

SUSTAINABILITY REPORT

OUR SWEET EES JOURNEY



ECONOMIC SUSTAINABILITY

- Socio-economic Development
- Sustainable Value Chain Practice
- Engaged & Ethical Marketplace Practices
- Knowledge Sharing with Industry Members



ENVIRONMENTAL SUSTAINABILITY

- Waste Management
- Water Usage
- Energy Optimisation
- Greenhouse Gas (GHG) and Other Emissions
- Plantation Management
- Paper Consumption & Printing



SOCIAL SUSTAINABILITY

- Respecting Human Rights
- Responsible Employment
- Staff Mobility Programme
- Employee Engagement
- Corporate Responsibility
- Product Quality
- Occupational Safety and Health



Sustainability is an integral part of MSM's business philosophy and corporate culture. As the leading sugar refiner and brand ambassador for Malaysia, we infuse our thoughts and actions in aspiration to achieve excellence in sustainability by integrating sustainable practices into every one of its business activities in line with the Group's vision and core values.

Meanwhile, we continually advance the means by which we measure and report on the progress we make on our sustainability journey.

This Sustainability Statement covers MSM Group of Companies throughout Malaysia only.


INGRAINING SUSTAINABLE STRATEGIES HOLISTICALLY



Human Capital



Employment for **230** employees in the new refinery in Tanjung Langsat, Johor



Increased 0.3%

96.1% suppliers are Malaysian registered companies




Natural Capital




Electricity Consumption **69,435,255 kWh**



Reduced 18.5%

CO₂ Emissions from Electricity **51,451.5 tonnes**



Social & Relationship Capital





Increased 6.7%

2,317 students benefitted from MSM's collaboration programme with **PINTAR Foundation**



Decreased of 21 days

149 days lost time injury

Our Sustainability Development Governance Structure

To govern, manage and regulate industry-specific sustainability matters that are considered more critical from economic, environmental and social perspectives.

Board Governance & Risk Management Committee (BGRMC)



Chief Executive Officer



To communicate, develop and drive the implementation of sustainability strategies and policies.
To review and report the progress.



Head of Operations



Subsidiaries



ECONOMIC SUSTAINABILITY



Our new refinery in Tanjung Langsat, Johor is set to expand the Group's employment to over 200 Malaysian citizens.



We are listed in the 2018 MSWG-ASEAN Corporate Governance Top 100 Company List

Nation building is a fundamental part of our organisational purpose. Our establishment five decades ago was fundamentally a national thrust towards gaining self-sufficiency in sugar production. Today, as the country's leading refined sugar producer, we continue to align ourselves with the Government's efforts towards achieving developed nation status.

Our focus on meeting regulatory compliance, governance and risk management standards is targeted to promote the most responsible best practices. This improves our integrity and accountability, which impacts our business success, and consequently enhances our ability to sustainably contribute to the national economy.



SOCIO-ECONOMIC DEVELOPMENT
GRI-203: Indirect Economic Impacts

MSM plays a key role in stimulating job creation within the communities we operate in, particularly in our operational, warehousing facilities and refineries. Our business operations spur socio-economic development within Penang, Perlis, Johor and Klang Valley; generating a lively and vibrant local economy enriched with employment opportunities and a catalyst for secondary industries.

Our refineries currently employ about 1,398 Malaysian citizens and support a diverse value chain of service providers, suppliers, maintenance companies and related industries throughout Malaysia.

MSM's focused training and development programmes also build capabilities, enhances knowledge and promulgate productive, efficient and up-to-date refining practices; expanding the horizons, prospects and potential of our local employees.

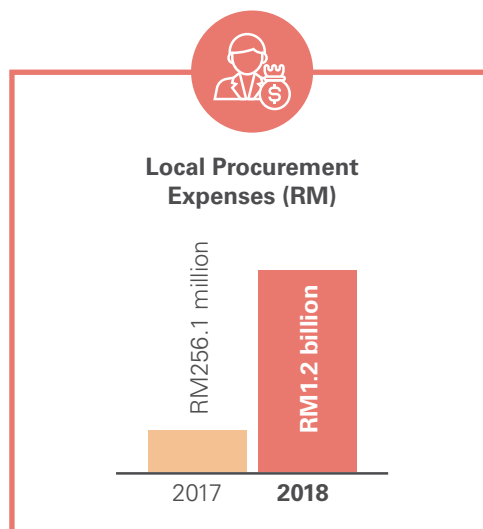
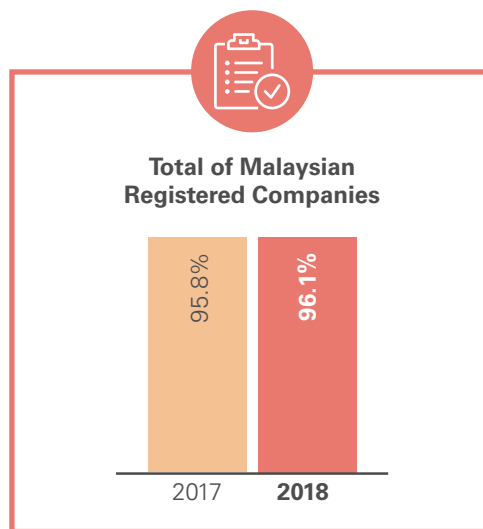


SUSTAINABLE VALUE CHAIN PRACTICE
GRI-204: Procurement Practices

MSM's ongoing commitment to ethical supplier management practices ensures fair and undiscriminatory practices for our stakeholders with regards to the enhancement of ethical business practices in our business dealings that safeguards ethical, open and sustainable sourcing within our supply, manufacturing and distribution value chain.

These ensure our vendors and suppliers abide by high ethical standards, fair business practices; compliance with company policies, national laws and industry regulations; and other requirement factors such as environmental compliance and impacts, health and safety aspects, availability of ethical standards, integrity plan, non-compromise with child labor or forced labour practice and technology capability.

MSM employees are required to strictly comply with our procurement processes in the selection of suppliers and vendors to ensure an accountable and transparent business operations free from bribery and corruption. We regularly update our suppliers and contractors pertaining to our company requirements, including environmental obligations in order to do business mutually. Effective mechanisms of checks and balances are embedded into our framework to ensure accountability and transparency within the selection process. Even after selection, we regularly monitor the EES aspects of our vendors' and contractors' businesses.



MSM JOHOR



230
employees

MSM PRAI



501
employees

MSM PERLIS



Factory
362
employees



Plantation
197
employees

MSM HOLDINGS



62
employees

MSM LOGISTICS



46
employees

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In 2018, MSM participated in the following events:

Sugar & Ethanol Sugar Conference (Bangkok, Thailand)

IBC 24th Asia International Sugar Conference (Saigon, Vietnam)

Optimising Supply Chain Seminar (Kuala Lumpur)

ENGAGED & ETHICAL MARKETPLACE PRACTICES

A high level of customer satisfaction is vital for our ongoing success and growth. Therefore, MSM has put in place processes to ensure efficient and responsive support services to our customers. Efforts in this sphere encompass informing customers of our service delivery commitments, reliable product deliveries conducted in an ethical and professional manner, engaging with customers to assess their satisfaction with our levels of service and business ethics, and acting on feedback to continually enhance customer service.

We conduct regular onsite visits to our customer premises, in order to engage with them personally and our team is always open to iron out any issues or complaints through our dedicated online customer service email at consumer@msmsugar.com.



MSM as one of the panel for the Sugar & Ethanol Sugar Conference in Bangkok, Thailand.

KNOWLEDGE-SHARING WITH INDUSTRY MEMBERS

MSM actively engages in events and discussions pertaining to industry challenges and the wider economy as a whole as part of our desire to contribute towards the development of a fundamentally sound and informed industry knowledge base. Our participation and sponsorship of topical panel discussions, conventions and conferences help forge strong and meaningful relationships regionally and globally as we advance on our vision to become the top 10 global sugar player by 2020.



Sharing session with Malaysia Competition Commission (myCC).



ENVIRONMENTAL SUSTAINABILITY



MSM Prai Berhad operates the sugar refinery in Penang.

MSM's refining operations has a high impact on the environment being an energy intensive process that releases waste and emissions. Mitigating this impact via smart management of Water, Energy, Waste and Emissions is a key contributor towards our strategic initiative to maintain leadership, optimise asset utilisation and increase operational efficiency.

As a step forward in our journey to inculcate environmental sustainability, MSM has incorporated a comprehensive Environmental Management System (EMS) to operate responsibly across the value chain. It encompasses our refineries in Penang and Perlis, as well as our regular work practices at the head office, warehouses and plantations. The EMS states clear lines of monitoring along the following parameters: Water consumption, Energy consumption, Waste pollutions/emissions and Greenhouse Gas (GHG) emissions.

