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Lingui Group of Timber Companies

Sustainability Report

2022

*“Embracing challenges
for a better world”*



*“Because we are
Citizens of Planet Earth”*

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“Nurture, Nature, Culture”



About Us

Established in 1967, Lingui Developments Sdn Bhd, (hereinafter referred to as the Lingui Group of Timber Companies and/or Lingui), has grown to become a leader in the production of high-quality wood products. Employing over 5,000 people, we export our wood products to key international markets such as China, Japan, India, Korea, Taiwan and North America.

At Lingui, we believe in sustainable management of forest resources. Our export markets attest to the integrity of our products. We strive to extract value from these resources while adhering to best practices, ensuring the long-term sustainability of these resources. We are committed to the principles of People, Planet, Places, and Productivity.

The spirit of sustainability is our guiding force and underlines the ultimate need for responsible management of forest resources. While our core activity is to extract commodity value from these resources, our operations strictly adhere to best practices for the long-term sustainability of these resources.

About This Report

This report covers matters pertaining to our company operations, initiatives, achievements and challenges that complemented and recognised our sustainability efforts. These sustainability efforts are aligned to the internationally-recognised standards of Global Reporting Initiatives (GRI), and the United Nations’ Sustainable Development Goals (SDGs).

With this report, we hope to provide the general public and stakeholders with an understanding and clear picture of Lingui’s sustainability-related policies and practices, and the progress that we are making in achieving these and in going beyond what is required.

Unless otherwise stated, this report covers Lingui’s operations from 1st January 2022 to 31st December 2022.

GRI (Global Reporting Initiative) is an independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts and report on their sustainability impacts consistently and credibly.

GRI Standards (Core Option) : this option indicates that a report contains the minimum information needed to understand the nature of the organisation, its material topics and related impacts, and how these are managed.

Source : www.globalreporting.org/standards



COO's Message

Sustainability is probably one of the most used words for any business these days. As more emphasis is placed on companies' ability to operate in a sustainable manner, sustainability can sometimes come across as being trite and overused.

As a major player in the timber industry in Malaysia, Lingui is aware of the need for us to go deeper and be more meaningful in how we adopt sustainability in our operations. We are fully aware of the assurance that our customers need that we are a reliable partner with products that have a clear sustainability chain.

Being one of the biggest employers in our home base of Miri, we are also aware of how important it is that our family of employees know they operate in a safe and productive environment. With the impact that our business has on the communities around us, we are also sensitive to the need for inclusivity - where our communities truly feel a sense of belonging and a sense of mutual respect.

All of these translate into providing the comfort that our stakeholders need that they are invested in a company that runs its business sustainably from an environmental, social and governance point of view.

Our Sustainability Report 2021 spoke of an awareness that what we do today matters for a better tomorrow. For 2022, we are building on this theme as we lay out the building blocks that will reflect our commitment to sustainability and to a better tomorrow.

These blocks include our continuous journey towards the full certification of our natural forests concessions as well as our industrial tree plantations, and moving towards zero waste from our plantations through the production of renewable energy materials such as wood pellets.

The journey has not always been a smooth one - we have encountered numerous difficulties along the way. But we know that putting one building block on top of another gets harder the higher we go. Despite this, we remain committed to reaching further and higher.

Lingui is building its sustainability path; Lingui is building relationships with its stakeholders, its customers, its people and its communities. As stated in our 2021 report, Lingui will continue to build People, Planet, Places and Productivity. One building block after another; one continuous effort after another; one sustainable journey...together.

James Ho
Chief Operating Officer
Lingui Group of Timber Companies



Message from our Head of Sustainability

As a timber company operating in Malaysia, Lingui is well aware of the growing importance - indeed the utmost importance - of ensuring that our sustainability efforts stand up to the intense scrutiny that they are bound to come under.

This has guided us in ensuring that we take small and manageable steps in our sustainability journey. Small they may be, but the steps we have taken so far, and those we intend to take in future, continue to grow in significance and impact. Our journey has not been an easy one but one fraught with all sorts of battles to correct unfair accusations and inaccurate perceptions while also struggling to overcome a devastating global pandemic that brought many countries to near standstills.

But I am happy to say that 2022 has seen Lingui expand its stride and get into gear so to speak, as several of our initiatives have started taking shape with exciting initiatives being planned for 2023.

I will let the contents of this Sustainability Report 2022 speak of the strides Lingui has made in its sustainability journey. However, at Lingui we believe that the sustainability journey is not to reach a destination but rather to keep the journey going.

Sustainability is never ended or finished - there will always be more to do, more to achieve, more to practice. Lingui needs to remain nimble and lithe to adapt to changes that will inevitably come our way as we continue our journey. While we set goals and aims, we also need to realise that these are mere steps on the journey and as we move along, there will be new and more exciting milestones which we will need to achieve.

One small step after another, one building block on top of another....the journey and the building continue.

Tia Tzee Ling
Head of Sustainability
Samling Group



Vision Statement

Our Vision

Lingui believes that sustainable businesses can only be built through a long-term engagement with communities and commitment to the environment. Our vision encompasses an integrated approach to achieving business development through responsible environmental management. We are committed to responsible sourcing, protecting natural resources plus nurturing people and communities.

Our Mission

We aim to be inclusive through the adoption of open and transparent engagement with communities. Guided by the United Nations Sustainable Development Goals (UN SDGs), Lingui will strive to empower the people and communities we work with while conserving an environment in which we all can thrive.

Mission Statement



Adopt a proactive approach that is based on collaboration, transparency, trust and open communication with stakeholders



Develop competitive and responsibly managed resources that meet or exceed regulatory standards



Satisfy customer requirements with quality products and expand the customer base in domestic and international markets



Improve profit performance and Economic Value Add (EVA)

