



MEWAH INTERNATIONAL INC.
**EMPOWERING
SUSTAINABILITY**

Sustainability Report
2018

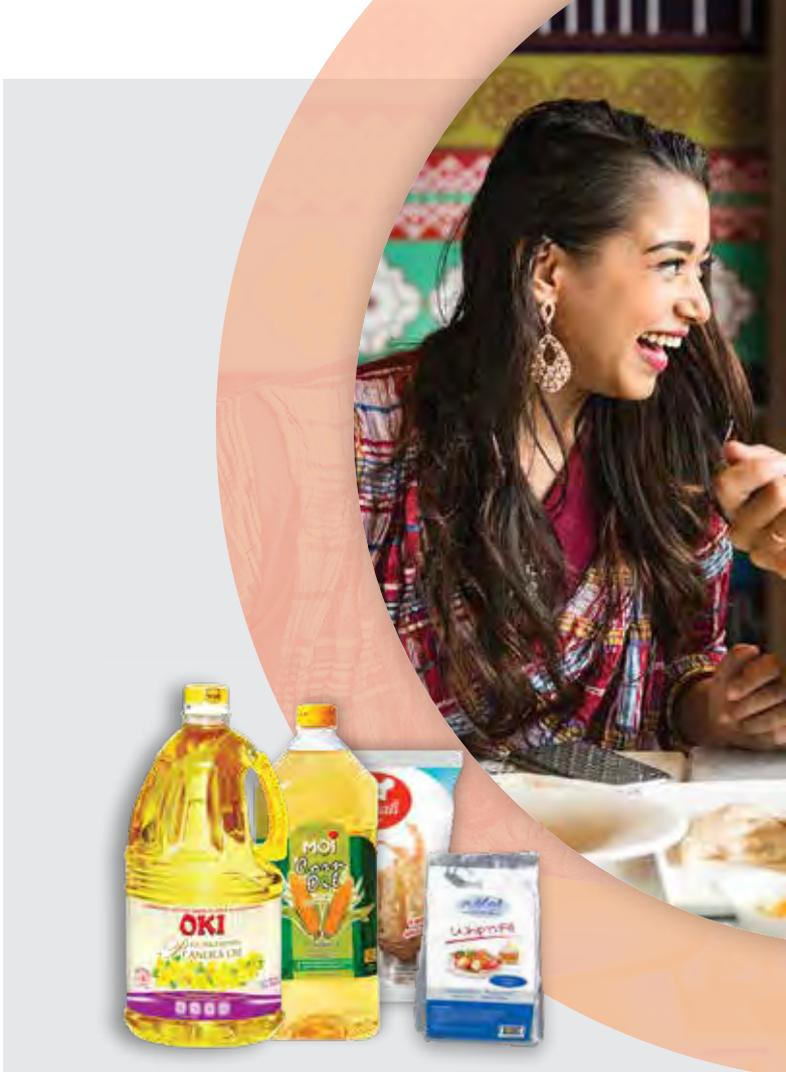


REPORTING SCOPE AND BOUNDARIES:

1. Mewah International Inc. published our first sustainability report in year 2017. In this second report, we remain focus on the core areas which are spelled out in our Sustainability Framework. We seek to strengthen and continue to improve on this framework.

Through this sustainability report, we endeavour to provide our stakeholders with an understanding of our sustainability approach, the measurements we have in place and our approach in building a sustainable business.

2. 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.
3. The content of this report focuses primarily on our refineries and manufacturing plants in Malaysia and Singapore. There has no restatement of information in the scope of our reporting from the previous report. We plan 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.
4. 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.
5. 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 our refinery operations.



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BOARD OF DIRECTORS' STATEMENT

We are pleased to introduce our 2018 Sustainability Report, which describes our commitment in our continuous commitment to integrate sustainable practices throughout our business.

We seek to deliver real, lasting value to all our stakeholders including shareholders, employees, suppliers, customers and the wider communities in which we operate. Our Sustainability Framework to address our sustainable practises in terms of minimising our carbon footprint in our factories, reducing water consumption and waste recycling and produce good quality products. We seek to influence our supply chain to have a sustainable and responsible sourcing policy and to contribute positively in the communities that we operate in.

We also seek to look after our employees by developing their careers and also ensuring that they have a safe environment to work in.

Safety is important to Mewah not only because we care for the people we work with, but because a safe business is also operationally sound. Responsibility starts at home, with a commitment to the safety, rights and wellbeing of our employees, the integrity of our business and supply chain, and respect for the environment.

In terms of product quality, we expect to develop, produce and market consistently high-quality products which meet the full expectation and preference of our customers. This is in compliance of all internal and external food safety, regulatory and quality requirements. We will further cultivate zero-defect & no-waste attitude and an attitude of quality assurance as a group-wide objective.

Our key highlights of our sustainability performance for 2018 are:

- Zero workplace fatalities and;
- 100 percent recycling of spent bleaching earth;
- For CPO sourcing, 100 percent traceability to Mill and 77 percent traceability to Plantation;
- For CPKO, we have achieved 100 percent traceability to Kernel Crushing Plant, 100 percent traceability to Mill, and 74 percent traceability to Plantation;
- Audited more than 65 percent palm oil mills since 2017;
- Achieved at least 5 percent reduction in GHG emission intensity.

These objectives are set in our "Journey In Sustainability" agenda.

Going forward, we remain committed to operating transparently and responsibly. We recognize that we will only achieve this aim through collaborative partnerships with all our stakeholders.

The Board would like to take this opportunity to thank all of those working at Mewah for their efforts to drive the success of our Company, which, in turn, delivers meaningful benefits for all of our stakeholders. We have worked hard to strengthen safety standards and improve our environmental performance, and we will continue to build a sustainable business. Our progress would not be possible without our people. We thank them all for their dedication and the part they play in creating a safer and more sustainable future.

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 occupy a leading share in its targeted markets having sold to customers in more than 100 countries, duly supported by its wide range of brands including 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.

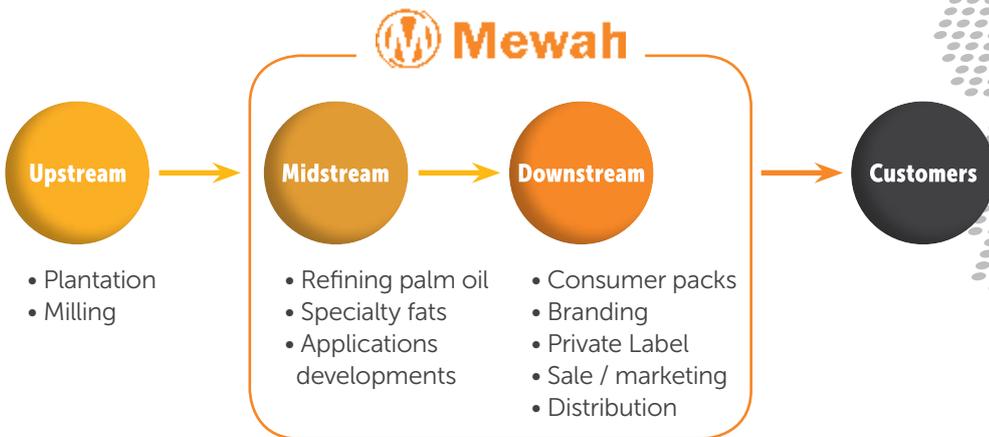
CORPORATE PROFILE

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.

>60
years
of operations



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

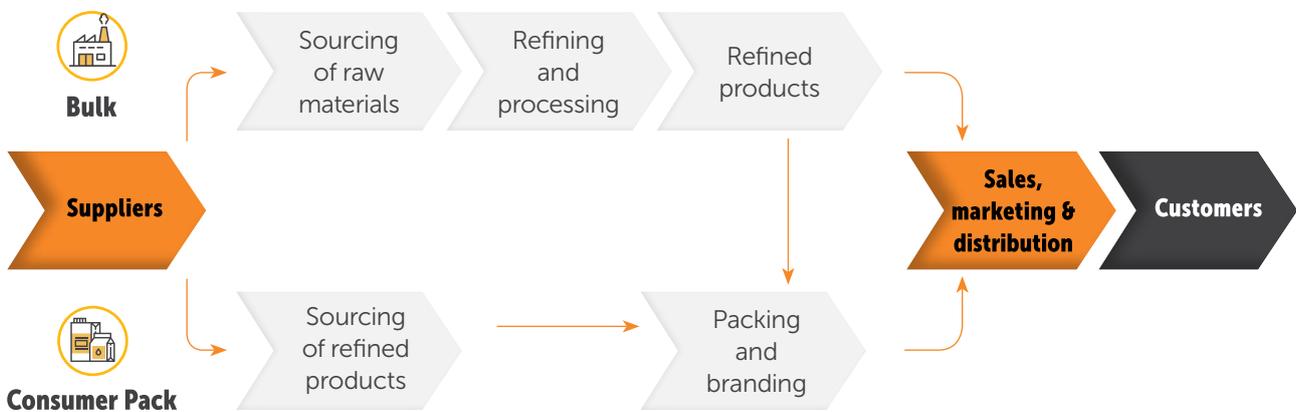


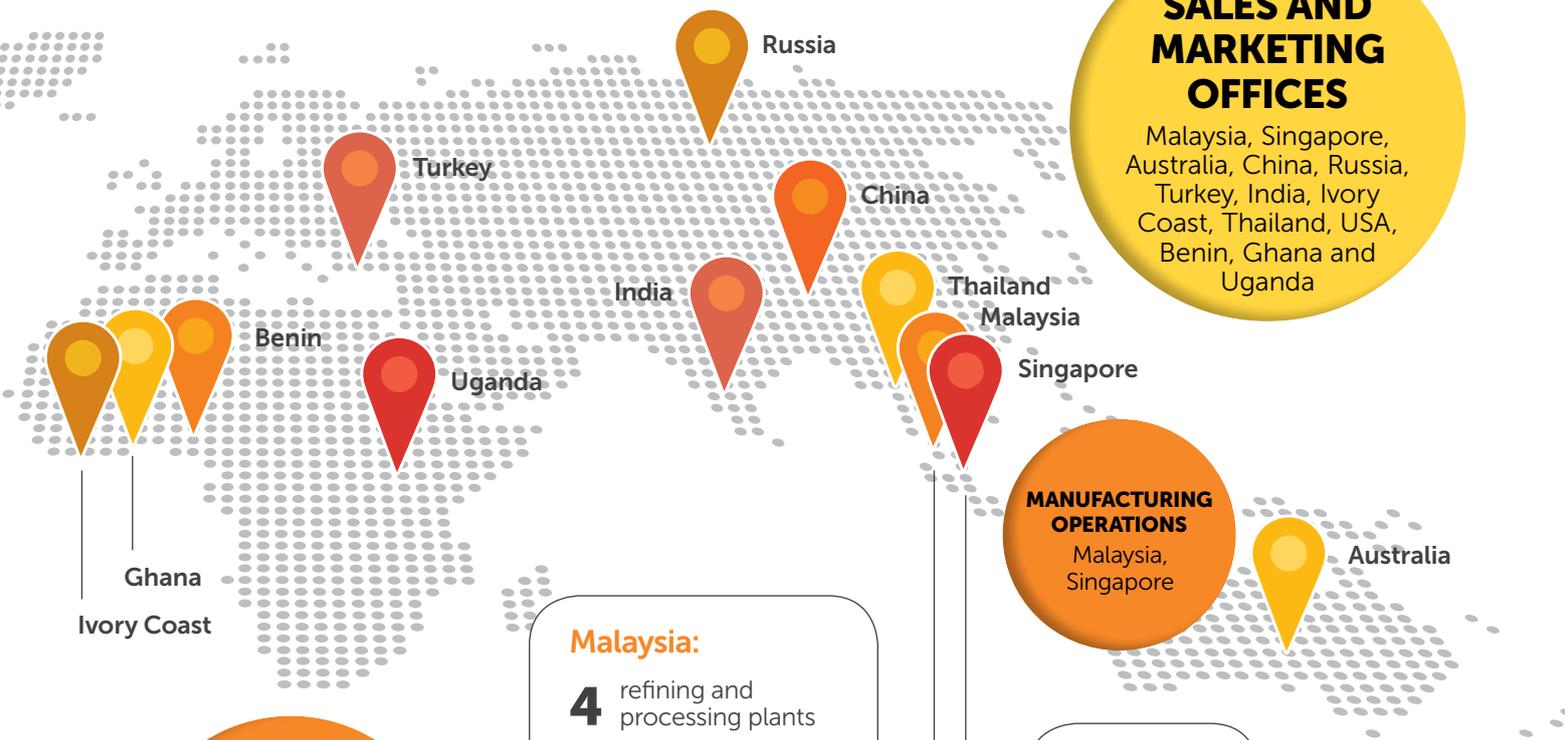
Bulk

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, Australia, China, Russia, Turkey, India, Ivory Coast, Thailand, USA, Benin, Ghana and Uganda

