

*“Shaping a sustainable path,
fostering meaningful relationships”*



Lingui Group of Timber Companies

Sustainability Report

2023



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About Us



Since our establishment in 1967, Lingui Developments Sdn Bhd, known as the Lingui Group of Timber Companies or Lingui, has emerged as a leading producer of environmentally friendly forest resources and wood products. Originally founded in Sarawak, Malaysia, Lingui has since expanded operations to as far as China and Guyana, and currently employs 5,000 individuals in our Malaysia timber operations. Our company exports high-quality products to various international markets, including China, Japan, India, South Korea, and North America.

At Lingui, we are dedicated to sustainable forest management practices. Our strong presence in global markets reflects the reliability and quality of our products. We aim to derive value from forest resources while upholding sustainable principles to guarantee the continuous existence of these valuable assets. Our commitment is anchored on the core values of People, Planet, Places, and Productivity.

Sustainability is at the heart of everything we do. Our focus on responsible forest management ensures the preservation and longevity of these resources, even as we extract value from them.

About this Report

This report highlights our company's operations, initiatives, accomplishments, and challenges that support our sustainability endeavours. These efforts are in line with internationally recognised standards such as the Global Reporting Initiatives (GRI) and the United Nations' Sustainable Development Goals (SDGs).

Through this report, we aim to provide stakeholders, readers, and the general public with a comprehensive overview of Lingui's sustainability policies, practices, and the progress we are making in surpassing mandatory requirements.

Unless specified otherwise, this report encompasses Lingui's activities from January 1, 2023, to December 31, 2023.

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 to Stakeholders

Sustainability is a commonly used concept in today's business landscape, often at risk of sounding clichéd due to its trite overuse. However, as a leading timber company in Malaysia, Lingui recognises the importance of delving deeper and infusing genuine meaning into our sustainability practices to meet the evolving demands of society.

We understand the significance of providing our customers with the assurance that we operate as a reliable partner, offering products with a transparent sustainability chain.

As a major employer in our primary base of Miri, Sarawak, we prioritise creating a safe, productive, and harmonious work environment for our employees. Acknowledging the impact of our operations on the surrounding communities, we emphasise inclusivity, fostering a strong sense of belonging and mutual respect among the people in our vicinity.

These efforts are vital in assuring our shareholders that their investments are tied to a company committed to sustainable practices from environmental, social, and governance perspectives.

There is no denying that each and every one of our positive decisions and actions today, paves the way for a better tomorrow. In 2023, we once again kept our eyes firmly on this goal as we outlined and undertook initiatives that underscored our dedication to sustainability and a brighter future. These initiatives encompass our ongoing progress towards fully certifying our natural forest concessions and industrial tree plantations, and transitioning to zero waste by utilising renewable energy sources like wood pellets.

While our sustainability journey has always come with its fair share of bumps and challenges along the way, we remain unwavering in our commitment to scaling new heights despite the obstacles we encounter. Lingui is dedicated to shaping a sustainable path, fostering meaningful relationships with our stakeholders, customers, employees, and communities. As always, our continued focus remains on enhancing People, Planet, Places, and Productivity.

One endeavour after another, we continue to put one foot ahead of the other, as we journey towards a sustainable future for all. It is a collaboration that we are committed to : never alone, always together.

James Ho

James Ho
Chief Operating Officer
Lingui Group of Timber Companies



Like all timber companies operating in this region, Lingui comes under extra scrutiny where sustainability is concerned. Hence, we are well aware that Sustainability has to be at the core of all our operations.

Message from our Head of Sustainability

Sustainability in our industry may sometimes seem an oxymoron. However, we have proven over the years that taking small but deliberate steps coupled with firm and impactful decision making, allows us to walk a sustainability path that is relevant and coherent.

Our path has been challenging, marked by battles against misconceptions and indeed false and unfair accusations made against us. Amidst this difficult terrain, we have soldiered on and our journey has started to increase in momentum.

Over the past year, several initiatives have come to fruition and many more exciting projects are in the pipeline for the upcoming year.

The Sustainability Report 2023 will detail the progress Lingui has made on its sustainability journey. The steps may seem small but the fact remains that we are moving forward, one step after another, one initiative after another.

Sustainability is a continuous process with ever-evolving goals and practices. Lingui must remain adaptable and agile to navigate the changes that will undoubtedly arise as we advance. While we set targets and milestones, we acknowledge that these are mere checkpoints along our journey, with new and stimulating horizons awaiting exploration.

Step by step, block by block, the journey and construction persist.

