler in our refineries. Cogeneration technology is an energy-efficient solution for facilities that require both thermal energy and electricity. The operational efficiencies realized by cogeneration plants provide great benefits to both industries and consumers. It uses less fuel and emits lower amounts of pollution when producing electrical and thermal energy than stand-alone electrical and thermal energy facilities. The new cogeneration plant investment is an example of our action in using energy more efficiently.



Cogeneration, also known as combined heat and power (CHP) is a clean, efficient and cost effective choice for power production. It transforms a single source of energy (natural gas) into two useful energies. In our case, electricity and thermal steam energy are both generated from a single natural gas turbine generator and heat recovery steam generator. In the past, we relied completely on national grid power plant for electricity and packaged boilers for steam. These conventional facilities are far less efficient than the cogeneration plant. With higher efficiency, less fuel is consumed for the same of amount of energy output and thus it not only conserves energy but also at the same time produces less greenhouse gases and other air pollutants.

It is estimated that we can reduce the greenhouse gas emission by about 26 %, equivalent to reduction of 16,200 ton CO₂ per year compared to the conventional operating scheme by producing electricity and steam using cogeneration plant. The necessary investment in cogeneration plant presents Mewaholeo with a valuable opportunity to strengthen our commitment to energy conservation and effective climate change mitigation.



CHONG KEOH YING,
Assistant Project Manager, Mewaholeo Industries Sdn. Bhd.



Focus Area 1: Minimizing Our Environmental Footprint

CORE AREA 2:

WATER MANAGEMENT/ WATER FOOTPRINT

1.2.1 Our Focus & Action Plan

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 water ways.

The water footprint maps and measures how, when and where we use freshwater resources. In Mewah, we have put in place integrated water footprint assessment as part of the group sustainability initiative and business strategy through:

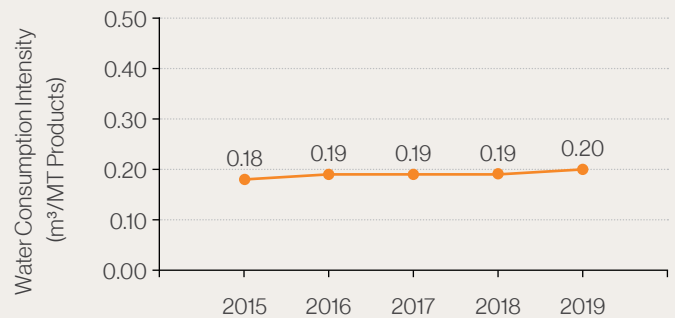
- I. Setting quantitative water footprint reduction targets in all manufacturing sites
- II. Apply standard terminology & calculation methods
- III. Monthly assessment on quality & quantity of wastewater discharge

Our action plan in reducing our water consumption includes:

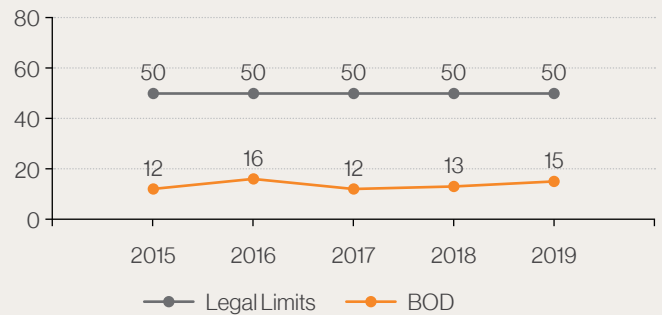
- I. Consistently assessing water-related impacts and risks across our supply chain.
- II. Identify uses of water in our factories and set targets to reduce fresh water use.
- III. Continue to improve conservation efforts (water-saving efforts) at our factories.

We are implementing various water saving initiatives to improve our water footprint across our factories. The efforts made so far recorded consumption efficiency at 0.20m³/product for all the manufacturing sites in Malaysia.

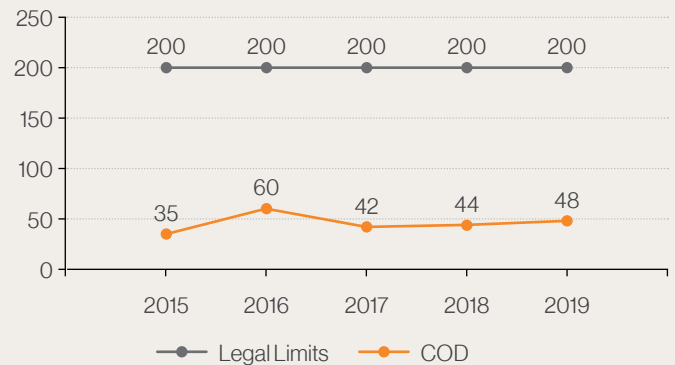
Water Consumption Summary



Refineries' BOD Level Summary (ppm)



Refineries' COD Levels Summary (ppm)



Remarks:

1. In Malaysia, the permissible limits of BOD and COD for refinery for river discharge are at 50ppm and 200ppm respectively.
2. In Indonesia, the permissible limits of BOD and COD for palm oil mill for river discharge are 100ppm and 350ppm respectively.



Protecting our water source

Water is a vital resource for our operations and the communities in our supply chain. We strive to continue to improve our water efficiency by recycling and reusing where appropriate in the palm oil production process. The quality of water discharged from our refineries and palm oil mill are constantly monitored to make sure the discharge quality is within compliance of national environmental limit.

Palm Oil Mill Operations

Our mill accounts for the majority of water consumption in our palm oil operations. It draws water supplies from local waterways and wells in order to process FFB. In addition to that, we also draw water for household use. In 2019, the water consumption intensity at palm oil mill is reported at 1.75m³ per MT FFB in year 2019. We note that

the amount of water used by our mill to process 1MT of FFB is slightly higher than normal industry levels.

Wastewater from FFB processing at our mill, palm oil mill effluent (POME) is released into local waterways after treated. We comply with local environmental limits in order to minimise the risk of disturbance to the aquatic environment and the pollution of ground water. The annual average BOD and COD level in our palm oil mill operation are reported at 94.5ppm and 284.0ppm respectively, that is in compliance with all relevant local thresholds in 2019.



Focus Area 1: Minimizing Our Environmental Footprint

CORE AREA 3:

WASTE MANAGEMENT/ WASTE FOOTPRINT

Sustainable waste management planning is a massive task that involves scientific knowledge, logistical planning, and understanding in order to balance the impact on our environment and the cost effectiveness of the process.

At Mewah Group, we are adopting a comprehensive waste management blueprint that outline action plan to understand our waste streams, to measure/baseline current waste generation and to complete a facility-wide waste operations assessment. The objective of our water management plan is to assure a sustainable waste material management in our production sites by putting in place effective measures.

1) Our waste are divided into 4 main categories:

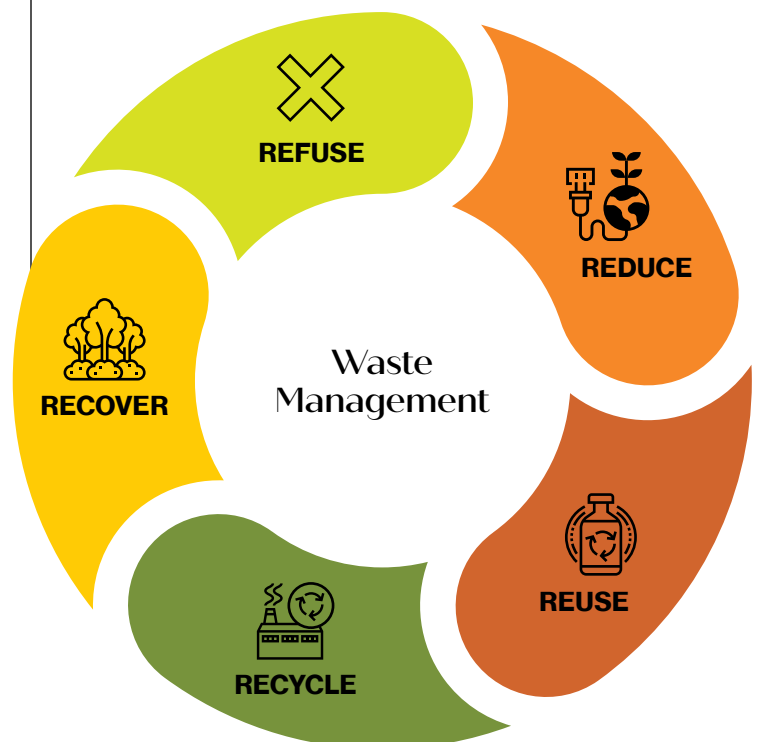
Category	Type of Waste
A	General Waste
B	Scrap Waste
C	Production Waste
D	Schedule Waste

2) The amount of waste generated by each category is monitored and attention is brought to the amount generated.

3) Identify the **5 Rs'** components in managing waste: Refuse, Reduce, Reuse, Recover and Recycle.

- i. **Refuse:** Refuse to receive unnecessary materials will help to eliminate waste from the very beginning. It's simply about saying no and looking into reusable alternatives.
- ii. **Reduce:** Focus to improve efficiency. To establish practices that are capable to reduce the amount of waste we generate to help the environment.

- iii. **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.
- iv. **Recover:** To set up ways to recover the energy values contained within the waste material.
- v. **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.



1.3.1 Refusing Plastic Waste

In Malaysia, a “Roadmap towards Zero-Single Use Plastics 2018 -2030” was launched by Ministry of Energy, Science, Technology, Environment and Climate Change. The roadmap spells out Malaysian government’s plans to phase off single-use plastics in the nation by 2030.

In 2019, Mewah introduced “plastic-free campaign” in all our operating sites with the purpose to bar the use of plastic bags and polystyrene food ware. A practical guide was set up and awareness campaign was built to educate our employees on the presence of plastic and its harmful effects on the environment.

1.3.2 Reducing General Waste

The concept of waste minimization is fundamental in our waste management. We encourage our employees to use recyclable and bio-degradable bags and containers

1.3.3 Reusing Scrap Waste

We have a program in place to first reuse all possible scrap waste produced, including mild steel, tin, zinc, and etc., before being sold for recycling. This cost-effective practice ensures that these natural resources are fully utilized before being disposed.

1.3.4 Recycling Production Waste

At refineries, Spent Bleaching Earth (SBE) is the major source of waste generated from production. It contains

20-25% of residual oil. Due to the high oil content in the Spent Bleaching Earth, its disposal can be considered an environmental hazard, as it is highly flammable. 100% of SBE generated from our refineries are recycled either as raw material for another manufacturer or used as biomass.

(Note: Bleaching earth is an adsorptive cleansing agent used in bleaching process to remove impurities and colour pigments in the CPO.)

At our palm oil mill operations, the common waste generated from FFB milling process are solid biomass waste and liquid waste. Solid waste comprises empty fruit bunches (EFB) of oil palm, fibre and shells. Palm Oil Mill Effluent (POME) is the liquid waste generated from mill. Both solid and liquid waste is either being recycled or reused as organic fertilizer or fuel. We aim to achieve zero waste by 2023 – that is to have 100 percent of solid and liquid waste from FFB milling process reused and recycled.

1.3.5 Recovering Schedule Waste

Spent nickel, hydraulic oil, lubricant oil, and waste solvent are some of the examples of waste which are generated from our production activities. Such by-products are highly regulated and they have to be disposed of at recovery sites as designated by the Department of Environment (DOE). We have complied with these schedule wastes, which are recovered and treated by licensed contractors. The recovery of such schedule wastes involves the removals of harmful or/and contaminated substances, in certain instances, the recovery of valuable resources.