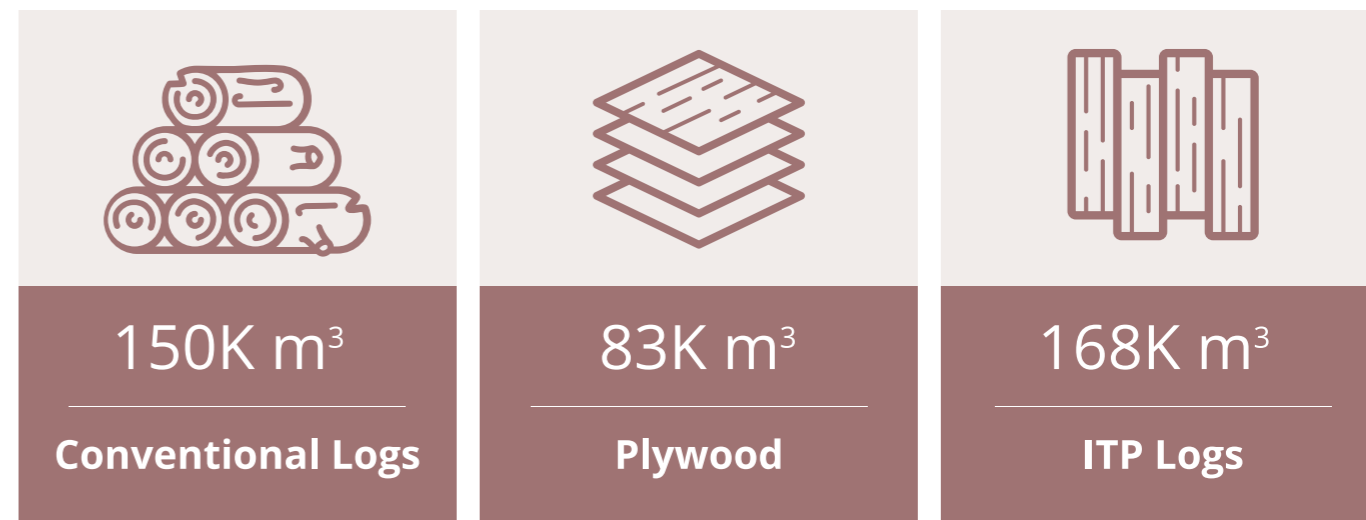


Partner with groups and agencies to raise industry standards

Milestones & Economic Performance

Economic Performance	Timber Sales FYE June 2022		Wood Product Sales FYE June 2022
	'000 m ³	MYR '000	MYR '000
Export	118	270,000	77,000
Local	283	103,000	65,000
TOTAL	401	373,000	142,000

Sales Volume for FYE June 2022



Comparison share of Export 2022

	Sarawak Timber Export Revenue	MYR3.4 billion
	Lingui Timber Export Revenue	MYR347 million

SPOTT Results

2021 : 56.9%

2022 : 58.3%

In the SPOTT assessment of 100 timber companies worldwide, Lingui was the top-ranked Malaysian company, coming in at 13th position. Also, Lingui was one of only 28 companies in the world that showed an improvement in their SPOTT score on transparency.

Waste Management



The onset of operations for TreeOne Mega Pellet (TOMP) in 2022, after a COVID-induced delay saw Lingui take a major step in waste management and reduction.

Trees Planted



Total number of trees planted in **2022**
3.4 million

Climate Action Initiative To Reduce GHG Emissions

The initiative to reduce GHG emissions in our operations started with the baseline accounting of GHG for scope 1 and Scope 2 for the year 2022. This in-house accounting reporting exercise was conducted by a 3rd party consultant (Eco-Ideal Consulting Sdn Bhd) to ensure that the scope coverage, methodologies and verifications required in the exercise were in accordance with the GHG Protocol Corporate Accounting Reporting Standard, the 2006 IPCC Guidelines for National Greenhouse Gas Inventories ("2006 IPCC Guidelines") and the 2019 Refinement to the 2006 IPCC Guidelines.

Scope 3 studies will be developed hereafter. For our timber businesses in Malaysia covering our forestry and downstream operations, Operational Control Approach was used to establish the organisational boundaries. GHG emissions for the period 1st January 2022 to 31st December 2022 :



Absolute Emissions

39,616 tCO₂eq

Scope 1 : 27,054 tCO₂eq | Scope 2 : 12,562 tCO₂eq

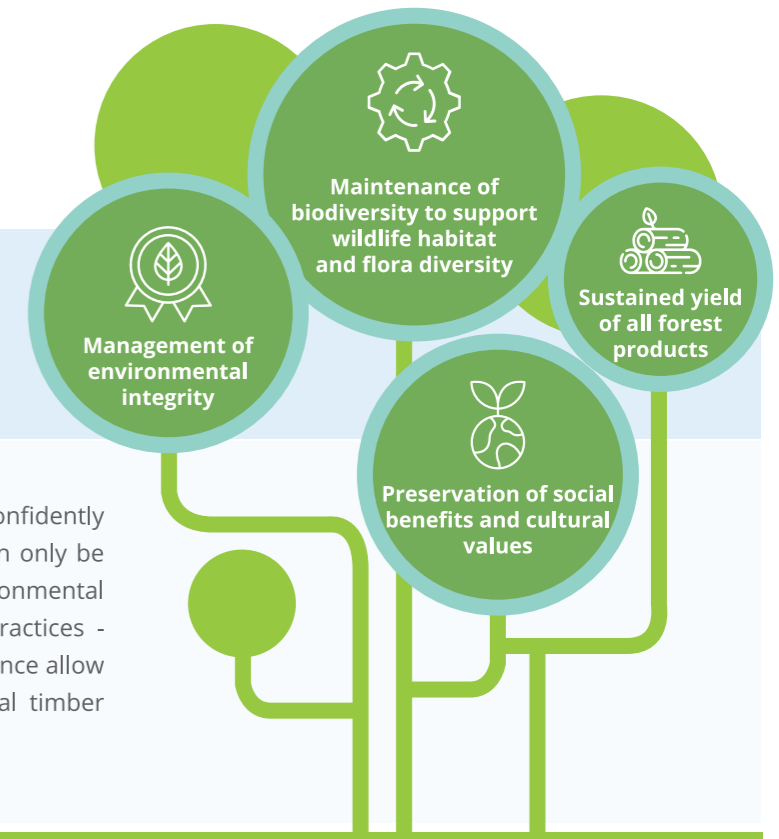
Biogenic Emissions

108,031 tCO₂eq

With the sources of emissions identified for Scope 1 and Scope 2 (and at a later stage for Scope 3), corporate strategies are being formulated and setting of actions being prioritized to track and reduce GHG emissions over time.

Sustainability Commitment

With 56 years of experience in the industry, we confidently acknowledge that long-term business growth can only be achieved through management of effective environmental conservation and sustainable socio-economic practices - there is no alternative. Our expertise and experience allow us to effectively manage sustainable and ethical timber operations.



Sustainable Management Practices

Our Responsible Forest Management Policy underlines our commitment to managing our resources responsibly and sustainably.



Biodiversity and Wildlife Conservation



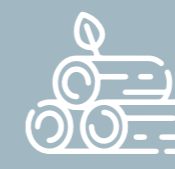
Supplier Compliance



Compliance with Laws and Relevant Certification Standards



Environmental Impact Assessment



Responsible Management of Forest Resources



Transparency and Traceability



Waste Management



High Conservation Value (HVC)



Human Rights



Business Integrity and Governance



Community Relations

Overview of Policies

· Health & Safety Policy

At Lingui, the health and safety of our people is of the utmost importance. When planning and executing all operations, a safe work system is implemented in order to reduce any potential health and safety risks, in accordance with the Occupational Safety & Health Act 1994, as well as accepted industry and international standards.

· Whistleblower Policy

We have established an internal system to report, investigate, address, and stop any occurrence of corruption, misdeeds, and other unlawful activities that go against our business ethics, as we have a zero tolerance policy for such matters.

· Gifts & Entertainment Policy

This policy is created to ensure that all Lingui employees, regardless of their position, are in full compliance with the Malaysian Anti-Corruption Commission Act 2009. They are strictly guided by and adhere to the clear guidelines and parameters of the Anti-Bribery and Anti-Corruption (ABAC) Policy in matters concerning the giving and/or accepting of gifts.

