


Lingui Group of Timber Companies

# SUSTAINABILITY REPORT

2021

Keeping It Green





# What We Do Today Matters.

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# Preamble

## An Overview of Who We Are and What We Do.

Lingui Developments Sdn Bhd (hereinafter referred to as the Lingui Group of Timber Companies and/or Lingui) has come a long way. Over the period of 55 years since our inception in 1967, we have slowly but surely evolved to become a leading player in Malaysia in the production of environmentally friendly forest resources and wood products.

Based in Sarawak, Malaysia, we are part of the Samling Group and are well established not only within the country but also with a strong and strategic presence in China and Guyana, employing over 15,000 persons where we operate.

With our extensive experience in the field of developing and operating forest concessions and plantations, plus the processing of our downstream high-quality wood products, we export to key international markets such as China, Japan, India, Korea and North America.

People, Planet, Places & Productivity : even as we grow our business, in line with productivity, we always have our eyes firmly set on the others : People, Planet & Places. Our spirit of sustainability is our guiding force and nods to the ultimate need for responsible management of forest resource : while we seek to extract commodity value from these resources, our operations strictly adhere to sustainable best practices in order to guarantee the long-term survival of these resources.

## About This Report

It covers our company's operations, initiatives and achievements that complement our sustainability efforts, which are aligned to the international recognised standards of Global Reporting Initiatives (GRI), and the United Nations' Sustainable Development Goals (SDGs).

This report aims to provide the reader, especially our stakeholders, with a clear understanding and concise, precise overview of Lingui's Sustainability related policies and practices and the inroads we are making with these efforts.

Unless otherwise stated, the report covers Lingui's operations from 1st January 2021 to 31st December 2021.

**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](http://www.globalreporting.org/standards)



**It's About  
Nurturing  
the future**

# Message to Stakeholders

**One challenging year has passed since we issued the very first Sustainability Report for the Lingui Group of Timber Companies. Even as the COVID-19 pandemic continues to present us with an endless barrage of challenges and complications, it has also allowed our human nature and spirit to shine bright.**

It has shown us that life is indeed very fragile, and every care must be taken to protect it. We at Lingui view the very resources that we work with, that we cultivate, and yes, from which we extract value for our stakeholders, in this very same vein : it is precious, it is fragile and a delicate balancing act is required to ensure the protection, growth and continued value of such resources.

We realise that while sustainability is a shared responsibility, there are things that we can do to help protect the environment and communities : such opportunities are in our own hands. As we put one foot firmly in front of the other on our sustainability journey, we are making good progress and continuing to grow.

And along this journey, we further evolve and transform, embracing fully a spirit of innovation and investing into innovative and sustainable solutions. By undertaking proactive initiatives and improving our operating efficiency, we are able to reduce operational costs, simultaneously protecting the environment with reduced wastage and reduced pollutants.

Lingui has come a long way from our humble beginnings as a logging operator : today, we are a global corporation in the production of environmentally-friendly forest resources and wood products, that fully understands that a delicate balance is required in our operations to ensure the continued sustainability of natural resources - that is non-negotiable.

As such, while aim to deliver value by way of productivity to our stakeholders, our activities also bring betterment to the lives and welfare of our many employees and the communities we live with. Again, it is in our hands and we always look out for tomorrow - for the benefit of our People, our Planet, our Places and our Productivity.

Our Corporate Values, Policies and Code of ethics are aligned to reflect our commitment to sustainability, and these allow us to journey forth with stronger and bigger strides.

At Lingui, we believe that business development and environmental responsibility go hand in hand : these may not always be the easiest combination to balance in a sector which relies heavily on extracting value from natural resources, but at Lingui, we know that it is possible and we are committed to it. Thus we continue to nurture sustainable growth and efforts - after all, it is in our nature; it is in our culture; it is in our hands.



**Chief Operating Officer**

Lingui Group of Timber Companies



# Milestones & Economic Performance

Economic Performance	Timber Sales 2021		Wood Product Sales 2021
	'000 m <sup>3</sup>	MYR '000	MYR '000
Export	180	282,000	81,000
Local	288	122,000	67,000
Total	468	404,000	148,000

