

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

TRANSFORMATION TOWARDS A SUSTAINABLE FUTURE

Over the recent years, the world has witnessed a series of unprecedented events of global health crisis and geopolitical instability. In this tumultuous period, Mewah's Sustainability Management and Governance Structure has assisted Mewah to move beyond the disruptions and overcome hardships and obstacles. We recognise the urgency to invest further to elevate our business operations to protect and steward environmental protection, value our people, and to provide sustainable and high-quality products to the consumers.

We have recommenced our initiatives towards decarbonisation, which involve a transition from fossil fuels and into renewable and clean fuels such as biomass, solar energy and natural gas. In addition, we initiated the monitoring of our scope 3 GHG emissions inventory to address our carbon footprint and facilitate our progress in achieving decarbonisation goals. To enhance our sustainability performance, we have established a Strategic Sustainability Committee, comprising of senior leaders from our different business units and manufacturing facilities. This committee operates under the guidance of the Chief Executive Officer and is responsible for overseeing the sustainability strategy and performance of the business.

In November 2022, we were proud to be presented with the "Sustainability Rising Star 2022" award from Asia Corporate Excellence & Sustainability Awards (ACES). This recognition was bestowed upon us for our exceptional sustainability performance in pioneering ESG initiatives to address sustainability challenges.

Sustainability is at the core of our business at Mewah, and it is ingrained in everything we do. Our value proposition revolves around building a sustainable business and we remain committed to achieving sustainable and enduring business growth. We aim to lead and drive positive change for our marketplace and for our customers, employees, global communities we operate in, and the environment, as we continue to prioritise sustainability in all aspects of our operations.

In order to maintaining our track record of success and delivering sustainable returns to our shareholders, we are committed to support and contribute towards the 17 United Nations Sustainable Development Goals (SDGs). These SDGs are closely integrated and aligned with our material ESG factors, which have been identified and defined in the Mewah Sustainability Framework. We firmly believe that these 17 SDGs targets can strengthen our commitment towards the 27 core ESG metrics set out by SGX and can also enable us to better measure our risks and opportunities, as well as enhance our future returns.



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Our sustainability strategy in Mewah's Sustainability Framework focuses on five (5) key focus areas:



FOCUS AREA 1: ENVIRONMENTAL PROTECTION & STEWARDSHIP

At Mewah, we have always placed great importance on environmental management as we strive to increase productivity while implementing sustainability practices for the long term. Throughout the years, we have launched and successfully executed numerous sustainability initiatives with the goal of minimising our manufacturing footprint. We prioritise forest conservation and biodiversity preservation at an upstream level to minimise any negative impact on the environment.

Our commitment to environmental sustainability supports the United Nations Sustainable Development Goals 6, 7, 11 and 13, which aim to promote sustainable use of energy, combat climate change and its impacts, and build sustainable communities. We foster collaboration across our supply chain to reduce our climate impact associated with our raw material processing to product delivery to our customers.



Our Key Sustainability Efforts:

Urgent actions are needed to combat climate change and its impacts. At Mewah, we implement rigorous monitoring procedures across all aspect of our operations, including GHG emission, efficient use of water, waste generation, fire, and peat management. These measures are in place to minimise any negative environmental impacts that could harm both the planet and people health.



Our Key Sustainability Efforts:

During the pandemic, the COVID-19 has posed a greater risk of exposure to populations residing in rural areas primarily due to inadequate sanitation facilities. We understand the crucial role that we play in addressing this issue and have taken steps to invest in public infrastructure. Our aim is to promote inclusivity, safety, and resilience in the communities surrounding us.



Our Key Sustainability Efforts:

As part of our commitment to promoting clean energy sources and reducing greenhouse gas emission, we have implemented renewable energy resources in our key refineries. By incorporating these measures, we aim to improve the utilisation of renewable energy sources while minimising our carbon footprint.



Our Key Sustainability Efforts:

Urgent actions are needed to combat climate change and its impacts. At Mewah, we recognise the gravity of this issue and have implemented rigorous monitoring procedures across all aspect of our operations, including GHG emission, water efficiency, waste generation, fire, and peat management. These measures are in place to mitigate any harmful environment impacts that may jeopardise the health of planet and its inhabitants.