2020 GOALS:



Optimising 2% of water usage
(reduction of 0.0508 m³ per tonne)



Reducing 3% of energy consumption
(reduction of 0.8778 GJ per tonne)

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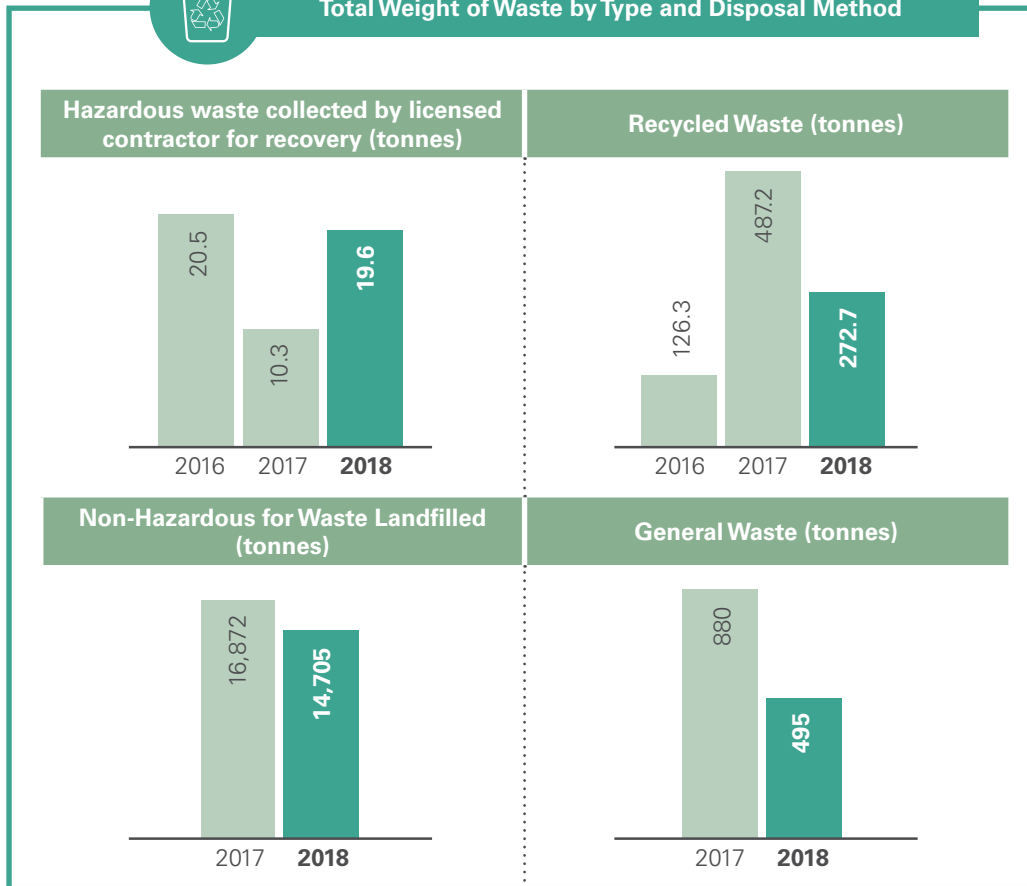


WASTE MANAGEMENT GRI-306: Effluents and Waste

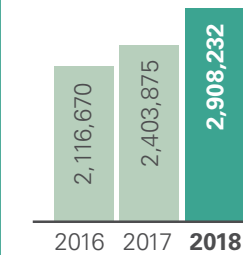
MSM's refineries are fitted with cutting-edge nano-filtration waste treatment system that enables us to process the discharge produced by our Ion Exchange Resin (IER). Within the sugar refining process, the resulting salt residue can be reused for resin regeneration, while the rest of the residue is filtered and cleaned before being discharged. To manage waste stream, we outsource to a supplier which is licensed by the Environmental Department to collect, transport, process and dispose wastes in accordance with local regulations and standards.



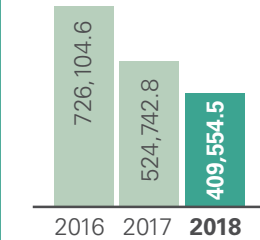
Total Weight of Waste by Type and Disposal Method



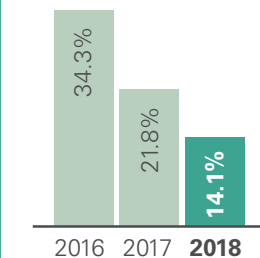
Total water withdrawal by source (cubic metre (m³)/year)



Recycled and Reused Water Volume (m³/year)



Recycled and Reused Water Percentages



WATER USAGE GRI-303: Water and Effluents

MSM has in place sustained water management measures to ensure the efficiency of water usage within our operations, bearing in mind the vast water quantities used in the sugar refining process. To ensure best practice of water management, we regularly track the water usage and water reused in our daily operations.



ENERGY OPTIMISATION
GRI-302: Energy

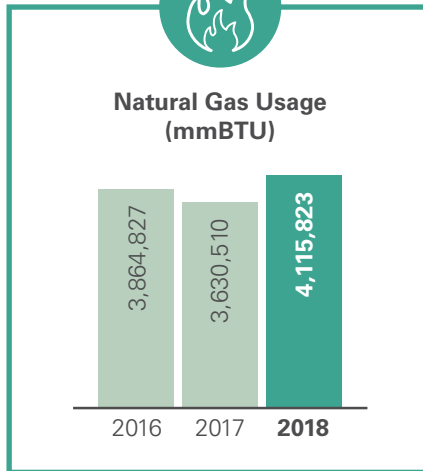
We have adopted an energy savings approach to monitor the progress of carbon footprint reduction, waste management and utilisation of clean and renewable energy sources within our operations.

Natural Gas

Mindful of our energy intensive operations, MSM has invested heavily in back pressure turbines. These generate approximately half of our energy requirements by channeling exhaust steam back to the heating process. Additionally, we also recycle our process condensate for boiler steam generation.

Where necessary, we use natural gas, the cleanest burning fossil fuel available as an energy source at both refineries to mitigate the environmental impact of our operations as the usage of this resource effectively reduces production of carbon soot and sulphur emissions from our boiler flues. In addition, we employ an innovative system that combines functionalities of our Mechanical Vapour ReCompressor (MVR) evaporator and Vertical Crystallisation Tower (VKT) to dramatically reduce the amount of steam required during the sugar-boiling processes.

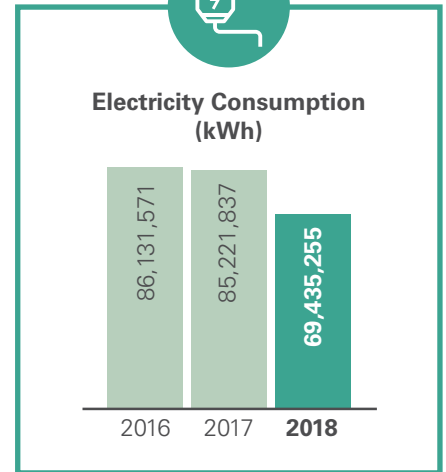
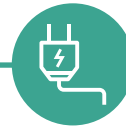
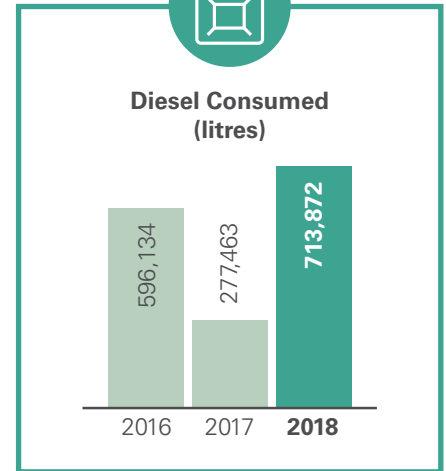
All these efforts have reduced our energy and natural gas consumption significantly year on year. Though there was an 11.6% increase charted in 2018, this was due to the commencement of additional operations at our new refinery in Tanjung Langsat, Johor. Comparing efficiency of natural gas usage for every tonne of sugar produced, it was a slight increase from 3.542 mmBTU in 2017 to 4.218 mmBTU in 2018.



Diesel

The base of our refining operations have been fitted with energy saving initiatives, and investments in new boilers have been made in recent years to help reduce the Group's carbon footprint during normal operations.

Due to a scheduled maintenance shutdown and the usage of more diesel engines for testing at MSM Perlis, we recorded a significant 157.3% increase in our diesel consumption in 2018. The shutdown was necessitated by a Department of Occupational Safety and Health (DOSH) annual machinery inspection to verify the integrity of all machinery such as boilers, air compressors and pressure vessels. Moving forward, we will continue to diligently monitor our energy use, identifying and implementing more energy savings initiatives wherever possible.