## Sales Volume for FYE Jun 2021



**MYR363m** Lingui Timber Export Rev

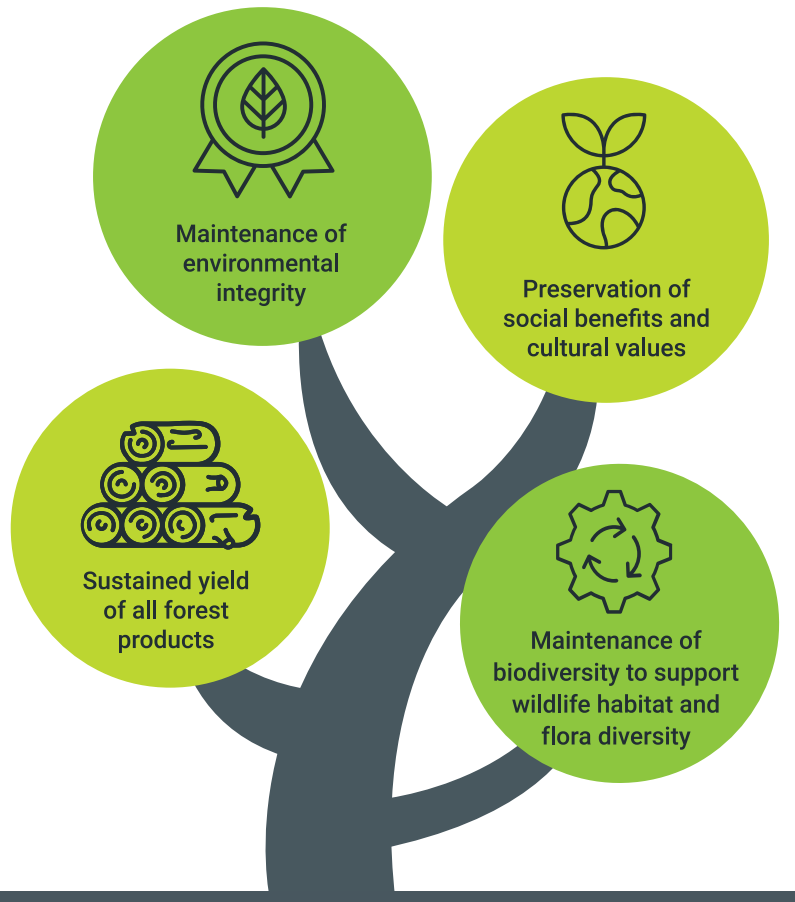
## SPOTT Results

2020 : **50.5%**

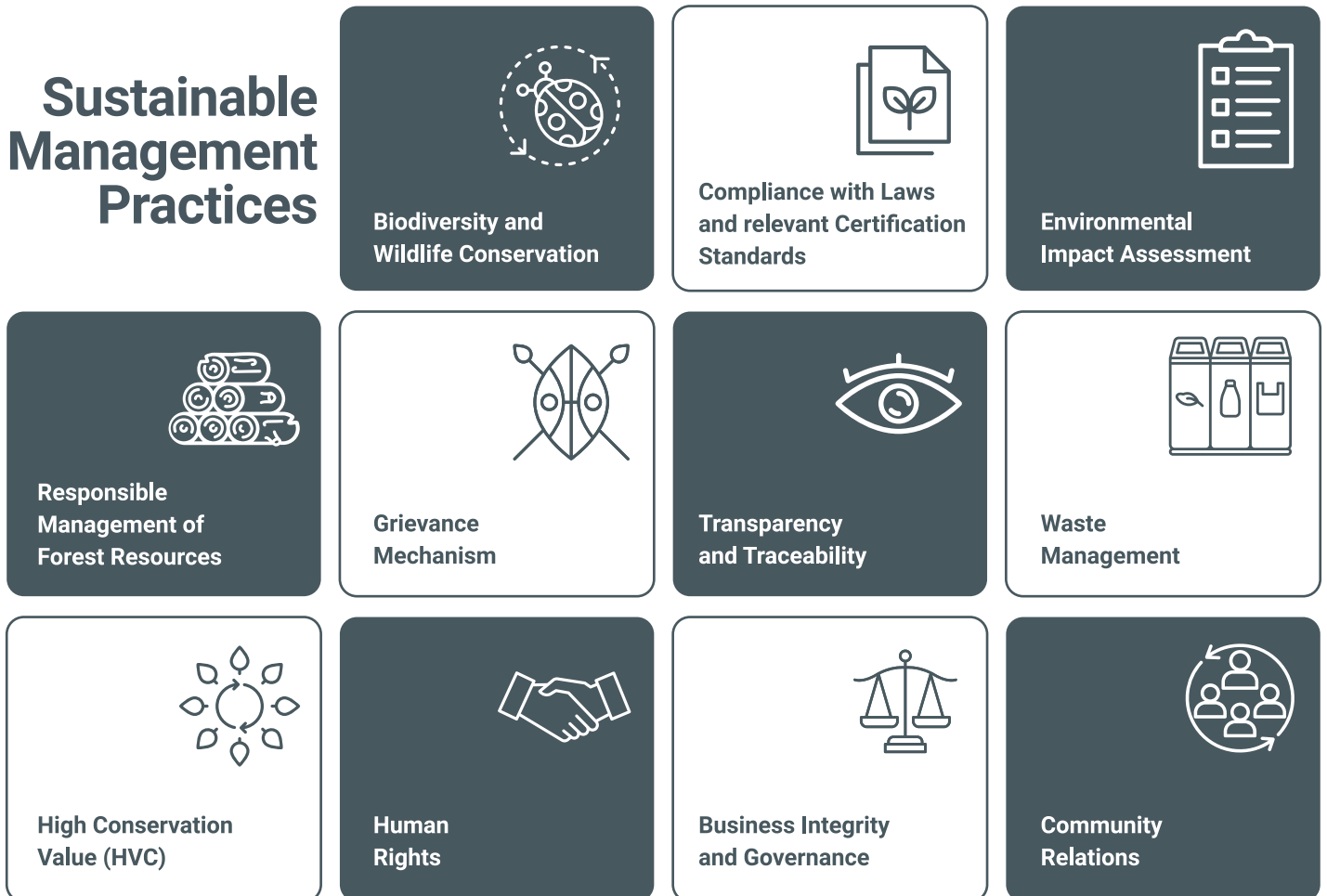
2021 : **56.9%**

# Sustainability Commitment

In our industry, long-term business growth can only be achieved through environmental protection and sustainable socio-economic practices - there are no two ways about that. Our 55 years of experience in the field provides us with vital expertise to manage sustainable and ethical timber operations.



## Sustainable Management Practices



Lingui's Responsible Forest Management Policy reflects our unwavering commitment to managing resources sustainably.

Enriching  
today  
Empowering  
tomorrow

# Vision Statement

## Our Vision

Lingui believes that sustainable businesses can only be built through a long-term commitment to communities and 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 collaboration 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 preserving 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.

Saplings for landscape restoration project

# Overview of Policies



## Health & Safety Policy

Health and safety of our people is of utmost importance at Lingui. From the planning stage to the execution of all operations, a safe work system is always incorporated, to at least minimise health and safety risks in line with the country's Occupational Safety & Health Act 1994, as well as acceptable industry and international standards.



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

Honest and ethical business practices are at the core of our dealings.



## Whistleblower Policy

With our zero-tolerance of corruption, malpractices and other wrongdoings, we have put in place an internal mechanism to report, investigate, remedy and prevent recurrence of such matters, which breach our business ethics.




## Human Rights Policy

Respect. Support. Uphold. That is our unwavering stance when it comes to fundamental human rights as expressed in the Universal Declaration for Human Rights. Any possible contravention of this is dealt with in the most serious manner possible.



## Gifts & Entertainment Policy

In line with our Anti-Bribery and Anti-Corruption (ABAC) Policy and in full compliance with the Malaysian Anti-Corruption Commission Act 2009, this policy establishes clear guidelines and parameters for the giving and accepting of gifts for all Lingui employees, regardless of position.




## Anti-Harassment and Anti-Discrimination Policy

To ensure a safe and conducive environment and workplace for all, Lingui take a zero-tolerance towards any form of discrimination and harassment. We are committed to providing opportunities for our people to grow based on meritocracy.


# Code of Ethics

Our Code of Ethics is aligned with Health, Safety, Environment and Community (HSEC) Management standards, and requires all employees and contractors to comply with applicable laws of the land and regulations, as well as Lingui's own policies and standards.




### Accountability, Openness, Transparency & Traceability

We can provide tangible assurance to our customers by way of certification that our timber products are produced responsibly and sustainably.