· Anti-Bribery and Anti-Corruption (ABAC) Policy

Honest and ethical business practices are guiding principles of operations.

· Human Rights Policy

We are steadfast in our commitment to upholding and defending human rights as outlined in the Universal Declaration for Human Rights, and we take any violations of these rights extremely seriously. Respect, support, and upholding these rights are our core principles.

· Anti-Harassment and Anti-Discrimination Policy

At Lingui, we are dedicated to creating an atmosphere of safety and inclusiveness for everyone. We take a firm, zero tolerance stance against any form of discrimination or harassment and strive to provide equal opportunities for all employees to develop and progress based on their merit.

Code of Ethics

The Code of Ethics at Lingui is designed to be in line with Health, Safety, Environment and Community (HSEC) Management standards, and all personnel, be it employees or contractors, are expected to comply with applicable local laws and regulations, as well as the company's own policies and standards.

Accountability, Openness, Transparency & Traceability

We give our customers concrete evidence of our commitment to responsible and sustainable timber production by ensuring the certification of our products.

Privacy & Data Protection

The Personal Data Protection Act 2010 strictly regulates the processing of personal data in commercial transactions.

Anti-Bribery and Anti-Corruption Practices








Integrity and ethics is the way we conduct our business at Lingui, in a legal and professional manner, with zero-tolerance for any form of bribery and corruption.

Commercial Interest

We ensure confidentiality of our commercial interests while actively communicating with relevant stakeholders and providing transparent reporting.


Materiality Assessment

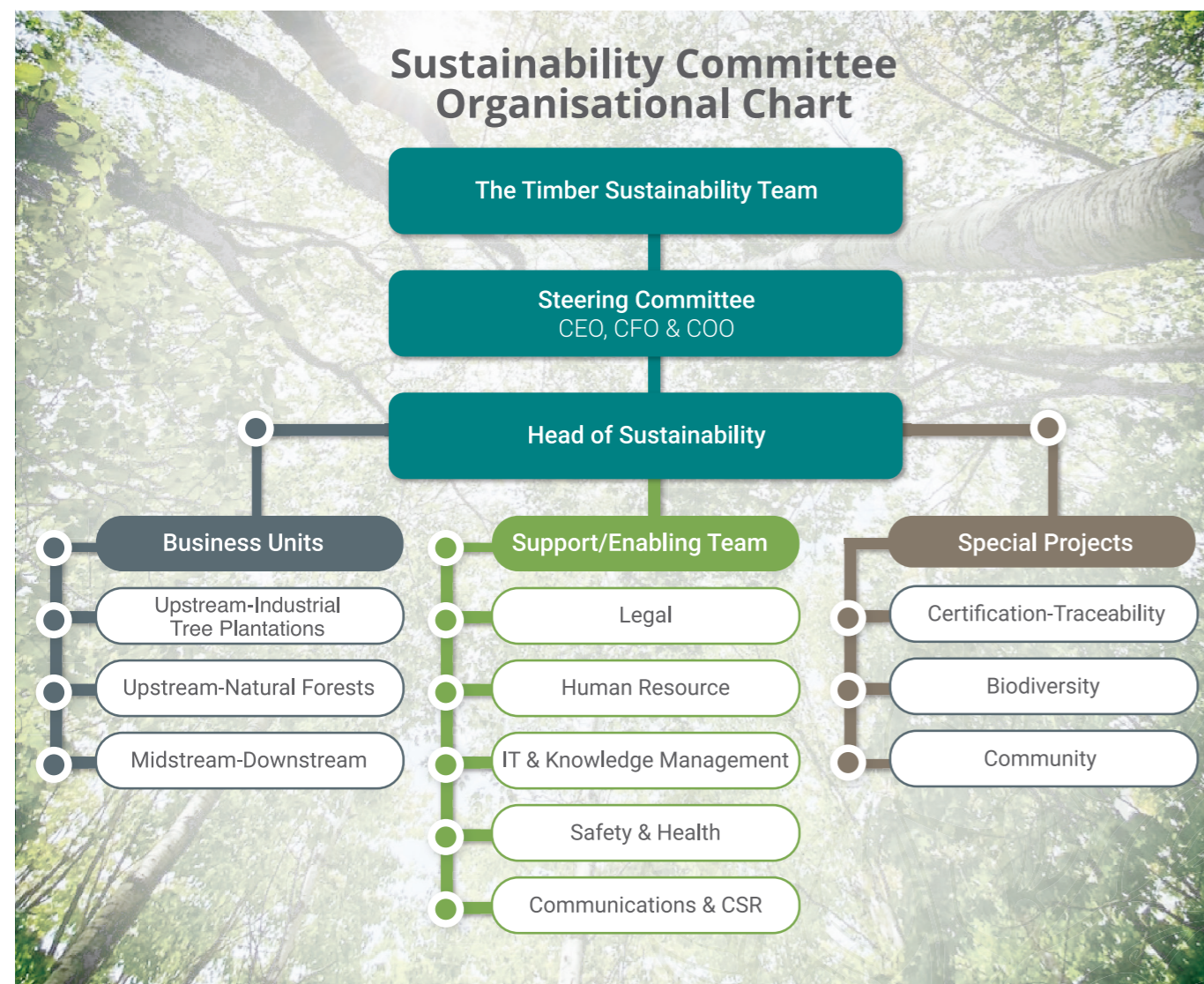
Following-up on previously conducted materiality assessment to review the relevancy of the existing ESG topics against current business operations, updated feedback collected through consistent engagement has been used to precisely define and refine the assessment criteria for the year in review, which are mapped to GRI standards and are listed below.

GRI Standards	Our Goals	Priority areas and action		
 GRI 307 Environmental Compliance	To sustainably restore, protect and manage our forest	Sustainable Forest Management Certificate (MTCS) Forest Plantation Management Unit (FPMU) Natural Forest Management Unit (NFMU) High Conservation Value : bio-diversity monitoring		
	Climate change adaptation	Nature Based Solutions		
 GRI 403 Occupational Health & Safety  GRI 412 Human Rights Assessments  GRI 413 Local Communities	To respect human rights and create a positive impact with our indigenous people and local communities	OSH-HR : continue with strict adherence to all relevant laws; increase transparency and traceability in our reporting and monitoring activities Empower and increase the ESG awareness of and with our people Promote goodwill and protect the economic and social benefits of our people		
		 GRI 102 General Disclosure  GRI 205 Anti Corruption  GRI 417 Marketing and labelling	To adapt to and comply with relevant laws and regulations, and also subscribe to industry Best Practices	Adopt and strictly maintain sustainable production and supply chain Certify all certifiable forest plantations. This includes the continuity of certifications with continuous improvements Adherence to Best Environmental Management for downstream plants OSH-HR : To continue with strict adherence to all relevant laws; increase transparency and traceability in our reporting and monitoring activities Continuous policy reviews and improvement

Principles & Values







We are a steward of the environment and a reliable, trustworthy partner to the local communities with whom we associate.