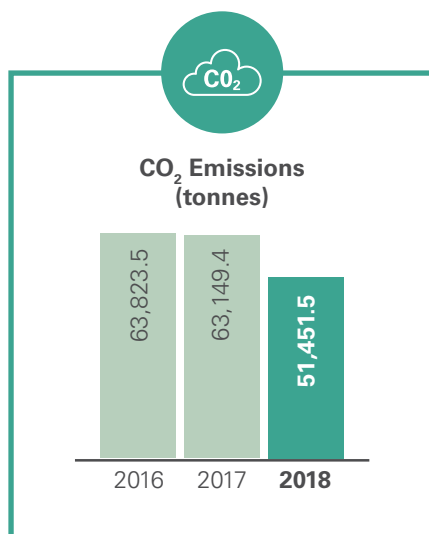
Electricity

MSM's electricity usage is calculated primarily on our electricity bills based on consumption at our office buildings, refineries and warehouses. In 2018, we managed to generate electricity internally amounting to 11,588,475 kWh which significantly reduced our purchased electricity consumption to 57,846,780 kWh.

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The reduction in consumption was attributable to the various energy saving initiatives which include Co-Generation (COGEN) system that recycle steam to generate electricity in the sugar melting process. Compared to the year 2017, we managed to significantly reduce the CO₂ emissions from electricity consumption by 18.5%.

- CO₂ emissions from electricity consumption:

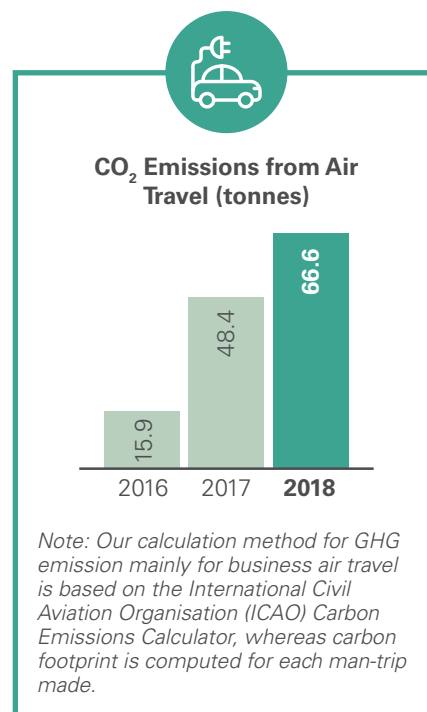


GREENHOUSE GAS (GHG) & OTHER EMISSIONS
GRI-305: Emissions

Business Air Travel

Mindful of the transport-related emissions produced via business air travel, MSM encourages customers, suppliers and employees to adopt the usage of teleconferencing facilities. On the road, our employees are encouraged to car pool when more than two of them are travelling whether to the head office, refineries and other meeting functions. To ensure cost efficiencies, we utilise a centralised system to process booking for the majority of our short and long-haul flights.

In 2018, MSM employees took a total of 1,095 individual flights (compared to 562 in 2017), which produced an estimated 66.6 tonnes of CO₂ emissions. This represents an increase of 37.5% from the previous year when MSM employees produced 48.4 tonnes of CO₂ emissions. The increase is due to frequent traveling from within our domestic business operations for the new refinery in Tanjung Langsat, Johor in lieu of support (within the Group). As sugar related experience and knowledge is very niche, it will be more expensive to bring external talents from South East Asia.



Plantation Management

MSM has embedded the principles of sustainability in its plantation operations and management through the Group Sustainability Policy. In line with the policy, MSM implemented the Malaysian Good Agricultural Practice (MyGAP) for the mango project and successfully obtained the certification scheme based on Malaysian Standard MS1784:2005 launched by the Ministry of Agriculture and Agro-Based Industry.

MyGAP is an agricultural practice which emphasises on environmental, economic and social aspects to ensure the produce is safe and of good quality. The use of agrochemicals is greatly reduced under MyGAP which ensures the production of high quality mangoes which are safe for consumption. The reduced usage of agrochemicals also minimises environmental pollution, along with ensuring the health and safety of our plantation workers.

Paper Consumption & Printing

Another way of managing our resources effectively is via the reduction of paper consumed. We have identified areas which requires large amounts of paperwork and moved towards digitisation to reflect our embrace in new technology and actions such as double-sided printing, centralising colour printing to specific printers, accessible by authorised personnel only and promoting electronic communication between colleagues and clients, resulted to a significant decline in administrative cost.

Our Procurement tender announcements have been uploaded onto our website under the Tender Announcement page at <http://www.msmsugar.com/tender> and linked with FGV's e-procurement portal.

Others

MSM's refineries and warehouses are designated as smokefree zone areas in line with our efforts to provide employees and customers the respect and comfort they deserve. In recognition of our smoke-free policies and efforts, MSM Prai was among the first 15 establishments in Malaysia to be awarded the Blue Ribbon Certificate initiated by MySihat, a statutory body under the Ministry of Health, Malaysia.



SOCIAL SUSTAINABILITY



All good actions begin at home. Similarly, MSM's principle of social sustainability is firmly grounded in the development of a vibrant and sustainable local community eco-system that begins with ensuring the wellbeing of our employees at the workplace. We believe that creating stability and loyalty at the workplace by serving our employee interests well is a pre-requisite to effectively reach out and aid community causes.

NURTURING OUR WORKFORCE

The development and welfare of our employees within the workplace is a priority that MSM has consistently invested in over the past 50 years. As fundamentals, we maintain safe and inclusive workplaces, support and nurture our employees' potential, and ensure the highest standards of health and safety.

Our multicultural workforce represents our strong stance on harnessing diversity in opinions, perspectives and backgrounds of the employees, adding on to the strength of the company. We operate in an environment of open communication that fosters unwavering trust, respect, fairness and loyalty. We ensure everyone receives equal opportunity to perform at the best of their ability.

We encourage our employees to air their grievances, gather feedback and identify amiable solutions should they feel violated, disrespected or treated unfairly. As part of our Whistleblowing Policy, we have in place structured grievance and complaints process to encourage employees to report these potential violations without fear of reprisal. (see page 99 of Corporate Governance).

Respecting Human Rights

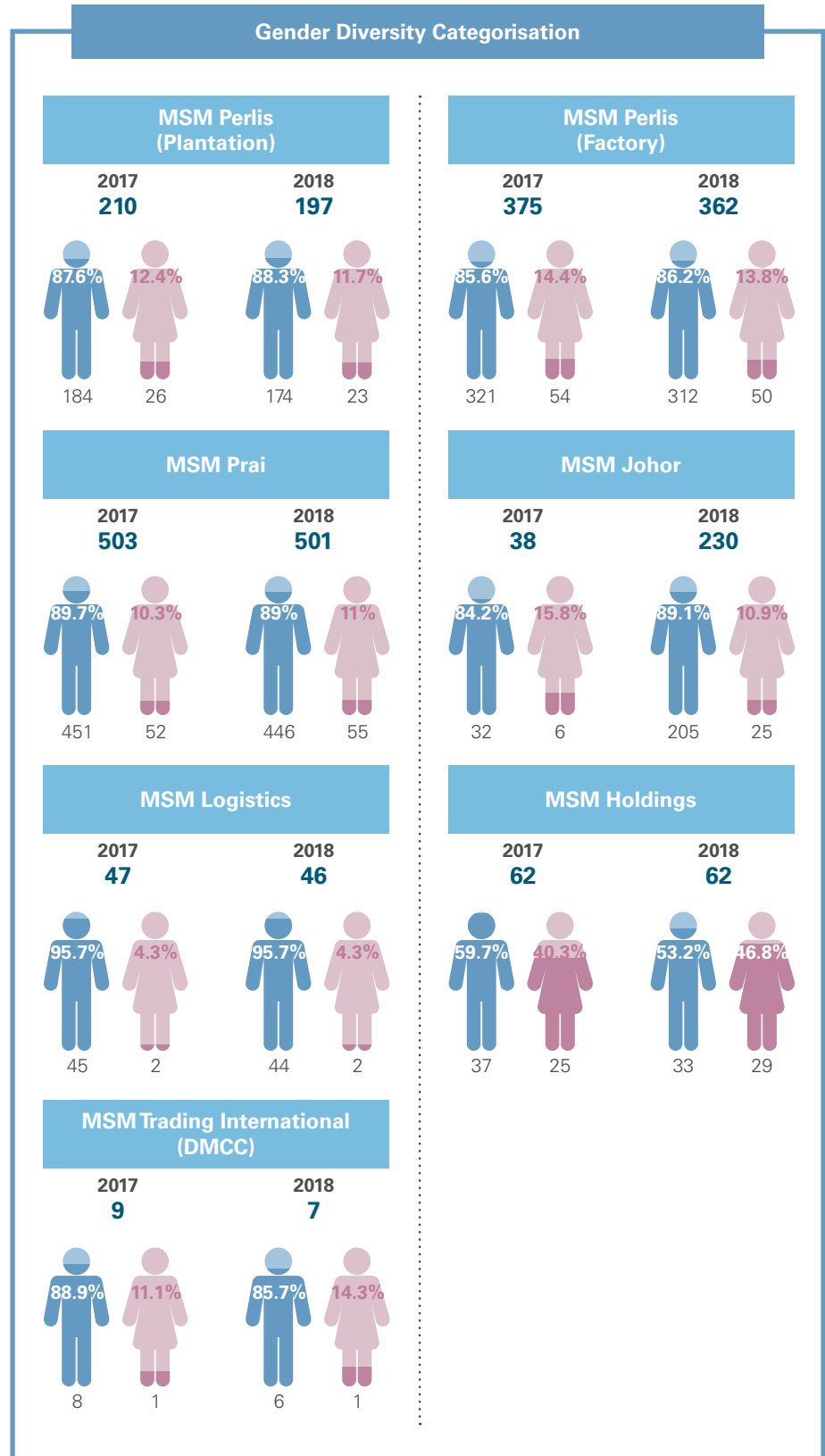
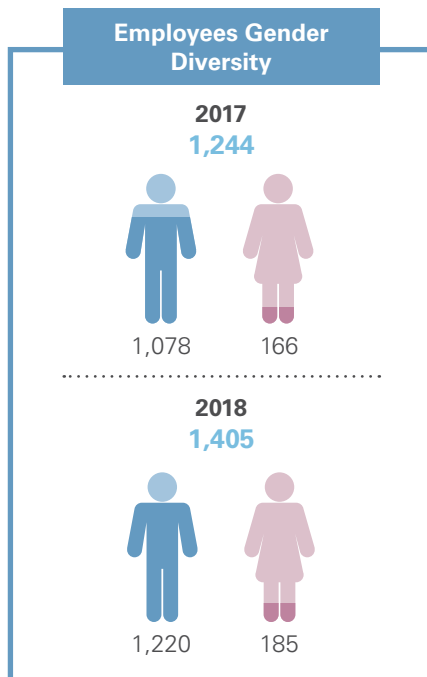
MSM values and respects diversity and inclusion, within a workplace free from discrimination and harassment. These values are promoted and inculcated as guidelines outlined as Employee Work Policies, and are communicated in the employee handbook. These policies champion an inclusive culture and an environment that protects the rights of all employees and addresses discrimination among the workforce.