### Anti-Bribery and Anti-Corruption Practices

Business is conducted in a legal and professional manner, with integrity and ethically. Zero tolerance towards any form of bribery and corruption.



### Privacy & Data Protection

Processing of personal data in commercial transactions is strictly regulated In line with the Personal Data Protection Act 2010.

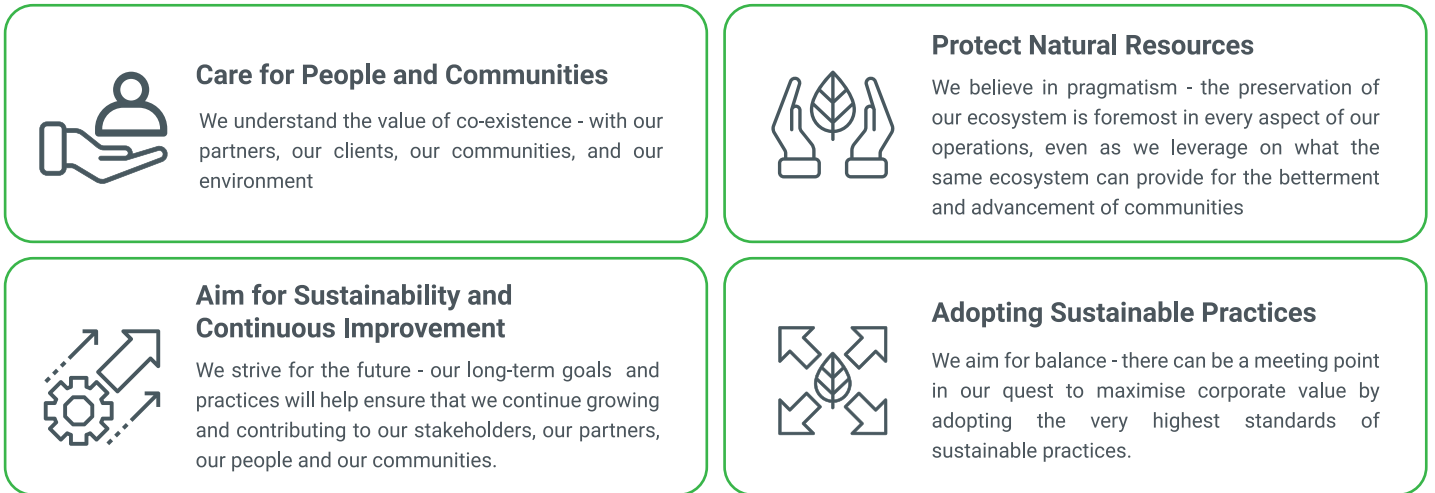


### Commercial Interest

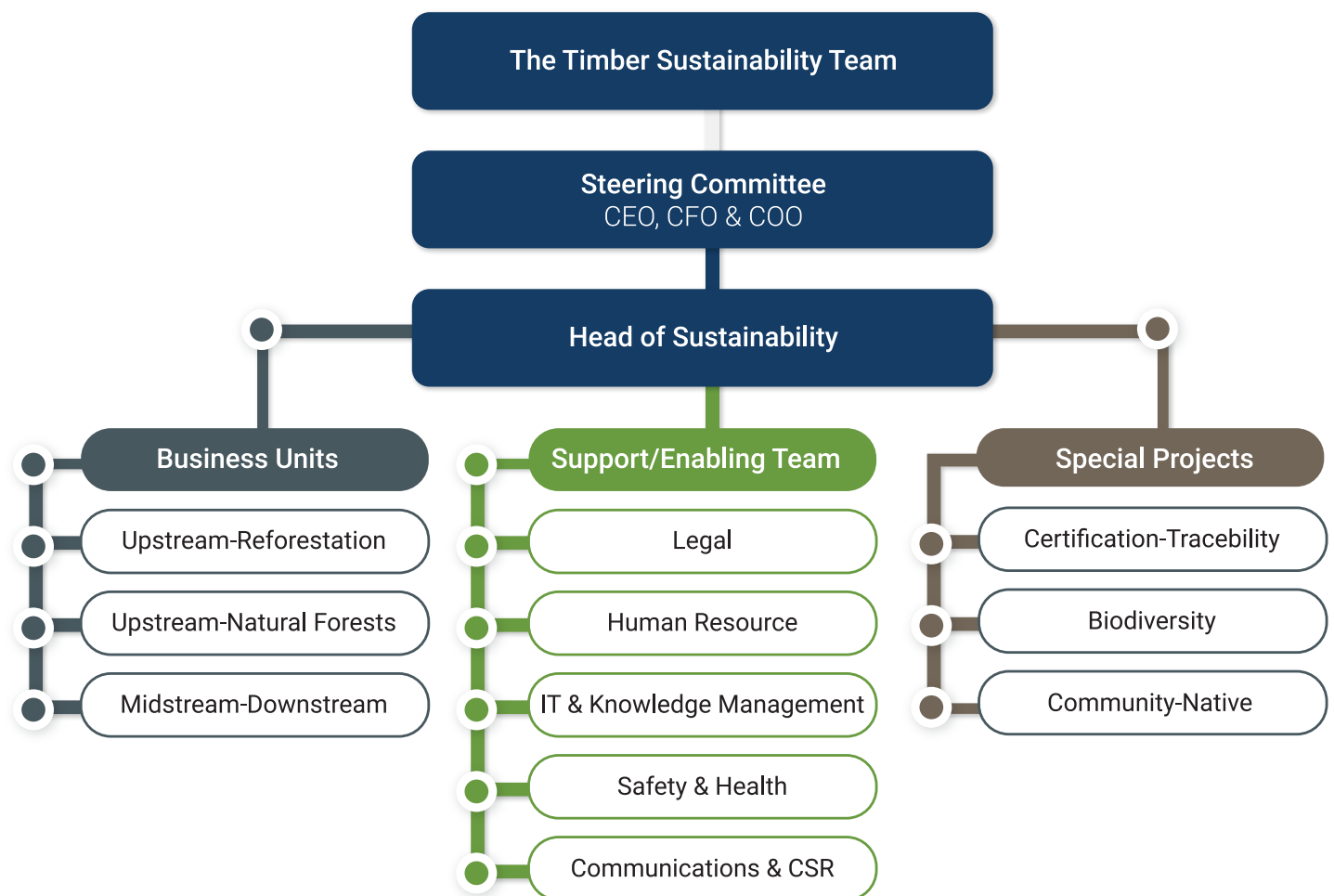
Our commercial interest will always remain confidential. Transparency is implemented through active communication with relevant stakeholders and reporting.