MANUFACTURING OPERATIONS
 Malaysia, Singapore

Australia

Total refining capacity of **3.5** million MT annually

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

- Singapore:**
- 1** packing plant

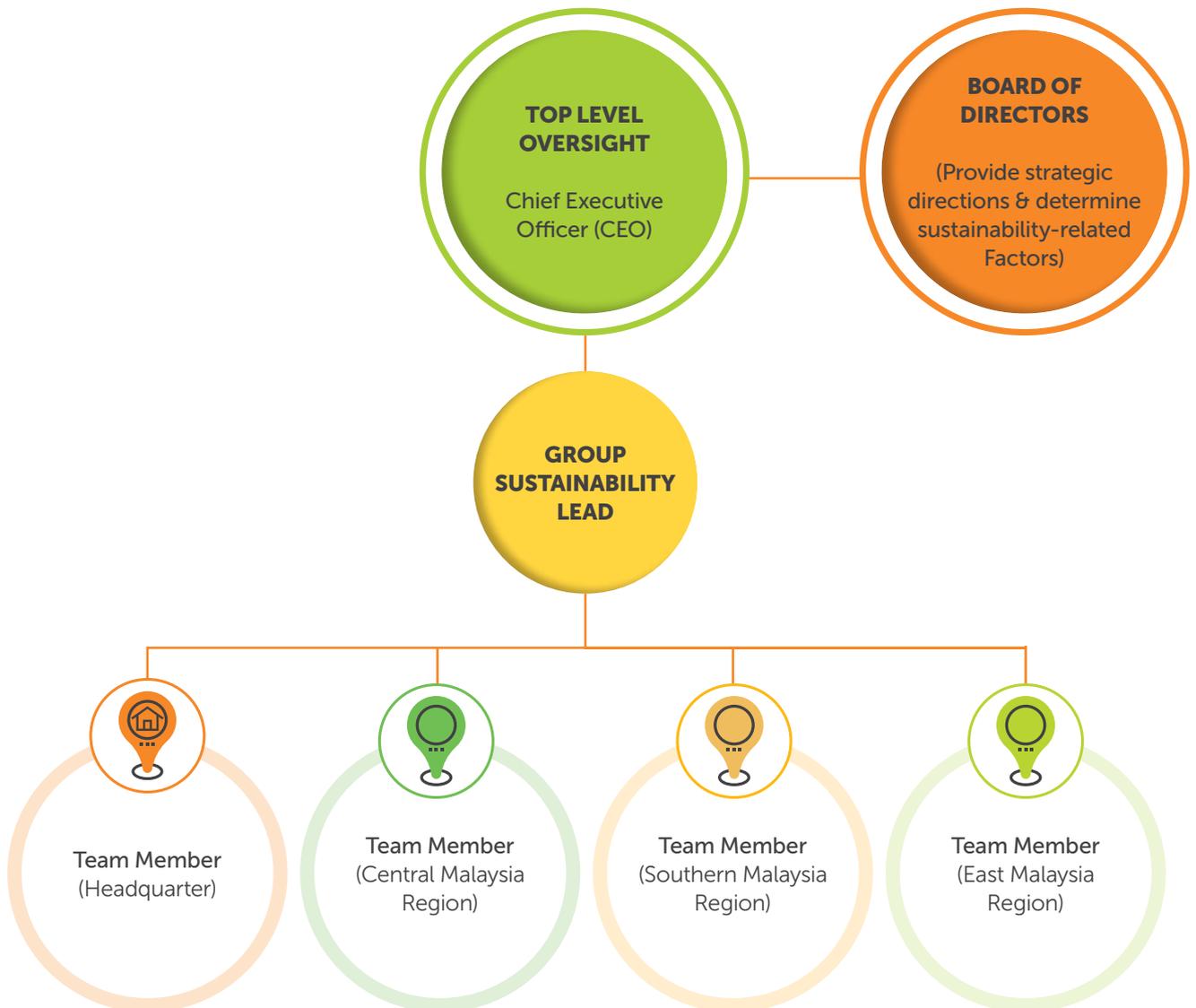
CONSUMER PRODUCTS RANGE

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**



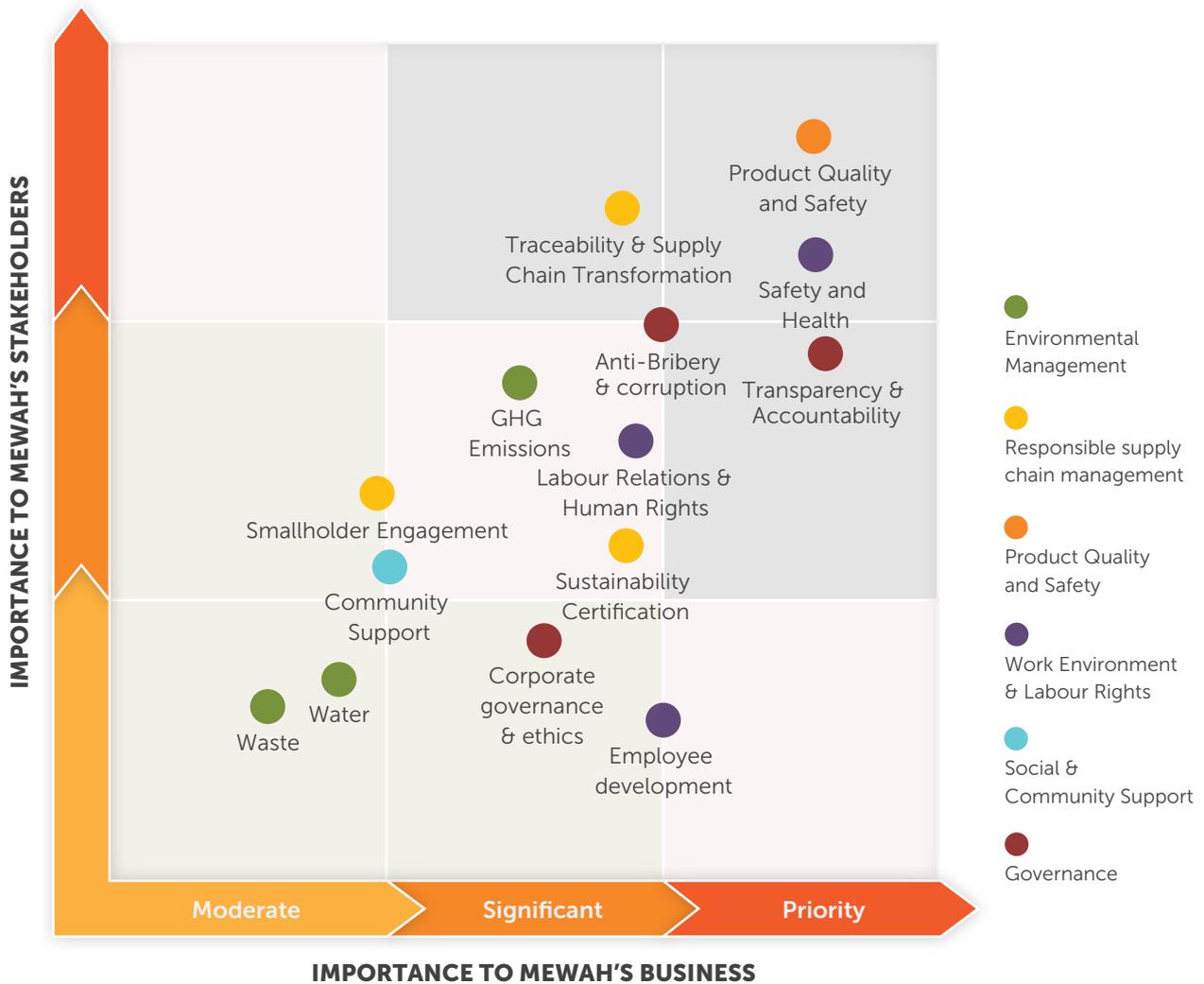
SUSTAINABILITY MANAGEMENT AND GOVERNANCE STRUCTURE



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 Sustainability Team consists of the representatives of our employees in all manufacturing sites. The Team is responsible for supporting the policy implementation; benchmarking and sharing best practices and ensuring compliance of our supply chain. Line management including factory managers and the operations team support the sustainability team on improving factory operations and sustainability practices. Looking after the welfare of the workers, engaging local communities and engaging with the supply chain.

MATERIALITY ASSESSMENT



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. The analysis has identified Product Quality & Safety, and Occupational Safety & Health as our top priorities, for both internal and external stakeholders. The next key priorities are Transparency & Accountability, Traceability & Supply

Chain Transformation, followed by Anti-Bribery and Corruption, GHG emissions, and Labor Relations & Human Rights. The assessment also highlights that our stakeholders place an emphasis on Sustainability Certification, and Community Support. The results will help to place enhanced emphasis on the key issues moving forward and not merely on clinical implementation alone.