Tia Tzee Ling

Tia Tzee Ling
Head of Sustainability
Lingui Group of Timber Companies

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**.



Sustainability Commitment

Having been in timber operations for close to 6 decades, we fully believe that sustainable environmental conservation and socio-economic practices are essential to ensure business longevity and growth. In the same breath, it is the very same vast experience gained via longevity of business that enables us to successfully manage sustainable and ethical timber operations.

- Maintenance of biodiversity to support wildlife habitat and flora diversity
- Management of environmental integrity
- Preservation of social benefits and cultural values
- Sustained yield of all forest products

Sustainable Management Practices

Our Responsible Forest Management Practices underline 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 and Conflict Resolution Mechanism

Principles & Values





Care for People and Communities

Caring for people and communities and fostering harmonious relationships with stakeholders are essential for success and sustainability. This approach guides us towards a prosperous future.



Protect Natural Resources

Preserving natural resources is a top priority for us, and we integrate ecosystem conservation into every aspect of our operations.



Aim for Sustainability and Continuous Improvement

Striving for sustainability and continuous improvement is at the core of our long-term objectives and practices. We are committed to fostering growth and delivering value to our stakeholders, partners, employees, local communities, and the environment.



Adopt Sustainable Practices

Our aim is to strike a balance between maximising corporate value and upholding the highest standards of sustainability. We believe it is possible to achieve this equilibrium by finding a common ground where all our goals can be met.

Code of Ethics

At Lingui, our Code of Ethics aligns with Health, Safety, Environment, and Community (HSEC) Management standards. All individuals, including employees and contractors, are required to adhere to local laws, regulations, and the company's internal policies and standards.

 <p>Accountability, Openness, Transparency & Traceability</p>	 <p>Privacy & Data Protection</p>	 <p>Anti-Bribery and Anti-Corruption Practices</p>	 <p>Commercial Interest</p>
<p>We give our customers concrete evidence of our commitment to responsible and sustainable timber production by ensuring the certification of our products.</p>	<p>The Personal Data Protection Act 2010 strictly regulates the processing of personal data in commercial transactions.</p>	<p>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.</p>	<p>We ensure confidentiality of our commercial interests while actively communicating with relevant stakeholders and providing transparent reporting.</p>

Milestones, Certification and Economic Performance


Milestones

In 2023: 4 FMUs with a total of 393,904 hectareage were certified under the Sustainable Forest Management Certification scheme and 4 LPFs with a total of 42,666 hectares were certified under the Sustainable Forest Management (Plantation) Certification scheme.



Status Of Natural Forest Certification as at 31 December 2023

No.	FMU	Registered Size for Certification Areas / Ha	Status of Certification
1	Ulu Trusan FMU	92,279	Certified
2	Gerenaï FMU	148,305	Certified
3	Bah Sama FMU	35,379	Certified
4	Ravenscourt FMU	117,941	Certified
5	Layun FMU	142,790	Completed stage 2 audit. Pending issuance of certificate
6	Tama Abu FMU	182,998	Completed stage 2 audit. Pending issuance of certificate
7	Suling-Selaan FMU	168,099	In the process of applying for certification
8	Sekiwa FMU	61,447	Stage 1 proposal in July 2024



Status of Planted Forest Certification as at 31 December 2023

No.	FMU	Registered Size for Certification Areas / Ha	Status of Certification
1	Kuala Baram FPMU	3,000	Certified
2	Marudi FPMU	19,941	Certified
3	Segan FPMU	10,332	Certified
4	Lana FPMU	9,393	Certified
5	Paong FPMU	24,834	Completed stage 2 audit. Pending issuance of certificate



In March 2023, **TreeOne MegaPellet**, a subsidiary of Lingui, achieved the prestigious certification from the Sustainable Biomass Partnership (SBP), meeting SBP Standards and verified by the international certification body, Control Union.

The SBP programme is a certification system specifically for woody biomass, ensuring that biomass is legally and sustainably sourced, and meets regulatory requirements for European end users. This includes the ability to track and report energy and carbon balance calculations throughout the supply chain.

The Project area includes :

Project study area	- approx. 55,800ha
Carbon project area	- approx. 26,000ha
Peat Swamp Forests	- approx. 24,000ha
Annual estimated ER	- 1.5mil tCO2e

Lingui's subsidiary, SaraCarbon Sdn Bhd achieved a significant milestone by becoming the first organisation in Sarawak to obtain a permit for a forest carbon study from the Sarawak State Government. This permit allows the company to explore the feasibility of a nature-based carbon project in Marudi within the industrial tree plantation concession area.