# Principles & Values

Lingui is not just a corporate entity but a steward of the environment and a partner to the communities in which we operate.









## Sustainability Committee Organizational Chart



# Stakeholder Engagement

Consistency, constructive and collaborative : these words best describe Linguï's approach towards engagement with our stakeholders. A transparent communication process allows us to implement a comprehensive corporate governance, to meet stakeholders' interests.

Stakeholders Group	Mode of Engagement	Focus Area	Value Creation
 <p>Local Communities</p>	<ul style="list-style-type: none"> <li>&gt; Informal sessions</li> <li>&gt; Community events</li> <li>&gt; Social gatherings</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Community relations</li> <li>&gt; Dispute management</li> <li>&gt; CSR</li> </ul>	Bonding and stronger spirit of cooperation with communities
 <p>Buyers</p>	<ul style="list-style-type: none"> <li>&gt; Multi mediums of communication</li> <li>&gt; Site visits</li> <li>&gt; Physical and online meetings</li> <li>&gt; Annual review</li> <li>&gt; Feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Traceability of suppliers' products</li> <li>&gt; Visibility of sustainability</li> <li>&gt; Commitment</li> </ul>	Establish long-lasting relationship with assurance of quality products and services
 <p>Employees</p>	<ul style="list-style-type: none"> <li>&gt; Employee appraisals</li> <li>&gt; Informal one-to-one sessions</li> <li>&gt; Training</li> <li>&gt; Monitoring employee portal</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Occupational Health &amp; safety</li> <li>&gt; Career development</li> <li>&gt; Grievance &amp; welfare</li> <li>&gt; Competency capacity building</li> </ul>	Establishing an open, honest, and transparent 2-way communication for more inclusiveness
 <p>NGOs</p>	<ul style="list-style-type: none"> <li>&gt; Physical and online meetings</li> <li>&gt; Regular visits and inspections</li> <li>&gt; Plus reporting</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Transparency and clarity of responsible social and environmental management</li> <li>&gt; Consultation / Feedback / Collaboration</li> </ul>	Boost cooperation and partnership for added social and environmental effect
 <p>Banks</p>	<ul style="list-style-type: none"> <li>&gt; Engagement Meetings</li> <li>&gt; Consistent and transparent reporting</li> <li>&gt; Invitation for site visits</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Sustainability commitment</li> <li>&gt; Governance</li> <li>&gt; Human rights</li> <li>&gt; Transparency</li> <li>&gt; ESG efforts.</li> </ul>	Form a lasting business relationship, based on firm spirit of partnership, trust and cooperation
 <p>Government and Regulators</p>	<ul style="list-style-type: none"> <li>&gt; Meetings</li> <li>&gt; Regular visits and site inspections</li> <li>&gt; Consistent reporting</li> <li>&gt; Audits</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Regulatory compliance</li> <li>&gt; Strong Sustainability governance</li> <li>&gt; Collaboration</li> </ul>	Raise standards of sustainability in cooperation with and with assistance and support of authorized bodies

# Our Certificates

## Programme for Endorsement of Forest Certification (PEFC)

The PEFC is the widest forest certification programme in the world, covering more than 300 million hectares of forests globally.



## Malaysian Timber Certification Scheme (MTCS)

Operated by the Malaysian Timber Certification Council (MTCC), this is a voluntary timber certification scheme that promotes Sustainable Forest Management (SFM), and allows the timber industry in the country to produce and export certified timber products that meet international standards. The first of its kind in the Asia Pacific to be endorsed by PEFC.

## Chain of Custody Certificates

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



## ISO Quality Management Certification

Forest concession and our downstream mills under Lingui are ISO 9001:2015 Quality Management System certified. This covers design and planning of harvesting activities, transporting, and marketing of merchantable timber logs.



# Sustainable Industrial Tree Plantation (ITP)

Timber is a resource from nature which is in great demand all over the world. While we at Lingui ensure the maximized utilisation of our plantation logs to make our activities more sustainable, we also practise and are heavily invested in Industrial Tree Plantations.

Industrial Tree Plantations (ITPs) are a key economic activity and invaluable source of income not only for the state of Sarawak and the commercial sector, but very much so for local communities as well.

At Lingui, ITPs are very important as we realise that it is key in making our activities more sustainable for the good of all. As part of our ITP efforts, we invest in fast-growing, high-yield species that are planted, tended and managed professionally for large-scale commercial log production. Best practices are strictly adopted in order to protect the environment and biodiversity through responsible harvesting.

ITPs at Lingui are certified under the Malaysian Timber Certificate Council's (MTCC) Malaysian Timber Certificate Scheme (MTCS), which is endorsed by the Programme for the Endorsement of Forest Certification (PEFC).



Plantation logs from Segan FPMU

## The following Lingui ITPs are certified by SIRIM OAS International Sdn Bhd.



**Segan ITP**  
10,332ha

**Lana ITP**  
9,393ha

**Marudi ITP**  
19,941ha

The certification is valid for a period of 5 years, with an annual surveillance audit conducted by a certification body accredited by Standards Malaysia.

Never one to sit on our laurels, and with our strong conviction in Sustainability, we have developed our own in-house expertise to manage ITPs in Sarawak. We now boast 31,857ha planted with more than 35 million trees. These trees, the majority of which are *Acacia mangium*, *Acacia crassicaarpa*, *Eucalyptus pellita* and *Falcataria moluccana*, which mature and are ready to be harvested between 8 and 15 years.

While our business/commercial objective is to produce logs which are suitable for plywood and sawn timber from our downstream mills, Lingui's strong ITP activities helps to ensure that our commercial activities are sustainable.

Further to that, we maximise the utilisation of our harvested logs by manufacturing a wide range of high-quality products such as furniture, acacia boards, cutting boards, flooring, doors, door-skins, plywood, medium-density fibre boards and wood pellets.



# Responsible Forest Management

“

The forest is the life source for the existence of our business. Simply put, without the forest, Lingui will not exist. It is therefore in our long-term interest to ensure the maintenance and sustainability of our forests, not only for our business but also for the sake and the benefit of future generations.