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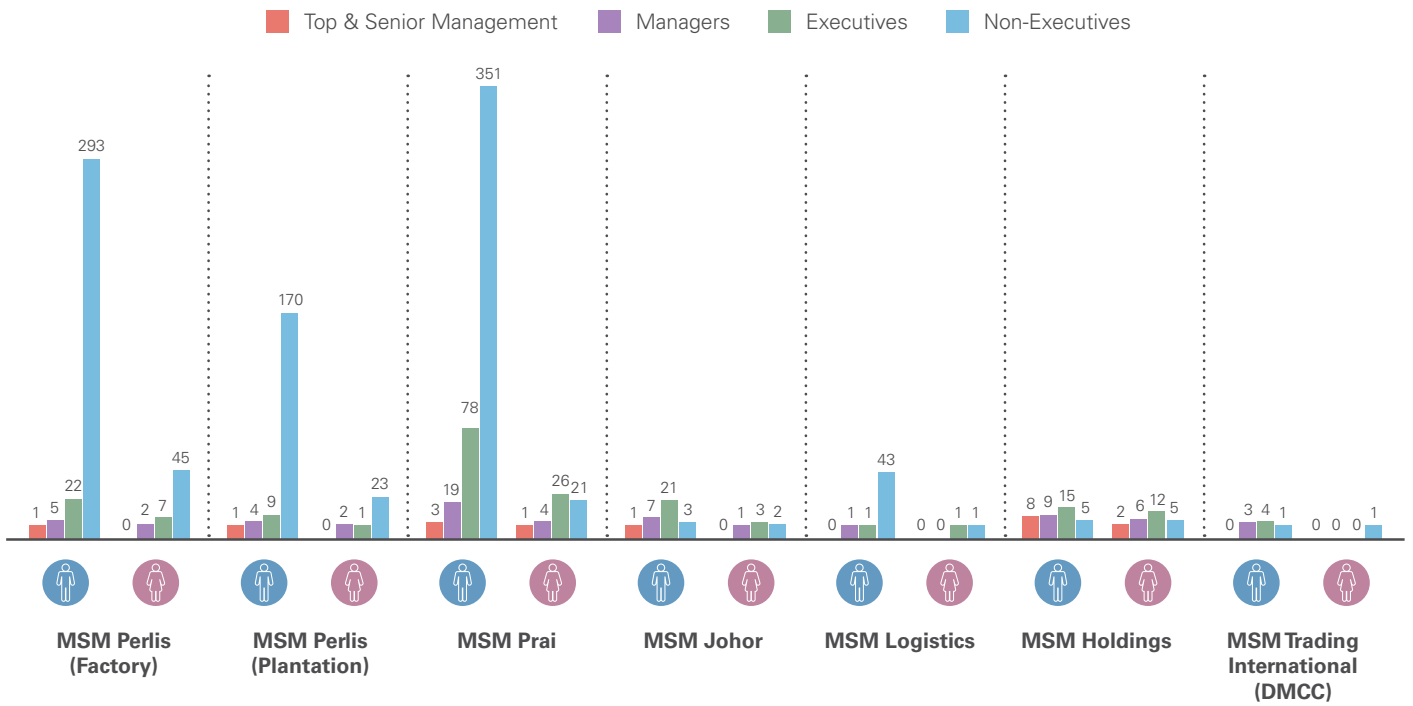


GENDER DIVERSITY GRI-405: Diversity and Equal Opportunity

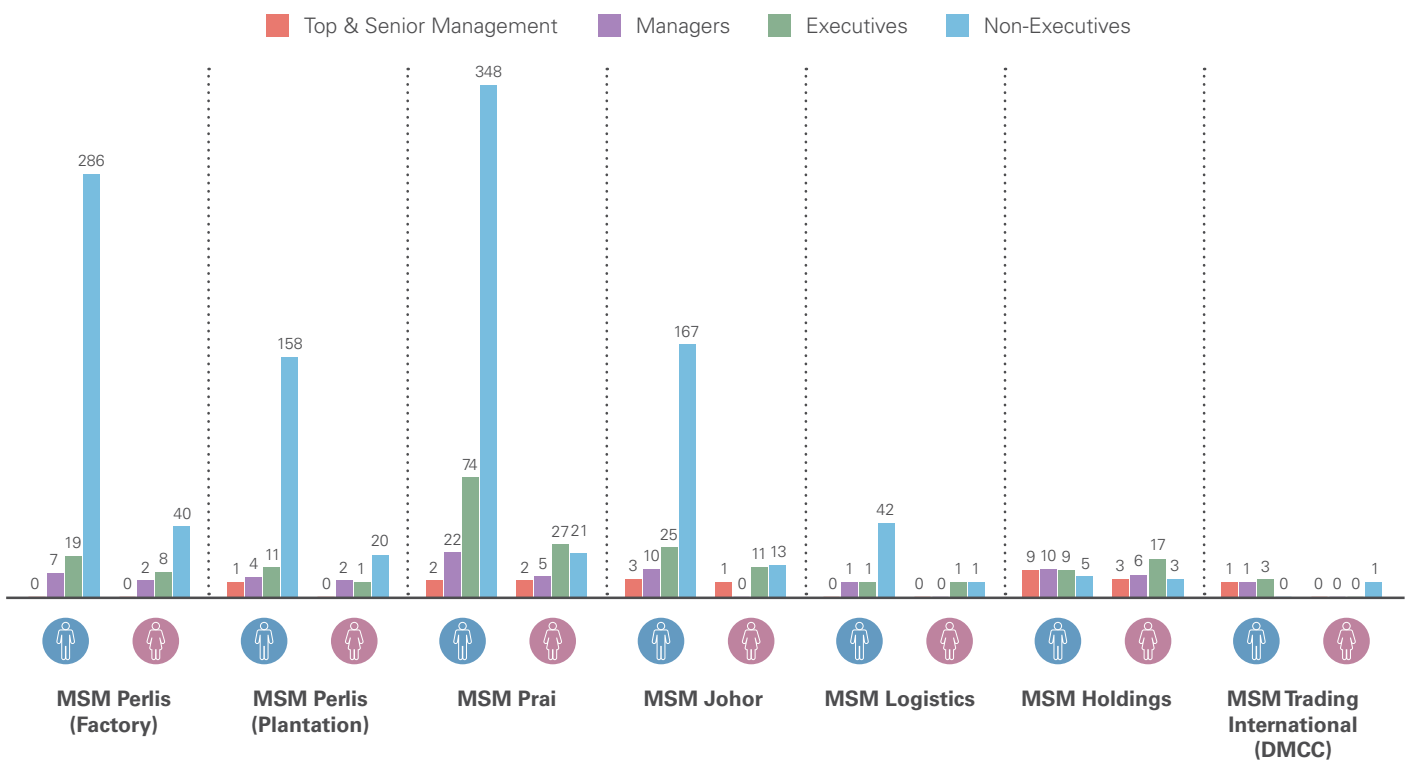
MSM's workforce within our refineries tends to be male dominated, in light of factory, machinery and work shift demands. However, our concerted efforts through the years to promote women to management level positions has seen us achieve significant improvements in this area. In 2018, we recorded a 77:23 male to female ratio at manager level and above, which is significantly close to the recommended target of 30% female representation at management level.