 Care for People and Communities	 Protect Natural Resources	 Aim for Sustainability and Continuous Improvement	 Adopting Sustainable Practices
<p>Co-existence with all stakeholders – be they partners, clients, communities and even our environment – is the key to success and the way to the future.</p>	<p>We prioritise the preservation of our ecosystem in all aspects of our operations.</p>	<p>Our long-term goals and practices are firmly focused on the future, aiming to ensure growth and to contribute and provide value to our stakeholders, partners, employees, local communities and environment.</p>	<p>Our ambition is to achieve a balance between maximising corporate value and upholding the highest standards of sustainability. We are confident that equilibrium is achievable: finding a common ground where our goals can be met.</p>



Engaging our Stakeholders

Lingui's approach to stakeholder engagement is characterised by consistency, constructiveness, and collaboration. Through transparent communication, we can put in place a robust corporate governance framework that meets the interests of our stakeholders.

Stakeholder Group	Mode of Engagement	Focus Area	Value Creation
 Local Communities	<ul style="list-style-type: none"> Community Awareness & Engagement Programme (CEAP) Community events Social gatherings 	<ul style="list-style-type: none"> Community relations Dispute management CSR 	<p>Bonding and stronger spirit of cooperation with communities. Inclusivity for a better joint future</p>
 Buyers and Suppliers	<ul style="list-style-type: none"> Multi mediums of communication Site visits Physical and online meetings Annual review and feedback surveys Engagement sessions 	<ul style="list-style-type: none"> Traceability of suppliers' products Visibility of sustainability Performance Commitment 	<p>Establish long-lasting relationships with guarantee of highest quality products and services that meet the highest standards of sustainability</p>
 Employees	<ul style="list-style-type: none"> Management site visits Safety and Health Committees Safety and Health audits Pre job meetings Tool-Box Talks Professional Development Programmes Employee appraisals Informal one-to-one sessions Memos Notices Internal newsletters. 	<ul style="list-style-type: none"> Company's ESG Commitments Achievements Activities and Direction Occupational Health & Safety Career development Competency Grievance and Welfare 	<p>Establishing an open, honest, and transparent 2-way communication for more inclusiveness, greater skills and knowledge</p>
 NGOs	<ul style="list-style-type: none"> Physical and online meetings Regular visits and inspections plus reporting 	<ul style="list-style-type: none"> Transparency and clarity of responsible social and environmental management 	<p>Boost cooperation and partnership for added social and environmental effect</p>
 Financial Institutions and Investors	<ul style="list-style-type: none"> Meetings Regular visits and site inspections Consistent and transparent reporting Regular audits 	<ul style="list-style-type: none"> Sustainability commitment Governance Human rights Transparency ESG efforts 	<p>Form a lasting business relationship, based on a firm spirit of partnership, trust and cooperation</p>
 Government and regulators	<ul style="list-style-type: none"> Meetings Regular visits and site inspections Consistent reporting Audits 	<ul style="list-style-type: none"> Regulatory compliance Strong sustainability governance 	<p>Raise standards of sustainability in cooperation with, and with assistance and support of authorized bodies.</p>

Our Certificates

The PEFC is the largest forest certification system in the world, covering more than 280 million hectares of forests globally.

Source : pefc.org

Malaysian Timber Certification Scheme (MTCS)

Governed by Malaysia's Timber Certification Council (MTCC), this is a voluntary timber certification scheme that promotes Sustainable Forest Management (SFM), and allows Malaysia's timber industry in the country to produce and export certified timber products that meet international standards.

Forest area MTCS-certified : 401,653 ha (natural forest & Industrial tree plantation).



Responsible Forest Management



At Lingui, we understand the importance of sustainable forest management and we are committed to preserving and safeguarding the health of our forests. We have implemented several measures as part of our Forest Management Plan (FMP) to ensure that our forests remain healthy and vibrant for generations to come. These include using management practices such as reduced impact logging methods, reducing waste and pollution and actively restoring degraded areas. Forest growth is monitored by permanent sampling plots (PSP).

Additionally, we have also invested in technologies such as remote camera trapping to capture data on fauna; drones to monitor tree growth and geographic information systems (GIS) to provide better mapping in the management of our forests. We are also working with local communities to ensure that they can benefit from the resources our forests provide. Ultimately, our goal is to ensure that our forests remain healthy and productive for future generations.

We are proud of our efforts to date, and we are committed to continuing these to ensure that our forests remain a source of life and sustenance for generations to come. This is all part of our Sustainability journey, which we began many years ago, and on which we are determined to march forward diligently and continue improvement.



ISO Quality Management Certification

Lingui has obtained ISO 9001-2015 Quality Management Systems certification for the upstream operations which covers the design and planning of harvesting activities.

Lingui's downstream mills have also achieved ISO 9001-2015 Quality Management Systems certifications for the production of its respective products.



We also implement a number of other sustainability initiatives including: ascertaining emissions from our operations for baseline and working out reduction plans to sustainably achieving carbon-neutral by 2030, protecting biodiversity, and reducing the impact of our activities on the environment.

Lingui is committed to continuous improvement and to achieving our goal of full certification of our Forest Management Units (FMUs). We believe that our efforts will not only benefit our business but also contribute to a sustainable future for the planet. The pandemic and post-pandemic effects have had an impact on attaining full certification, but we have pushed on in 2022, and hope to complete certifying all of our natural forest areas by 2025.

Also, as required, we conduct annual inspections and surveillance audits in order to ensure that we are adhering to our sustainability commitments and to ensure the renewal of our certification.



Chain of Custody Certificates

PEFC Chain of Custody-certified (CoC) which ensures buyers benefit from timber products manufactured with materials from certified sources.



Status Of Natural Forest Certification As At 31 Dec 2022

No.	Registered name of FMU	Timber Licence Holder	Certification Status	Registered area for Certification Areas/Ha
1	Ravenscourt FMU	Ravenscourt S/B (FTL No: T/0294)	CERTIFIED	117,941
2	Ulu Trusan FMU	KTN Timor S/B (FTL No: T/0280 & Majulaba Sdn. Bhd (FTL No: T/9115)	CERTIFIED	92,751
3	Gerenai FMU	Samling Plywood (Miri) Sdn. Bhd. (FTL No: T/0413)	CERTIFIED	148,305
4	Bah Sama FMU	Suasana Pertiwi Sdn. Bhd (FTL No: T/3670)	Completed stage 2 audit in Oct 2022	35,379
5	Layun FMU	Samling Plywood (Lawas) Sdn. Bhd. (FTL No: T/0405)	Completed stage 1 audit in Sept 2022	142,790
6	Tama Abu FMU	Merawa Sdn. Bhd. (FTL No: T/0390)	Completed stage 1 audit in Dec 2022	182,998
7	Sekiwa FMU	Samling Plywood (Lawas) Sdn. Bhd. (FTL No: T/0404)	In the process of applying for certification. Planned stage 1 audit in May 2023	123,305
8	Suling-Selaan FMU	Samling Plywood (Baramas) Sdn. Bhd. (FTL No: T/0411 & T/0412)	In the process of applying for certification.	167,849