Secretary of the Ministry of Natural Resources and Urban Development, Datu Sr. Hj Zaidi Bin Hj Mahdi (second from left) presenting the Carbon Study Permit to Executive Chairman Dato Sri Yaw Chee Ming while the Premier of Sarawak YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg looks on.



Lingui's Carbon Team

Awards Achievement:

Lingui was honoured with the "2023 Outstanding World ESG Impact Award". Lingui was selected to receive this award for our dedication to addressing climate change and adhering to best practices in implementing Environmental, Social, and Governance (ESG) principles. The award was presented at a summit organised by KSI Strategic Institute for Asia Pacific (KSI),



Tsen Teck Fen, Asst GM of Planning & Development (third from right) together with Sarawak Premier, YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg (third from left) and Deputy Premier Sarawak, YB Datuk Amar Dr Sim Kui Hian (second from left) while others look on.



2023 Outstanding World ESG Impact Award

in collaboration with the World Green Organisation (WGO) and the United Nations Global Compact (UNGC). The summit focused on strategic issues and challenges in fostering partnerships to combat climate change and drive the business community towards sustainable investment, green finance, and green growth, all while promoting the principles of the 4Ps – Planet, People, Prosperity, and Partnership.

Most Diversified and Value-Adding Timber Manufacturer Award

Lingui was honoured with the distinguished "Most Diversified and Value-Adding Timber Manufacturer Award" by the Sarawak Timber Industry Development Corporation (STIDC) during the latter's 50th anniversary celebrations on 14 August, 2023.



Lingui Group Chief Executive Officer, Lawrence Chia receiving the award from Sarawak Premier YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg.

Economic Performance

Lingui Economic Performance for Financial Year ending 2023

	Timber Sales 2023		Wood Product Sales 2023
	'000 m ³	MYR '000	MYR '000
Export	70	166,000	89,000
Local	288	97,000	91,000
Others	N/A	N/A	N/A
TOTAL	358	263,000	180,000

Sales Volume



Export Revenue 2023










Sarawak Timber Export Revenue MYR3.1 billion







Lingui Timber Export Revenue MYR255mil

(Timber + Wood Products)

Materiality Assessment

The materiality assessment for 2023 focused on Lingui's ESG strategy, prominently featuring the GRI framework. This assessment helps us to identify and define our long-term sustainability plan, with active engagement of stakeholders throughout the process.

GRI Standards 2016		Our Goals	Priority areas and action
	GRI 301 Materials	To maximise use of our raw materials and reduce wastage.	Wood waste from the plantations are brought to the biomass mill to be turned into pellets.
	GRI 302 Energy	To reduce the use of fossil fuel and replace with renewable sources.	Installing solar lighting in camp offices to reduce the usage of diesel.
	GRI 303 Water and Effluents	Reduce water consumption by tapping rain water and reduce impact on the eco system.	Other than for human consumption, camps and factories are encouraged to tap rain water for their daily use. To protect water catchment areas so as not to disturb the ecosystem for the benefit of the communities and water organism. Conducting water quality monitoring and reporting in the Environmental Monitoring Reports (EMR).
	GRI 304 Biodiversity	To maintain, and where possible enhance the habitats of any rare, threatened and endangered (RTE) species.	Conducting HCV monitoring report of wildlife and flora; and cataloguing all the sightings. Install camera trappings.
	GRI 305 GHG Emissions	To reduce our greenhouse gas emissions (GHG) which will reduce the impact on climate change.	Aim to reduce the use of fossil fuel and replace by switching to renewable / green energy like solar. Proper waste management and disposal of chemical waste.
		Climate change Adaptation.	Nature based solutions.
	GRI 306 Waste	To implement good waste management.	All chemical and scheduled waste from the downstream mills and camps / plantations are segregated, labelled and stored properly. It is then disposed of by a licensed contractor.
	GRI 307 Environmental Compliance	To sustainably restore, protect and manage our forest.	To certify all our Natural Forests and Plantation Forests under the Sustainable Forest Management Certification (MTCS). To continue bio-diversity monitoring in order to support the wildlife habitat and high conservation value sites.