Total Employees by Gender and Category 2017



Total Employees by Gender and Category 2018



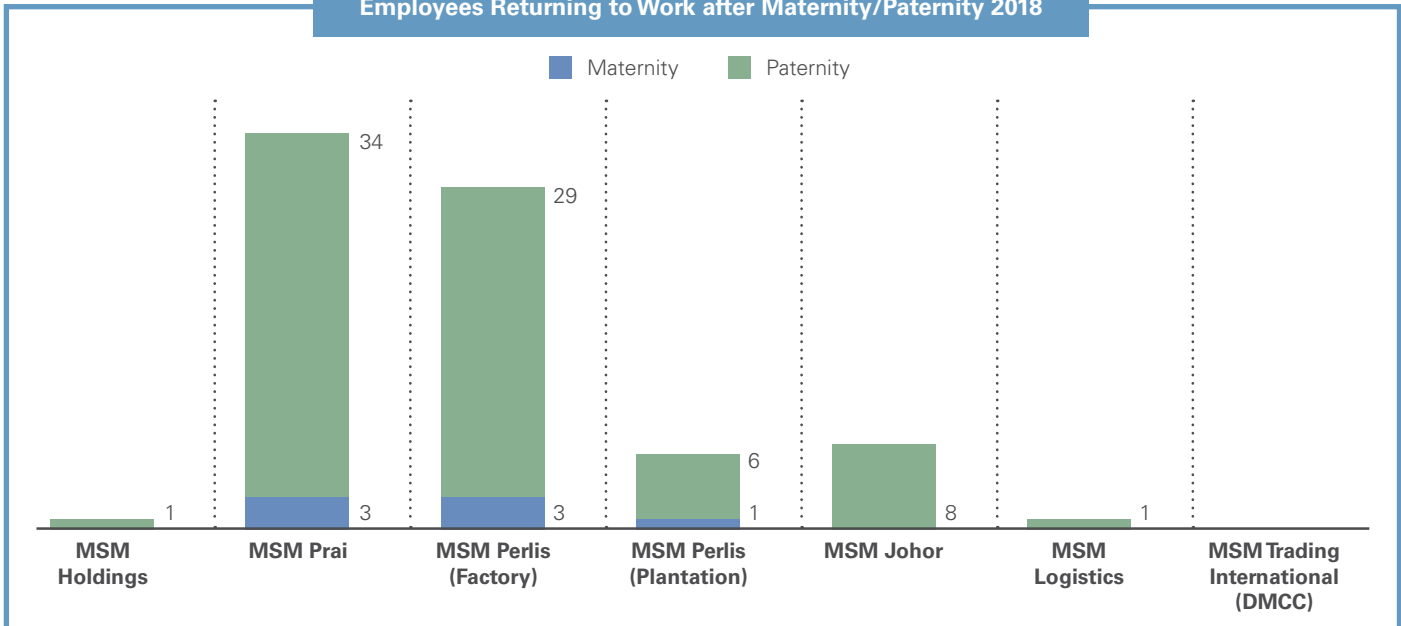
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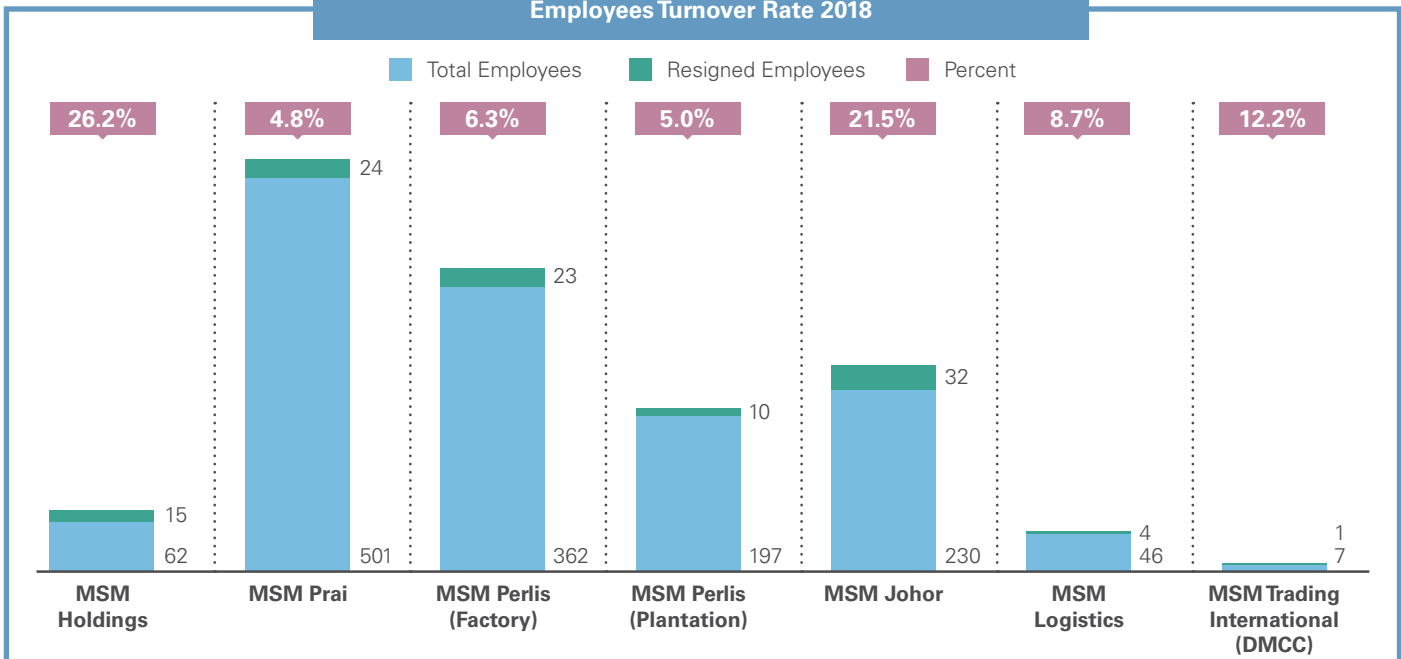
BUILDING LOYALTY GRI-401: Employment

To be ranked amongst the top employer of choice, MSM maintains a range of competitive benefits and entitlements for its employees to convey appreciation for their consistent efforts towards elevating MSM as the leading refined sugar producer in the country.