Our 2019 Waste Footprint

Our analysis shows that the production waste accounts for 80% of our total waste footprint. The spent bleaching earth generated from our refinery business makes the largest contribution to our waste footprint. This accounts for more than 50% of our total waste footprint.

General waste, scrap waste and schedule waste are 10%, 8% and 2% respectively of total waste footprint.



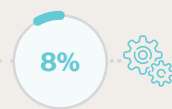
Production Waste

- Spent bleaching earth (SBE);
- Spent filter aid;
- Empty can/ carton/ lid/ tin plate skeleton;
- Palm oil mill effluent;
- Empty fruit bunch;
- Palm kernel shell.



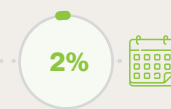
General Waste

- Contaminated packaging;
- Wood;
- Food Waste.



Scrap Waste

- Jerry can;
- Used flexibag;
- Recycle paper;
- Metal waste/ drum;
- Damage tin & old zinc.



Schedule Waste

- Chemical glass bottle;
- Solvent waste;
- Spent special fluid e.g. hydraulic oil/ gear oil/ lubricant;
- Spent nickel;
- Lab trash.

OVERVIEW

FOCUS AREA 1 MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

CORE AREA TO FOCUS

- Energy Efficiency / Carbon Footprint
- Water Management / Water Footprint
- Waste Management / Waste Footprint

OUR GOAL

- To achieve consistent reduction of greenhouse gas, water and waste impacts within our own manufacturing and operations.

OUR COMMITMENT

- To reduce electricity consumption, water consumption in our manufacturing and operations.
- To continuously improve waste management.







FOCUS AREA 2:

Responsible Supply Chain

PENINSULAR MALAYSIA

-  Mewah Oils, Selangor
-  Ngo Chew Hong, Selangor

Mewaholeo Industries, Johor

SINGAPORE

Mewah Datu, Sabah
SABAH 



Focus Area 2: Responsible Supply Chain

MAKING A DIFFERENCE – AT A GREATER SCALE



Our Key Sustainability Efforts:

We believe that education is the key to success in life. We supported schools ranging from kindergarten to secondary school benefits over 4,500 students. We also work in partnership with a key supplier and an important Buyer to carry out “Love Our Children” program that aims to educate children of smallholders on child-protection measure against abuse, neglect, exploitation and violence by the adults.



Our Key Sustainability Efforts:

By boosting socio-economic development, palm oil industry helps in improving the quality of life among rural populations. We have been actively engage with underprivileged smallholders particularly in poorer states in Malaysia to provide free training in good agricultural practices and hopefully to improve productivity and boost their incomes.



Our Key Sustainability Efforts:

Transparency and traceability has become a trending demand and pre-requisite requirement in the industry. Through our supplier group level engagement program, we build up mutual understanding and develop parallel Sustainability goals with our suppliers. This enables us to safeguard sustainable production of our raw materials.



Our Key Sustainability Efforts:

We recognize the interdependency of climate and forests. We commit to “No Deforestation” and “No Burning” in Mewah’s Sustainable Palm Oil Policy and we will work to ensure our suppliers comply with the same commitment.



Our Key Sustainability Efforts:

To conserve and safeguard the marine ecosystem, we implement and enforce the main conventions and regulations adopted by International Maritime Organisation (IMO) in our shipping operation, which cover all aspects including ship design, equipment, construction, manning, ship operation and waste disposal.



Our Key Sustainability Efforts:

We pledge to conserve biodiversity by identifying, protecting and maintaining areas of high conservation value (HCV). This would include critical areas that contain significant concentration of biological value, ecological, social and cultural values.



Our Key Sustainability Efforts:

At Mewah, we have set up a public grievance platform as well as a grievance mechanism for all stakeholders in our supply chain to raise their concern or report any breaches of our policies. It serves as a transparent communication channel for us to promote peaceful and inclusive sustainability development.



Our Key Sustainability Efforts:

We believe that partnership with industry stakeholders enable us to create more collaborative innovation. To achieve consistent progress in sustainability awareness in our supply chain, we form tripartite collaboration work with our upstream suppliers and downstream buyers to bring together everyone in an education workshop as well as a supply chain verification program to verify compliance.



NDPE Implementation Master Plan (Year 2019 – 2021)

The **THREE** major **SMART** goals under the Mewah's NDPE Master Plan:

A. From Risks to Rewards

- i. Commitment to traceability and continuous improvement
- ii. Continuation of traceability to plantation approach and on-site supply chain verification program
- iii. Encouragement on sustainability certification, e.g. RSPO, MSPO, ISCC
- iv. Mandating Sustainable Palm Oil Policy on all suppliers
- v. Supplier's sustainability ranking matrix

B. From Engagement to Empowerment

- i. Creating awareness among suppliers
- ii. Capacity building of smallholders
- iii. Empowerment women and reaching out children

C. From Obstacles to Opportunities

- i. Reengagement of suppliers
- ii. Broad-level oversight
- iii. Supplier suspension mechanism / re-entry requirements



Our commitments to NDPE are confidently spelled out in our Sustainable Palm Oil Policy that was implemented throughout our supply chain since year 2014.

How do we optimise NDPE implementation within our supply chain? This question has been consistently raise to us regularly. Whilst we are committed to work towards 100% NDPE compliance, we need every one of our CPO and CPKO suppliers to come on board with us to achieve full sustainability compliance.

In 2019, we rolled out a 3 years NDPE Implementation Master Plan to reassure every stakeholder on our Sustainability initiatives and to get the most out of our impact in providing sustainability assurance to our Buyers.



NG SENG BEE,
MEWAH GROUP SUSTAINABILITY TEAM

Focus Area 2: Responsible Supply Chain

CORE AREA 1:

SUSTAINABLE PALM OIL POLICY

Mewah Group is committed to the implementation of a responsible and sustainable palm oil supply chain. On August 2014, we announced a Sustainable Palm Oil Policy with sustainability commitments entailing the company's entire palm oil supply chain. The Policy establishes mechanisms to ensure that palm oil in Mewah's supply chain will be free from links to deforestation, peat planting and exploitation of human rights of workers.

The provisions in this policy apply to all Mewah's operations worldwide, including our subsidiary companies. We expect all our third-party suppliers of palm oil products to adhere to our sustainability policy commitments for their operations.

The Mewah's Sustainable Palm Oil policy can be located at http://mewahgroup.com/Sustainability_PalmOilPolicy.html and we wish to reiterate our sustainability commitments:

- 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 since 31st December 2015;
- 3) To reject new oil palm development in forested peatland plantation after 31st December 2015;
- 4) To respect human rights and to 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 plantation development takes place.

Transparency and Accountability of Sustainable Palm Oil Policy

We are committed to transparency and accountability in our sustainability program. We note that both internal and external stakeholder groups are interested and involved in our engagement efforts.

Our efforts to improve transparency and accountability have been done through multiple channels such as:

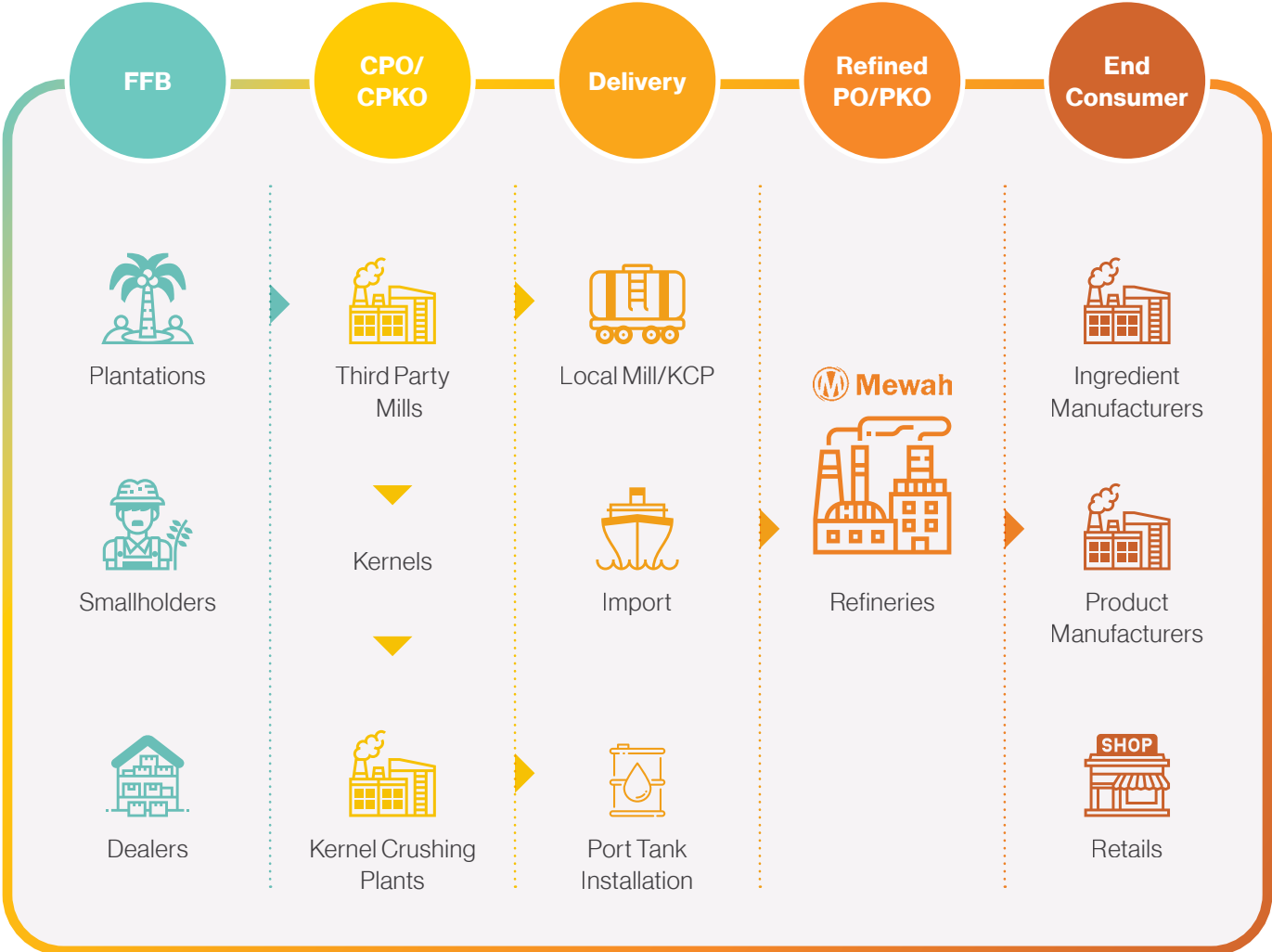
- 1) Annual Sustainability Performance Reporting in accordance to GRI standard
- 2) Open Sustainability Dashboard & half-yearly palm traceability score update
- 3) RSPO Annual Communication on Progress (ACOP) Submission
- 4) Continual stakeholders engagement
- 5) Grievance-handling procedures

CORE AREA 2: TOWARDS FULL TRACEABILITY

The palm oil supply chain is complex and fragmented. Every tier in the supply chain plays its essential role in forging a path to full traceability. Transparency in the supply chain is a critical aspect of sustainability since it increases the visibility of suppliers and it allows us to trace and identify the origin of our raw material.