Sustainable forest management may sound trite to some, but we at Lingui take our efforts to ensure sustainable forest management very seriously. It is a journey that we embarked on many years ago and a journey that we continue with pride and diligence.

”

## Contributing Towards Positive Environmental Impact

### Natural Forests

Lingui has worked very hard to attain certification for all its Forest Management Units or FMUs. While the pandemic affected our target dates, we are still aiming to achieve full certification of FMUs by the end of 2022.

The process is tedious as it involves the marking and identification of harvestable potential crop trees within our FMUs but what needs to be done must be done. Certification provides for third-party verification that our licenced areas are being managed sustainability. With certification, we commit to ensuring that only harvestable trees that are located in areas clearly defined are harvested. The harvesting cycle is on a 25 to 30 year cycle.

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 every five years.



### Reduced Impact Logging (RIL)

The long-held and inaccurate perception that tree felling is done in isolation to the surrounding areas is being corrected by our commitment to RIL. Through careful planning and strict specifications for the design of roads and skid trails, we ensure that any damage to potential crop trees and to samplings caused by the felling of mature trees, is reduced to a minimum.

Forest inventory is an integral part of the RIL SOP and provides buyers and manufacturers the assurance that what they are purchasing has been rigorously tagged for harvesting. Tagging indicates that a tree has fulfilled all the criteria for harvesting including attaining a certain diameter, contain logs of commercial grades, are not from any protected species and is safe to be felled.

The identification chain is completed when the a section of the tree tag is affixed to the felled tree stump, with other sections of the tree tag are fixed to logs cut from the felled tree. The stump and the logs therefore are all tagged with the same identification which is imputed in the log tracking system or LTS and linked to the royalty assessment documentation.

The unique number attributed to every felled tree makes it possible for buyers, manufacturers and even end consumers to track the log or final product to the block and tree stump.





## Responsible Waste Management and Disposal

Lingui complies with the disposal requirements for scheduled wastes under Environmental Quality (Scheduled Waste) Regulations 2005. Waste items generated from individual operating units that are classified under Scheduled Waste are contained in labelled containers and stored in designated scheduled waste storehouse. Designated waste management contractors approved by the authorities will collect the containers and dispose of them in a disposal center. Proper handling and disposal of scheduled waste in forestry activities will reduce the environmental impact of Lingui's operations.

## Solar-Powered Lighting

Lingui is in the progress of implementing solar-powered lighting in timber camps to reduce its carbon emission and footprint of timber activities. As the awareness on the impact of carbon and greenhouse gases emission grows, Lingui is also exploring other initiatives on productivity and operations planning which can reduce carbon footprint, such as reducing the number of equipment utilised, and introducing better and more efficient methods in production and reducing manpower size.



## Wood Residue

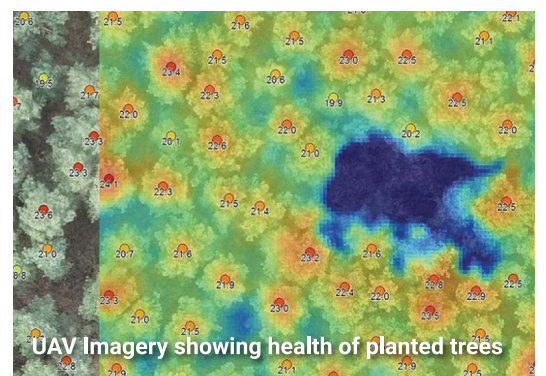
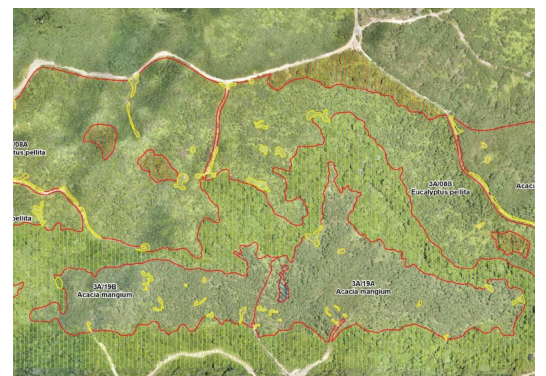
In downstream wood manufacturing plant, residues are chipped as solid biomass fuel for boilers to generate steam energy for heating of high pressure contact presses, continuous dryers and kilns used in the processing of HDF door skin, plywood, wood pellets and sawn timber accordingly.

## Drone Technology in Timber

Lingui is exploring new technological territory on the front of Unmanned Aerial Vehicles (UAV) in Malaysia with the deployment of the Trinity F90+ from Quantum Systems. This UAV is capable of a flight time of 90 minutes while capturing imagery over 120ha, enabling the Reforestation team to acquire full coverage of an industrial timber plantation in a short period of time.

The UAV carries a dual payload, comprising a high-resolution true colour sensor as well as a multispectral sensor. Utilising artificial intelligence (AI) developed specifically for the forestry industry, Lingui is able to model the standing timber volumes from the true colour imagery, while the multispectral imagery allows for species identification and detects the health of trees and vegetation. Furthermore, the stereoscopic imagery derived from the true colour sensor enables the extraction of a Digital Elevation Model (DEM), which is a virtual model of ground elevation. This dataset allows Lingui to apply improved site/species selection, road planning and slope modelling.

The use of UAVs to monitor forests and remote areas, provides a far more accurate, efficient, cost-effective, and safe means of data collection than traditional methods, which is especially a boon to the Lingui Reforestation Team.



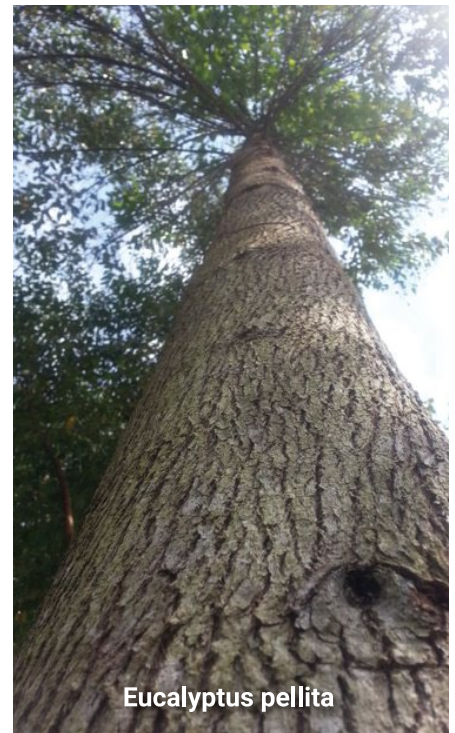
# Forest Management Guided by Sustainability

At Lingui, we can assure our customers that our wood products originate from sustainably managed forests, in accordance with the highest of approved standards. This is especially important as consumers have become more environment-conscious and sensitive towards how natural resources are being used.