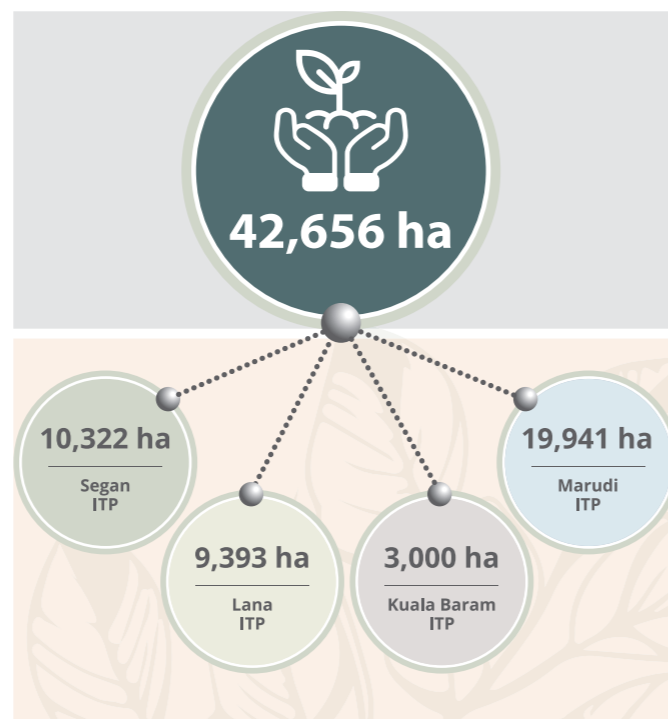
Sustainable Industrial Tree Plantation (ITP)



It is an undeniable fact that timber and wood products remain in high demand throughout the world. The reality of this demand is that industrial tree plantations or ITPs - imperfect as they may be - remain the most sustainable and vital source for the supply of timber.

While slowly minimizing dependence of natural forests for its timber supply, Lingui is at the same time, maximising the efficiency and productivity of its ITPs to ensure that the timber industry in Sarawak and Malaysia, remains a viable economic activity, bringing in revenue and providing valuable employment.

The Segan ITP (10,322 ha), Lana ITP (9,393 ha), Kuala Baram ITP (3,000 ha) and the Marudi ITP (19,941 ha) are all certified by SIRIM QAS International, representing a total hectareage of 42,656 ha.



Presently, Lingui has planted more than 37,000 ha of ITPs which have been planted with almost 50 million trees. In line with international standards, Lingui's ITPs are certified under the Malaysian Timber Certificate Council's (MTCC) Malaysian Timber Certificate Scheme (MTCS). Certification is carried out by an independent body - in Lingui's case, SIRIM QAS International Sdn. Bhd.

The certification process is an ongoing one with annual surveillance audits and recertification every five years. Audits are carried out by a certification body accredited by Standards Malaysia.

The 50 million trees that have been planted thus far consist mainly of *Acacia mangium*, *Acacia crassicaarpa*, *Eucalyptus pellita* and *Falcataria moluccana*. These seedlings are raised in Lingui's own nurseries to ensure fast-growing, high-yielding trees that are ready for harvesting between 8 and 15 years.

Responsible harvesting is vital for Lingui to protect the environment and biodiversity. Best practices of Reduced Impact Logging (RIL) remain our mantra whereby we strive to cause as little damage as possible to surrounding areas when harvesting. Our harvested logs from the ITPs are used to manufacture a wide range of high-quality and high-demand products such as furniture, acacia boards, cutting boards, flooring, doors, door-skins, plywood and medium-density fibre board.



Aerial view of Marudi License for Planted Forest

We are committed to minimum wastage from our ITP activities and one of the ways we have done this is via the production of wood pellets, which is an alternative and sustainable source of energy, high in demand in many developed countries such as Japan.

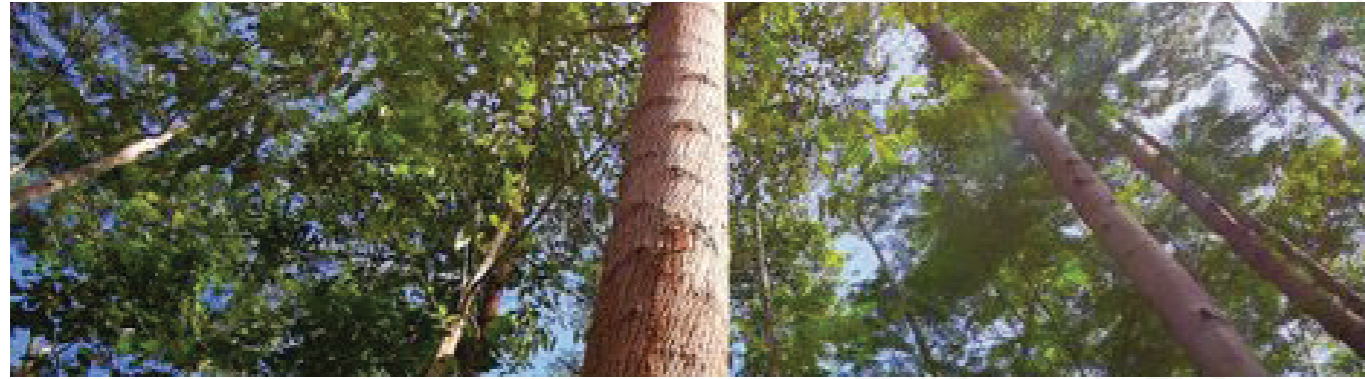
Lingui now runs two production lines for our wood pellets. The raw materials are sourced only from harvested trees from our ITPs which constitutes renewable energy source (RE). Waste wood and debris from the harvesting process are used as biomass for energy in the production process. There is also the opportunity to use wood waste from forest plantations and manufacturing plants within the Group for wood pellet production. This ensures minimum wastage as the entire plantation tree is utilised.



Status Of LPF Certification As At 31 Dec 2022

No.	Registered name of FMU	Timber Licence Holder	Certification Status	Registered area for Certification Areas/Ha
1	Kuala Baram FPMU	Syarikat Samling Timber Sdn. Bhd. 197601003946 (030211-A) (LPF/0004)	CERTIFIED	3,000
2	Lana FPMU	Samling Reforestation (Bintulu) Sdn. Bhd. 199401008180 (293859-V) (LPF/0006)	CERTIFIED	9,393
3	Marudi FPMU	Samling Reforestation (Bintulu) Sdn. Bhd. 199401008180 (293859-V) (LPF/0008)	CERTIFIED	19,941
4	Segan FPMU	Syarikat Samling Timber Sdn. Bhd. 197601003946 (030211-A) (LPF/0014)	CERTIFIED	10,332
5	Paong FPMU	Samling Reforestation (Bintulu) Sdn. Bhd. 199401008180 (293859-V) (LPF/0021)	Preparing paperwork and ready for stage 1 audit in Jan 2023.	24,834

Forest Management Guided by Sustainability



At Lingui, we are committed to providing our customers with wood products sourced from sustainably managed forests. We ensure all our timber is harvested in accordance with the highest of standards, as we recognise the need for responsible forest management.