For every ton of palm oil and palm kernel oil received into our factory, we trace to the exact location of the palm oil mills and the particulars of FFB suppliers to the palm oil mills that supplying to us. Traceability data is necessary as it allows us to evaluate our suppliers' performance against our Sustainable Palm Oil Policy. At the same time, we are establishing engagement with our suppliers with the objectives to improve the sustainability standards in our supply chain. This is done through traceability data collection, suppliers' assessment and educational workshops.

2.2.1 Overview of Mewah's CPO/CPKO Supply Chain



Focus Area 2: Responsible Supply Chain

CORE AREA 2: TOWARDS FULL TRACEABILITY (cont'd)

2.2.2 Mewah's Traceability Approach

Since we rolled out the Mewah Sustainable Palm Oil Policy in 2014, we have been focusing greatly on supplier engagement initiatives to raise sustainability awareness across our suppliers in order to make certain that everyone is improved. As an independent palm oil refiner, we are fully aware that a large part of our footprint actually lies beyond our own operations. Therefore, our suppliers are playing an important role in forging a path towards sustainable palm oil production.

How we do it?

We actively trace raw materials supply flows from refineries back to palm oil sources to map our supply base, evaluate suppliers' performance against our Sustainable Palm Oil Policy and to initiate engagement with our suppliers to make improvements whenever is needed.

Today, we are proud to announce that 100% of our CPO and CPKO are Traceable to Mill (TTM). The definition of "traceable to mill" refer to the fulfilment on 5 key traceability criteria i.e. Parent Company Name of Mill Party, Mill Name, Mill Address, GPS coordinates of Mill Party and Volume of CPO received into our refinery. We are determined to make sure that all our suppliers must fulfil the same condition as the fundamental entry requirement into our supply chain.



Evaluation of suppliers' sustainability performance

With the purpose to evaluate and validate sustainability progress of our suppliers, we kick-started supplier verification program as early as November 2014. Over the years, we completed assessment to more than 130 CPO suppliers across different states in Malaysia and the reports are published on Mewah Sustainability Dashboard. In Mewah's Traceability to Plantation (TTP) approach, a comprehensive field assessment will be carried out at every supplier's mills to assess its Fresh Fruit Bunch (FFB) supply base and to evaluate its compliance to Mewah's Sustainable Palm Oil Policy using our pre-defined Supplier Assessment Guidelines. In general, a palm oil mill's fresh fruit bunch (FFB) may be supplied by hundreds of estates, growers, smallholders and dealers. TTP assessment is an educational tool as well as a "bridge" for Mewah to support the transformation of our suppliers. The primary objective of our TTP initiative is to lift up the sustainability standards of all our suppliers to a higher level. So far, there is no common definition of TTP in the palm oil industry. Our current approach on traceability to plantations establish on ensuring the availability and validity of Malaysia Palm Oil Board (MPOB) operating license from FFB suppliers. The rationale behind our requirement is to make sure that all FFB supplied to the palm oil mills are sourced legally.

Traceability to Plantation Approach (For Malaysian Palm Oil Mills)

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

Remark:

- Plantation ≥ 1,000 ha
- Smallholder ≤ 40.46 ha
- Smallgrower – 40.46 ha – 1,000 ha

Traceability to Plantation Approach (For Indonesian Palm Oil Mills)

Supply	Volume FFB supplied to mill (MT)	Parent Company Name	Registered Business Name	Location and Address	GPS Coordinate	Contact Person & Contact Number	Availability & Validity of HGU/IUP	Certification Status (ISPO/RSPO)
Plantation	✓	✓	✓	✓	✓	✓	✓	(if any)
FFB Agent/ Broker/Dealer	✓	-	✓	✓	✓	✓	-	-
Smallgrowers	✓	-	(if any)	✓	✓	✓	(if any)	(if any)
Independent smallholder Zones	✓	-	(if any)	✓	✓	✓	(if any)	(if any)

Remark:

- Plantation ≥ 500 ha
- Smallholder ≤ 25 ha
- Smallgrower – 25 ha – 500 ha



Advancing TTP Approach

In year 2019, we published the Mill Sustainability Assessment Reports of more than 130 suppliers on Mewah Sustainability Dashboards. This public summary report assemble all the key findings from our supplier verification program covering traceability score, environmental impact assessment outcome as well as social impact assessment result, which collected by means of multiple sampling methodologies including observation, documentation review, dialogue & interview and spatial analysis during on-site assessment at our suppliers' mill. The objective of sharing this report is to demonstrate our efforts in striving for a greater transparency in our supply chain.

Mewah
PUBLIC SUMMARY REPORT
TRACEABILITY TO PLANTATION ASSESSMENT

Name of Parent Company: Kilang Sertol Panji Alam Sdn Bhd
Name of Palm Oil Mill: Kilang Sertol Panji Alam Sdn Bhd
MPOB License No: 50006104000
MIB Address: Lot 1931-051-837, Mukim Ulu Chokoh, Kemaman, Terengganu
GPS Coordinate of Palm Oil Mill: 4.3744, 103.3813
Supplied Mewah's Refinery: Meralindo Industri Sdn Bhd (Pilar Gudang), Mewah-Ole Sdn Bhd (Jaya Klang) & Nya Chew Hong Oils & Fat (M Sdn Bhd (Samangli))
Assessment Date: 21st February 2019 (Thursday)

A. Fresh Fruit Bunch (FFB) Traceability

FFB Receiving Statistics

FFB Sources	Traceability Score	Overall TTP Score %
Own Plantations/ Estates	100%	100%
3 rd Party Plantations/ Estates	100%	
Dealers	100%	
Smallholders	100%	

Mewah's Public Summary Report - TTP Assessment Page 1

Mewah

B. Environmental Risk Analysis

- Environmental risk assessment is carried out within the theoretical FFB catchment area (50 km radius) in Kilang Sertol Panji Alam Sdn Bhd using Global Forest Watch (GFW) tool.
- The overall environmental risk rating of Kilang Sertol Panji Alam Sdn Bhd is summarized as follows:

Potential Environmental Risk						
Rate of Tree Cover Loss	Tree Cover Loss on Primary Forest	Potential Forest Loss in Primary Forest	Tree Cover Loss on Peat	Tree Cover Loss on Protected Area	Tree Cover Loss on Carbon Dense Area	Fire Activity
Medium-low	Low	Medium	Medium	Low	Medium-low	Medium

The following mapping is used as an indicator to indicate the potential environmental risks of the assessed palm oil mill.

Mewah's Public Summary Report - TTP Assessment Page 2

Mewah

C. Social Impact Assessment

- We also carried out social impact assessment during the mill assessment.
- The mill representatives were invited to understand the important pillars of good social responsibility practices, mandatory compliance of national labour laws & human rights, and the needs to improve social engagement with local community.

The findings of the social impact assessment are outlined in the following table:

Respect of Workers & Local Community Right	Yes
Compliance with Safety & Health	Yes
Compliance with National Labour Laws and Regulations	Yes
Compliance with Housing & Amenity Act 1998	Yes
Respect of FPIC	Yes
CSR/C community Contribution	Yes
Availability of grievance mechanism	Yes
Fair & Equitable Trading	Yes

Disclosures
The traceability to plantation assessment is carried out through observation, documentation review and interview based on Mewah's Sustainable Palm Oil Policy and Mewah's Supplier Assessment Guidelines. The above findings are collected through multiple sampling methodologies during the assessment date. The information contained in this report may contain confidential, proprietary, privileged and/or personal information. It is only intended for the users of Mewah Group Sustainability Dashboard.

Mewah's Public Summary Report - TTP Assessment Page 3

Focus Area 2: Responsible Supply Chain

CORE AREA 2: TOWARDS FULL TRACEABILITY (cont'd)

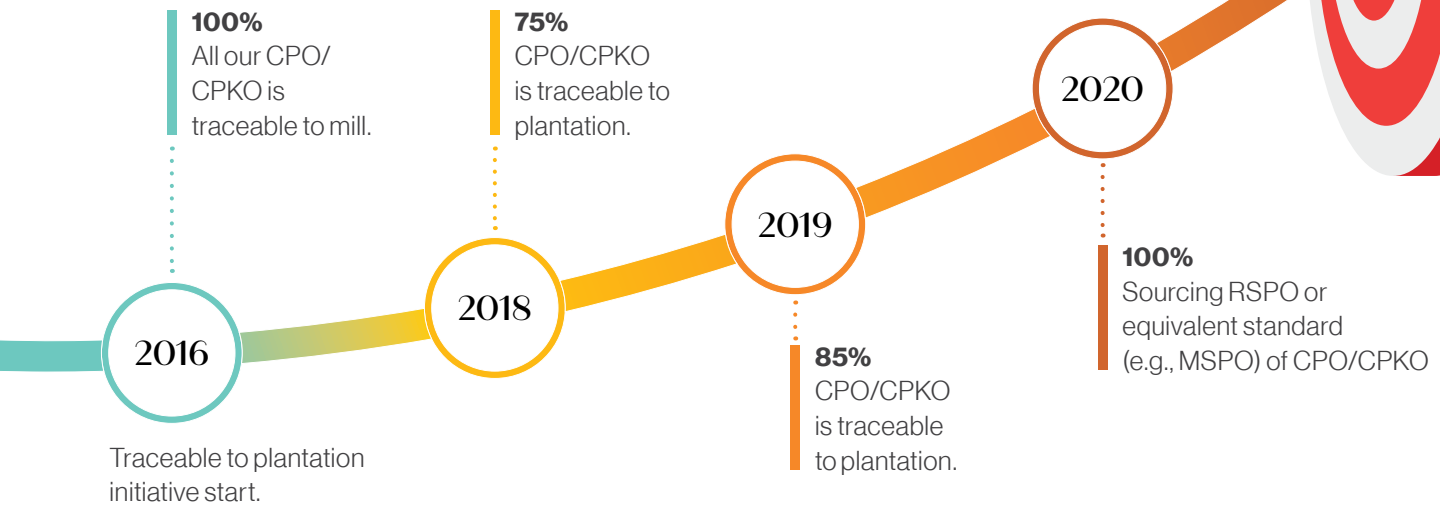
2.2.3 Commitment Towards 100% Traceability

A 100% traceable supply chain is the ultimate objective that galvanises us to focus our efforts towards improving the sustainability program in our supply chain. Our traceability approach helps us in identifying the potential risks in our full supply chain while increasing our abilities in establishing constructive engagement with our suppliers.

We set out the CPO/CPKO traceability milestone alongside our Sustainable Palm Oil Policy in 2014. The

milestones set mark specific points along our journey to fully sustainable supply chain. These points signal anchors in every period of our traceability targets that we strive to commit to our palm oil Buyers.

We are working towards a 100% transparent, traceable and sustainable palm supply chain by 2020.



2.2.4 Year 2019 Traceability Score

The launch of our Traceability to Mill (TTM) exercise in 2014 and Traceability to Plantation (TTP) exercise in 2016 enabled us to reach out to a greater number of suppliers including millers, estates' owners, dealers and smallholders. The traceability data collected from TTM and TTP exercise allowed us to map all the palm oil mills that supply CPO and CPKO to our four refineries and the estates, dealers and smallholders that supply FFB to the mills.

In 2019, we maintain 100% TTM in our CPO and CPKO supply chain. Moving forward, we aim to continue working closely with all of our esteemed suppliers for improvement in TTP score.