Our focus consists of six (6) types of environmental footprints:

A. Carbon Management

Despite our continued business expansion, we are mindful of the GHG emissions from our operations. To achieve this goal, we are implementing renewable energies and energy-efficient projects. Our GHG emissions from our production activity are calculated using the ISCC methodology and RSPO PALM GHG Calculator.

B. Water Management

Access to clean and reliable water is essential for both our operations and the surrounding communities. In Mewah, we conduct integrated water footprint assessment at our facilities. This is our sustainability initiative and business strategy to monitor and measure how, when and where we use the freshwater resources.

C. Waste Management

As a responsible manufacturer, we always look for ways to manage our waste from production or processing, through ways such as reduction or recycling in an environmental-friendly manner. Our 5Rs action plan to ensure sustainable waste management is as follow:

- i. Refuse – Refuse to receive unnecessary materials will help to eliminate waste from the very beginning. It is 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.



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D. Biodiversity Management

Biodiversity conservation and forest protection have been a major focus of our environmental efforts in our estate. Under Mewah's High Carbon Stock (HCS) and High Conservation Value (HCV) commitments, we focus on maintaining and restoring riparian buffer zones throughout all our operations in recognition of its importance in our ecosystem. We also identified and conserved lands made up of HCV and HCS areas using a landscape approach to conservation (beyond the boundaries of our concession) through community conservation partnership with external partners.

E. Fire Management

To ensure the safety and security of all employees, we maintain, and enforce a high level of fire safety at all of our operation sites. This includes regular fire safety awareness trainings to ensure all employees have refreshed safety awareness knowledge on safety rules and fire-fighting procedures. Additionally, we host an annual Health, Safety and Environment (HSE) campaign program to identify workplace hazards, reduce accidents, and to train our employees to respond effectively in emergency situation, including the use of personal protective equipment.

In addition, we have an effective fire prevention plan and control measure in place at our plantation operations. We are committed to replanting using environmentally conscious methods while also adhering to the ASEAN Zero Burning Policy where the traditional slash-and-burn method is strictly prohibited and is replaced with chipping.

F. Pest Management

Our plantation operations practise Integrated Pest Management (IPM) as form of pest control. Implementation of IPM through combinations of cultural, biological, mechanical, and physical controls, improve the pest management within the plantation. All chemical usages in our plantation are abided to proper SOPs and management plan in accordance with WHO recommendations and guidelines.

FOCUS AREA 2: RESPONSIBLE SUPPLY CHAIN

We take pride in being a responsible and accountable participant in the supply chain, through our actions of sourcing policies, traceability, certification, supplier engagement and grievance mechanism.



A. Sustainability Policies

We established a Sustainable Palm Oil Policy and a sustainable coconut oil policy with sustainability commitments entailed in the company's entire palm oil and coconut oil supply chain.

Mewah's Sustainable Palm Oil Policy is a multistakeholder approach which seeks:

1. To build a traceable and transparent supply chain.
2. To continue the journey of no deforestation and to commit no burning, protection of high conservation value (HCV) areas and high carbon stock (HCS) areas.
3. To reject new oil palm development in forested peatland plantation after 31 December 2015.
4. To respect human rights and ensure protection of the rights of all workers.
5. To respect the rights of indigenous people and local communities to give or withhold Free, Prior, and Informed Consent (FPIC) where oil palm development takes place.

Mewah's sustainable coconut oil supply chain commitments are:

1. Improving smallholder livelihood and income.
2. Improving productivity.
3. Enhancing supply chain traceability.
4. Reducing deforestation and encroachment.
5. Respect the rights of indigenous people and local communities to give or withhold FPIC where coconut plantation development takes place.
6. Respect human rights and to ensure the protection of the rights of all workers.



A total of 43 participants from 12 companies, comprises of refineries, crusher, and palm oil mills have participated the workshop. The workshop covered topics on National and International Law & Standards and Introduction to the Human Right Due Diligence (HRDD) Tool on Ethical Recruitment.