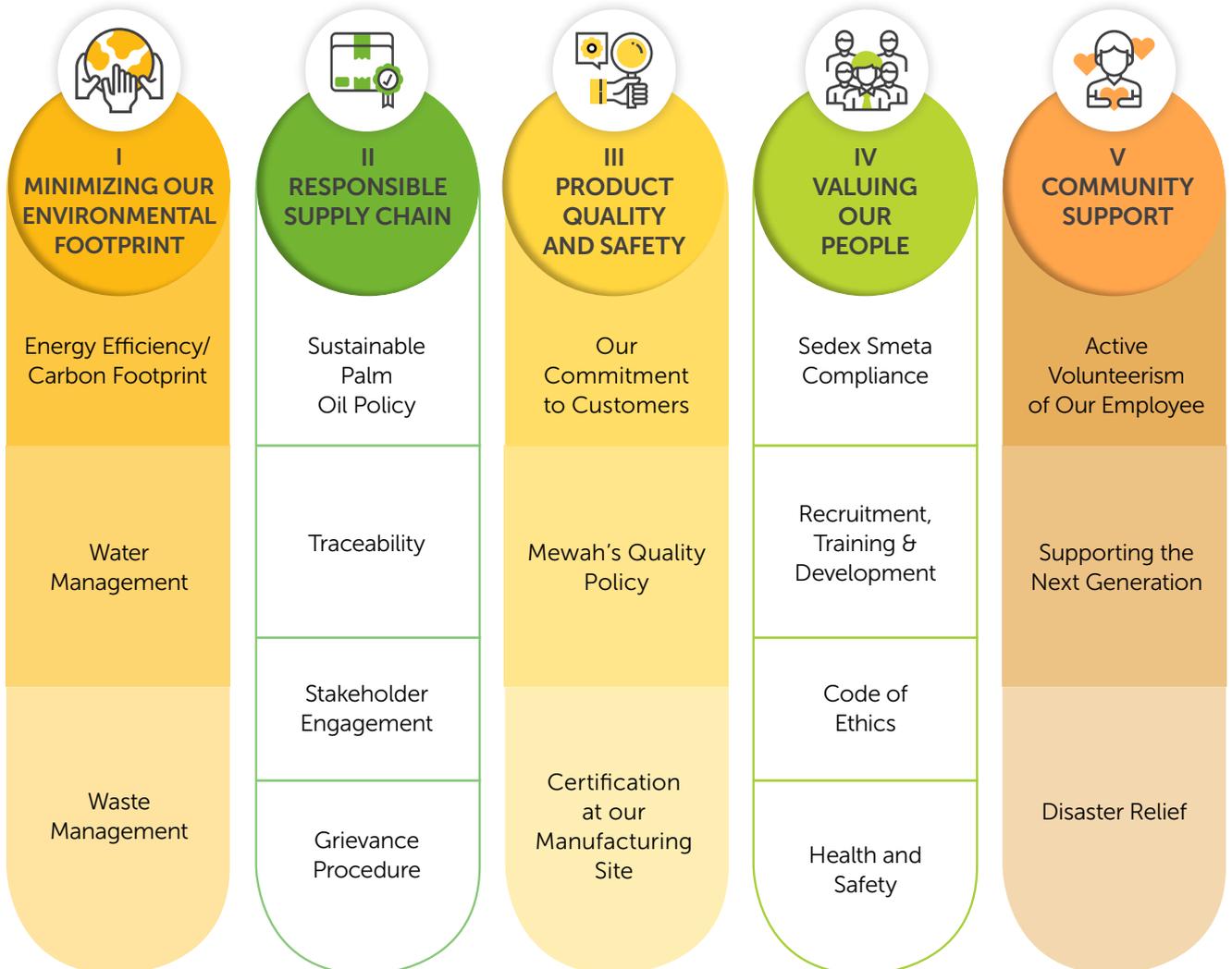
OVERVIEW OF MEWAH SUSTAINABILITY FRAMEWORK

At Mewah, sustainability is part of everything we do and building a sustainable business is part of our value proposition. We have worked unwaveringly to integrate corporate responsibility and sustainability across every aspect of our business.

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

THE FIVE (5) FOCUS AREAS AND THIRTEEN (13) CORE AREAS OF MEWAH SUSTAINABILITY FRAMEWORK:



KEY HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE IN YEAR 2018

4.85%

reduction in GHG Emission

8%

LTIR Improvement

Zero

workplace fatalities

100%

Recycling of Spent Bleaching Earth

100%

CPO Traceability to Mill

77%

CPO Traceability to Plantation

73%

CPKO Traceability to Plantation

>63%

Audited Palm Oil Mills since Y2017

>100

Suppliers Attended Supplier Engagement Workshop since Y2016

Collaboration with

11

Non-Profit Organization

BOD level of wastewater discharge

11ppm

COD level of wastewater discharge

59ppm

CPO & CPKO SUPPLY BASE SUSTAINABILITY CERTIFICATION

>22%

RSPO Certified Mills
RSPO Certified Mill

>40%

RSPO Certified KCPS

>26%

MSPO Certified Mills

>6%

ISCC Certified Mills

MINIMIZING CARBON FOOTPRINT



FOCUS AREA 1: MINIMIZING OUR ENVIRONMENTAL FOOTPRINT



At Mewah, we continue to evaluate and make changes in our operations and throughout our value chain to minimise our manufacturing 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) **Energy efficiency/ Carbon footprint**
- 2) **Water management/ Water footprint**
- 3) **Waste management/ Waste footprint**

The processing of edible oils is both complex and energy-intensive. Mewah's processing plants differ in capacity, capability and range of value-added products. This will bring about different environmental footprint in different facilities. However, we continue to relentless drive reduction of greenhouse gas (GHG), water and waste emissions within our own manufacturing operations.



CORE AREA 1: ENERGY EFFICIENCY/ CARBON FOOTPRINT

Carbon footprint is defined as the total amount of greenhouse gases (GHG) that is produced directly and indirectly associated 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. To this end we seek to measure our GHG emissions, identify the key emission sources and develop plans to reduce these emissions.

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

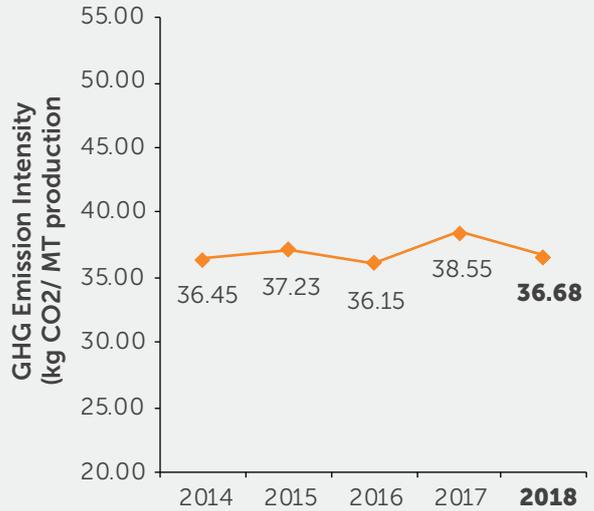
- i. Electricity consumption,
- ii. Chemicals consumption,
- iii. Fuel consumption.

We have developed a standard methodology to measure our GHG emissions from our production activity. These numbers are compiled on a monthly basis, evaluated and projects are in place to further improve these consumption figures.

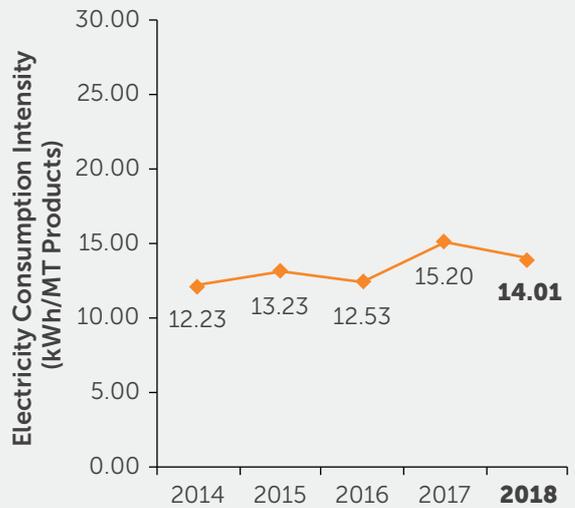
1.1.1 GHG EMISSIONS IN OUR PRODUCTION SITES

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). The total GHG emission decreased by 4.85% from 38.55(kg CO₂e/MT) to 36.68 (kg CO₂e/MT) over the period of 2018.

GHG Emission Summary



Electricity Consumption Summary





“ In Mewah Datu Sdn Bhd, we utilize the fiber from empty fruit bunch (EFB) and palm kernel shell (PKS) as boiler fuel to replace fossil fuel. The EFB and PKS are the solid waste from oil palm obtained from milling process. This agricultural waste is considered to have zero life-cycle greenhouse gas emissions up to the point of collection.

The utilization of biomass as fuel has helped to greatly reduce the net carbon emissions in our production process and it has improved our operating cost at the same time.

The usage of biomass energy is one of our sustainability efforts in minimizing the carbon footprint in our operation and we are proud to say that the greenhouse gas emission in our process has been successfully improved since year 2014 as we have progressively maximizing the utilization of biomass materials in boiler fuel. ”

TEW CHOON SENG,
PLANT MANAGER, MEWAH DATU SDN. BHD.

CORE AREA 2: WATER MANAGEMENT/ WATER FOOTPRINT

1.2.1 OUR FOCUS & ACTION PLAN

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

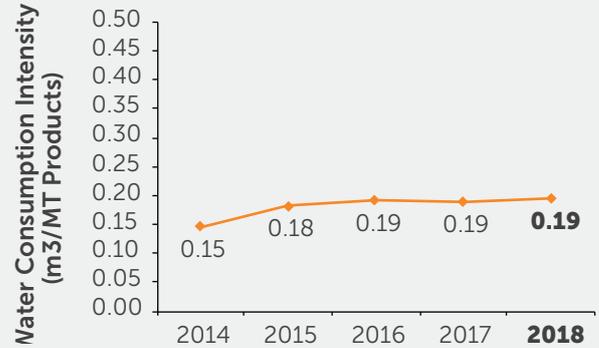
- I. Setting quantitative water footprint reduction targets in all manufacturing sites
- II. Apply standard terminology & calculation methods
- III. Monthly assessment on quality & quantity of wastewater discharge

Our action plan in reducing our water consumption includes:

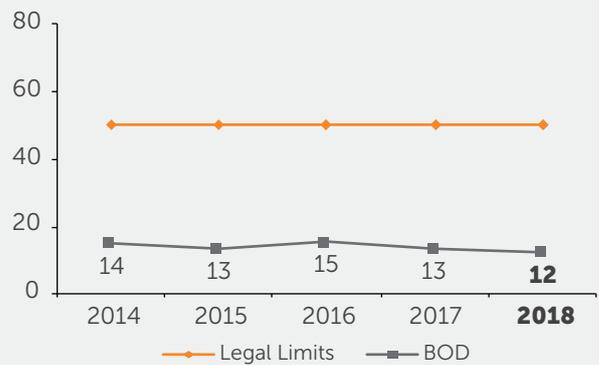
- I. Consistently assessing water-related impacts and risks across our supply chain.
- II. Identify uses of water in our factories and set targets to reduce fresh water use.
- III. Continue to improve conservation efforts (water-saving efforts) at our factories.

One of our key initiatives to improve our water footprint is to recycle rainwater for various requirements by the factories. The efforts made so far recorded consumption efficiency at 0.19m³/product for all the manufacturing sites. In addition to this, we are also monitoring the impact of water discharged into rivers met the qualified quality. Thus far, the quality of the discharged water met the national environmental limit ie. the permissible limit of BOD and COD are at 50ppm and 200ppm respectively.

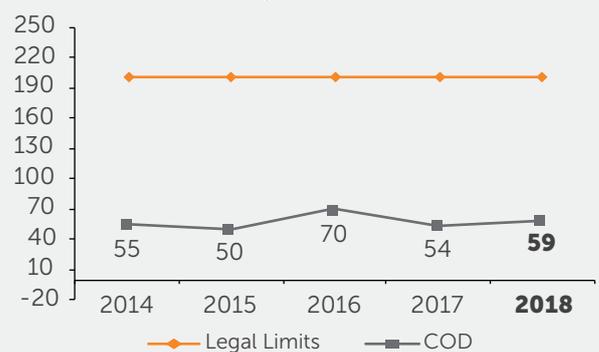
Water Consumption Summary



BOD Level Summary



COD Levels Summary



EFFECTIVE MICROORGANISMS (EM) MUD BALL CLEAN-UP FOR SUNGAI BULUH, PASIR GUDANG

In a bid to shed light on the myriad of positive impacts of mud balls have on water quality improvement, Mewaholeo Industries has collaborated with Pasir Gudang Municipal Council (MPPG) and Kemuncak Resources in initiating a water quality awareness program "Care for our River".