Mill's FFB Sourcing Statistics			
6% Own Estate	32% Third Party Estate	59% Dealer	3% Smallholder
Refineries' CPO Sourcing Statistics			
92.28% Malaysia – Local POMs	7.05% Indonesia	0.67% Philippines	
Refineries' CPKO Sourcing Statistics			
77.30% Malaysia – Local KCPs	15.74% Indonesia	6.96% Thailand	

Year 2019 Mewah Group Supply Chain Statistics

Group Traceability Statistic (%)

FFB
(Palm Oil Mill)

PT ADS



Traceability to Plantation

100%

CPO
(Refineries)

MOSB
MOIPG
NCHM
MDSB



Traceability to Mill

100%



Traceability to Plantation

76.36%

CPKO
(Refineries)

MOSB
MOIPG



Traceability to Kernel Crushing Plant

100%



Traceability to Mill

100%



Traceability to Plantation

78.26%

Remark:

1. PT ADS – PT Angso Duo Sawit
2. MOSB – Mewah-Oils Sdn Bhd
3. MOIPG – Mewaholeo Industries Sdn Bhd
4. NCHM – Ngo Chew Hong Oils & Fats (M) Sdn Bhd
5. MDSB – Mewah Datu Sdn Bhd





Focus Area 2: Responsible Supply Chain

CORE AREA 3:

STAKEHOLDER ENGAGEMENT

2.3.1 Assessment to high-risk suppliers' mill

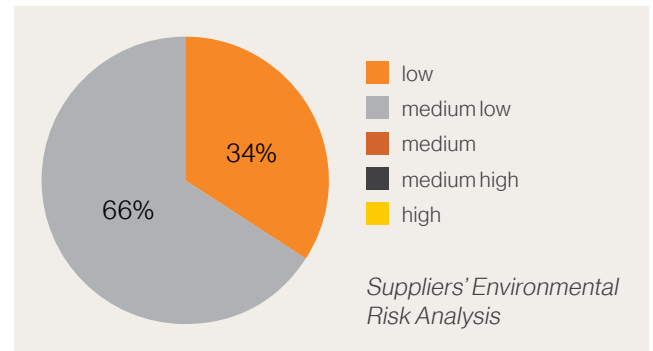
On a yearly basis, we will identify several high risk suppliers and carry out assessment base on guidelines define in Mewah's High Importance Mill Engagement Program (HIMEP). The major audit areas during our assessment to the high risk supplier's mill are:

- A. Chemical stores – Storage, herbicide mixing areas, personal protective equipment (PPE), ventilation and security.
- B. Field inspections – Herbicide application, harvesting sites, fertilizing operations, first aiders and boxes, and field observation of all operations are following the SOP.
- C. Workshop – Safe working environment, environmental waste management.
- D. Worker interviews – Safety and Health, religious, wages/pay and contracts, forced and child labour, first aid.
- E. Line sites – Wastewater quality monitoring & improvement plan, align with BOD requirement BOD <100ppm, inspection of water discharge points.
- F. Social impact audits – through contributions made, employment opportunities and grievance procedure.
- G. FFB Traceability Data – to verify and validate FFB suppliers information i.e. smallholders, dealers, estates

Environmental Risk Analysis

We initiated environmental risk assessment to our suppliers since 2017. Today, we completed assessment on more than 250 CPO suppliers present in our supply chain. We adopt online forest monitoring and alert system – Global Forest Watch (GFW) and Global Forest Watch Pro (GFW Pro) in the environmental risk assessment.

The GFW platform enables us to identify potential deforestation risks in our supply chain; the desktop assessment is done through overlapping the TTP data of each supplier (collected during our TTP assessment) and other source of information such as peatland map, intact forest landscapes, tree cover loss and etc.



Social Impact Assessment

In relation to respecting human rights and labour rights, Malaysia has ratified a total of 18 International Labour Organisation's (ILO) Conventions. On top of the ratification, these conventions have been domesticated into national laws and regulations, including Employment Act 1955, Child and Young Persons Act 1966, Housing and Amnesties Act 1990, Trade Union Act 1959, Sabah Labour Ordinance 1950, and etc.



In order to making sure our suppliers' mills are legally responsible and accountable to advocate human and labour rights in Malaysia, we developed our own set of assessment checklist to address social challenges and identify gaps in our supply chain.

2.3.2 Supplier Group Level Sustainability Engagement Program

As part of our NDPE Implementation Program, we introduced Supplier Group Level Engagement Program in 2019. We selected 10 critical supplier groups in our supply chain that responsible for the supply of 50 palm oil mills that account for 20% of palm oil production volume in our supply base. The program serves as a platform for us to communicate mill assessment findings with our supplier. The targeted audience for this program are, i.e. Owners or senior management, group sustainability department and other relevant leaders in the organization. It allows us to raise prompt awareness to the mill to undertake responsibility of its own supply chain's transformation, as well as to stand in as the leader in leading transformation within its supply base.



2.3.3 Mewah's Sustainability Dashboard

We actively maintain an online sustainability dashboard on our company website since 2016. The main purpose is to ensure we are responsive to our stakeholder sustainability concerns. The dashboard provides updates on traceability declaration data, grievance log and policy's commitments, as well as the certification status of our factories.

2.3.4 Mewah's Supplier Engagement Program

Supplier engagement is beyond the traceability exercise. The main objectives of supplier engagement are to create awareness to our upstream suppliers, to increase interaction between our suppliers & buyers, to spread responsible palm oil practices and to build up supplier capacity to adapt sustainability practices.

Our focus is to continuously raise the standard of the palm oil industry by sharing our experience, technical expertise, and knowledge by providing training and technical assistance to ensure that our suppliers have the right skills and motivation to deliver our goals.

We see three crucial benefits from Supplier Engagement Program:

- i. Multi-stakeholders approach - The opportunity to socialize our Sustainable Palm Oil Policy with our direct suppliers.
- ii. A platform to discuss the implications and requirement of adopting similar policies.
- iii. A platform to create awareness of the market demands for the need to delink our palm oil supply chain from deforestation, oil palm development of peatland and human rights abuses.

Supplier Engagement Program

“
Suppliers are key
in the journey
to improve
sustainability
standard.”



Focus Area 2: Responsible Supply Chain

CORE AREA 3:
**STAKEHOLDER
 ENGAGEMENT** (cont'd)

2.3.5 Smallholders – Big Impacts

Smallholders are important stakeholders in our sustainability journey as they account for 40% of world’s palm oil production. PT ADS sources FFB from smallholders surrounding Jambi province. In line with our sustainability commitment, we seek to engage our smallholder suppliers to provide knowledge and assistance in implementing sustainable practices in their operation.

We hosted a smallholder sustainability empowerment workshop at our palm oil mill. The workshop contains more than 50 participants. The purpose of this initiative is to increase sustainability awareness among suppliers. This program has successfully bring together our suppliers on a coaching session to adopt a sustainable agricultural practices in oil palm cultivation.



2.3.6 Multi-Stakeholders Engagement Approach



First export shipment of MSPO-certified RBDPO to Japan

Mewah Group has been a loyal supporter for the promotion of Malaysia’s national sustainability standard in Malaysia palm oil industry. Mewaholeo Industries Sdn. Bhd. is proud to announce that it is the first refinery to produce and export Malaysia’s very first shipment of Malaysian Sustainable Palm Oil (MSPO) certified Refined, Bleached, Deodorized Palm Oil (RBDPO) to Japan. Mewah Group is honored to be given the opportunity to host the Ministry of Primary Industries in its official launch ceremony and is proud to contribute towards the Malaysia Government’s directive on MSPO certification.

In September 2019, Mewaholeo Industries Sdn. Bhd. exported 300 MT of MSPO-certified RBDPO to Japan via Johor Port. This was a challenge that Mewah boldly undertook back in April 2019 in spite of the scarce supply of MSPO-certified Crude Palm Oil (CPO) at the time. With the collective support from the Ministry of Primary Industries and MPOCC, Mewah successfully convinced its suppliers to complete MSPO SCCS certification in time to supply MSPO-certified CPO, the raw material for the MSPO-certified RBDPO.

We truly believe that MSPO uplifts the sustainability standards in the Malaysian palm oil industry, resulting in benefits to all stakeholders in the supply chain including independent palm oil millers and independent smallholders. In general, Mewah believes that the inclusion of all stakeholders, especially independent smallholders in the scheme, would further enhance the positive image of MSPO-certified sustainable palm oil in the eyes of global palm oil consumers.



Roadmap of First Export Shipment of MSPO-certified RBDPO

March 2019

Mewah Group refineries are among first Malaysian's refinery to undergo MSPO SCCS certification.



August 2019

- Engagement with CPO supplier for MSPO SCCS
- Successfully obtained supply of MSPO-certified CPO & paid a premium to the CPO supplier



April 2019

- Active promotion of MSPO to Japanese Customer (Tokyo Olympic's drive)
- Concluded 1st export trade of MSPO-certified RBDPO to a Jap. Co at a premium.



September 2019

Exported 1st MSPO-certified RBDPO from Pasir Gudang Port to Kashima Port via vessel MT Hoyu



SASPO

SASPO (Support Asia for Sustainable Palm Oil) Green Member

Since 2018, one of our subsidiaries, Ngo Chew Hong Edible Oils Pte Ltd collaborated with SASPO to promote demand for sustainable palm oil.

SASPO (SUPPORT ASIA FOR SUSTAINABLE PALM OIL) was founded in 2016 by seven founding members; ASEAN CSR Network, Ayam Brand, Danone, IKEA, Unilever, Wildlife Reserves Singapore and WWF-Singapore. The alliance is the first business initiative in ASEAN focusing on sustainable palm oil. Through capacity building, workshops and educational resources, SASPO aims to lower the barriers for businesses to adopt sustainable sourcing policies.

Focus Area 2: Responsible Supply Chain

CORE AREA 3:
 STAKEHOLDER
 ENGAGEMENT (cont'd)



2.3.7 Sustainable Partnership Initiatives

On 4th March 2019, a Sustainable Partnership Initiative – “Love Our Children” took place in one of our supplier’s mill, located at Kuala Kubu Baru, Selangor under the collaboration program between Dupont, FGV and Mewah Group.

The scope of this partnership initiative is to gather the upstream, midstream & downstream palm oil supply chain players to establish collaboration to enhance the sustainability commitment. The focus of this partnership initiative is “Love Our Children” – with the primary objectives of raising awareness of child protection through education about children’s rights, women’s privileges, and to contribute positively to the children of workers of our supplier’s mill and its surrounding oil palm plantations.

In this program, we had successfully gathered around 100 participants – including 30 women who work with palm oil mills and around 70 of the children, aged ranging from 5 – 12 years old. The program incorporated interactive activities to educate the participants on human rights, safety and health, as well as personal protection. In addition, the volunteered fire-fighting team demonstrated the knowing-how to use a fire extinguisher and other invaluable live saving skills that everyone should have.

It is also our honour to receive support from Suriana Welfare Society Malaysia to deliver a lively presentation on children rights and children protection.

Suriana Welfare Society is a Malaysian Non-Government Organization (NGO) in Malaysia that focused on prevention of child abuse. Suriana Welfare Society passionately believes that prevention is better than intervention. Since 2011, Suriana Welfare Society has been actively involved in promoting and protecting the rights of children that have been subject to abuse, abandonment and neglect. Today, the firm has impacted thousands of children through their program in Malaysia.