B. Towards Full Traceability

We actively trace our raw materials supply flow from refineries back to the palm oil sources in order 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.

i. Traceable to Mill (TTM) Approach

100% of our CPO and CPKO are Traceable to Mill (TTM). The definition of "traceable to mill" refer to the fulfilment of our 5 key traceability criterias:

1. Parent Company Name of Mill Party
2. Mill Name
3. Mill Address
4. GPS coordinates of Mill Party
5. Volume of CPO received into our refinery

All our suppliers must fulfil these five (5) conditions as the fundamental entry requirement into our supply chain.

ii. Traceable to Plantation (TTP) Approach

In Mewah's Traceability to Plantation (TTP) approach, a comprehensive field assessment will be carried out at every supplier's mill to assess its Fresh Fruit Bunch (FFB) supply base and to evaluate its compliance with Mewah's Sustainable Palm Oil Policy using our pre-defined supplier assessment guidelines. TTP assessment is both 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 the sustainability standards of all our suppliers. Our current approach on traceability to plantations is based on the availability and validity of Malaysia Palm Oil Board (MPOB) operating license from FFB suppliers and ensuring that all the FFB supplied to the mills are sourced legally.

C. Stakeholder Engagement

Effective engagement enhances our communication with our stakeholders to advance in our sustainability journey. Our suppliers are our major stakeholders in our business, and we believe supplier engagement is beyond the traceability exercise. The main objective of supplier engagement is to create awareness to our suppliers on responsible palm oil practices and to build up their capacity in adopting sustainability practices into their businesses. Through these engagement sessions, we are also able to socialise our Sustainable Palm Oil Policy with our direct suppliers and provide them with a platform to discuss the requirements, implications and business potential for adopting other similar policies.

D. Grievance Mechanism

The grievance mechanism serves as a communication platform for stakeholders (e.g. non-profit organisation, buyer) in our supply chain to address their concern or to file a complaint related to violation of our Sustainable Palm Oil Policy. Our sustainability dashboard clearly defines the process of handling such grievances cases, as well as publishing our response and updates to these grievances.

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FOCUS AREA 3: PRODUCT QUALITY & SAFETY

Mewah's reputation is founded on satisfying our consumers and customers with consistently high product quality that exceeds their needs and expectations. We aim to develop, produce, and market a consistently high product quality that also comply with the relevant food safety regulatory requirements and certification standards.

A. Our Commitment to Customers

We have adopted several good initiatives in ensuring our product is high quality and our food products are safe.

- i. Quality assurance a group-wide objective
- ii. Implementing a HACCP (Hazard Analysis and Critical Control Points) system to identify potential hazards and critical control points in our production processes and sets up preventive measures to eliminate these risks
- iii. Conducting regular food safety and quality training for our employees and the knowledge and skills to identify and manage potential risks

- iv. Establishing and enforcing a supplier quality program to ensure that raw materials and ingredients used in production meet the required quality and safety standards
- v. Creating and maintaining a clean and hygienic production environment

B. Quality Management System

In all our manufacturing sites, we put in place a robust Quality Management System for continuous improvement in the areas of operations, processes, workforce, raw material sourcing, efficient transportation and delivery, prompt and responsive customer service, compliance to laws and regulations and a safe work environment.

- i. Quality Management System Framework - the guiding principle that focus to benchmark best practices across different manufacturing sites and supports the capacity building of our people who are responsible for product development and innovation strategies.





- ii. Quality Management Approach Strategy - setting priorities and goals to enable continuous development in our quality assurance functions.
- iii. QA Newsletter – A communication tool is to promote transparency, collaboration, and continuous improvement within Mewah’s quality assurance processes.
- iv. Customer Experience – A standard operating procedure that outlines the process for initiating, receiving, resolving, and maintaining the feedbacks and customer complaints regarding the quality or service of Mewah.

C. Consumer Health & Well-being

We collaborated with Singapore Health Promotion Board (HPB) to create healthier cooking oil that contains lower saturated fats, and Mewah’s cooking oil is tagged with a healthier choice symbol approved by HPB which can be found in all major supermarkets.

D. Quality & Sustainability Certifications

Certification marks the evidence that a product conforms to applicable quality and certification standards, and that factory operations undergo regular inspections and audits. These certifications assure our consumers and customers that our product is high in quality, safe and sustainable.