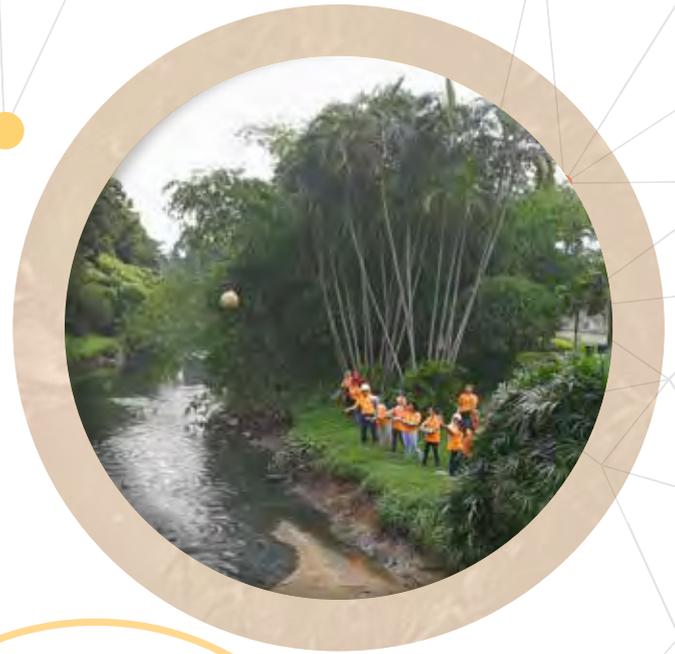
In this program, our people were guided on the purpose of the Effective Microorganisms (EM) mud balls and the making process of mud ball. The EM mud balls are made up of a combination of earth, EM treated rice-rinsed solution and "Bakashi", a fermented organic matter made using sawdust and bran. The mixture is patted into balls for slow disbursement in

the river. Mass dumping of these concoctions will not only break down harmful bacteria in the rivers, but also improve the self-purification ability of rivers by rejuvenating the ecosystem of which they are part of where lives can be sustained.

More than 60 of our employees volunteered to participate in making more than 900 EM mud balls which were subsequently dumped into Sungai Buluh river. The transformation was astounding. After a period of 3-month mud ball prescription, the metre-thick black sludge which smothered the riverbed had disappeared. Today, the water quality of the river is being monitored and analysed by the authority to ensure the positive outcome of the program remains sustainable.

We plan to carry out similar program in the coming years.





“ Mudballs enriched with Effective Micro-organisms is a consortium of “good” microbes that can degrade pollutants such as those contained within the noxious sludge that chokes riverbeds.

Our collaboration with Mewaholeo Industries Sdn. Bhd. commenced in year 2018. The collaboration and supports given throughout the program were extraordinary and the volunteers are just so-amazing to contribute selflessly in cleaning up the river. We hope that through the collaboration with Mewaholeo, we could encourage and inspire more industry players to organize similar events in future.

SITI ZALEHA BINTI MD GHAZALI

DEPARTMENT OF PUBLIC HEALTH IN PASIR GUDANG MUNICIPAL COUNCIL (MPPG)

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 working on a comprehensive waste management plan that include 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 4 **Rs**' components in managing waste: Reduce, Reuse, Recover and Recycle.
 - i. **Reduce:** Focus to improve efficiency. To establish practices that are capable to reduce the amount of waste we generate to help the environment.
 - ii. **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.
 - iii. **Recover:** To set up ways to recover the energy values contained within the waste material.
 - iv. **Recycle:** Many of the things we use every day can be recycled. Recycled items are put through a process that makes it possible to create new products out of the materials from the old ones.



CORE AREA 3: WASTE MANAGEMENT/ WASTE FOOTPRINT

1.3.1 REDUCING GENERAL WASTE

The concept of waste minimization is fundamental in our waste management. In line with our ISO 14001 certification, we encourage our employees to use recyclable and bio-degradable bags and containers in order to sustain our environment and ecosystem. Moving forward, we plan to enforce "plastic-free" to ban the use of plastic bags and polystyrene foodware in all our factories. The first step is to set up a practical guide to educate our employees on the presence of plastic and its harmful effects on the environment.

1.3.2 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.

1.3.3 RECYCLING SPENT BLEACHING EARTH

Spent Bleaching Earth (SBE) is the major source of waste generated from our refineries. 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. At Mewah, 100% of our SBE generated from our refineries are recycled either as raw material for another manufacturer or used as biomass.

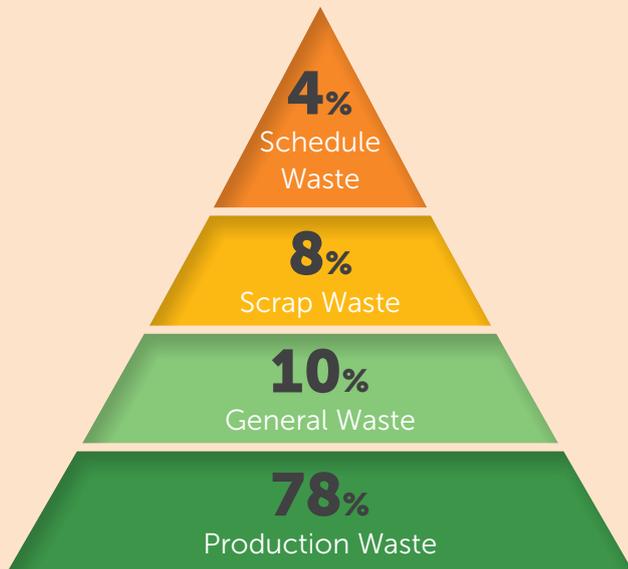
(Note: Bleaching earth is an adsorptive cleansing agent used in bleaching process to remove impurities and colour pigments in the CPO.)

1.3.4 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-product are highly regulated and they have to be disposed of at recovery sites as destinated 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 2018 WASTE FOOTPRINT



Our analysis shows that the production waste accounts for 68% 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.

The following pyramid list shows the contribution of general waste, scrap waste and schedule waste are 10%, 8% and 4% respectively of our total waste footprint.

“ In Ngo Chew Hong Oils & Fats, we adopted “Reduce, Reuse, Recover and Recycle (4Rs)” as the major components of waste footprint reduction initiative in our business operation.

As a responsible corporate, we always committed to operate our business in a responsible manner. We, at all times, ensure the refining process achieved at its efficiency in term of cost effectiveness, and minimized the consumption of processing aids such as Bleaching Earth (BE). By controlling BE consumption in refinery process, it will reduce the generation of processed waste - spent bleaching earth (SBE). Several efforts are being done in to realize this objective. In year 2018, we have successfully reduced 7.5% of BE consumption as compared to 2017. Thus, this figure is translated into 7.5% of reduction in SBE (waste) generation.

Conventionally, SBE was disposed into landfills and the waste disposal expenses are extremely high. Since 2015, with the collaboration of Eco-Oils Sdn. Bhd., we supply 100% of the SBE generated for secondary oil extraction/ oil recovery purposes. In line with waste management initiative, post extraction of SBE is comparatively eco-friendly. The extracted vegetable oil (recycle oil) will then be useful for commercial activities, simultaneously, it improves carbon footprint in our manufacturing activities.

THOMAS LIM,
FACTORY MANAGER, NGO CHEW HONG OILS & FATS (M) SDN. BHD.

OVERVIEW OF FOCUS AREA 1 MINIMIZING OUR ENVIRONMENTAL FOOTPRINT



**PENINSULAR
MALAYSIA**



Mewah Oils,
Selangor



Ngo Chew Hong,
Selangor



Mewaholeo
Industries,
Johor

SINGAPORE

Mewah
Datu,
Sabah



SABAH



**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, Mewah 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 is based upon the following 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.
3. To reject new oil palm development in forested peatland plantation after May 2015.
4. To respect human rights and ensure protection of the rights of all workers.
5. To respect the rights of indigenous people and local communities to give or withhold Free, Prior, and Informed Consent (FPIC) where oil palm development takes place.

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 increase transparency and accountability have been done through:

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

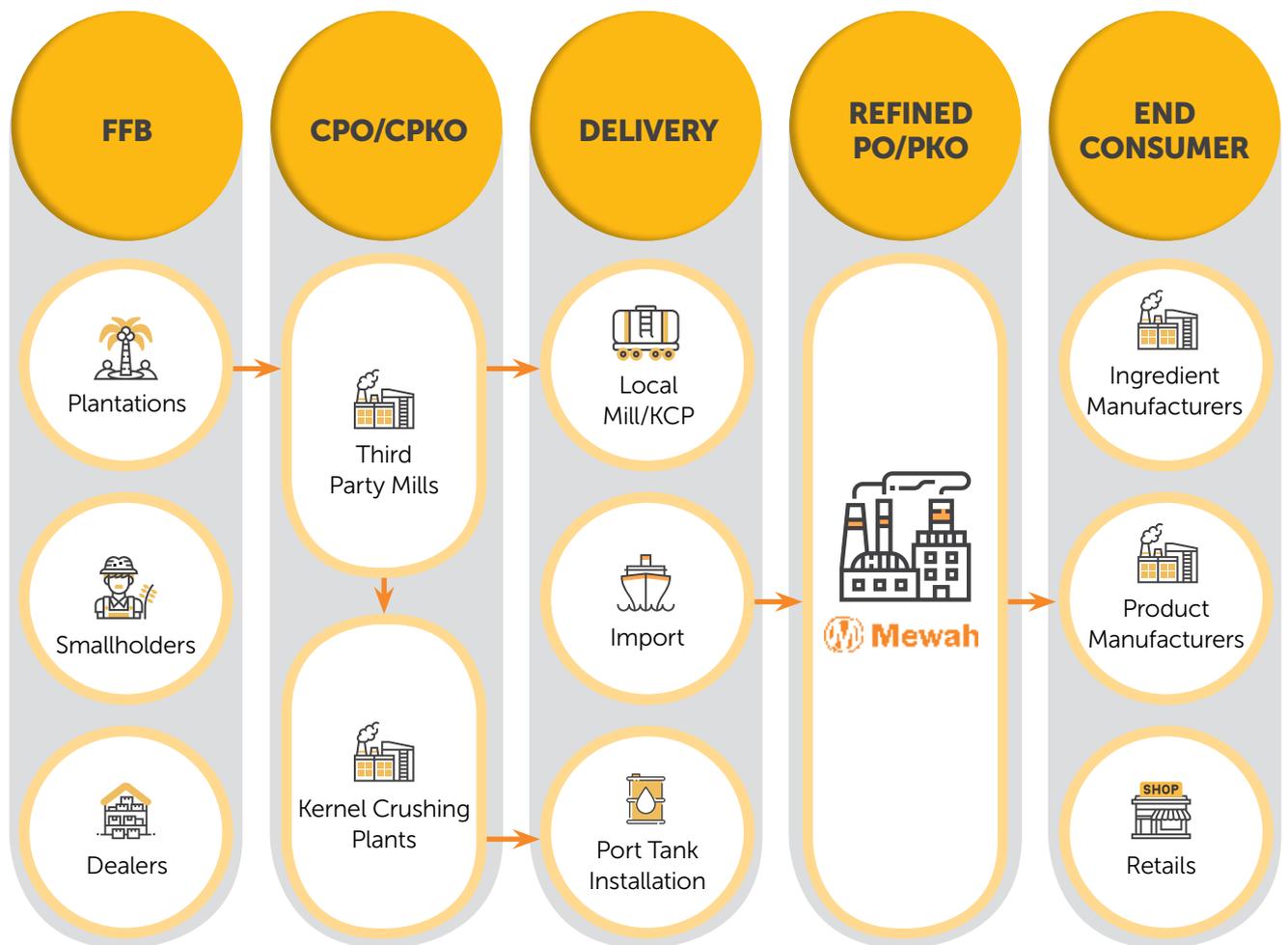
CORE AREA 2: TOWARDS FULL TRACEABILITY

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



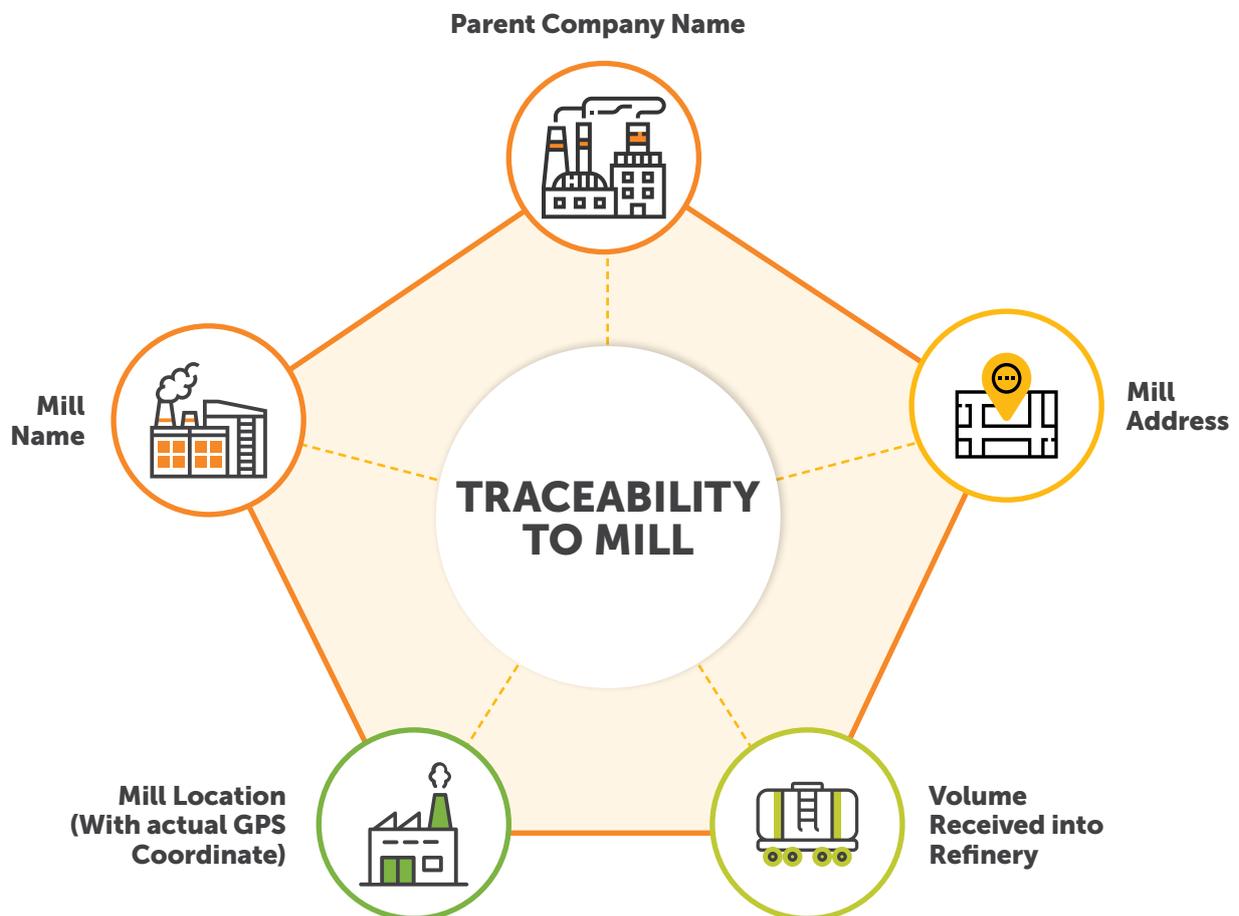
CORE AREA 2: TOWARDS FULL TRACEABILITY

2.2.2 MEWAH'S TRACEABILITY TO MILL (TTM) APPROACH

In order to register and continuously monitor the sustainability performance of suppliers, we seek to ensure full transparency in our supply chain.

The key criteria in our TTM approach are:

- I. Parent Company Name of Mill Party
- II. Mill Name
- III. Mill Address
- IV. GPS Coordinates of Mill Party
- V. Volumes of CPO received into our refinery



"Traceable to Mill" CPO must fulfil all five (5) key criteria. If any of this information is incomplete; the volume received from the particular supplier will be considered as "untraceable".

The traceability score of our refineries is computed in proportions of the total volume received by the

refinery. A refinery can receive CPO supplies from individual palm oil mill, third-party refinery, traders or bulking installation. We can be more precisely in tracking the physical flows of our oil by tracking traceability through a volumetric approach.

TRACEABILITY TO PLANTATION



- “ The key criteria in our ttp approach are:
- I. Volume of FFB Supplied
 - II. Availability of MPOB License
 - III. Validity of MPOB License
- ”

CORE AREA 2: TOWARDS FULL TRACEABILITY

2.2.3 MEWAH TRACEABILITY TO PLANTATION (TTP) APPROACH

In general, a palm oil mill's fresh fruit bunch (FFB) may be supplied by hundreds of estates, growers, smallholders as well as dealers. Traceability to plantation exercise primarily serves as a tool as well as a bridge for us to support the transformation of our suppliers' mill practices and their supply bases towards sustainable practices. However, it is vital to note that the definition of traceability to plantation or FFB traceability is still currently the subject of considerable debate because there is no common consensus or standard in the industry.

Mewah's 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.

The key criteria in our TTP approach are:

- I. Volume of FFB supplied
- II. Availability of MPOB license
- III. Validity of MPOB license

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

2.2.4 COMMITMENT TOWARDS 100% TRACEABILITY

A 100% traceability supply chain is the objective that galvanises us in focusing 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.

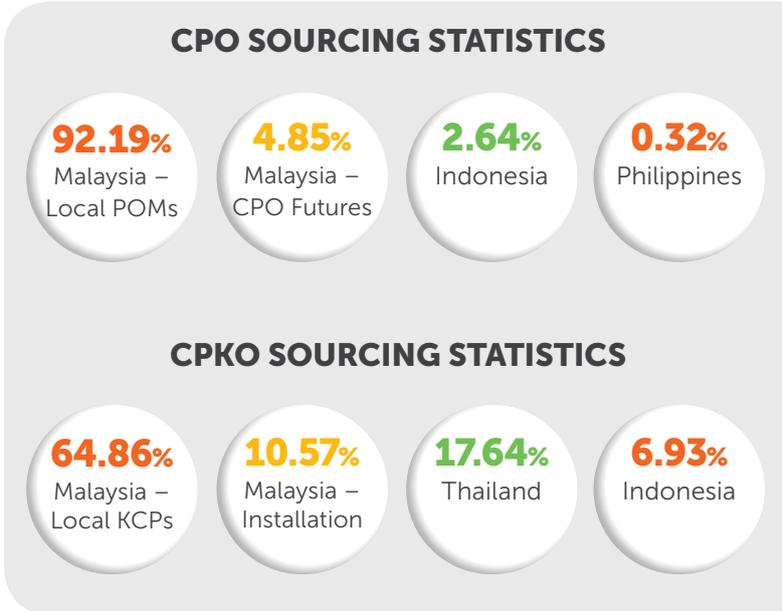
COMMITMENT TOWARDS 100% TRACEABILITY



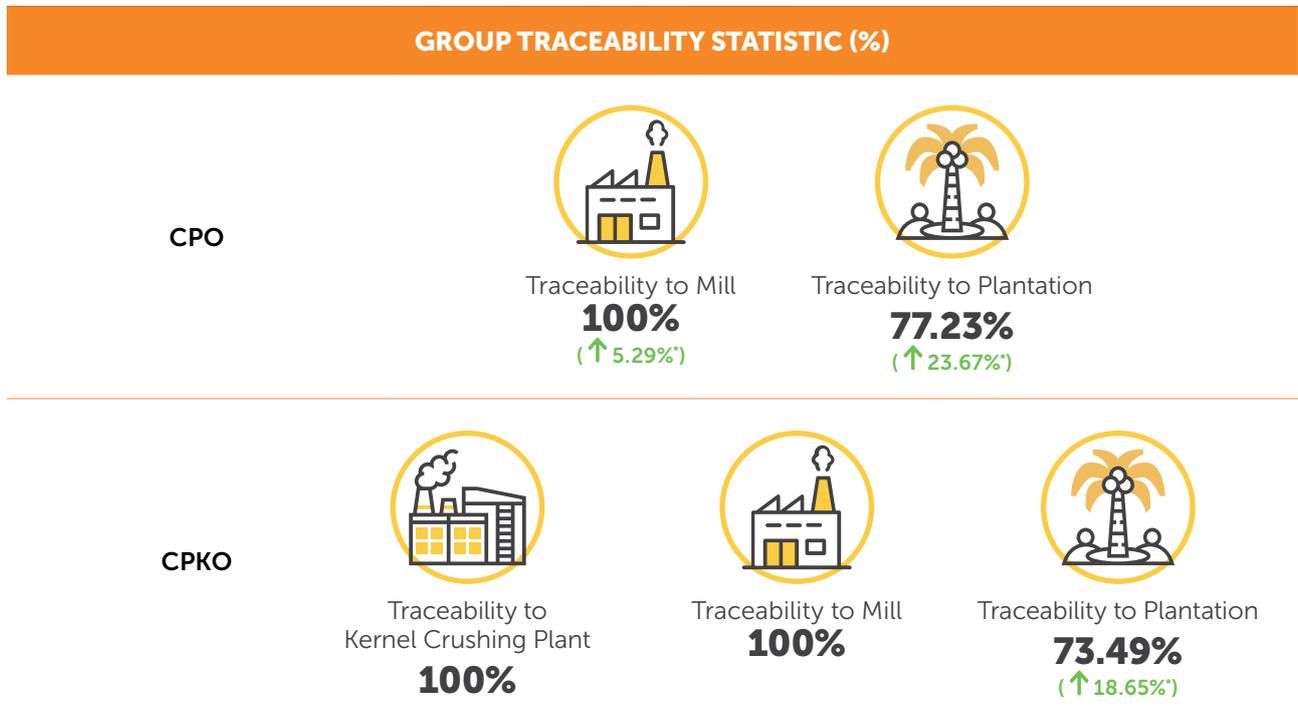
2.2.5 YEAR 2018 CPO & CPKO TRACEABILITY SCORE

The launch of our Traceability to Mill (TTM) exercise in 2014 and Traceability to Plantation (TTP) exercise in 2016 enabling 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 to our four refineries and the estates, dealers and smallholders that supply FFB to the mills.

In March 2018, Bursa Malaysia Derivatives announced the revamp of Crude Palm Oil Futures where the Sellers are now required to provide traceability to mill data. This is a major breakthrough for the Malaysia's palm industry. By improving the transparency standards of the industry, it is now possible to improve the transparency of the industry.



YEAR 2018 MEWAH GROUP SUPPLY CHAIN STATISTICS



* As compared to year 2017



“ In Mewah, we believe that change is good, transformation is even better. Since year 2017, we initiated our traceability to plantation exercise and on-site assessment to more than 140 third-party suppliers in our supply chain. We aspire to be a catalyst to drive positive transformation in our supply chain, moving sustainable palm oil agenda forward by sharing responsible practices and creating awareness among our suppliers. We realized significant milestones in year 2018 by achieving 100% CPO Futures traceable to mills as well as 77% and 73% traceability to plantation for CPO and CPKO.

The greatest challenges in realizing our pre-set traceability goal are the complexity of the supply chain and the willingness of suppliers to share their traceability information. We will continue to work with these suppliers on full transparency and traceability of our supply chain in year 2019. ”

NG SENG BEE,
MEWAH GROUP SUSTAINABILITY TEAM

CORE AREA 3: STAKEHOLDER ENGAGEMENT

2.3.1 SUPPLY CHAIN ASSESSMENT TO HIGH-RISK MILLS

We actively engage our supplier base. We carry out field assessment by auditing the mills that supply to our refineries. We started this process by first conducting field assessment at mills located in high risk areas based on geospatial analysis.

The primary purposes of carrying out mill assessment:

1. To understand the context in the FFB supply base in palm oil mill.
2. To work with suppliers to create shared value through supply chain to make sure there is no major issue with the supply chain.

Through our supplier engagement activities, we manage to influence and encourage our suppliers to adopt sustainable farming practices and responsible milling operations. Three basic assessment techniques used are: **interview**, **spot observation** and **documentation review**.

The major audit areas during our assessment to palm oil 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 < 100 ppm, inspection of water discharge points.
- F. Social impact audits – through contributions made, employment opportunities and grievance procedure.