CORE AREA 4:

GRIEVANCE MECHANISM

The palm oil supply chain can be long and complex. Although we have set up action plan to carry out supply chain assessment to ensure that our suppliers are fully commit to our Sustainable Palm Oil Policy; we recognize that policy breaches may go unnoticed given the large scale of our operation especially for third-party suppliers that do not feed directly into our supply chain.

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.

OUR APPROACH TOWARDS RESPONSIBLE SUPPLY CHAIN

We have defined 5 key elements into Mewah Sustainable Sourcing Guide:

- I. Sustainable Palm Oil Policy: Our commitment. Action plan
- II. Traceability Milestones
- III. Quality Certification: e.g., ISO, HACCP, Codex
- IV. Sustainability Certification e.g., RSPO, ISCC, MSPO
- V. Grievance Procedure: In-place grievance platform for all stakeholders



Focus Area 2: Responsible Supply Chain

OUR SUSTAINABLE SHIPPING INITIATIVES



Sustainability is firmly embedded in our daily business operation, including maritime transport. Green shipping is the concept of sustainable development applied to the shipping sector, incorporating environmental and social responsibility. At Mewah, we are committed to improving the sustainability of our shipping operations and to moving the maritime industry towards a sustainable future.

In year 2019, we announced compliance to a Sustainable Shipping Policy. In this policy, we restate our commitment to relevant laws and regulation, security, occupational safety and health, human and labour rights, ethical business conduct as well as confronting climate change. A Labour Compliance Checklist has been put in place in our ships to ensure compliance with Maritime Labour Convention 2006.

Our initiatives in driving sustainable development in shipping operation includes:

1. Reducing GHG emissions and other air pollutants, notably (SO_x and SO_2), nitrogen (NO_x) and particulate matter (PM) emissions;
2. Providing safe, healthy working environments on ships
3. Promoting human and labour rights

We support the measure taken by International Maritime Organization (IMO) to reduce permissible SO_x from 3.5% m/m (mass per mass) to 0.5% m/m beginning in January 2020. Starting from August 2019, all our ships have converted to only consume low-sulphur fuel oil.





FOCUS AREA 3:
**Product
Quality and
Safety**



Focus Area 3: Product Quality and Safety

MAKING A DIFFERENCE – BY ADDING VALUE



Our Key Sustainability Efforts:

Responsible consumption and production is about improving quality of life without increasing the environmental burden. We are acutely aware of the importance of sustainable sourcing as well as responsible production our business operation. Mewah's factories are certified with international recognized quality and sustainability certifications to give assurance to our Buyers that our products are processed and produced responsibly with high level of transparency.





Focus Area 3: Product Quality and Safety

CORE AREA 1:

OUR COMMITMENT TO CUSTOMERS



The Mewah's reputation is founded on delighting our consumers and customers with consistently high product quality that meets their needs and expectations. As such, Product Quality and Safety for our consumers is always our top priority. We aim to develop, produce and market a consistently high product quality which meets the expectations of our customers, consumers and regulators.

We have taken a number of good initiatives in ensuring our product quality and food safety through:

1. Offering products and services that meet or exceed consumer expectation and preference.
2. Complying with all internal and external food safety, regulatory and quality requirements
3. Adopting a zero-defect, no-waste attitude by everyone in our company
4. Making quality assurance a group-wide objective.





CORE AREA 2: QUALITY MANAGEMENT SYSTEM

On top of all essential quality and sustainability certification requirements, we are committed to comply with all legal and regulatory requirements and through the rigorous application of our Quality Management System. We undertake to focus on continuous improvement of these quality management systems by ensuring:

- Continual improvement of the operation & processes
- Competent workforce that foster innovation in workplace
- Stringent raw material sourcing
- Clean, hygienic & excellent processing
- Efficient transportation and delivery
- Prompt and responsive customer service
- Compliance to applicable laws and regulations
- Safe working climate with minimum impact on environment

Production of Low 3-MCPD and low GE Palm Oil

3-monochloropropanediol (3-MCPD) is becoming a major concern in the palm oil industry as it is classified as food processing contaminant and probably carcinogenic to human. In year 2018, the European Food Standards Authority (EFSA) revised the safe intake of contaminant 3-MCPD and Glycidyl Esters (GE) levels. Mewah is aware of consumer concerns about the food safety and health aspects of our palm oil products. We have been actively addressing the 3-MCPD/GE issue through our efforts in minimizing the occurrence of MCPD precursors and optimising our refining techniques. We aim to tackle the issue holistically so to provide assurance to our consumers in our products and to safeguard our consumer health.

Mineral Oil Hydrocarbon (MOH) in Palm Oil

The levels of mineral oil hydrocarbon (MOH) namely, mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH) are a concern in agricultural raw materials. Such contaminants are found across several food products, including vegetable oils, such as soy and sunflower, and it can enter food through packaging materials, additives or during storage.

Since 2018, European Governments have been considering regulating the levels of MOSH and MOAH in palm oil. At the same time, some food companies have established limit in the palm oil starting from 2020. Although there are no European regulations on MOSH and MOAH at present, our objective is to ensure levels of MOSH and MOAH are as low as feasibly possible in the raw materials we source as well as in the product we produce.

MOSH and MOAH cannot be removed by physical refining process. Therefore, the only way we can limit its presence is to enforce control at source. One key solution is to work with our suppliers to conduct an overview of all lubricant use on site and to explore feasibility to convert all lubricant/special fluid i.e. great oil, hydraulic oil and engine oil from non-food grade to good grade.



Focus Area 3: Product Quality and Safety

CORE AREA 3:

QUALITY AND SUSTAINABILITY CERTIFICATIONS



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

Mewah's factories are certified to Food Safety System Certification Scheme FSSC 22000, a Global Food Safety Initiative (GFSI) benchmarked standard and Good Manufacturing Practices GMP+, an international recognized certification scheme that defines conditions relating to production facilities as well as for storage, transport, trade and monitoring activities.

In addition, our refineries are certified with multiple sustainability certifications such as RSPO Supply Chain Certification, ISCC Certification and a member of Sedex having passed the ethical audit SMETA.



Certification status of Mewah's manufacturing sites:

Mewah Group Factories	Nature of Business	Location	Factory Certification Status
Ngo Chew Hong Oils & Fats Sdn Bhd	Palm Oil Refinery	Semenyih, Selangor	RSPO SCC, ISCC Refinery and Trader with storage, MSPO SCCS
			ISO 22000, ISO 9001:2015, HACCP Codex, GMP
			Halal, Kosher
Mewaholeo Industries Sdn Bhd	Palm Oil Refinery & Consumer Packed Goods Manufacturing Plant	Pasir Gudang, Johor	RSPO SCC, ISCC Refinery and Trader with storage, MSPO SCCS
			SEDEX Smeta 4 Pillars
			FSSC 22000, ISO 14001:2015, ISO 9001:2015, OHSAS 18001:2007, HACCP Codex, GMP
			Halal, Kosher
Mewah-Oils Sdn Bhd	Palm Oil Refinery	West Port Klang, Selangor	RSPO SCC, ISCC Refinery and Trader with storage, MSPO SCCS
			SEDEX Smeta 4 Pillars
			FSSC 22000, ISO 9001:2015, HACCP Codex, GMP
			Halal, Kosher
Mewah Datu Sdn Bhd	Palm Oil Refinery	Lahad Datu, Sabah	RSPO SCC, ISCC Refinery and Trader with storage, MSPO SCCS
			ISO 9001:2015, HACCP Codex, GMP
			Halal, Kosher
MOI Foods Malaysia Sdn Bhd	Consumer Packed Goods Manufacturing Plant	West Port Klang, Selangor	RSPO SCC
			SEDEX Smeta 4 Pillars
			FSSC 22000, HACCP MOH, GMP
			Halal, Kosher
Ngo Chew Hong Edible Oil Pte Ltd	Consumer Packed Goods Manufacturing Plant	Singapore	RSPO SCC
			HACCP (SS 590:2013)
Mewah Dairies Sdn Bhd	Dairy Products Manufacturing Plant	West Port Klang, Selangor	ISO 9001:2015, HACCP Codex, GMP, VHM (Veterinary Health Mark)
			Halal, Kosher
Bremfield Sdn Bhd	Biodiesel Manufacturing Plant	West Port Klang, Selangor	RSPO SCC, ISCC Biodiesel Plant, MSPO SCCS
			ISO 9001:2015

Focus Area 3: Product Quality and Safety

CORE AREA 3:

QUALITY AND SUSTAINABILITY
CERTIFICATIONS (cont'd)**3.2.1 Sustainability Certification****Roundtable on Sustainable Palm Oil (RSPO)**

RSPO, founded in year 2004, is a multi-stakeholder organization that unites stakeholders from 7 sectors of the palm oil industry (oil palm producers, processors or traders, consumer goods manufacturers, retailers, bank/investors, environmental and social non-governmental organisations) to develop and implement global standards for sustainable palm oil. RSPO has

been a major driving force behind the development of better management practices and a more precise focus on sustainability.

Mewah has been an active member of RSPO since year 2008. All our refineries are certified under RSPO Supply Chain Certification Standard (SCC). Our palm products are delivered under Segregation (SG) and Mass Balance (MB) supply chain models.

**Malaysian Sustainable Palm Oil (MSPO)**

The Malaysian Sustainable Palm Oil (MSPO) Certification Scheme is the national scheme in Malaysia for oil palm plantations, independent and organized smallholdings, and palm oil processing facilities to be certified against the requirements of the MSPO Standards.

Today, all Mewah's refineries and biodiesel plant are certified under MSPO Supply Chain Certification Standard (SCCS). There are 2 supply chain models under MSPO SCCS i.e. Segregation (SG) and Mass Balance (MB). The MSPO SCCS is designed to deliver confidence and credibility to the customers and consumers that the Malaysian origin palm oils are produced sustainably.

**International Sustainability & Carbon Certification (ISCC)**

The International Sustainability & Carbon Certification (ISCC) is an international certification system covering all kinds of bio-based feedstocks and renewables to cater to various markets such as the bio-energy, food, feed, and chemicals sectors. It incorporates sustainability

criteria such as reduction of greenhouse gas emissions, sustainable use of land, protection of natural biospheres and social sustainability.

Our main refineries and biodiesel plant are ISCC-certified with compliance to the requirements of European Union's Renewable Energy Directive (RED).



3.2.2 Product Quality & Safety Certification



Hazard Analysis and Critical Control Points (HACCP)

At Mewah, we seek to ensure our product quality and food safety standards. All our manufacturing sites are complying with HACCP certification standard. The HACCP certification standard addresses chemical, physical and biological hazards as a preventative measure from

raw material production, procurement and handling, to manufacturing, distribution and finished product. Seven basic principles are introduced in HACCP plans in order to prevent hazards, including hazard analysis, Critical Control Point (CCP) identification, establishing critical limits, monitoring procedures, corrective actions, verification procedures, and record-keeping and documentation.



ISO 9001:2015

ISO 9001 is an internationally recognized Quality Management System (QMS) to assure our customers that our quality management systems are constantly

assessed and approved by the accredited certification body. By implementing an effective ISO 9001 as a sound foundation in our business, we are constantly striving to improve the efficiency and productivity in our manufacturing processes.