Sustainable Forest Management (SFM) offers an approach as to how environmental, social and economic benefits can be derived, balanced by the preservation of the natural environment. As an integrated timber company, we track the progressive movement of all harvested trees, from forest to mills, ensuring we fully comply with sustainable timber practices.

Guided by our Responsible Forest Management Policy, we have obtained various certifications in forest management, chain-of-custody, products, Quality Management Systems and several others. These certifications hold us to high standards, a responsibility that we willingly embrace and underlines Lingui's commitment to sustainability.

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.



## Responsible Forest Management Policy

In line with our Mission Statement, we shall :

1

Comply with all relevant environmental legislations, rules and regulations, guidelines, Malaysian Timber Certification Scheme principals and criteria for Sustainable Forest Management, to maintain and enhance the environmental values and functions of forests.

2

Uphold international conventions and treaties on social and environmental protection as well as regulations set by the Forest Department Sarawak (FDS).

3

Periodic reviews of our operational standards, plans and programmes to bring continuous improvement to our environmental practices

4

Cooperate fully with all relevant authorities, agencies, institutions, local communities and other stakeholders through dialogues and consultations

5

Collaborate with local and international expert organizations to carry out research, development and monitoring programmes for conservation and protection

6








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.

# Materiality Assessment

Lingui had previously conducted a materiality assessment to review the relevancy of the existing ESG topics against current business operations, which was carried out through a series of surveys with all our stakeholders.

Consistent engagement through 2021 with these stakeholders has enabled us to further collate updated feedback and necessary information to precisely define and fine-tune the assessment criteria that is required.

The list of ESG topics which are mapped to GRI standards for the year in review is as per the information below.

GRI Standards	Our Goals	Priority areas and action
 <p><b>GRI 307</b> Environmental Compliance</p>	<p>To sustainably restore, protect and manage our forest</p> <p>Climate change adaptation (Samling Group)</p>	<p>Sustainable Forest Management Certificate (MTCS)</p> <p>Planted Forest (FPMU)</p> <p>Natural Forest (FMU)</p> <p>Commitment to the No Deforestation, No Peat and No Exploitation (NDPE) policy.</p> <p>Conservation : bio-diversity monitoring, and reporting of flora and fauna</p> <p>Timber Zero Waste - conversion into renewable energy</p>
 <p><b>GRI 403</b> Occupational Safety and Health</p>  <p><b>GRI 412</b> Human Rights Assessment</p>  <p><b>GRI 413</b> Local Communities</p>	<p>To respect human rights and create a positive impact with our indigenous people and local communities</p>	<p>OSH-HR : continue with strict adherence to all relevant laws; increase transparency and traceability in our reporting and monitoring activities</p> <p>Empower and increase the ESG awareness of and with our people</p> <p>Promote goodwill and protect the economic and social benefits of our people</p>
 <p><b>GRI 102</b> General Disclosure</p>  <p><b>GRI 205</b> Anti Corruption</p>  <p><b>GRI 417</b> Marketing and Labelling</p>	<p>To adapt to and comply with relevant laws and regulations, and also subscribe to industry Best Practices</p>	<p>Adopt and strictly maintain sustainable production and supply chain</p> <p>Certify all natural and certifiable production forests. This includes the continuity of certifications with continuous improvements</p> <p>Adherence to Best Environmental Management for downstream plants</p> <p>OSH-HR : To continue with strict adherence to all relevant laws; increase transparency and traceability in our reporting and monitoring activities</p> <p>Continuous policy reviews and improvement</p>

# Our People

At Lingui, each of our employees is an important asset and a key driver to achieve our goals in Sustainability. For our sustainability efforts to bear fruit, we are fully dedicated to the continued growth and support of our team members.

As each one of our employees is a valuable resource on our sustainability journey, we adhere strictly to our anti-harassment and anti-discrimination policy, creating a level workplace for all. We place great value on diversity and inclusiveness and encourage each team member to develop to their fullest potential.

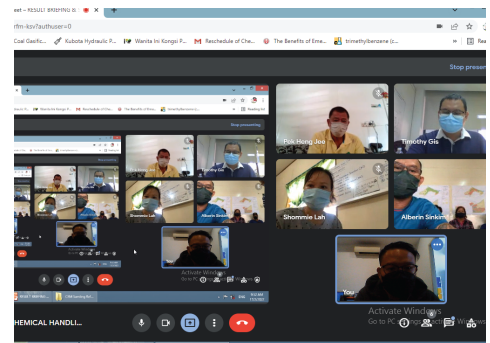
Sharing knowledge, sharing values, respect of diversity, encouraging creativity, appreciation of differences, listening, talking, understanding and finding common ground to grow together : these are all hallmarks of Lingui's approach when it comes to our employees.



# Health, Safety and Training

“

Health and safety in the workplace is of utmost importance at Lingui. Each operating unit has its own Health & Safety Committee to manage health and safety matter of employees. ”



Health and safety is ensured in Lingui through training and implementation of safe work procedures for all operational activities.

Safety and health induction is a prerequisite for every employee and this is enhanced by formal training and informal toolbox session to encourage positive safe behaviour at the workplaces.

The aim is to promote generative safety culture to reduce unsafe actions and unsafe conditions and higher compliances to safe work procedures at the workplaces.

Training at various levels is provided on a consistent basis to develop our team members. Developing skillsets, and career and succession planning are core pillars in our manpower approach, with even a Performance Management System in place for more than 11 years.

We also continue to provide awareness training for ISO 9001:2015 Quality Management System, and various trainings to grow competence in management of environmental matters.

At Lingui, we also collaborate in strategic partnership with various government training agencies : Insitut Latihan Perindustrian (ILP) Miri, Institut Kemahiran Belia Negara (IKBN) Pusat Pembangunan Kemahiran Sarawak (PPKS), providing vocational training and apprenticeships.