Employees Returning to Work after Maternity/Paternity 2018



Employees Turnover Rate 2018

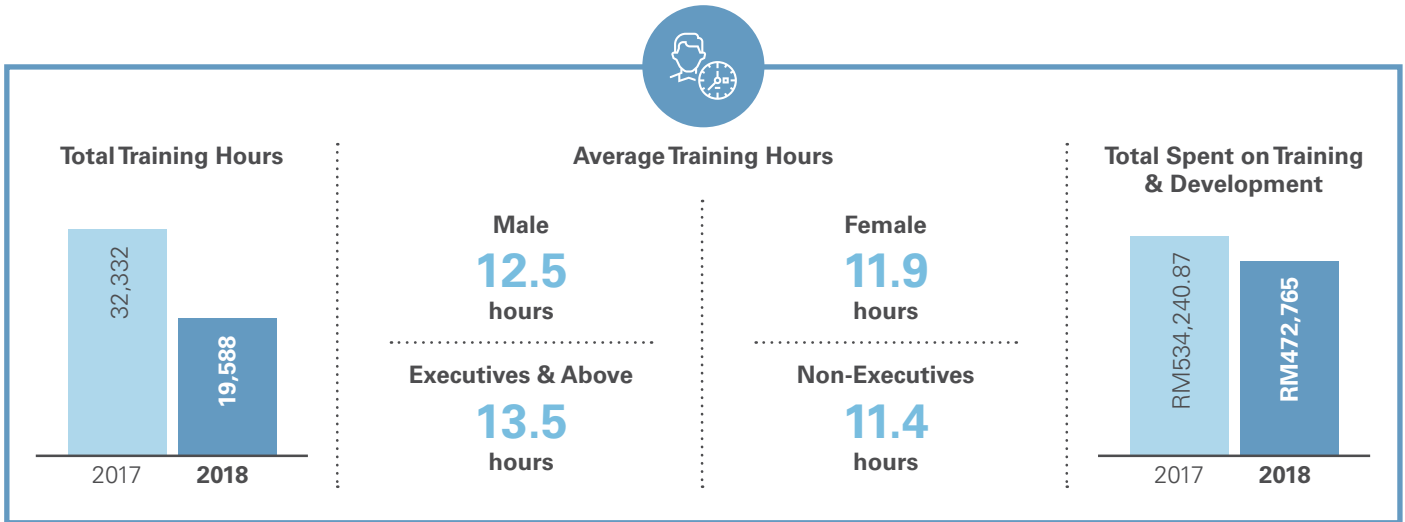




STAFF MOBILITY PROGRAMME
GRI-404: Training and Education

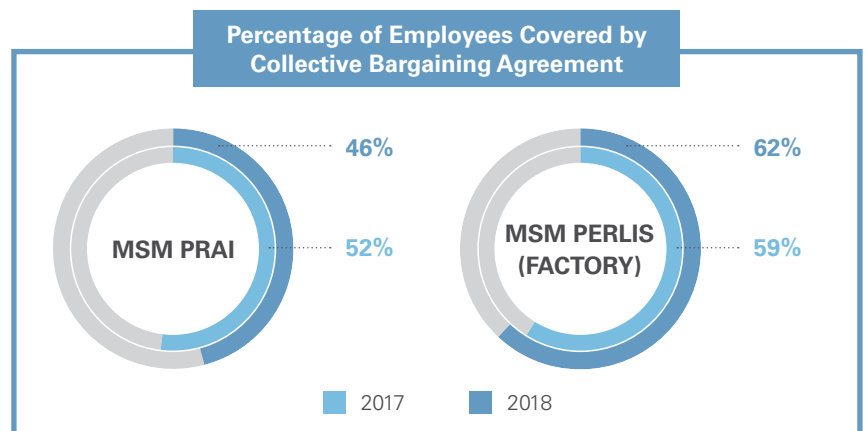
We build a talent pool through Staff Mobility programme, an intensive training and development programme that allows for new employees to speed up their learning curve, as they pick up the know-how required for the efficient start-up of operations at our new Johor refinery. To support the implementation of the Staff Mobility Program, MSM has employed local graduate trainee under its Graduate Management Training Programme, that focuses on engineering on-job and management training, allowing ready deployment when required.

In 2018, MSM has also embarked on a values alignment programme to nurture a culture of shared knowledge and inculcate Group unity. The values enhancement programme, well into its second phase, garnered more than 90% of MSM employees participation across various job levels.



EMPLOYEE ENGAGEMENT
GRI-407: Freedom of Association and Collective Bargaining

We regard loyalty as the catalyst in forming long lasting and meaningful relationships that transcend work. Through the listed employee engagement activities, we foster opportunities to build rapport, teamwork and inculcate a culture of shared values. These also promote work-life balance by spanning the spectrum of sports, charity, learning and sheer fun.



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Employee Engagement 2018

21 April 2018

Ladang MSM Perlis

Perlis Fun Ride 2018

May – June 2018

MSM Holdings, MSM Perlis, MSM Prai, MSM Johor

Semarak Iftar Ramadhan MSM



7 June 2018

MSM Perlis

Bubur Lambuk Cooking & Distribution

22 July 2018

D'Futsal Centre @ Kangar

Futsal Tournament

1 August 2018

Menara Felda & Sungai Buloh Warehouse

BCM Simulation Test



19 September 2018

FGV Academy

Leadership Talk with Dato' Khairil Anuar Aziz



April – August 2018

Bukit Merah Laketown Resort

Value Inculcation Program

25 June 2018

MSM Perlis

Volley Ball Tournament

5 July 2018

Menara Felda

MSM Potluck Aidilfitri

23 July 2018

MM Superbowl @ Kangar

Bowling Tournament



3 August 2018

Langkawi

CA Signing Ceremony



CORPORATE RESPONSIBILITY
GRI-413: Local Communities

Our employees are encouraged to be part of our commitment to aid the community through our Corporate Responsibility (CR) initiatives such as promoting volunteerism, providing financial and material contributions for the underprivileged and supporting educational institutions initiatives. In 2018, MSM has stepped up these community engagement efforts in support of the local communities, focusing in the local areas where the MSM Group of Companies operates.

COLLABORATING WITH PINTAR FOUNDATION

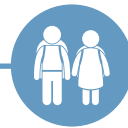
Through collaboration with PINTAR, MSM has worked closely with four schools in under-served communities in Penang and Perlis since 2017. These schools lack the necessary means and resources to enhance their teaching methods for a well-rounded education. By providing the financial resources and support for these schools to access PINTAR programmes, we help to raise the academic and curriculum performance of these students.

During the year, MSM heightened our contribution to support a total of 18 new programmes for our four adopted schools, benefitting about 2,317 students. The success of these programmes was evidenced by the increase in school attendance to over 90% for all four schools; both primary schools achievement of finally having a student each scoring 6As for UPSR; and a SMK Dato' Jaafar Hassan student attaining 6As for PT3.



MSM adopted four schools

Perlis		Prai	
Primary	Secondary	Primary	Secondary
SK Batu Bertangkep	SMK Dato' Jaafar Hassan	SK Juara	SMK Prai



Total students benefitted

2017	2018
2,171 students	2,317 students



Budget Allocation

2017	2018
RM81,047.00	RM110,969.50



Total programmes initiated

2017	2018
14	18

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Programme highlights

Programme

Purpose

Jalinan Pembudayaan & Muafakat by SK Batu Bertangkup Program Suluhan Jiwa by SMK Dato' Jaafar Hassan	Motivation and team building programme for teachers
Bengkel Teknik Menjawab Kertas Peperiksaan UPSR by SK Batu Bertangkup Program Gilap Permata PT3 & SPM by SMK Prai	Preparation for students to sit for their UPSR, PT3 and SPM examination
Program Pembangunan Ragbi by SK Juara Program Pembangunan Memanah by SMK Prai	To provide facilities and encourage student to participate in sports activities
Program 3K by SK Juara Program Sahsiah Cemerlang by SMK Dato' Jaafar Hassan	To encourage student attendance to school

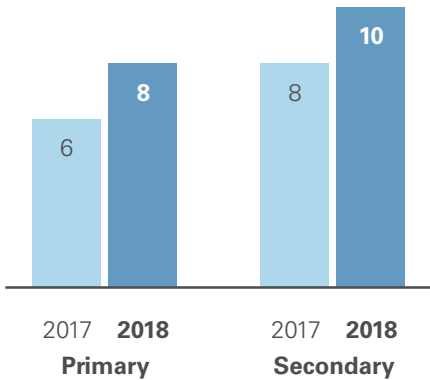


Highlights of our 2018 PINTAR programme



More than **90%** attendance to school

Number of activities/ programmes organised



9A's PT3

2017	2018
0	1

6A's UPSR

SCHOOL	2017	2018
SK Juara	0	1
SK Batu Bertangkup	0	1

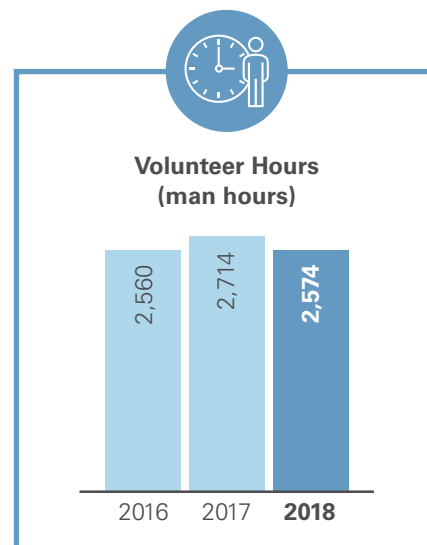
Zakat and Alms Giving

Zakat, one of the five pillars of Islam, is based on the Islamic principle that Muslims should ease the economic burden for others, especially the less fortunate, in the journey towards eliminating inequality in the world. At MSM, we view our zakat contributions as a fundamental way in which we can contribute towards a more just and equitable society.

Throughout 2018, MSM continued with our zakat contributions to the underprivileged, comprising the poor and destitute, single mothers, senior citizens and orphans.