FSSC 22000

All our refineries are FSSC 22000 certified. FSSC 22000 is an ISO-based food safety management system that is recognized by Global Food Safety Initiative (GFSI). It

provides a framework for effectively managing our food safety responsibilities. All our refineries are FSSC 22000 certified that demonstrates that all our manufacturing sites are having a robust Food Safety Management System in place that meets the requirements of our customers.



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FOCUS AREA 4:

Valuing Our People



Focus Area 4: Valuing Our People

MAKING A DIFFERENCE – FROM PROMISE TO PRACTICE



Our Key Sustainability Efforts:

The fight against poverty is not a task of charity; it is an act of uprightness and the key to unlocking human potentials. We employ over thousands of people in Indonesia, Malaysia and Singapore, discovering the potentials of our employees and contributing back to the society.



Our Key Sustainability Efforts:

We offer a suite of health initiatives to help our people maintain a healthy lifestyle such as health awareness programs and sport activities. Every year, we provide free medical and dental services for all our employees.



Our Key Sustainability Efforts:

No incidents of discrimination or abuse were reported in the year. For Mewah, gender equality and women’s empowerment deliver tangible business benefits by widening the pool of experience and expertise across our supply chain and in our workforce.



Our Key Sustainability Efforts:

Mewah employ thousands of people across our operating sites in Indonesia, Malaysia and Singapore. Human capital is the fundamental success of our group. We promote sustained, inclusive and productive employment for our employees with fair compensation, safe environment and social protection.



Our Key Sustainability Efforts:

Reducing inequality is our long-term sustainability goal. We commit on a Labour Policy to empower and promote the social and economic inclusion of all our employees, irrespective of age, sex, race, ethnicity, religion or other status. We aim to use our influence over our own supply chains, which connect us to millions of people, to advance and promote equalities and human rights wherever we operate.




Valuing Our People

“
Employees are the most valued resources to grow our business.
”

Focus Area 4: Valuing Our People

Mewah Group recognizes that people are our most important resources to grow our business. This drives our approach to attract, develop and retain the best people and to develop their careers.

We divide this focus area into 4 sub-sections: Labour Policy & Code of Ethics, Sedex Smeta Compliance, Training & Development, and Health & Safety.



Provide guidelines to our employees to help them conduct their actions in accordance with the company primary values and ethical standards.

LABOUR POLICY & CODE OF ETHICS

Eliminate forced and child labour, and human trafficking.

SEDEX SMETA COMPLIANCE

Improve employees' competencies and maximize their potential for career development.

TRAINING & DEVELOPMENT

Improve Health and Safety of employees and contractors

HEALTH & SAFETY

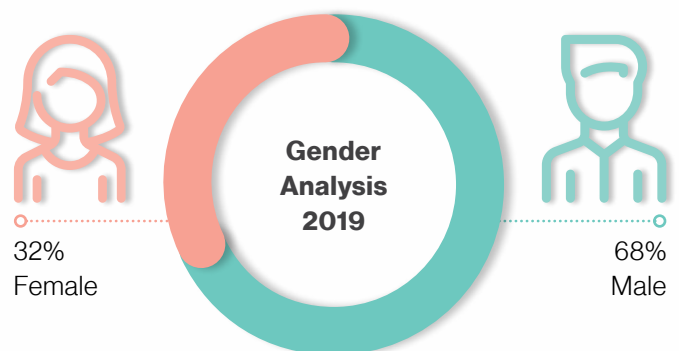


CORE AREA 1:

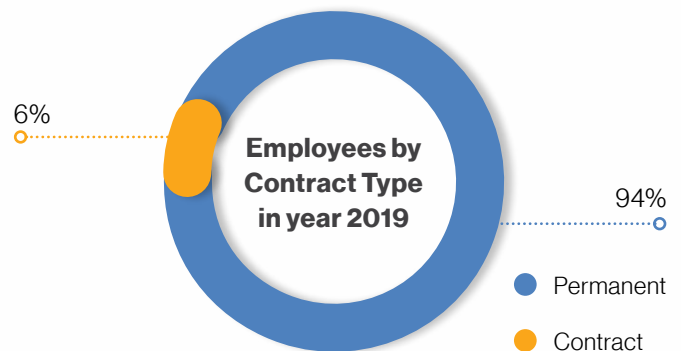
LABOUR POLICY & CODE OF ETHICS

At Mewah, we are committed to provide fair and equitable opportunities to all level of employees with no discrimination to gender, race, nationality, religion, age, marital status, ethnicity, union membership and caste.

The following analysis of gender from our employment data shows that the representation of women makes up to 32% in our workforce. We strive to promote gender equality at workplace and balanced female representation in each employment categories.



Mewah's Labour Policy and Code of Ethics are the reference documents that define our employment policies, guide our action and align the Group's ethical principles to the daily professional life of all our employees and contractors across the Group.

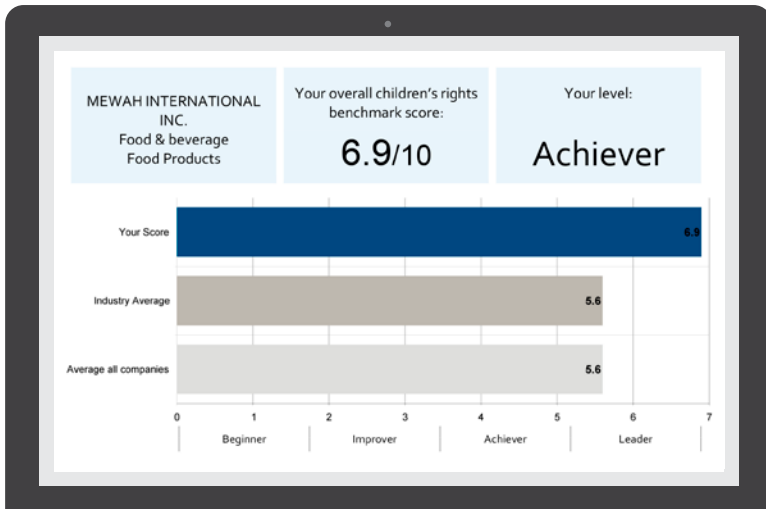


A. Labour Policy

<p>Compliance of Local Laws and Regulations</p> <ul style="list-style-type: none"> Comply to all applicable laws and regulations at all times. 	<p>Non-Discrimination in Employment</p> <ul style="list-style-type: none"> Equal opportunity regardless of race, colour, age, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status. 	<p>Non-exploitation of Child Labour</p> <ul style="list-style-type: none"> Do not employ children or anyone below the minimum legal age of 16 years old.
<p>Freedom of Association</p> <ul style="list-style-type: none"> Recognize rights of employees to conduct collective bargaining process pursuant to local labour practices. Recognize open communication. 	<p>Free Choice of Employment</p> <ul style="list-style-type: none"> No forced, bonded labour Do not allow slavery or trafficking of persons. 	<p>Humane Treatment</p> <ul style="list-style-type: none"> Do not tolerate any form or threat and inhumane treatment including sexual harassment, sexual abuse, corporal punishment, physical or mental condition or verbal abuse.

Focus Area 4: Valuing Our People

CORE AREA 1:
**LABOUR POLICY &
 CODE OF ETHICS** (cont'd)



Shaping better future, affirming children's right

The Group continuous efforts in protecting human right as well as children's right were recognized. In September 2019, Mewah was selected and evaluated by the Swedish Non-Profit Foundation, Global Child Forum (GCF) in terms of our performance in upholding of children's right. The Global Child Forum, together with Boston Consulting Group, has benchmarked 700 companies globally, examining how the companies report on address children's right issues.

In the GCF 2019 global benchmark report, entitled as "The State of Children's Rights and Business 2019", Mewah has achieved 6.9 out of 10 as our overall children's rights benchmark score, which is under "Achiever" category, surpassing the overall industry average score of 5.6.



Holding trust in heart, putting passports in hands

The culture of withholding workers' passport or other personal documents restricts freedom of movement. In line with Mewah's commitment towards "No Exploitation" of workers, we initiated and implemented passport return initiative by provision of safety locker facility for our migrant workers to safe keep their passports. The locker keys are kept by the workers and they are able to access their passport without restriction. By ending the practice of passport retention, we create more sense of security and trust with our migrant workers.



B. Code of Ethics

We have in placed Code of Ethics to help our employees to act in accordance with the company primary values and ethical standards:

- i. Comply with laws, rules and regulations.
- ii. To maintain confidential, proprietary information
- iii. To have no conflict of interest
- iv. Fair dealing
- v. No insider trading
- vi. Cannot accept gifts, bribes and kickbacks in dealings with stakeholders.

The Code of Conduct is codified in our employee handbook.

Whistle Blowing Policy

Mewah Group is committed to achieving highest standard of corporate compliances and ethical standards in its dealings. We encourage our employees to play their part in improving overall effectiveness and success of the organization. By creating an atmosphere of openness and trust, we encourage the employees to use internal mechanism for reporting of any malpractice, illegal acts or omissions by any of our employees or ex-employees.

We have a whistle-blowing committee that is led by the Senior Management. All matters reported will be reviewed and if required, investigated by the committee. Meanwhile, the investigation and the identity of whistle-blower will be kept under the terms of strict confidentiality. We will not tolerate any harassment or victimization of the whistle-blower.



CORE AREA 2:

SEDEX SMETA COMPLIANCE

Sedex (Supplier Ethical Data Exchange) is a not-for-profit, membership organization that works with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains.

It is an audit methodology, uses the Ethical Trading Initiative (ETI) Base Code and the local law as its monitoring standards. The 4 Pillars SMETA are:

- i. Labour Standards,
- ii. Health & Safety,
- iii. Environmental Sustainability, and
- iv. Business Ethics.

Sedex certification is a global benchmark for human right. Our main refineries are long certified by Sedex as all our major customers are entrusted in this certification.

SMETA 4 Pillars



Labour Standards



Health & Safety



Environmental Sustainability



Business Ethics

Focus Area 4: Valuing Our People

CORE AREA 3:

TRAINING & DEVELOPMENT

We continuously assess, develop, and strengthen our human capital in order to ensure that we have the right competencies, capabilities, and passion to drive our mission and to actualize our vision. Human talent is one of the most important resources that the company has. We believe that our people are our most powerful catalyst for growth. By developing and investing in our employees, we are creating important propellers and foundations for our future growth. The company will only succeed by having employees who are willing to invest their time and energy into the growth of the company.



Mewah is committed to grow with our people and make the company a vibrant workplace. We provide our employee with a work environment that supports professional and personal development, offer a variety of career opportunities and create high-performance and collaborative team.



3.3.1 Recruitment and Retention

Hiring and retaining talented employees are crucial to the success and growth of any business. Today, with the competition for talents growing more intensive, our recruitment focusses not only on job skills but also on positive personal attributes such as leadership.

Retention is also the key to a successful healthy work culture of any vibrant and dynamic organisation. Retention means less disruption and more stability. This translates to a sustainable workforce who creates a sustainable work culture and a successful organisation orientated towards its workforce.

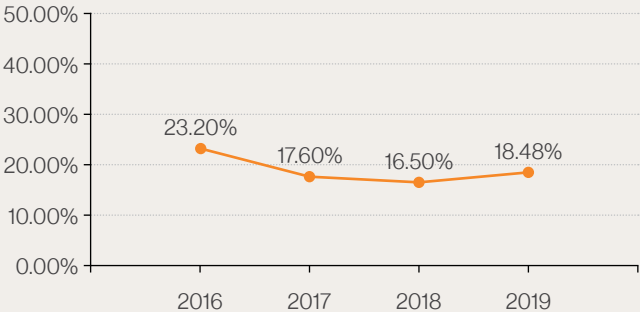
These practices include listening to and respecting our employees' feedback on their concerns and ideas, setting up performance-based rewards and a direct engagement platform by assisting them with their career development. We recognize too that our employees must feel engaged, valued and appreciated.