GRI Standards 2016		Our Goals	Priority areas and action
 GRI 401 Employment	Employees are assets to the organisation. Lingui has the responsibility to respect, support and uphold fundamental human rights as expressed in the Universal Declaration for Human Rights.	Ensure all our staff have proper working conditions with specific working hours as required by law. Employees' welfare : company provides accommodation for workers in the camps and in the mills as well as access to free medical service.	
	Lingui is also committed to handling any Grievance promptly through a transparent and objective process.	Ensure there is no discrimination, violence or harassment within the organisation.	
 GRI 403 Occupational Safety & Health	To ensure a safe work environment for all our workers, contractors and third parties within our premises.	Aiming for zero-fatality in all camps, sites, mills and offices. To continue with strict compliance and adhere to all relevant National Safety & Health laws. To report promptly any major accident to the relevant authority (DOSH). To hold regular S&H programmes to promote greater HSE awareness among staff.	
 GRI 404 Training and Education	Lingui provides training and education for staff in terms of skills development and career development.	Provide skills development and training for staff especially those in the technical sector.	
 GRI 405 Diversity and Equal Opportunity	To embrace diversity and inclusion by giving equal opportunity to all staff.	Subscribe to equality and inclusion throughout our operations.	
 GRI 409 Forced or Compulsory Labour	To adhere to human rights. Lingui does not condone any practice of forced or compulsory labour.	Provide income to all workers, adhering to the country's National Minimum Wage.	
 GRI 413 Local Communities	To ensure that there is an open and transparent communication with the local communities.	To continuously carry out community engagement with the local communities. To have goodwill agreement with the local community when we do enter the area. Carry out Social Impact Assessments to assess the social requirements of the community. To teach the local community about the conflict resolution process.	