Lower in Saturated Fat

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FOCUS AREA 4: VALUING OUR PEOPLE

Mewah recognises that our employees are the company's greatest asset in growing the business and achieving company goals. Our approach is to attract, develop, and retain the best employee, providing them with encouragement and stimulus, and making them feel that they are an integral part of the company's mission.

A. Human Rights & Labour Policy

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

Mewah Group Human Rights & Labour Policy

1. No Forced Labour and Free Choice of Employment

- No forced, bonded (including debt bondage) or indentured labour and slave labour, or human trafficking.
- Ethical recruitment.

2. Non-Discrimination in Employment

- No discrimination against our employees based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.
- Any employment-related decisions must be based solely on lawful and non-discriminatory criteria.

3. Non-Exploitation of Child Labor and Protection of Children Rights

- No hiring of child labour under any circumstances.
- Protection of children's right and their welfare.
- No working at night or exposure to hazards for young employee between ages of 16-18.

4. Freedom of Association and Collective Bargaining

- Respect our employees' rights to form, join or not to join a trade/ labour union.

5. Compliance of Laws & Regulations in Working Hours, Benefits and Wages

- We commit to adhere to the stricter of applicable laws & regulations, industry standards, relating minimum wages, working hours, overtime, and employee benefits.
- Provide a safe and healthy workplace.
- Continuously developing employee skills and capabilities and providing opportunities for career advancement.

6. Human Treatment and Uphold Gender Equality

- Protect our employees from any acts of physical, verbal, sexual or psychological harassment, bullying, abuse or threats in the workplace.
- Form of threat and inhuman treatment including
 - Discrimination, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of our employee.

B. Talent Management

We continuously assess, invest, 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 actualise our vision through training & development. In 2022, the average training hours per employee was 29.6 hours.

OUR PERFORMANCE IN YEAR 2022



Average training
hours per employee
29.6
hours in 2022

The figure is based on the total full-time employees where the Group has major shareholdings only, subject to operational boundary set/ scope of report.



C. Employee Health, Safety & Well-being

Workplace safety is everybody's responsibility and concern, and any work-related injury or loss of life is unacceptable to us because we have zero tolerance for unsafe behaviour in our premises. Our promise to our employees is for them to return home healthy and safe everyday and to feel safe at work.

OUR PERFORMANCE IN YEAR 2022



ZERO
Fatality



ZERO
Recordable Work –
Related ill Health cases



65
Recordable Work
– Related Injuries



Lost – Time Injury
Rate (LTIR) was
1.80



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FOCUS AREA 5: COMMUNITY SUPPORT

Our Commitment and Progress:



Our Key Sustainability Efforts:

As part of our commitment to combat hunger and food waste in the communities surrounding our operations, we have implemented community support programmes to instil good habits to reduce food waste. By preventing food waste, we take an important step towards ending hunger.

For instance, our Pasir Gudang refinery is partners with local authority with local authority to recycle food waste from our factory by compositing 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 endeavoured 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 organisations so as to enable us to reach out more people in need and extend greater impact to the societies.

At Mewah, we hold strong to our community objectives in our CSR framework to proactively engage with the communities in which we operate in to maintain the positive relationship with our local communities. We are committed to caring for and serving our community by giving a helping hand to disaster victims, nurturing the next generation and active volunteerism. Our priority is to enrich the lives of the people around the touchpoints that we have established.

Our CSR achievement this year was aiding approximately 32,000 people through monetary and in-kind assistance, to help transform the livelihoods of our neighbouring communities by making them into more comfortable and better places to live in.

Our CSR framework comprises three community objectives:

A. Supporting our next generation

We believe that every child deserves a chance at a life filled with love, laughter, friends, and family, and our work focuses on improving access to an inclusive and high-quality education.



B. Active volunteerism of our employees

We believe that everyone can contribute and make a difference to the community and lives of others. In this regard, we motivate our employees to volunteer in giving back to the community.

C. Disaster relief

We engage in providing assistance to mitigate the hardship experienced by disaster victims, such as those affected by fires and floods through initiatives such as food and necessity donation drives, as well as fundraising efforts.