When it comes to forest certification, there are various systems in place around the world, all of which are voluntary. Each has been tailored according to different geographical, environmental, social and economic requirements and conditions.

Guided by our Responsible Forest Management Policy, we have obtained various certifications to guarantee that our sustainable practices comply with global standards for forest management, chain-of-custody, products, and Quality Management Systems, so that our customers can be assured that our wood products are sourced responsibly.



Responsible Forest Management Policy

In line with our Mission Statement

- I** Comply with all relevant environmental legislations, rules and regulations, guidelines, Malaysian Timber Certification Scheme principles and criteria for Sustainable Forest Management, to maintain and enhance the environmental values and functions of forests.
- II** Uphold international conventions and treaties on social and environmental protection as well as regulations set by the Sarawak Timber Industry Development Corporation (STIDC) and Forest Department Sarawak (FDS).
- III** Conduct periodic reviews of our operational standards, plans and programmes to bring continuous improvement to our operational practices.
- IV** Cooperate fully with all relevant authorities, agencies, institutions, local communities and other stakeholders through dialogues and consultations.
- V** Collaborate with local and international expert organisations to carry out research, development and monitoring programmes for conservation and environmental protection.
- VI** Continue the process of obtaining forest management certification for our areas that are eligible but not yet certified whilst maintaining the status quo of those areas already certified.



Our ESG Journey Through The Year

Compliance, best practices and activities that have impacted and made a difference, best sums up our ESGs for 2022.

Despite the difficulties and complications that continued to impact coming out of the pandemic, Lingui remained committed to our environment, social and governance (ESG) efforts.

Our dedicated team worked hard to maintain the best practices in our workplace and surrounding areas, with health and safety being our top priority. We continued to engage with our staff, suppliers, and the local communities, engaging in dialogue and providing assistance to meet their needs.

Our Industrial Tree Plantation team remains committed to protecting and promoting the rehabilitation of affected areas, with continued collaboration with other agencies and NGOs, especially in riparian restoration works.

Needless to say, we have also stepped up our provision of humanitarian and relief aid, medical assistance, and training for human development to those in need. Despite the challenges of the year, our ESG efforts continued to ensure we remained connected with our people, communities, and flora and fauna.



Assessment and action to ensure the distribution of Bindang (*Agathis* sp.) in the mixed dipterocarp forests (MDF) in the Gerenai FMU.



Mar 8, 2022 10:09

Photo courtesy of Racheal Rosedy

Camera trapping, line transecting and night-spotting was conducted regularly to monitor fauna populations in Ravenscourt, Ulu Trusan, Gerenai, Layun and Bah Sama FMUs.



Photo courtesy of Forest Department Sarawak

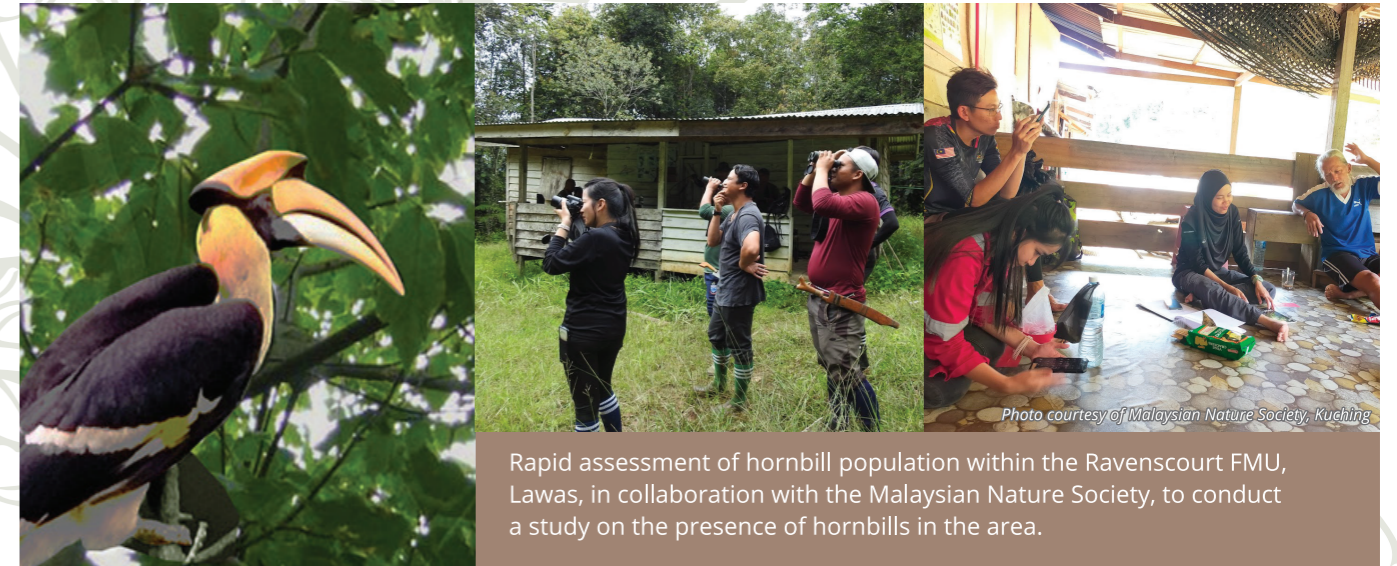


Photo courtesy of Malaysian Nature Society, Kuching

Rapid assessment of hornbill population within the Ravenscourt FMU, Lawas, in collaboration with the Malaysian Nature Society, to conduct a study on the presence of hornbills in the area.



After the riverbank restoration work

Before starting the riverbank restoration work.

Building a gabion wall to prevent the riverbank from erosion

Picture courtesy of Frazier

Throughout 2022, Lingui played an active role in the restoration of the Lg Semadoh riverbank, which was seriously damaged and affected by landslides. We assisted by first repairing access roads and culverts to the area, and then construction and repair work at the affected landslide area and the opposite riverbank. These were successfully completed in December 2022, paving the way for enrichment planting to commence.

FORMADAT, WWF and Samling engaging with the local communities before the start of the restoration work



Workmen Competency Training was conducted in association with Sarawak Timber Association on the proper procedure for tree felling and log extraction.



Photo courtesy of HSE Dept - SSGP Project

Lingui personnel attended a Fire Safety training conducted by BOMBA at the Lawas Fire & Rescue Station (Balai BOMBA dan Penyelamat Lawas).



Photo courtesy of Jack Kong

Lingui continues to actively engage with society and government agencies. A team from Lingui participated in the Merdeka Fun Bowl 2022, organized by Pejabat Tenaga Kerja, Miri.