# Building Trust

At Lingui, we take a holistic approach when it comes to engagement with our local communities. It is important for us not to simply communicate with them - extra effort is made to ensure that we do not simply understand their needs and concerns - and empathy comes very much into play. We realize that strong relationships need to be nurtured in order to grow, and this crucial growth needs to be built on a firmest foundation of trust.



# Engaging Forest Communities

Beneficiaries of Lingui Community initiatives	2021
Villages	146
Regions	3
<b>BARAM</b>	
Penan	35
Kelabit	19
Kenyah	18
Kayan	11
Berawan	6
Saban	2
<b>LAWAS</b>	
Lun Bawang	38
<b>BINTULU/BELAGA</b>	
Punan	7
Penan	4
Iban	3
Sekapan	2
Tanjong	1

# ESG is in our DNA



# Environment

## Impact Compliance, Best Practices



Even with the many restrictions that we were subjected to due to the COVID-19 pandemic, Lingui continued to place great importance on environment, social and governance. Concerted efforts were made to enhance best practices in our workplace and surrounds, and health and safety remained a top priority.

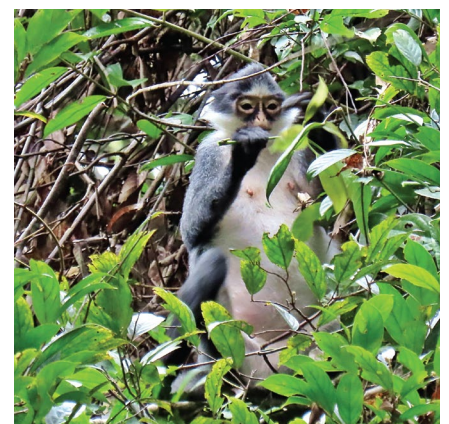
Human relation is key to the success of our operations and we continued to engage with our staff, suppliers and very much so with the local community. This has and will always be a long and standing tradition at Lingui.



Collecting water from the river for water quality monitoring

Our engagement with forest dwellers and local communities through dialogue and assistance, helps us to understand their concerns and requirements, from basic needs such as energy, clean water and materials, so that cooperation and peaceful co-existence grows from strength to strength.

In 2021, we continued with our environmental efforts such as tree-planting, and research, surveillance and protection of wildlife and their natural habitats. Our dedicated conservation team also continues to actively protect and promote the rehabilitation and regrowth of affected areas.



# River Restoration Collaboration

For several years now, Lingui has collaborated with World Wide Fund (WWF) Malaysia and other partners, in riverbank restoration efforts in Long Semadoh, Sarawak, through the provision of engineering expertise in the implementation of bio-engineering measures, together with the University of Nottingham (Malaysia Campus) at affected riverbanks. This cooperation continued through 2021, even though movement restrictions presented some challenges and caused some delays.



Aerial view of Long Semadoh riverbank restoration work project (before)



Close up pix of the erosion and landslide at the slope next to the river.

2021 also presented economic constraints to much of the local communities, and Lingui continued outreach programmes to provide humanitarian and relief aid, medical and other assistance to those affected and in need.

Converted community development efforts for self-sustainment continued in 2021, as well as assistance to promote and enhance education, plus the provision of training for human development.





Measuring the progress of Rafflesia bud



Rafflesia at full bloom

All in all, while 2021 was overall a challenging year, we at Lingui continued our environment, social and governance efforts actively, ensuring that we engaged with our people, our communities and our flora and fauna.