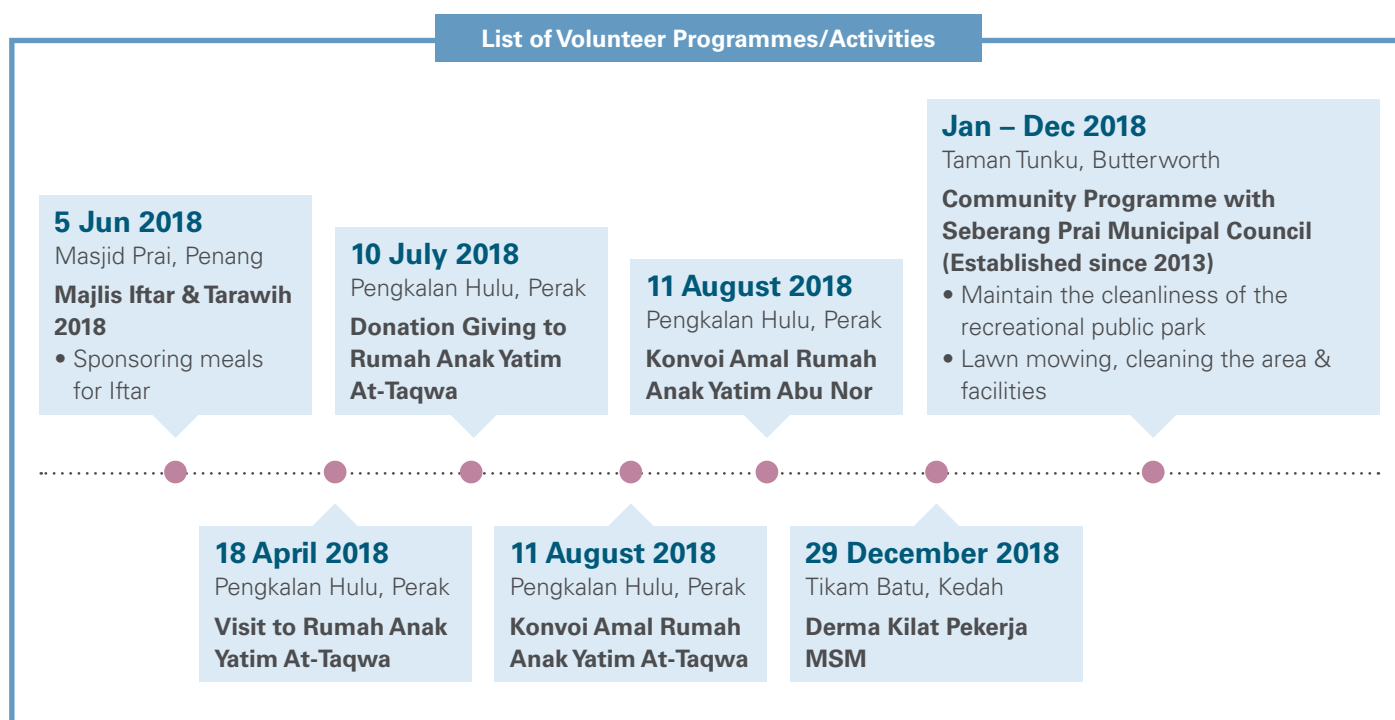
List of Zakat Contributions 2018:

RECEIPT	AMOUNT	REMARKS
Rumah Raudhatul Al-Faez, Gombak	RM10,000	Contribution to cover essential expenses of 30 resident orphans when the orphanage was destroyed in a fire incident.
Yayasan Felda	RM9,000	Financial support for 20 underprivileged students to attend educational courses
Pusat Hemodialisis Felda	RM15,600	Financial support for dialysis treatment for 2 persons



Assistance & Volunteerism

Every year, volunteer programmes and activities are organised to expose our employees to marginalised groups and provide avenue of engagement on how they can assist communities. In 2018, MSM Prai employees continued to chalk up over 2,000 man-hours performing volunteers services as listed in the table below.



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PRODUCT QUALITY GRI-416: Customer Health and Safety

Product and Service Quality

One of MSM's key competitive strength is our consistent delivery of the highest quality of sugar products to our customers, both locally and abroad. This has built the sterling reputation of our brand - Gula Prai, the number one best-selling sugar brand in Malaysia.

To maintain our market leading position, our refineries are constantly audited to ensure that our processes are in full compliance and certified with the Food Safety System Certification (FSSC 22000 - Manufacturing), Food Safety Management System (ISO22000), Good Manufacturing Practice (GMP) and the Hazard Analysis and Critical Control Point (HACCP) Certification from the Ministry of Health, Malaysia.

We also have in place a comprehensive spectrum of product quality processes and controls by SIRIM and BSI Services Malaysia which are audited on an annual basis. These are regularly monitored through performance indicators that drive continuous improvement and are in line with industry expectations for transparency and accountability.

As a global exporter, MSM complies with international standards such as the Halal and Kosher certifications. All our products are Halal-certified under MSM 1500:2009 and Kosher-certified by the London Beth Din Kashrut Division. Our Occupational Health and Safety Standards fulfill the requirements by the Occupational Health and Safety Advisory Services (OHSAS 18001) and the Malaysian Occupational Health and Safety Management Systems (MS1722).

Additionally, our key suppliers are certified to supply quality materials as part of complying with rigorous quality inspection standards. In line with industry expectations for transparency and accountability, the certifications are clearly displayed on our sugar packaging and the MSM website for easy identification and reference.

(Refer to page 26 – Awards & Certifications)



OCCUPATIONAL HEALTH & SAFETY GRI-403: Occupational Health and Safety

Safety at the Workplace

At our workplaces, we adhere and comply to industry requirements in health and safety standards and guidelines. We view health and safety at our facilities as a crucial enabler to ensure the Group's long-term growth, as any hold-ups in operations due to a failure in health and safety requirements ultimately contributes negatively to our bottom line.

Adhering to International and Local Health and Safety Industry Standards

MSM employs industry certified full-time Health Safety Officers or representatives at all our factories, warehouses, distribution and packing centres as well as office premises. A Health Safety Committee is also setup at all locations, tasked with the responsibility of addressing all issues pertaining to safety, with active participation from Management, Executives and Non-Executive employees.

In order to maintain a safe and healthy work environment, we have implemented the following two standards at all our facilities:

- **Malaysian Standard - MS 1722 Occupational Safety and Health Management Systems (OSHMS)**

This is a national standard that provides requirements on OSHMS and a basis for the development of Occupational Safety and Health (OSH) systems in an organisation.

- **International Standard - OHSAS 18001:2007 Occupational Health and Safety Management Systems**

The Occupational Health and Safety Assessment Series (OHSAS) is a standard that is developed by the OHSAS, an association that includes government agencies, certification bodies, national standards, industry associations and consultants. OHSAS 18001 assists organisations to establish a management system to manage and control their health and safety risks and improve their occupational health and safety performance.

Monitoring & Measurement of HSE Performance

To ensure we meet all our safety goals and targets, MSM implements a continuous schedule of activities and programmes that monitors and measures our Health, Safety and Environment (HSE) performance. This includes a monthly workplace inspection at all our locations conducted by the respective Health Safety Committee. Our extensive list of activities and outcomes are laid out below.

Creating an Ecosystem of Health & Safety Awareness

Through targeted engagement with stakeholders, we have developed and maintained an acute awareness of health and safety issues at the workplace:

Weekly Toolbox Meetings conducted in MSM Johor with all contractors who works on the construction

At the other locations, Toolbox Meeting are conducted prior to any major maintenance/ repair/ installation/ construction works by external contractors or employees

Implemented mandatory safety briefings by SHO or representatives for all external contractors and new employees

Random Contractors and Safety Team walk-about on site

Implementation of work permits for non-routine work

Internal Audits

- MS 1722
- OHSAS 18001:2007

Structured and Regular Internal and External Health & Safety Audits

External Audits

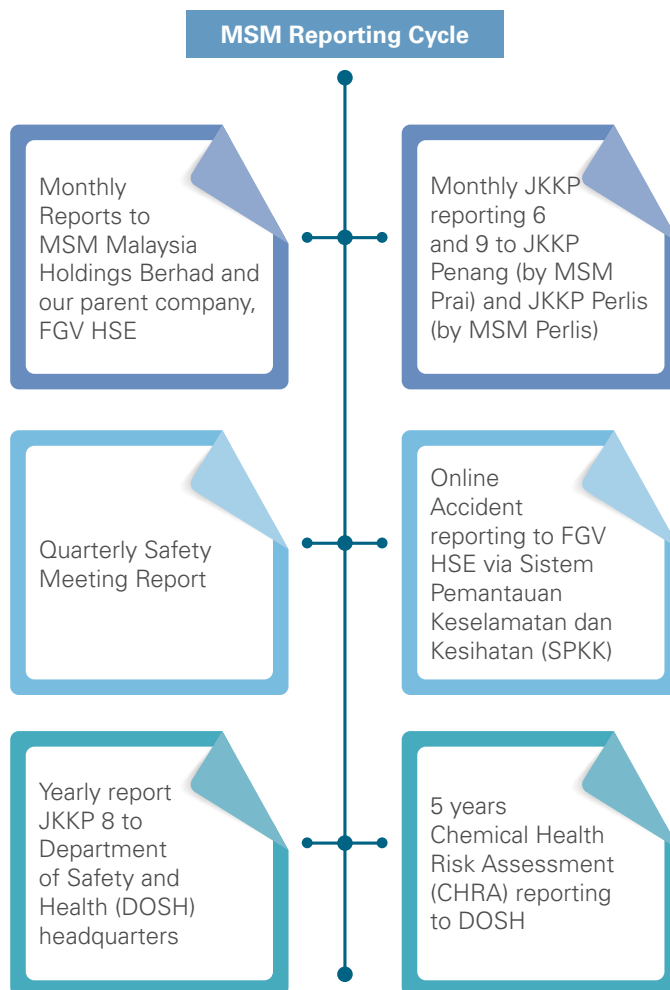
- FGV HSE Management Audit
- OHSAS 18001:2007 and MS 1722 audit by SIRIM – for certification and surveillance audits
 - Fire Certification – BOMBA
- Department of Safety and Health (DOSH)
- Department of Environment (DOE)
 - Client Audits

Maintaining A Continuous Reporting Cycle

MSM raised the stakes on its reporting abilities by collating data from our main operations facilities. Within MSM Prai and MSM Perlis, a new and more robust reporting system was established, paving the way for MSM Prai (Sg Buloh) and MSM Johor to adopt this new reporting mechanism.