Social Impact Monitoring and Community Awareness & Engagement Programme

Geranai FMU
Social Impact Monitoring
12.04.2022 09:40
2°58'7.05"N 114°55'39.1"E

In 2022, Lingui continued active engagement with our local communities in collaboration with the Forest Department Sarawak, during which a briefing on Sustainable Forest Management was also conducted.



Photo courtesy of Wilfred Sedau



Photo courtesy of Mckenzie Augustine



Lingui contributed financially towards the E-Borneo Knowledge Fair 9. The fair had a theme of 'Climate Change, Sustainable Biodiversity and Indigenous Knowledge', which is very much in line with Lingui's vision and mission in sustainability. This aligns with the UN SDG 13 : 'Combat climate change and its impact' and SDG 15 : 'Uphold the need to sustainably manage forests and halt biodiversity loss'. The event allowed us to again connect in a positive manner with relevant agencies and industry players on forest and community conservation related matters.

The Most Valued Resource - Our People



Lingui recognises that our employees are critical to our success in sustainability. We are committed to fostering a workplace that is free from harassment and discrimination, and that values diversity and inclusivity.

We strive to create an environment where our team members can reach their full potential and share knowledge, values, and respect for each other.

Our approach to our employees is based on listening, communicating, understanding, and finding common ground to grow together.



Health, Safety and Training

“At Lingui, we take the Health & Safety of our employees very seriously. We have a dedicated Health & Safety Committee in each operating unit to manage health and safety matters, and a structured Health & Safety Programme in place”



Photo courtesy of TimothyGIS

This includes induction for new employees, health screening, Chemical Health Risk Assessments, periodic external Chemical Exposure Monitoring, medical surveillance, Noise Risk Assessment and monitoring, Occupational First Aid training, Basic Fire-fighting training, machinery inspections, PPE Training, Health & Safety campaigns, and Health & Safety Inspections & Audits (internal and external).

We also provide training at all levels to develop our team members, with a Performance Management System in place for more than a dozen years. On top of that, we also regularly provide awareness training for the ISO 9001:2015 Quality Management System, and other types of training to grow competence in environmental management.

In addition, we actively engage and collaborate with various government training agencies to provide vocational training and apprenticeships, for the benefit of developing our team to become the best that they can possibly be.

Community Relationship Built On TRUST



At Lingui, we have always held on to the importance of creating the strongest of bonds with our local communities, our neighbours. It is our responsibility to also help look after their welfare and provide them with ample opportunities to develop their livelihoods.

We engage with them on a constant and consistent basis and form open communication lines, to understand their concerns and ensure harmony. Our team of Community Liaison Officers, most of whom are themselves from indigenous groups, are constantly in contact with the people in our concession areas.

This engagement, built on trust and understanding, has allowed us to grow from strength to strength in making Lingui part of the community - and the local communities are very much interwoven into the very fabric that is Lingui.



Engaging Forest Communities

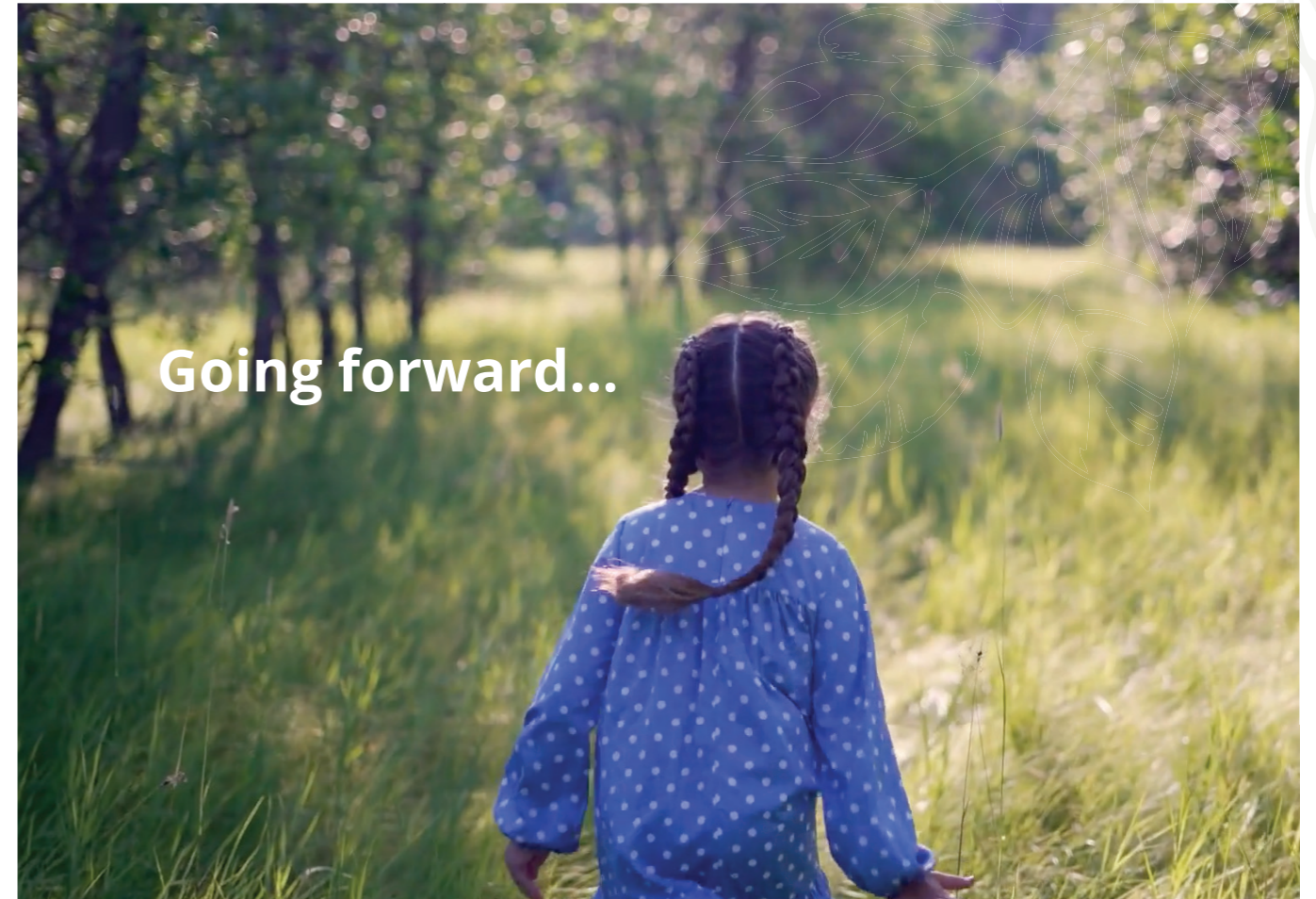
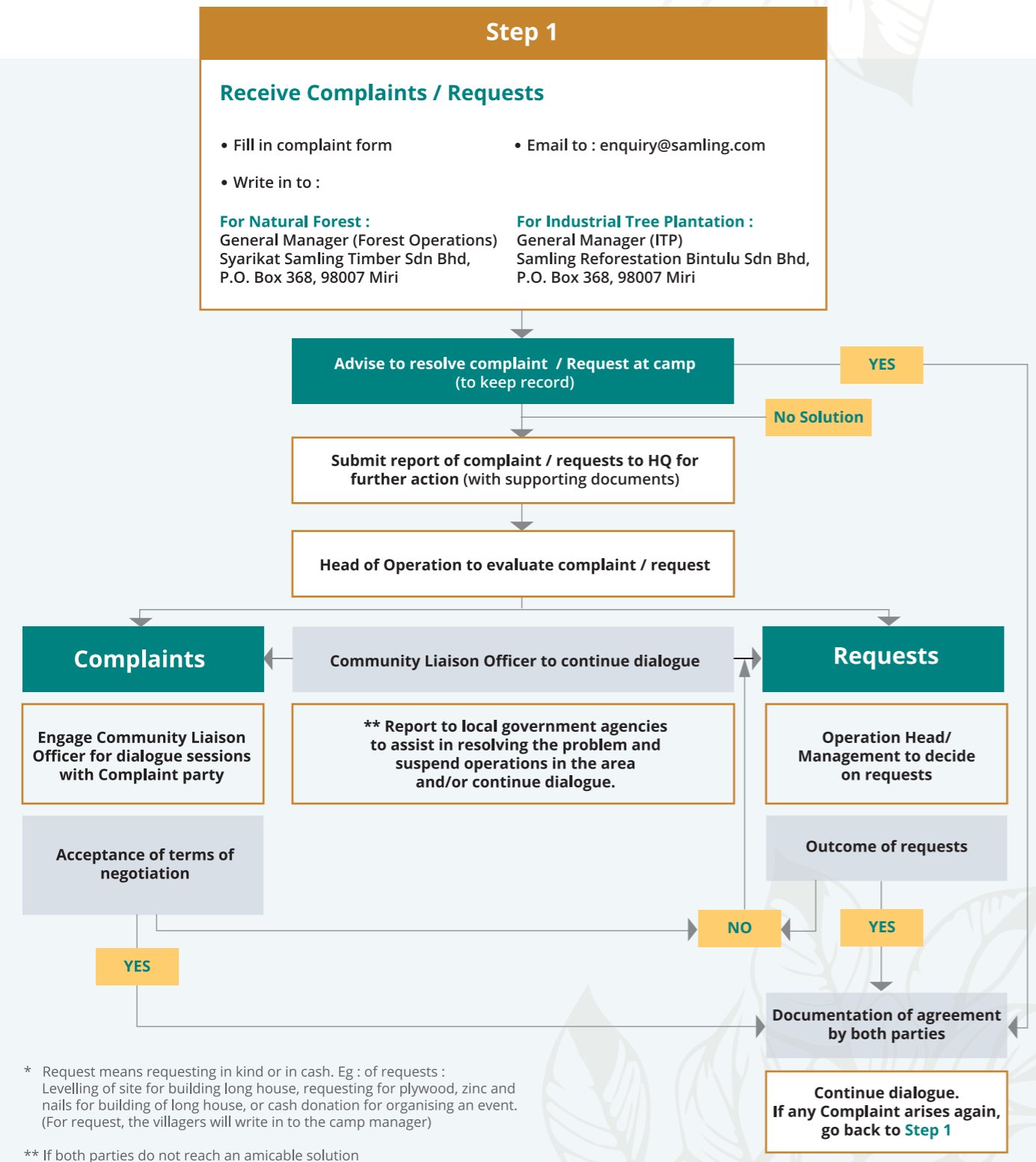
Beneficiaries of Lingui's Community initiatives	2022
Villages	146
Regions	3
BARAM	91
Penan	35
Kelabit	19
Kenyah	18
Kayan	11
Berawan	6
Saban	2
LAWAS	38
Lun Bawang	38
BINTULU/BELAGA	17
Punan	7
Penan	4
Iban	3
Sekapan	2
Tanjong	1