CORE AREA 3: STAKEHOLDER ENGAGEMENT

2.3.2 HIGH IMPORTANCE MILL ENGAGEMENT PROGRAM (HIMEP)

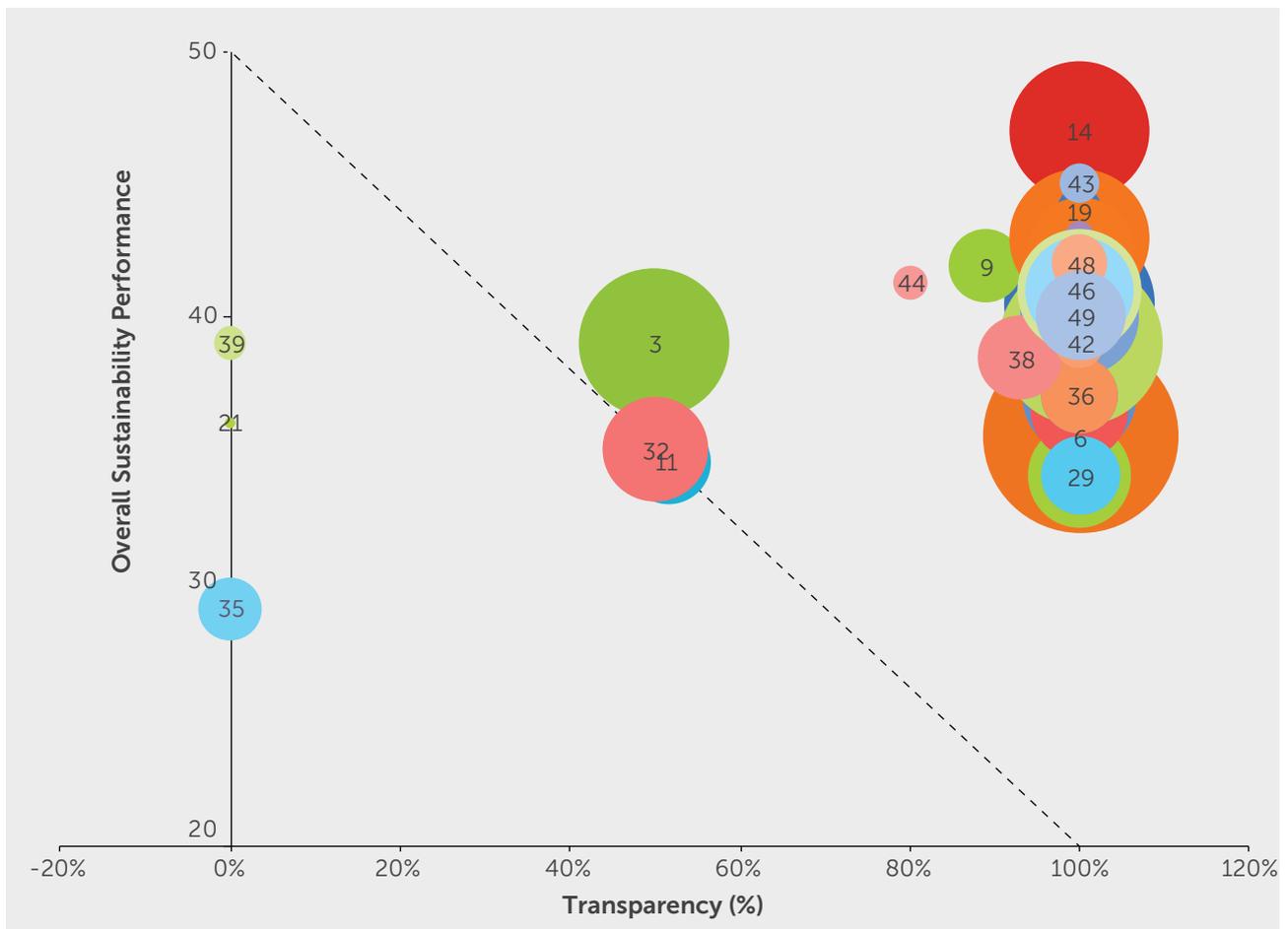
The launching of HIMEP program in 2018 enables us to prioritize key suppliers' group and to tailor a structural and systematic training program for them. The primary objective of this program is to identify if any lacking policy commitments among our suppliers' group.

In total 50 high important palm oil mills were identified through the volumes of CPO supplied to our refineries. These HIMEP mills covered more than 50% of Mewah's CPO supply chain for the year 2017. The key focus in our transformation work is to improve the conventional milling practices, labour living/working conditions, and to instil commitment towards achieving sustainability certification.

We evaluated the overall sustainability performance of our key suppliers' group by the following criteria:

- A. **Traceability Score** (e.g., indicator of Transparency)
- B. **NDPE Awareness** (e.g., Availability of a recognized NDPE Policy/ Sustainable Palm Oil Policy)
- C. **Sustainability Commitment** (e.g., Availability of a voluntary sustainability certification and/ or other national mandatory sustainability certification)
- D. **Environmental Risk** (e.g., geospatial analysis via Global Forest Watch platform)
- E. **Social Impact** (e.g., via on-site assessment through interview, policies/plans/program)

The results of this sustainability performance analysis have helped us to customize appropriate support and even intervention strategies, where this is needed. Some crucial findings include the need to build capacity in order to adopt sustainable agricultural & milling practices and the urgency to improve transparency in sourcing of FFB. The HIMEP program has indirectly helps us to gauge the degree of alignment of these "high important mills" in accordance to Mewah's Sustainable Palm Oil Policy.



2.3.3 MEWAH'S SUSTAINABILITY DASHBOARD

We actively maintained 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.

Welcome to Mewah Group Sustainability Dashboard

Mewah is one of the largest palm oil refineries in the world by capacity. Our operations are integrated throughout the edible oils and fats value chain, from the sourcing and processing of raw materials, to the packing, merchandising, shipping and distribution of our products.

Mewah has been working to improve the sustainability of the palm oil industry in Malaysia on those of third-party suppliers and the smallholders we support. We were an early member of the Roundtable Sustainable Palm Oil since year 2010.

Get In Touch



<http://www.mewahgroup.com/DashboardForm.html>

CORE AREA 3: STAKEHOLDER ENGAGEMENT

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

SUPPLIER ENGAGEMENT PROGRAM



2.3.4 MEWAH'S SUPPLIER ENGAGEMENT PROGRAM

Supplier engagement is beyond 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 continually 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.

In year 2018, we have successfully gathered more than 50 participants from a number of key suppliers group from palm oil mills and kernel crushers for our annual Supplier Engagement Workshop on "Labour & Human Rights" in our refinery, Mewah-Oils Sdn Bhd.

2.3.5 SMALLHOLDER ENGAGEMENT PROGRAM

Smallholders are important stakeholders in our sustainability journey as they comprise around 40%

of Malaysia palm oil production. In conjunction with our supplier engagement program, we endeavour by extending our engagement exercises to the smallholders group especially the independent smallholders who account for a significant proportion of the oil palm production in Malaysia.

In 2018, we partnered with a key buyer and a major supplier to initiate a smallholder empowerment sustainability program. The purpose of this collaborating initiative is to connect the independent smallholder farmers to our Buyers. This may then lead to empowerment and adoption of sustainable agricultural practices.

2.3.6 MULTI - STAKEHOLDERS AGEMENT APPROACH

SASPO

SASPO
(Support Asia for Sustainable Palm Oil) Green Member

In August 2018, one of our subsidiaries, Ngo Chew Hong Edible Oils Pte Ltd embarked on its sustainability journey with SASPO in order 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 managed to lower the barriers for businesses in adopting sustainable sourcing policies.



CORE AREA 4: GRIEVANCE PROCEDURE



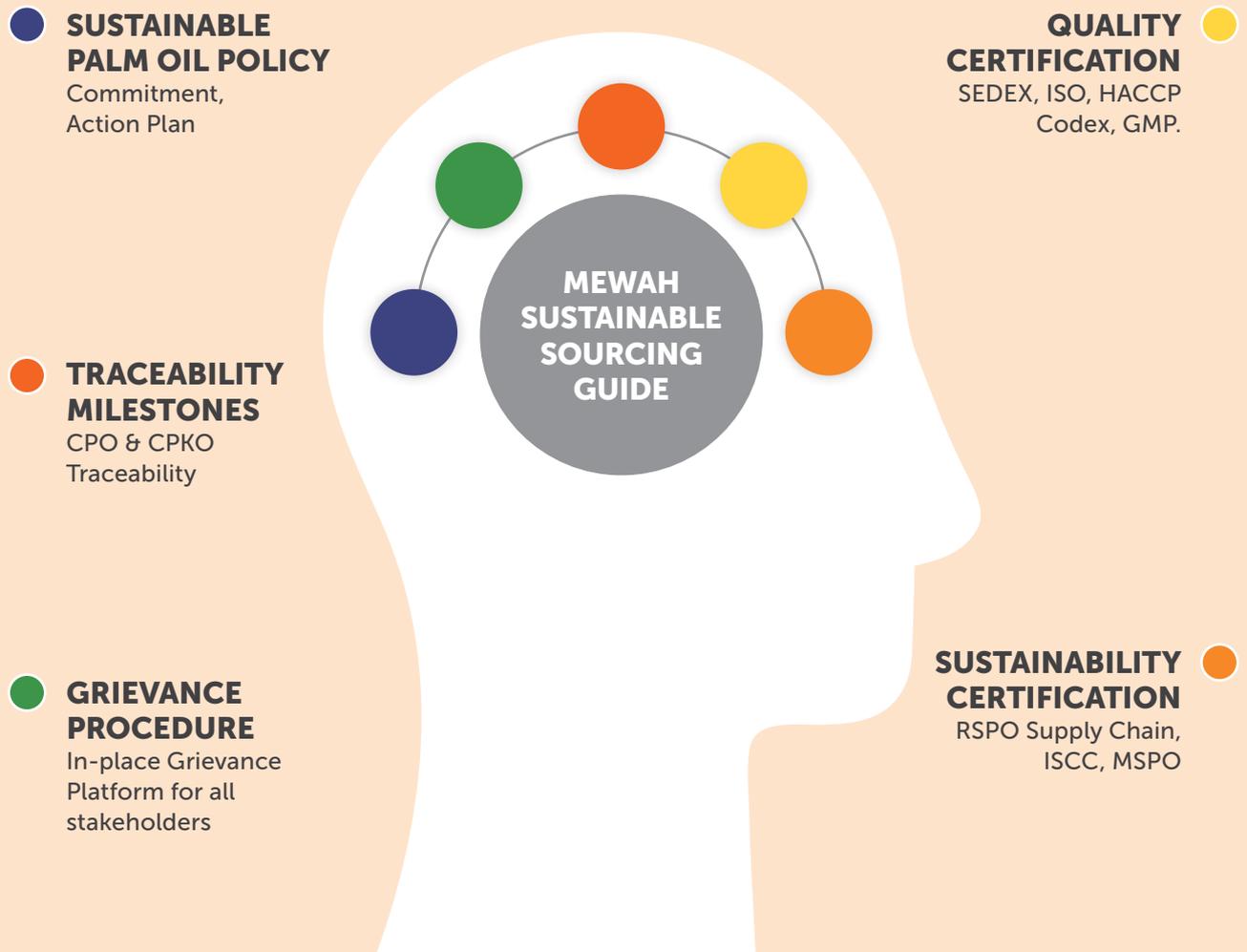
The palm oil supply chain can be long and complex. Although we have set up action plan to carry out supply chain assessment to ensure that our suppliers are fully commit to our Sustainable Palm Oil Policy; we recognize that policy breaches may go unnoticed given the large scale of our operation especially 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 are firm believer in sustainability. We understand that it is very important to have a long-term approach in order to sustain a balanced economic viability in our business. As a result, we have carefully defined 5 key elements that incorporated into Mewah Sustainability Concept with aim to achieve sustainable growth in our business.