3.3.2 Recognizing and Rewarding Performance

We recognize every employee is vital to the growth and progress of the company. Our recognition and reward framework aim to retain and motivate the talent needed to grow and sustain our business.

We constantly seek to establish clear communication between managers and employees about what they are expected to accomplish. The performance-based system is a continuous process where managers and employees set goals through annual tasks & objectives (T&O) exercise. The T&O set is then translated into departmental T&O and individual employee T&O so that every employee is aligned to our overall objective of building a sustainable business.

Employee Turnover Rate



Focus Area 4: Valuing Our People

CORE AREA 3:

TRAINING & DEVELOPMENT (cont'd)

3.3.3 Training and Education

Training and education are investments in human capital that delivers benefits to both employee and employer. We support our employees in their work and career goals by identifying training needs and development opportunities. The most important form of development is on the job training whereby the supervisor will identify key stretch goals and regular sit-downs with the employee to ensure consistent feedback on their key objectives.

In year 2019, we have designed training and education program which aim to equip our employees with relevant skill sets and competencies for their roles and responsibilities. For instance, all our employees are given opportunities to attend monthly “Brown Bag Lunch” session and the 7 Habits of Highly Effective People® Programme that are specifically designed to develop the technical skills, abilities, and habits of human effectiveness. Our “Brown Bag Lunch” sessions deliver series of training topics ranging from commercial perspective, IT, cyber security, safety and health, to sustainability awareness. We aim to give opportunities to every employee to realize their potential in order to pursue their careers with Mewah.



CORE AREA 4:

SAFETY, HEALTH AND WELL-BEING

Workplace safety is everybody's concern. Any work-related injury or loss of life is unacceptable. At Mewah, health & safety of our employees is always our top priority. We want Mewah to be an attractive workplace for our employee by ensuring each and every employee is healthy and safe both physically and mentally. With over 3,000 people employed in our palm oil operations, we understand that we should take this opportunity to provide good livelihoods and develop opportunities to all our workers and their families.

In addition to our Sustainable Palm Oil Policy, we have put in place following labour and human rights policy: Group Health and Safety Policy, Human Rights, Labour, Sexual Harassment. We expect all our own operating sites to adhere to all of these policies. To ensure that safety is properly addressed, we have a specific Group Safety Policy in place in all our operating sites with the following guidelines:

1. Comply with the current legal and other related and applicable health & safety requirements, regulations, approved codes of practice, standards and guidelines in countries we operate;
2. Establish an Occupational Safety and Health Management System at all operating units;
3. Formulate, establish, communicate, implement and maintain safety management systems at work;

4. Provide employees with adequate knowledge and training to ensure competency in performing their tasks to maintain a safe and healthful working conditions;
5. Prevent and minimize any potential adverse safety & health impacts arising from our operations, product and services;
6. Ensure continuous improvements in total safety & health management system.

All our policies are set out to ensure that our business is conducted in an ethical manner, that our employee's human rights are respected, that everyone are treated equally and work in a safe environment. Most importantly, all our employees return home to their family as healthy as they were when they arrived at work.

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 Safety Framework focuses on 6 core areas:

- A. Plant design
- B. Safety procedure
- C. People focus
- D. Training & awareness
- E. Emergency management
- F. Enforcement



Training on Mewah Group Safety Framework

Focus Area 4: Valuing Our People



CORE AREA 4:
SAFETY, HEALTH AND WELL-BEING (cont'd)

Mewah Group Safety Framework

ZERO Accident
ZERO Fatality
Lost Time Injury Rate = 0



CONTINUOUS MONITORING & IMPROVEMENT

ALL ACCIDENTS ARE PREDICTABLE, PREVENTABLE & UNACCEPTABLE



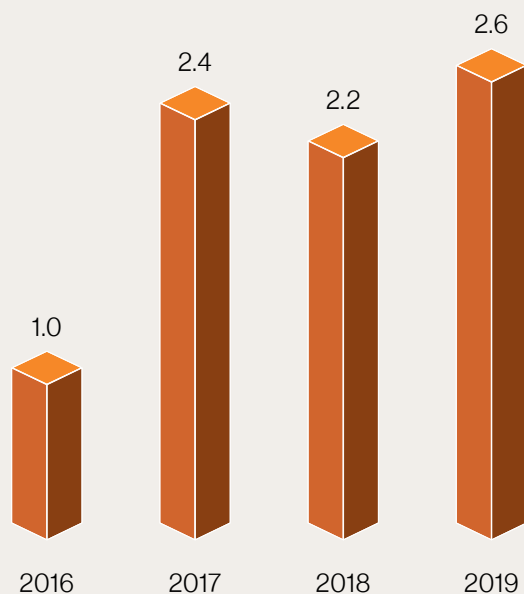
Managing and Improving Workplace Safety

Improving health and safety at our workplace has been our key performance plan in 2019. We have unveiled a number of new initiatives to further strengthen our safety culture. This includes implementation of a robust safety framework to identify, correct and control hazards on an ongoing basis, a more inclusive health, safety and environment (HSE) program and evaluation of the effectiveness of overall factory safety management practices. We are also looking to address ergonomics risk factors at our employees by carrying out principle of occupational ergonomics training. The goal is to eliminate discomfort and risk of injury due to work as well as to design or modify the work that fit to our employee, not the other way round.

Every accident case is followed by a root-cause analysis to review its cause and actions to prevent reoccurrence. The reviews are reinforced with continued efforts in training and PPE use to minimize, if not eliminate risks. Safety Committee is formed at every factory to oversee the factory's production safety management and employee safety and health. The Safety Committee is responsible for ensuring that practices are in line with Mewah's Group Safety Policy.

To support this safety framework, we have a comprehensive workplace safety program to improve workplace safety. To measure the effectiveness of these programs, we have adopted a measurement of both leading and lagging indicators. We choose to focus not only on lagging indicators (e.g. Lost time injury rate) that report on the outcomes of safety initiatives, but also give equal consideration to leading indicators (e.g. training, safety audits, safety suggestions) that measure our employee safety behaviour and mind-set. By engraining safety as a part of a culture and habit, we hope to minimise unsafe employee behaviour.

Lost Time Injury Rate (per 200,000 working hours)



Leading Indicators:

1. Safety Training
2. Behavioural Audit
3. Drills & Safety Audit
4. Hazard & Near Miss Reporting
5. Employee Involvement in Safety Programs
6. Periodical Equipment/Machinery Maintenance
7. Perception Surveys on Safety Suggestion and Safety Observation
8. Hazard Identification & Risk Assessments
9. Reward/Recognition

Lagging Indicators:

1. Accident Investigation
2. Lost Time Injury
3. Man-days Loss
4. Injury Frequency and Severity
5. Reported Incidents

Focus Area 4: Valuing Our People

CORE AREA 4:
**SAFETY, HEALTH AND
 WELL-BEING** (cont'd)



In 2019, it is with regret that we report a higher lost time injury rate (LTI). Higher number of major accidents were reported at Mewah's Malaysia refineries. All accidents were thoroughly investigated, and a series of steps have been taken to improve training and raise awareness. On top of this, several measures have been put in place to ensure appropriate risk assessments are conducted, fixing faulty equipment, ensuring appropriate tools and PPE are provided.

Systemizing safety procedures & best practices and cultivating positive safety culture are the two major thrusts for safety improvement in 2019. Our Management passionately believe in building a dynamic safety culture in all Mewah's factories, as the key to long-term and sustainable health and safety success.



DANNY CHUA,
 MEWAH GROUP FACTORY OPERATION CONTROLLER

**4.4.1 Health, Safety & Environment (HSE)
 Campaign in all Production Sites**

To keep abreast of the health & safety awareness in our employees, we periodically conduct both in-house and external safety trainings in all production sites. In addition, every site will hold a week-long HSE Campaign Program annually. The primary objective of this campaign is to create organized efforts and procedures for identifying workplace hazards that aims to reduce accidents and exposure to adverse situations.

It also provides training of personnel in accident prevention, accident response, emergency preparedness, and use of protective clothing and equipment.

We maintain our focus on safety and are following through with our efforts to strengthen our safety culture. Key performance indicators that link employees' remuneration to their health and safety performance are now being set to instill a behavior-based safety culture, support increased safety awareness and improve safety practices.



Fire Knowledge Enhancement Program at our palm oil mill

4.4.2 Healthier Lifestyle Begins from Workplace

At Mewah, we consider workforce and community health issues to be the key aspects of our business continuity plan. We provide support programs and services to help our employee live healthier lives. We are committed to make certain our people stay safe and health as it is directly linked to their productivity and satisfaction to work with us. Our coordinated approach to health involves a combination of processes, policies, benefits and supports.

We offer a suite of health initiatives to help our people maintain a healthy lifestyle such as health awareness programs and sport activities. Annual health screening event, health talks and company sport activities are also part of our efforts in increasing health awareness and promoting healthier lifestyle.



Company health programs:

- Stress Management Program
- Health Screening
- Health Talk on Healthy Diet & etc.



Company sport activities:

- Football tournament
- Badminton tournament
- Fishing Competition
- Weekly Fitness Class & etc.





FOCUS AREA 5:

Community Support

Focus Area 5: Community Support

MAKING A DIFFERENCE – IN THE LIVES OF OTHERS



Our Key Sustainability Efforts:

Poverty eradication is a key priority of the Group. We actively working with the underprivileged local communities by supporting them to form small enterprises such as facilitate the start-up of cafeteria business in our palm oil mill and for the individual farmers to make supplementary incomes by growing cash crops to improve their livelihoods in long run.



Our Key Sustainability Efforts:

We commit to fight hunger and eliminate food waste in the communities surrounding our operation. When we stop food waste, we take a big step toward ending hunger. We have put in concerted efforts primarily through community support programmes to instil good habits to reduce food waste. One example, our refinery in Pasir Gudang is working with local authority to recycle food waste from our factory by way of composting food waste scraps into organic soil nutrients.



Our Key Sustainability Efforts:

Education is an essential catalyst for positive change in society. We support local schools with educational materials as well as provide free tuition for children from underprivileged families. We are endeavour to do our best to enable all children in our communities for an opportunity to access to mainstream education.



Our Key Sustainability Efforts:

The Global Goals can only be met if we work together. Over the years, we built effective partnership with a number of local non-profit organizations so as to enable us to reach out more people in need and extend greater impact to the societies.



Focus Area 5: Community Support

At Mewah, we passionately believe in being a good citizen and proactively engage with the community which we operate in. We believe that our business activities have a direct as well as indirect impact on the livelihoods and quality of living of both our employees and individuals in these neighbouring communities. Contributing to, and being part of, the communities in which Mewah operates is essential for maintaining a positive relationship with our neighbours. Our approach is therefore to ensure that we bring meaningful and lasting benefits to communities, and build open, honest and mutually beneficial relationships. In accordance with this approach, we are committed to addressing the needs of locals by regular engagement activities to understand 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 needs of the community and also to facilitate self-reliance, particularly through the provision and support of education, healthcare and infrastructure. 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.