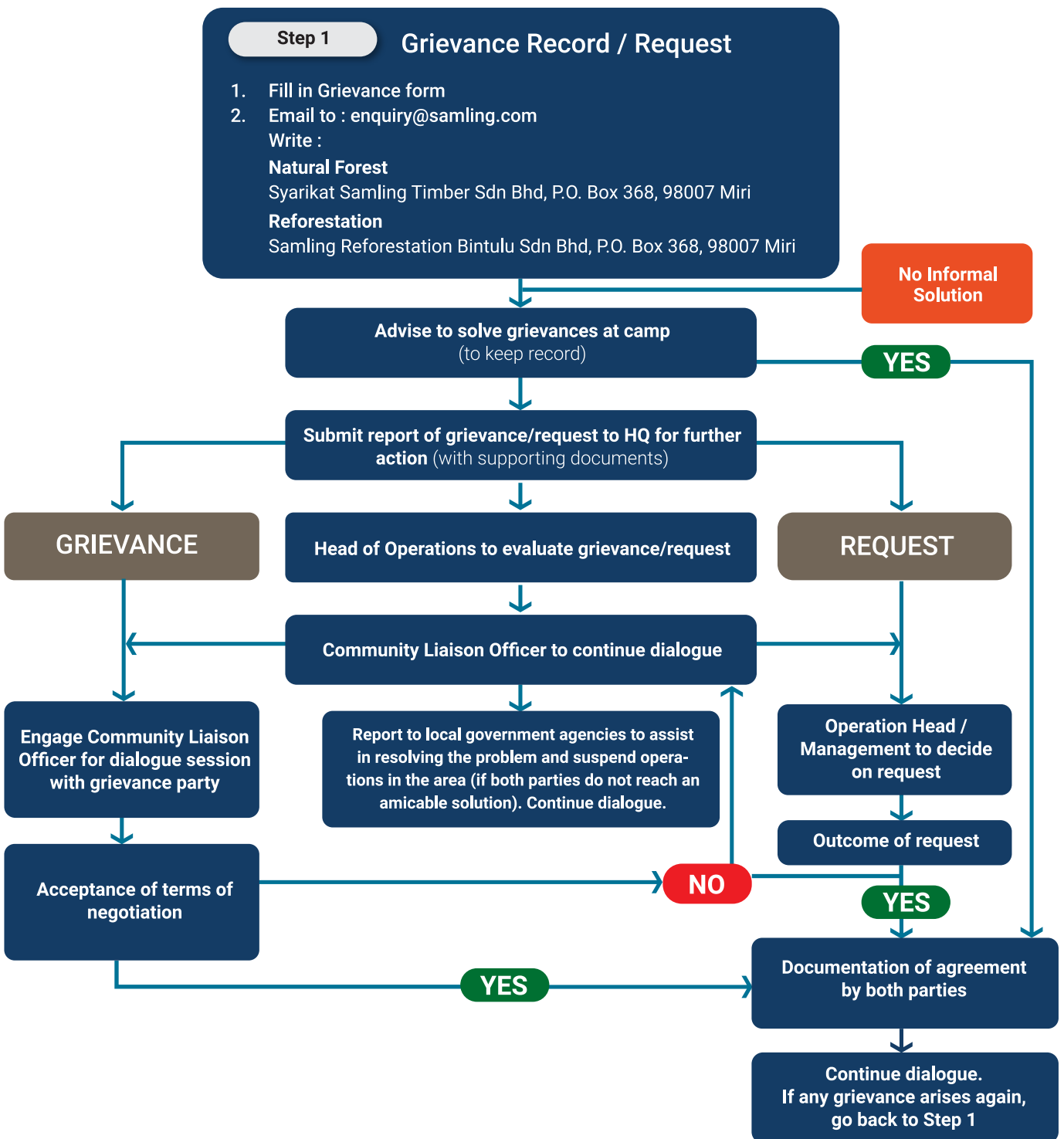


# Ethical Business Practices

Our Ethical Business Practices form the backbone of our approach towards the standards of behaviour in the workplace, to which all stakeholders are held accountable. These standards are derived and guided by Lingui's Core Values and Business Principles.

At Lingui, we fully believe that for our business to grow to the shared benefit of all stakeholders, high business ethics takes centre stage. Our Ethical Business Practices also protect and provide for our People, Planet, Places and Productivity and it is enshrined in our day to day operations, and at every level.

## Grievance Procedure



# What's On The Horizon - Future Outlook

## Marching forward and working towards the following :

- ▶ To push on with efforts in 2022, to certify 1.2 million Ha of forest concession areas by 2025 (total certified areas certified Dec 2021 : 398,663 Ha)
- ▶ Lingui will continue to do our part to enable Samling Group's full declaration of commitment to the NDPE policy by 2025
- ▶ Continue identifying and cataloguing of Bio-D fauna and Avifauna in Ulu Trusan and Ravenscourt
- ▶ Continue riverbank restoration project with World Wide Fund (WWF), Formadat and FDS in Long Telingan.
- ▶ Continue planting agricultural crops (legumes and vetiver included) for food security
- ▶ Identify suitable project sites with partners and communities for replication of sustainability projects
- ▶ Commence GHG identification and accounting, and establish GHG reduction plans for timber operations
- ▶ Review, improve and socialize current grievance mechanism and procedure with indigenous people and local community (IPLC)
- ▶ To commence the practice of Free, Prior, Informed Consent (FPIC) with IPLCs in areas where Lingui operates
- ▶ Continue to comply to relevant laws and regulations, and continue commitment to Best Practices
- ▶ Continue Noise Hazard Risk Assessment and management of noise project for all active sites
- ▶ Prepare a Communication and Strategic Plan on Timber (2.0) and ESGs, crafted according to specific target groups
- ▶ Continue training programmes to target OSH coordinator compliancy 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 Maklumat Audit dan Penguatkuasaan) for all active workers
- ▶ To practice Zero Timber Waste for renewable energy
- ▶ Continue to adopt sustainable production and supply chain
- ▶ Empower and increase ESG awareness for and with our people and local communities
- ▶ Increase bio-diversity monitoring and reporting of flora and fauna

# GRI Content Index - Lingui Group Of Timber Companies

GRI Standards 2016	Disclosure Title	Section Reference & Remarks
<b>GRI 102 : GENERAL DISCLOSURE 2016</b>		

## ORGANISATIONAL PROFILE

102-1	Name of organisation	
102-2	Activities, brands, products and services	
102-3	Location of headquarters	
102-4	Location of operations	
102-5	Ownership & legal form	
102-6	Markets served	
102-7	Scale of the organisation	
102-8	Information on employees and other workers	
102-9	Supply chain	
102-10	Significant changes to organization & its supply chain	
102-11	Precautionary principle or approach	
102-12	External initiatives	
102-13	Membership of associations	

## STRATEGY

102-14	Statement from senior decision-maker	
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## ETHICS AND INTEGRITY

102-16	Values, principles, standards & norms of behaviour	
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## GOVERNANCE

102-18	Governance structure	
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## STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	
102-41	Collective Bargaining Agreements	
102-42	Identifying and selecting stakeholders	
102-43	Approach to stakeholder engagement	
102-44	Key topics and concerns raised	

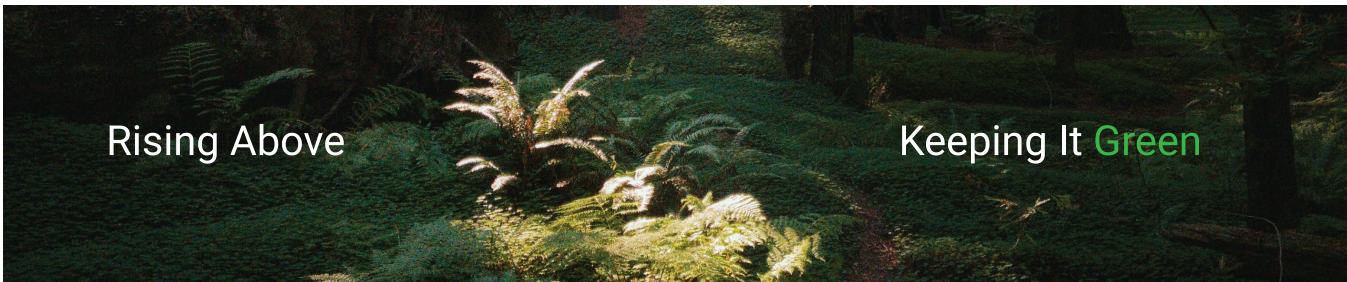
GRI Standards 2016	Disclosure Title	Section Reference & Remarks
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**REPORTING PRACTICE**

102-45	Entities included in the consolidated financial statements	
102-46	Defining report content and topic boundaries	
102-47	List of material topics	
102-48	Restatements of information	
102-49	Changes in reporting	
102-50	Reporting period	
102-51	Date of most recent report	
102-52	Reporting cycle	
102-53	Contact point for questions regarding the report	
102-54	Claims of reporting in accordance with GRI Standards	
102-55	GRI Content Index	
102-56	External assurance	

**MATERIAL TOPICS**

GRI 307 : Environmental Compliance		
GRI 403 : Occupational Health and Safety		
GRI 412 : Human Rights Assessment		
GRI 413 : Local Communities		
GRI 205 : Anti-Corruption		
GRI 417 : Marketing and Labelling		



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