The 5 key elements in Mewah Sustainable Sourcing Guide are:

- 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 3: PRODUCT QUALITY AND SAFETY

“ Product Quality & Safety
is always our top priority
for our consumers. ”

CORE AREA 1: OUR COMMITMENT TO CUSTOMERS

Product Quality and Safety for our consumers remain 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 are committed to ensuring our product quality and food safety through:

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

Our processing sites are complying with all essential quality and sustainability certification requirements. We undertake to focus on continuous improvement of these 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



CORE AREA 2: CERTIFICATION AT OUR MANUFACTURING SITES

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

As a responsible food producer, we make sure all our factories are certified to one or more internationally recognized food safety

standards such as FSSC 22000, ISO 22000 and GMP+.

In addition, our refineries are certified with various sustainability certification 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 |
| | | | 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 Certified Refinery and Trader with storage |
| | | | 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 |
| | | | SEDEX Smeta 4 Pillars |
| | | | ISCC Certified Refinery and Trader with storage |
| | | | HVO Verification Scheme |
| | | | FSSC 22000, ISO 9001: 2015 |
| | | | HACCP Codex, GMP. |
| Mewah Datu Sdn Bhd | Palm Oil Refinery | Lahad Datu, Sabah. | ISCC Certified Refinery and Trader with storage |
| | | | RSPO SCC |
| | | | HVO Verification Scheme |
| | | | ISO 9001: 2015 |
| | | | HACCP Codex, GMP |
| | | | Halal, Kosher |
| MOI Foods Malaysia Sdn Bhd | Consumer Packed Goods Manufacturing Plant | West Port Klang, Selangor. | RSPO SCC |
| | | | FSSC 22000 |
| | | | HACCP Codex, HACCP MOH, GMP. |
| 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. | HACCP Codex |
| | | | VHM (Veterinary Health Mark) |
| Bremfield Sdn Bhd | Biodiesel Manufacturing Plant | West Port Klang, Selangor. | RSPO SCC |
| | | | ISCC Certified Biodiesel Plant |
| | | | ISO 9001: 2015, INS Certified Biofuels |

CORE AREA 2: CERTIFICATION AT OUR MANUFACTURING SITES

3.2.2 PRODUCT QUALITY & SAFETY 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 Scheme (SCCS). Our palm products are delivered under Segregation (SG) and Mass Balance (MB) supply chain models.



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).



HYDROTREATED VEGETABLE OIL (HVO) VERIFICATION SCHEME

During 2018, our refineries Mewah-Oils Sdn. Bhd. and Mewah Datu Sdn. Bhd. obtained the HVO Certification. The HVO Verification Scheme is a sustainability verification system which is designed to meet the

biofuel's compliance of the sustainability criteria as eschewed in the European Union Renewable Energy Directive (EU RED). HVO Verification Scheme was approved by the European Commission (EC) in 2014.



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.

FOCUS AREA 4: VALUING OUR PEOPLE



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



Mewah Group recognize that people are our most important resources to grow our business, driven by our approach to attract, develop and retain the best people and to assure our employees have solid career development opportunities.

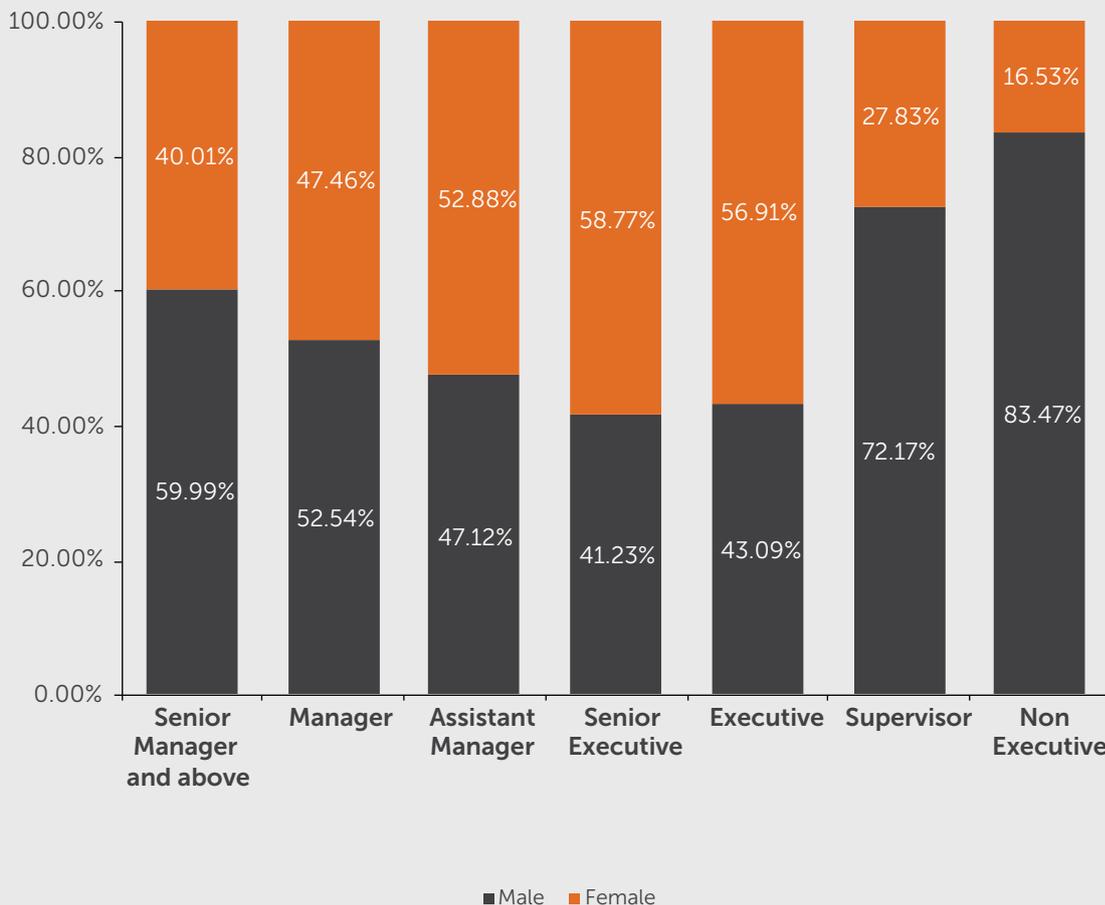
In recognising the effectiveness of our approach, we divide this focus area into 4 sub-sections: Labour Policy & Code of Ethics, Sedex Smeta Compliance, Training & Development, and Health & Safety.

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 in our workforce is relatively high. We strive to promote gender equality at workplace and balanced female representation in each employment categories.

Employee Gender by Employment Category



Mewah 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 across the Group.

A. LABOUR POLICY

FREE CHOICE OF EMPLOYMENT

- No forced, bonded labour
- Do not allow slavery or trafficking of persons.

NON-DISCRIMINATION IN EMPLOYMENT

- Equal opportunity regardless of race, colour, age, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.

NON-EXPLOITATION OF CHILD LABOUR

FREEDOM OF ASSOCIATION

- Recognize rights of employees to conduct collective bargaining process pursuant to local labour practices.
- Recognize open communication.

COMPLIANCE OF LOCAL LAWS AND REGULATIONS

HUMANE TREATMENT

- Do not tolerate any form or threat and inhumane treatment including sexual harassment, sexual abuse, corporal punishment, physical or mental coercion or verbal abuse.

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 also set-up a whistle-blowing committee that lead by the Senior Management team. 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
- 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.

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.

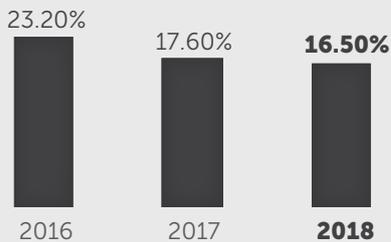
3.3.1 RECRUITMENT AND RETENTION

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 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 which 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.

Employee Turnover Rate From Year 2016-2018



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 are aligned to our overall objective of building a sustainable business.



CORE AREA 3: TRAINING & DEVELOPMENT

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. We have designed training and education program which aim to equip our employees with relevant skill sets and competencies for their roles and responsibilities. We aim to give opportunities to every employee to realize their potential in order to pursue their careers with Mewah.

“The captain is as good as his team”. Sound familiar? For those of us who follow a team sport, we often hear this. Marshall Goldsmith, the legendary leadership coach, in an article aptly titled, ‘You are only as good as your team’ says: “For the great achiever, it’s all about ‘me’; for the great leader, it’s all about ‘them’.”

A leader deal with and shield the teams from various organizational constraints, navigate conflicts, and nurture the culture at the workplace to deliver results. It is however no one is born a leader. Teams play an important role in nurturing and shaping the leader. The case for this support is even more pronounced for a new leader, who needs feedback, affirmation and the trust that they are in the game together with the team.

In year 2017, we collaborate with Leadership Resources to launch the 7 Habits Highly Effective Peoples training program for our employees. The result from this training is remarkable as since the 7 Habits are based on principle, the training brings the maximum long-term beneficial results possible.

“Our purpose, values and principles form our culture, and this culture is the secret sauce in Mewah” The principles have today become the basis of our character creating an empowering centre of correct maps from which our people can effectively solve problems, maximize opportunities and continuously learn & integrate other principles in an upward spiral of growth.

On a side note, it helps us to make sure that each and every employee has the opportunity to unleash their potential, however high or low it is perceived to be. That isn’t just for the benefit of the employee, but for the business continuity.

LOH MEI LEE,
HEAD OF HR & ADMINISTRATION, MEWAH-OILS SDN. BHD.

CORE AREA 4: HEALTH & SAFETY

At Mewah, our employees are our most important tangible resources. Ensuring the 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.

Workplace safety is everybody’s concern. Any work-related injury or loss of life is unacceptable to us. We are committed to ensuring the workplace is a conducive working environment by adopting the following:

- A. Establishing a Safety Framework to identify, correct, and control hazards on an ongoing basis.
- B. Creating awareness among all employees – every production site hosts a least one health, safety and environment (HSE) campaign every year.
- C. Evaluating overall efficiency and effectiveness of production and operation premise’s safety management practices through internal and external inspections.
- D. Transforming safety focus from safety lagging indicators (accident statistics) to leading indicators (preventives measures).

SAFETY FRAMEWORK

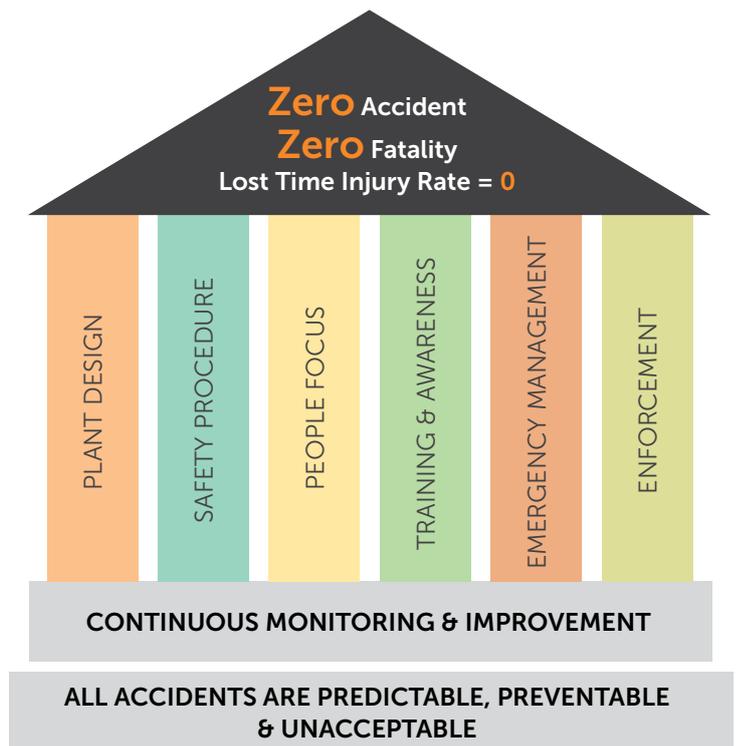
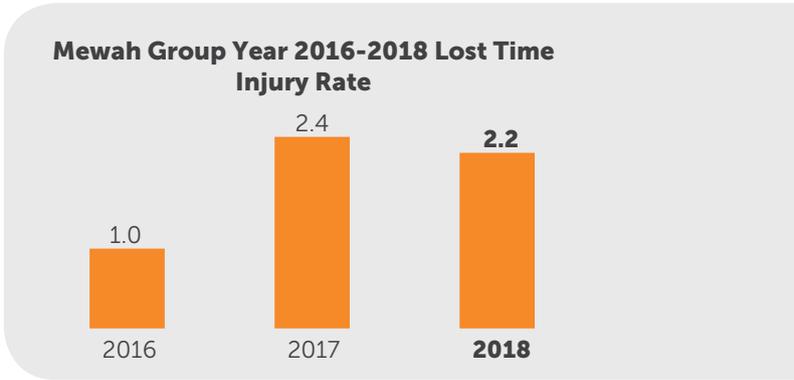
Mewah Group Safety Framework is established as the guiding safety principle that aims to improve safety performance in our factories. Our targets of zero accident and zero fatality have been emphasized in the Key Performance Indicators (KPIs) for all levels of employees.