Our community objectives are:

- A. Active Volunteerism of our Employee
- B. Supporting the Next Generation
- C. Disaster Relief

In order to understand how much social value we create within the communities, we have put up a corporate social responsibility (CSR) framework to measure the impacts and outcomes of our programs. By quantifying the value and impact, we can assure our stakeholders that our CSR activities continue to deliver our community objectives with desirable outcomes such as increased in number of beneficiaries, a greater percentage of happiness index and employee participation rate as well as improved livelihoods and food security of our communities.

Year 2019 – Summary of Mewah’s CSR Achievement



Support
626
Special Children



Children Education for
4,500
Beneficiaries



Donation to
>210
Orphans



Aid
>460
Fire Victims



5,800
River Pollution
Victims



Blood Donation from
>470
Donors



Visit & Donate to
80
Elderly



Support
1,840
Beneficiaries from
Underprivileged
Family



Collaborate with
16
Non-Profit
Organizations¹



Local Communities
Engagement with
14,000
Villagers



Donation to
>250
Cancer
Patients

Remarks:

1. Non-Profit Organisations include Care Haven Children Home, Cerebral Palsy Association, Children Wishing Well, Down Syndrome Association Singapore, FoodBANK Singapore, Jireh Charity Village, Kechara Soup Kitchen (KSK), Larkin Fitrah Qaseh, National Cancer Centre Singapore (NCCS), Persatuan Rumah Caring Kajang, Pusat Jagaan Setanggi Kasih, Rumah Caring Kajang Old Folk Home, Semenyih Sejiwa Hati Children Welfare Society, Sherun Old Folks Home & Handicap, Willing Heart @ Soup Kitchen (Singapore), Xi Le Er Special Children Care Center.

A. Active Volunteerism of our Employee – To create positive impact in our communities

We believe that everyone can contribute and make a difference to the community and lives of others. We encourage our staff to volunteer and give back to the community. We believe that active employee volunteerism not only helps the community but contributes to the holistic development of our employee in terms of compassion, perspective and character building. It also helps to improve morale within our company. Therefore, we hold companywide community volunteer events so that the majority of our staff can find it easier to volunteer to give back to community.

B. Supporting Our Next Generation

We believe that every child deserves a chance at a life filled with love, laughter, friends and family. Our works focus in improving access to inclusive and quality education for all, we strongly believe that education is a cornerstone for empowering individuals and communities to break out of poverty and build meaningful lives in long term. Every year, a number of fund-raising activities will be held internally and externally to distribute funds, groceries and stationeries to the children charitable organization. Our efforts are not only directed at alleviating the disablement of the less fortune children but also at giving the child a hope for the future.

C. Disaster Relief

Disaster relief refers to fast aid provided for alleviating the suffering of our neighbourhood disaster victims. Natural disasters often damage victims' goals and ambitions; which is why disaster relief is highly important. Beyond the immediate physical damage and loss of life, disasters can also cause long-term damage to disaster survivors and communities. As such, we are often stay alert to the needs of supporting the communities that we operate in and to help our neighbours in their time of need.



*In Mewah Group, we always inspire all our stakeholders to be socially and environmentally sensitive towards community in our surrounding. Thus, **ASPIRATION** has become one of Mewah Group's core values to inspire, motivate our people, customers and community at large, to continuously change and live for better.*

*In year 2019, NCHM announced a new motto "**WE CARE**" as to reach out to the local community in our neighbourhood who need our attention and support. A series of CSR programmes and Green Initiative programmes were put in place that had benefited more than 750 people in our neighbourhood. We believe strongly that we can create a more caring community by forming a stronger bond to the people. Thus, the whole idea is to maintain continuous **ENGAGEMENT AND INTERACTION** with the local communities and never stop giving back to the people.*

*As we look ahead in year 2020, we are committed to continue our efforts in serving the people and to bring together the local communities in our CSR initiatives. We are devoted to deliver meaningful CSR programmes that can create stronger ties and long-lasting benefits to our stakeholders because "**WE CARE**".*



THOMAS LIM,
Factory Manager, Ngo Chew Hong Oils & Fats (M) Sdn. Bhd.

Focus Area 5: Community Support

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. KSK has set up training center since year 2018 to train and empower single mothers with knowledge and skills.

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 do more for the deprived children particularly on the education.



One of the solutions to solve the urban poverty and homelessness problem is to start with the young generation.

They need to be taught and educated. At least equipped with the basic knowledge and skills so that they can get employment opportunities to earn a living by themselves when they grow up. Learning the right moral values and most importantly, contributing back to the community.

Special thanks to Mewaholeo Industries Sdn. Bhd. for having such a good CSR program to educate the next generation and solve the problem from the root.



Senior Management of Kechara Soup Kitchen





Supporting our neighbourhood through disaster relief – Sponsorship towards victims of Sungai Kim Kim water pollution

As part of society, we are responsible to play our role to make contribution in humanitarian programs and relief efforts.

In March 2019, the outbreak of Sungai Kim Kim chemical waste pollution threatened the health of the residents in Pasir Gudang. The water pollution was followed by air pollution, poisoning more than 1,000 victims in Pasir Gudang. The air was polluted with acrylonitrile, xylene, methane and toluene which, if inhaled, can cause headache, nausea, fainting and breathing difficulty. Hundreds of the victims was badly affected and hospitalised due to the incidents. We sponsored food and resources to the victims as part of our CSR initiatives.

The second wave of pollution in Pasir Gudang district took place in June 2019. Schools and kindergarten

were closed as the pollution threaten the health of more than 20,000 students. Due to tremendous increase in numbers of victims, our safety officers from Mewaholeo Industries has joined force with Pasir Gudang Municipal Councils (MPPG) and Department of Environment (DOE) by contributing additional equipment as well as manpower. We sponsored gas detectors to 5 schools located in Pasir Gudang to protect more than 3,500 primary and secondary students by monitoring the surrounding air quality.

Moving forward, we are committed to expand scope of responsibilities to continue support the needs of our local communities in disaster relief.



Focus Area 5: Community Support

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. Estimated about 70 houses were destroyed leaving about 300 people homeless. Our employees from 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.



Fighting against poverty – Cafeteria at Jambi to transform “starving” to “serving”

We recognize our role in promoting economy and boosting development in the local communities, especially rural communities surrounding us. As such, we actively help to promote small enterprises and assisted the local communities in generating income to improve their livelihoods. Instead of relying on donations, social enterprise depends on making money to do good, using its profit with a purpose. We believe that it is the key to make greater positive impact for the long term.

One of the programmes was to provide opportunities to underprivileged families around PT Angso Duo Sawit in Jambi to earn a living on their own and improve their quality of life. With the joint efforts by our employees, we built a cafeteria and awarded three underprivileged families as the cafeteria operators. With the objectives of creating wealth and combating poverty, our cafeteria serves not just our employees but also the locals. The income generated from the cafeteria has successfully sustained the family members and supported their children in education.

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GLOSSARY

Biological Oxygen Demand (BOD)

The amount of oxygen used when organic matter undergoes decomposition by micro-organisms in a given water sample at certain temperature over a specific time period.

Carbon Dioxide Equivalents

Carbon dioxide equivalents (CO₂e) provide a universal standard of measurement against which the impacts of releasing different greenhouse gases can be evaluated.

Effluents

Water discharged from one source into a separate body of water, such as the refinery plant process water.

Fresh Fruit Bunch (FFB)

Fruit bunch that harvested from the oil palm tree. The weight of the fruit bunch ranges between 10kg to 40kg depends on the size and age.

Global Reporting Initiative (GRI)

A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.

Greenhouse Gas (GHG)

GHG refers to gases that have the ability to trap heat in the atmosphere and keep the planet warm. The primary greenhouse gases in our atmosphere are Carbon Dioxide, Methane, Water Vapor, etc.

Greenhouse Gas Emissions

GHG Emissions is an all-encompassing measurement for the carbon footprint and energy efficiency in our production.

High Conservation Values (HCV)

The concept of High Conservation Value Forests (HCVF) was first developed by the Forest Stewardship Council (FSC) in 1999 as their ninth principle. The FSC defined HCVF as forests of outstanding and critical importance due to their environmental, socio-economic and cultural biodiversity and landscape value.

High Carbon Stock (HCS)

The high carbon stock (HCS) approach is a methodology to avoid deforestation in land development. The methodology was initially developed in a partnership between Greenpeace, TFT and Golden Agri Resources. The approach stratifies the vegetation on area of land into different classes using analyses of satellite images and field plot measurements. Each vegetation class is validated through calibrating it with carbon stock estimates in the above-ground tree biomass.

International Sustainability and Carbon Certification (ISCC)

ISCC is a sustainability certification system covering the entire supply chain and all kinds of bio-based feedstocks and renewables. It is officially recognized by the European Commission under the European Energy Directive ("RED").

Mass Balance (MB)

The mass balance system allows for mixing of RSPO certified and non-certified palm oil at any stage in the supply chain provided that overall company quantities are controlled. The mass balance model is designed in such way that volumes of RSPO certified product shipped will never exceed volume received by the end-user.

Non-Governmental Organization (NGO)

The term of NGO used in this report refer to grassroots and campaigning organizations focused on environmental or social issues.

Peat

Peat is an accumulation of partially decayed vegetation matter. Peat forms in wetlands or peat lands, variously called bogs, moors, muskegs, pocosin and peat swamp forests.

Roundtable on Sustainable Palm Oil (RSPO)

RSPO is a multi-stakeholder organization that unites stakeholders from 7 sectors of the palm oil industry including the oil palm producers, processors or traders, consumer goods manufacturers, retailers, bank, environmental NGO and social NGO to develop and implement global standards for sustainable palm oil.

Segregation (SG)

The Segregation supply chain model assures that sustainable palm oil from different certified sources is kept separate from ordinary/ conventional palm oil throughout supply chain.

Stakeholders

Stakeholders in this report refer to any group or individual who are affected by or can affect the company's operations.

Sustainability

A term expressing a long-term balance between social, economic and environmental objectives.

ABOUT THIS REPORT

Scope of the Report

We adopted the Global Reporting Initiative (GRI) Standards at core level as our reporting framework in year 2019. It focuses on Mewah Group's sustainability strategies and practices, highlighting the economic, environmental, and social aspects of the Company's activities and developments.

The report covers all sustainability issues that deemed material by Mewah. We have chosen to focus our reporting in our downstream operations as this is our core business in Malaysia. It provides an overview of our approach, priorities and targets, as well as a baseline performance review in several key areas. This Report supplement our 2019 annual report that can be found on <http://www.mewahgroup.com/upload/AnnualReports/>

The report brings together our sustainability initiatives, including current and future direction. It is intended to be useful for our stakeholders – our customers, employees, shareholders, communities as well as being a communication tool to various interested parties about our approach to the social and environmental development.

Completeness

This report provides a complete overview of our core businesses within the established scope. The data in this report covers 1 Jan – 31 Dec 2019. Where possible, we have sought to include historical data as a benchmark. We believe that the data presented are a fair representation of performance, and have included detailed notes in relevant sections to ensure transparency.

Assurance

This is the third Mewah Group's Sustainability report. We have carried out extensive review with both internal and external stakeholders to identify gaps since the production of our first Sustainability report. Materiality assessment has been incorporated into our report. The outcome from materiality assessment enables us to recognize the economic, social and environmental issues that shape our business success. Moving forward, we will continue to use this report to engage our stakeholders and to understand what form of assurance they would like to see in our subsequent reports.

Contact and Feedback

We welcome any feedback or questions:

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