MSM Malaysia Holdings Berhad is also contributing data to our new reporting system, which has increased the Group’s capacities to hone in on areas which needs to be improved with access to more comprehensive data sets covering all our manufacturing, packing and distributing activities.

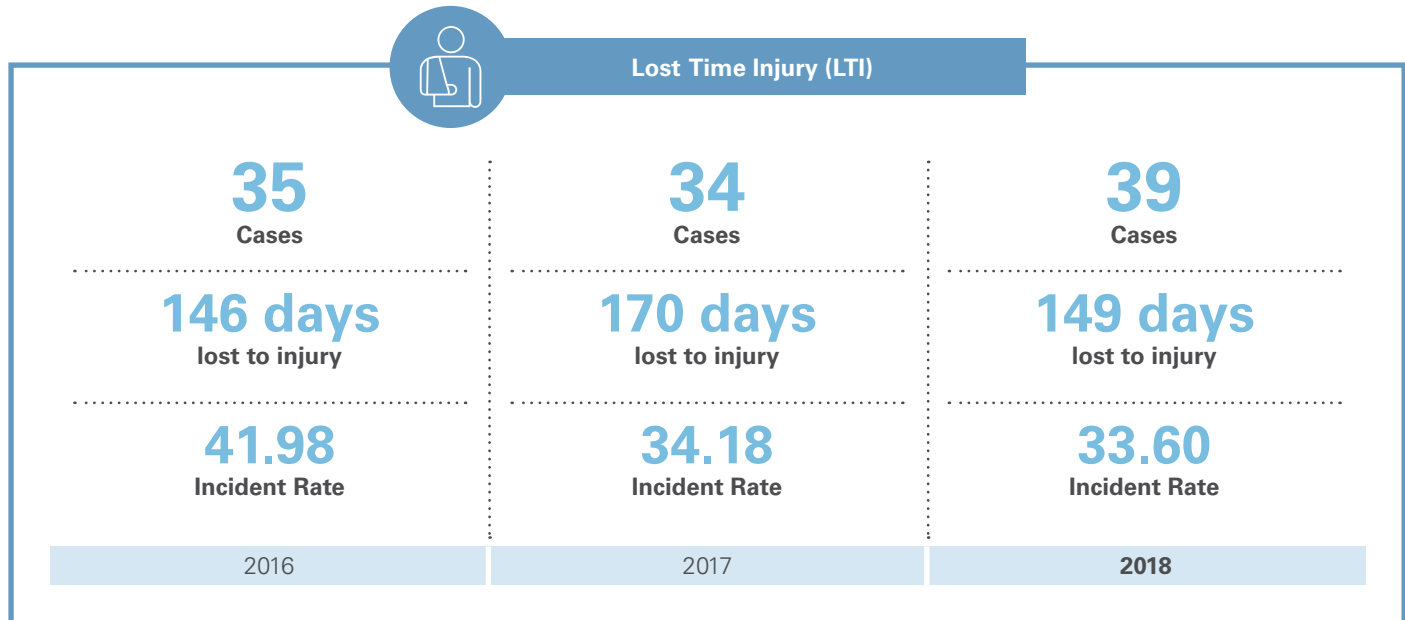
MSM Reporting Cycle






SUSTAINABILITY REPORT

Monitoring Our Accident Statistics

The year saw marked improvements in safety performance at our refineries. MSM Prai achieved MSOSH-Gold Award and FGV President's Award-2nd place and workplace Audit by DOSH Penang awarded Grade A. As a whole the Group's was proud of our safety achievements and are committed to continue reducing loss time injury days as we continue improving operational excellence. More Safety Awareness programmes are to be rolled out at all refineries in 2019.



Health and Safety Training Activities and Programs

AREA OF TRAINING	TRAINING PROGRAMS
 Emergency Preparedness Trainings	<ul style="list-style-type: none"> • Emergency Preparedness Natural Gas – 30 Aug 2018 MSM Perlis • Authorised Entrant and Standby Person (AESP) for Confined Space – NIOSH Penang • Authorised Gas Tester/Entry Supervisor (AGT/ES) Training by NIOSH Penang • Fire Drill – 15 Nov 2018 MSM Prai
 HSE Awareness and Trainings	<ul style="list-style-type: none"> • Basic Occupational Health & Safety Tips – 26 July 2018 MSM Perlis • Accident Reporting, Investigation & Prevention – 30 July 2018 MSM Perlis • Fire Prevention System Course – 29 Mac 2018 MSM Perlis • Fire Prevention System Course – 28 Feb 2018 Jaggery Plantation • Effective Safety & Health Committee – 27 Mac 2018 MSM Perlis • Motorcycle Training - NIOSH & SOCSO • Quarterly Internal Forklift Inspection – 14 Feb 2018 Warehouse Sg Buloh
 Competency Trainings	<ul style="list-style-type: none"> • Forklift Safety Training – 24 Dec 2018 MSM Johor • EXS-PORT DRILL 2018 organised by TLPT – 19 Nov 2018

AREA OF TRAINING	TRAINING PROGRAMS
 Emergency Response Team (ERT)	<ul style="list-style-type: none"> • First Aid Training – 31 Oct 2018 – 1 Nov 2018 MSM Johor • First Aid Training – 30 Jan 2018 MSM Perlis • ERT Training – 16 April 2018 Sg Buloh Fire Station • ERT Briefing by Group HSE FGV – 24 Jan 2018 Sg Buloh Warehouse
 Noise Pollution Control	<ul style="list-style-type: none"> • Hearing Conservation – 19 & 25 Jan 2018 MSM Perlis • Sound & Its Effects – 10 Aug 2018 Klinik Faezah @ Perlis
 HSE Efforts and Initiatives (Campaigns)	<ul style="list-style-type: none"> • Earplug Wearing Campaign – 11 Jan 2018 MSM Perlis • OSH Day (Toolbox Mega) – 27 Apr 2018 MSM Perlis • Bomba Competition 2018 – MSM Prai
 Others	<ul style="list-style-type: none"> • Audiometric test by our panel for employees working at high decibel noise area/ workplaces • Personal Hygiene – 17 Jan 2018 MSM Perlis • Medical Surveillance – 24 & 25 Sept 2018 MSM Prai

OSH Certifications, Awards & Recognitions

CERTIFICATION/AWARD/RECOGNITION	ASPECT	EVALUATOR/PROVIDER
Anugerah Cemerlang Keselamatan & Kesihatan Pekerjaan (KKP) Peringkat Negeri Perlis 2017 Kategori Pengilangan Industry Besar Pada 30 Oktober 2018	Safety and Health Occupational	DOSH PERLIS
OHSAS 18001:2007 & MS 1722:2011	Occupational Safety & Health Management Systems - Requirements	SIRIM
Perakuan Bomba	Akta Perkhidmatan BOMBA 1988	BOMBA
Grade "A" - 2018	Workplace Inspection	DOSH
Gold Class 2	Very Good OSH Performance	MALAYSIA SOCIETY FOR OCCUPATIONAL SAFETY & HEALTH - MSOSH
President's Award for Safety	Best Safety Project	FGV
President's Award for Safety	Merit Performance	FGV

Key Highlights: HSE Performance 2018


ZERO
 Fatal Accidents


21 days
 reduction in number of days lost time injury compared to the previous year

We Value Your Feedback

We aim to develop our sustainability goals and strategies further with the benefit from collaborative discussions and engagements with our stakeholders. Therefore, once our reports are published, we listen carefully to stakeholders' feedback where more clarifications and explanations are desired within our disclosure topics. We welcome all comments, suggestions and critiques on our sustainability practices and reporting. Please send us a message via email to corpcomms@msmsugar.com.