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

Every incident case is followed up in collaboration with the Department of Safety, Health & Environment through identification of unsafe act and condition to reduce risk of recurrence. In 2018, we introduced a robust group safety framework in all factories. Besides, a series of group safety awareness activities have been carried out with the aim to improve our safety performance.

The following figure illustrates the loss time injury (LTI) rate has improved by 8% from 2.4 in 2017 to 2.2 in year 2018.



CORE AREA 4: HEALTH & SAFETY

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.



MANAGING AND IMPROVING WORKPLACE SAFETY

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 mindset. By engraining safety as a part of a culture and habit, we hope to minimise unsafe employee behaviour.



Leading Indicators:

A measure that is focused on future safety performance and continuous improvement.

1. Safety Trainings
2. Behavioural Audits
3. Safety Audits
4. Observation/Near Misses
5. Participation in Safety Committee
6. Safety & Health Programs
7. Equipment/Machinery Maintenance
8. Hazard Identification & Risk Assessments
9. Reward/Recognition



Lagging Indicators:

A measure used to indicate progress toward compliance with safety rules in the form of past accident statistics.

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

To further improve the safety mindset, we seek to implement the following safety initiatives throughout our factories:

- A. Initiate Hazard and Operability (HAZOP) study & Hazard Identification (HAZIP) methodology throughout the factories

- B. Introduce behavioral safety training & safety observation card program
- C. Increase the numbers of cross-departmental safety audit
- D. Enhance existing approach in root cause analysis (RCA)
- E. Carry out 6S program (5S + Safety)
- F. Mandate night drill fire exercise

4.4.2 HEALTHIER LIFESTYLE BEGINS FROM WORKPLACE

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. Health and wellbeing are promoted through formal programmes in all manufacturing sites to our employees.

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

“ We made a life by
what we give. ”

-Winston Churchill.



At Mewah, we believe in being a good citizen and proactively engage with the community which we operate in. Contributing to, and being part of, the community in which Mewah operates is essential for maintaining a positive relationship with our neighbours. We find regular engagement is very effective for keeping pulse on what is happening on the ground and what concerns and priorities our stakeholders have.

At every place that we operate, Mewah partners with the local communities to support the particular needs of the community. We contribute regularly to local charities. Our people organise and participate

in social events to support and bring joy to the less fortunate in our nearby community. Our goal is to enrich the lives of the people around the touchpoints that we have established.

Recognition awards are given to appreciate all efforts and time contributed by our dedicated CSR committees, volunteers and employees.

OUR COMMUNITY OBJECTIVES ARE:

- Active Volunteerism of our Employee
- Supporting the Next Generation
- Disaster Relief

YEAR 2018 – SUMMARY OF CSR ACHIEVEMENT



Support
>780
Special Children



Children Education for
>5300
beneficiaries



Donation to
>160
Orphans



Programs Collaboration with
10
Primary and Secondary Schools



Clean-Up for River with
>900
Effective Microorganisms
(EM) Mud Balls



Blood Donation from
>130
Donors



Collaborations with
11
Non-Profit Organisations¹



Visit and Donate to
>110
Elderly



Support
>120
Single Mothers in basic
living needs



Local Communities
Engagement with
>4300
Villagers



Support
>6150
Beneficiaries from
Underprivileged Family

Remarks:

¹ Non-Profit Organisations include Care Haven Children Home, Cerebral Palsy Association, Down Syndrome Association Singapore, Kechara Soup Kitchen (KSK), Persatuan Rumah Caring Kajang, Pusat Jagaan Setinggi Kasih, Rumah Amal Soleh Solehah (RASS), Sherun Old Folks Home & Handicap, Willing Heart @ Soup Kitchen (Singapore), Xi Le Er Special Children Care Center and Yayasan Pasir Gudang (YPG).

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. 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.

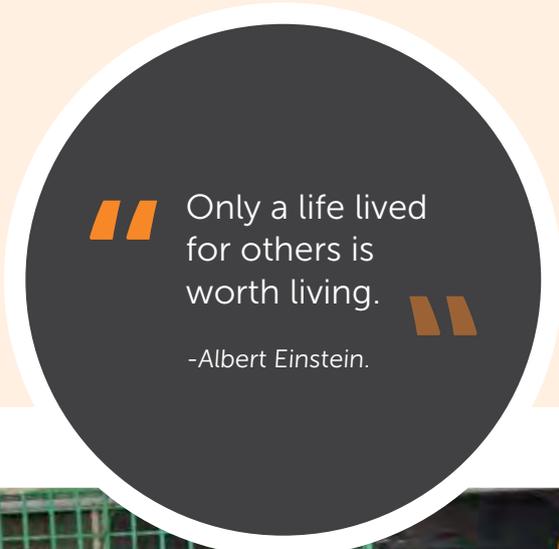
B.SUPPORTING OUR NEXT GENERATION

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

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



CSR PROGRAM: DONATION TOWARD SHERUN OLD FOLKS HOME & HANDICAP CENTER IN SKUDAI, JOHOR

We seek to empower local communities and create positive impacts through active volunteerism of our employee. Our approach is to ensure that we bring direct meaningful and long-lasting benefits to our neighbors and local communities that live near to our factories.

Sherun Old Folks Home & Handicap Center, located in Skudai, Johor, commenced operation as elderly care center since year 2002. It provides shelter, and care for more than 100 elderly, handicapped and mentally disabled people. The oldfolks home obtains financial support from public through donations. Since year 2016, our volunteers have made regular visitation to the home in order to give donation in the form of groceries and essential food items with the aim to ease its daily operating expenses.





First of all, I would like to thank the management of Mewaholeo Industries Sdn. Bhd. for your continuous support. Since 2016, we have been receiving our needy items such as cooking oil, detergents and several items quarterly from Mewaholeo. Mewaholeo has also sponsored our Charity Home for the fence renovation in front and backyard of our premise. In additional, Mewaholeo also gave a huge support during our fund-raising charity dinner. We are thankful for it. Our Sherun Home Management highly appreciated for your kind concern towards our Charity Organization.

VINOT

SENIOR MANAGER OF SHERUN OLD FOLK HOME

CSR PROGRAM: CONTRIBUTION FOR RUMAH AMAL SOLEH SOLEHAN (RASS) IN LAHAD DATU, SABAH

Our mission of spreading the word of kindness starts with Rumah Amal Soleh and Solehah (RASS) – as part of our vision to empower the children and the youth to take charge and make a difference. RASS is a non-profit association funded by Yayasan Kebajikan dan Perkhidmatan Perubatan Malaysia

(YKPPM). It is an orphanage home that provides shelter for 50 less fortunate children. In 2018, our people from Mewah Datu Sdn. Bhd. spent some quality time with the children and contributed to general maintenance of the orphanage such as tree trimming and fence painting. Some donations were also made to the orphanage home with the hope to relieve its financial stress.



“ We sincerely appreciate Mewah and all the staffs for your concerns on less fortunate children here. All your contribution, especially your time and efforts to care and love the children is much appreciated and highly recommended. Thanks a million from each and everyone here at RASS to Mewah. ”

PN. MAZNAH REDEWAN
MANAGER OF RUMAH AMAL SOLEH AND SOLEHAH (RASS)



CSR PROGRAM: FUNDRAISING AND BUBUR LAMBUK DISTRIBUTION PROGRAM

In Mewah, we seek to meet the needs of our local communities and encourage our employees to contribute funds regularly. We continued our community collaboration with local residents and 27 special students with disabilities from Program Pendidikan Khas Integrasi (PPKI) Sekolah Menengah Kebangsaan (SMK) Pulau Indah in year

2018. In conjunction with Holy Ramadhan Month, we organized a fundraising and Bubur Lambuk distribution program. The program provides opportunity for the special students to get involved in the processing and preparation of Bubur Lambuk and to make contribution back to the community. We managed to distribute 4,000 cups of Bubur Lambuk and funded RM 8,000 to the school.



“ I am very happy to have this opportunity to participate in this Bubur Lambuk preparation from cutting onions till cooking process. It is fun and meaningful to have this chance to prepare food with my friends in this Holy Ramadhan Month. I would like to thank the organizer, Mewah and Masjid Ar-Rahman, Pulau Indah who host this event. ”

SHARIFAH AINA NAJWA SYED JAFRI

STUDENT FROM PROGRAM PENDIDIKAN KHAS INTEGRASI (PPKI) SEKOLAH MENENGAH KEBANGSAAN (SMK) PULAU INDAH

CSR PROGRAM: FUNDRAISING AND DONATION TOWARDS DOWN SYNDROME ASSOCIATION SINGAPORE (DSA)

As part of society, everyone has social responsibility and everyone must try to act in the best interest of the community as a whole. In November 2018, we collaborated with DSA Singapore by hosting a “Down Syndrome Awareness Program” for our employees in order to raise awareness. This was also an opportunity to exemplify the abilities of persons with Down Syndrome disorder while advocating equal rights for them. A total of SGD 6,153.00 was raised during the Mewah Giving Week fundraising campaign and these were later given to the DSA Singapore.





// Greetings from Down Syndrome Association (Singapore) [DSA(S)]!

DSA(S), a primarily self-funded Social Service Organisation, has been serving the needs of persons with Down syndrome and their families in Singapore since 1996. Through these years with the support of like-minded corporate such as Mewah Group, our efforts have returned with meaningful results whereby the community is more willing in accepting individuals with Down syndrome.

We are encouraged and grateful towards the staff at Mewah Group for their fervent and generous support towards DSA(S). Aside from inviting 50 of our beneficiaries to A \$ingapore Carols, Mewah Group also rallied its staff to participate in a fundraiser which raised more than \$6000 for DSA(S). The contribution will be channelled towards running of the various programmes and services offered at DSA(S). In addition, we are appreciative for the opportunity to conduct an awareness talk for the staff at Mewah Oils and Fats Pte Ltd and Ngo Chew Hong Edible Oil Pte Ltd. It was a meaningful time of sharing and we were heartened by their enthusiastic participation. The journey of educating the public is fraught with challenge, but with like-minded corporate like Mewah Group, we are one step closer to achieving our mission to advocate for equal opportunities, quality of life and their contribution to society. Thank you, Mewah Group for partnering us to raise awareness about Down syndrome and raise funds for our beneficiaries! We look forward to another year of meaningful partnership with you in 2019.

ALICIA ANG

EXECUTIVE OF DOWN SYNDROME ASSOCIATION (SINGAPORE)

GLOBAL REPORTING INITIATIVES (GRI) INDEX

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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.

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 2018. 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 2018 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 2018. 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 second 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 in Dec 2018. It is the first time where materiality assessment have been considered and 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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