Ethical Business Practices

We are committed to upholding the highest standards of ethical behaviour in the workplace, and this is reflected in our Core Values and Business Principles.

All our stakeholders are held accountable to these standards, and we strive to ensure that our ethical behaviour is at the core of our operations, protecting and providing for our People, Planet, Places and Productivity, as is enshrined in our day-to-day operations, and at every level.

Complaint/Request Procedure



- To push on with efforts in 2022, to certify 1.1 million ha of forest concession areas by 2025 (total certified areas certified Dec 2022 : 401,653 ha)
- Continue identifying and cataloguing biodiversity of fauna and avifauna
- Identify suitable project sites with partners and communities for sustainability projects
- Continue GHG monitoring and reporting, and establish GHG reduction plans
- Review, improve and socialise current Complaint mechanism and procedure with indigenous people and local communities (IPLC)
- Continue training programmes to target OSH coordinator compliance for all camps and continue OSH awareness training for all forestry workers, in order to sustain Best Practices in OSH
- Roll-out Transparency project on OSH Compliance Report (MyKKP uploading and monitoring of Matlumat Audit dan Penguatkuasaan) for all active workers

GRI Content Index

GRI Standards 2016	Disclosure Title	Section Reference & Remarks
GRI 102 : GENERAL DISCLOSURE 2016		

Organisational Profile

102-1	Name of organisation	Back cover
102-2	Activities, brands, products and services	Pages 4 and 5
102-3	Location of headquarters	Back cover
102-4	Location of operations	Pages 5 and 8
102-5	Ownership & legal form	Back cover
102-6	Markets served	Page 5
102-7	Scale of the organisation	Pages 5, 8, 13 and 17
102-8	Information on employees and other workers	Pages 5, 11, 13, 14, 20, 23, 24 and 25
102-9	Supply chain	Page 15
102-11	Precautionary principle or approach	Page 14
102-12	External initiatives	Pages 22, 23, 24 and 26

Strategy

102-14	Statement from senior decision-maker	Pages 5 and 6
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Ethics and Integrity

102-16	Values, principles, standards and norms of behaviour	Pages 11, 13 and 27
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Governance

102-18	Governance structure	Page 13
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Stakeholder Engagement

102-40	List of stakeholder groups	Page 14
102-41	Collective Bargaining Agreements	Not applicable
102-42	Identifying and selecting stakeholders	Page 14
102-43	Approach to stakeholder engagement	Page 14
102-44	Key topics and concerns raised	Page 14

GRI Standards 2016	Disclosure Title	Section Reference & Remarks
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Not applicable
102-46	Defining report content and topic boundaries	Page 4
102-47	List of material topics	Page 12
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	No Change
102-50	Reporting period	Page 4
102-51	Date of most recent report	Sustainability Report 2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Back Cover
102-54	Claims of reporting in accordance with GRI Standards	Page 4
102-55	GRI Content Index	Page 29 and 30

Note : GRI Universal Standards 2021 will be effective from January 2023. GRI Standards 2016 will not be applicable for 2023 reporting.