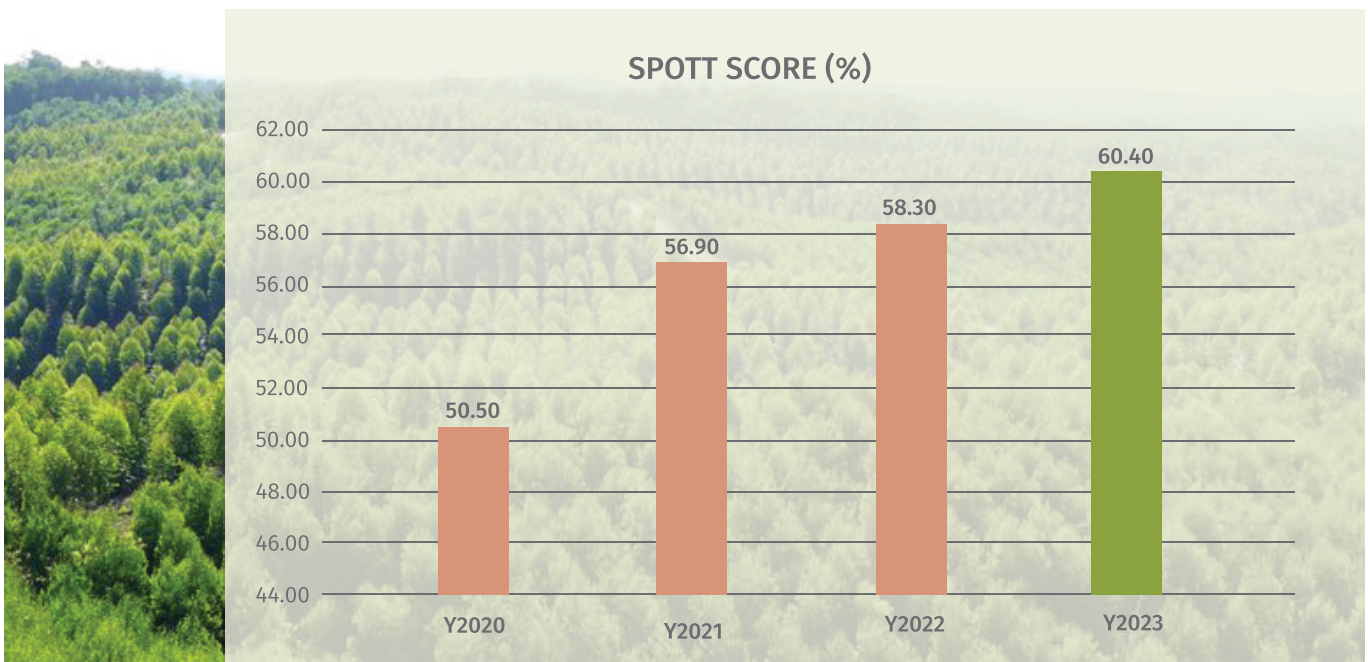
Aerial view of Lingui's planted forest

GRI Standards 2016		Our Goals	Priority areas and action
	GRI 417 Marketing and Labelling	To ensure that the disclosure on the product and labelling is true and correct.	<p>Adopt and strictly maintain sustainable production and supply chain.</p> <p>To ensure that all raw materials are sustainably sourced.</p>
	GRI 102 General Disclosure	To adapt to and comply with relevant laws and regulations, and also subscribe to industry best practices. To provide disclosure and information about the company and its activities.	<p>Adopt and implement initiatives for Best Environmental Management Practices for downstream plants.</p> <p>Continuous policy reviews and improvements.</p> <p>To continue with strict adherence to all relevant laws; increase transparency and traceability in our reporting and monitoring activities.</p>
	GRI 205 Anti-Corruption	To conduct business dealings with integrity and avoid practices of bribery and corruption of all forms.	<p>To ensure all workers comply with the Anti-Bribery and Anti-Corruption (ABAC) policy and to report to the management any unethical dealings.</p> <p>Ensure prohibition of giving or receiving gifts and kickbacks to influence any decision making.</p>



SPOTT Assessment and Transparency Disclosure

The Sustainability Policy Transparency Toolkit (SPOTT) is a free online platform that evaluates commodity producers, processors, and traders based on their public disclosure of their organisation, policies, and practices related to environmental, social, and governance (ESG) issues. In 2023, Lingui's SPOTT score improved to 60.4%, a 2.1% increase compared to 2022. This places Lingui as the top-ranked timber company out of nine assessed in Malaysia, and 13th out of 99 timber companies assessed globally.



Our Decarbonisation, Social and Conservation Journey

Environment

GRI 305 – 1&2

Emissions

In 2022, Lingui began monitoring greenhouse gas (GHG) emissions related to its timber business activities using the operational control boundary approach in line with the GHG Protocol Corporate Accounting Reporting Standard, the 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, and the 2019 Refinement to the 2006 IPCC Guidelines.

In 2023, there was a shift in business strategy at Lingui with a transition to source sustainable wood resources from Industrial Tree Plantations instead of Natural Forest sources. Unfortunately, this change led to increased GHG emissions, due particularly to logistical activities. However, we observed significant Natural Forest emission reduction.



GHG Emission Breakdown By Business Activities For Scope 1 And 2 Combined in tCO2eq

Year	Industrial Tree Plantations (ITP)	Natural Forest	Logistic/ Transportation of materials	Manufacturing	Office/Others	Total Scope 1&2
2023	13,248	5,127	9,568	15,560	558	44,062
2022	7,865	9,929	5,975	15,229	618	39,616
+/-	5,384	-4,802	3,593	331	-60	4,446
Notes	Increase in ITP harvesting and planting activities	Reduction in Natural Forest harvesting activities	Increase in woodflow transportation activities	Increase in wood pellet production (additional line)	Reduction in energy consumption	Net increase due to increased in operational activities

Due to the impact of this strategic shift on operational activities and carbon emissions, the baseline for tracking carbon emission reduction will be recalibrated in 2024/2025 for more effective carbon reduction planning.

While carrying out this recalibration, we will also address carbon emissions from transportation. As such, Lingui will commission a wood pallet production line in 2024 closer to the Industrial Tree Plantation source.



GRI 302-1

Energy

Energy consumption for Lingui business activities comprises both non-renewable and renewable sources.

Non-Renewable Fossil-Fuel

Lingui's fleet of heavy equipment, vessels and vehicles used in raw materials harvesting and transportation activities consists of largely ICE powered machinery which operates on fossil fuel.

In the short to medium term planning, Lingui still needs to depend on fossil fuel for its upstream operations but in the coming years, Lingui aims to reduce its dependency on fossil fuel.

Renewable-Solar

Lingui is continuously converting the night lighting of its upstream operation camps to solar configuration, to reduce the use of ICE gensets.

Electricity

Lingui's downstream manufacturing plants located in Sarawak are operating from the Sarawak power grid which has low emissions by Sarawak Energy Berhad (SEB).

Steam

Manufacturing plants' steam source is powered largely by water from rain water harvesting ponds and solid wood fuel from wood residue and wastes, generated from its own manufacturing process.



Water



GRI 303-3

Lingui protects the water sources located in its forest management units through the implementation of buffer zones prescribed by environmental laws and the sustainable forest management scheme (MC&I SFM). Environmental Monitoring Reporting (EMR) on water sources via water sampling and analysis by 3rd party laboratories is carried out regularly in compliance with EIA requirements.

Upstream operations' water consumption is largely from river and rainwater harvesting.

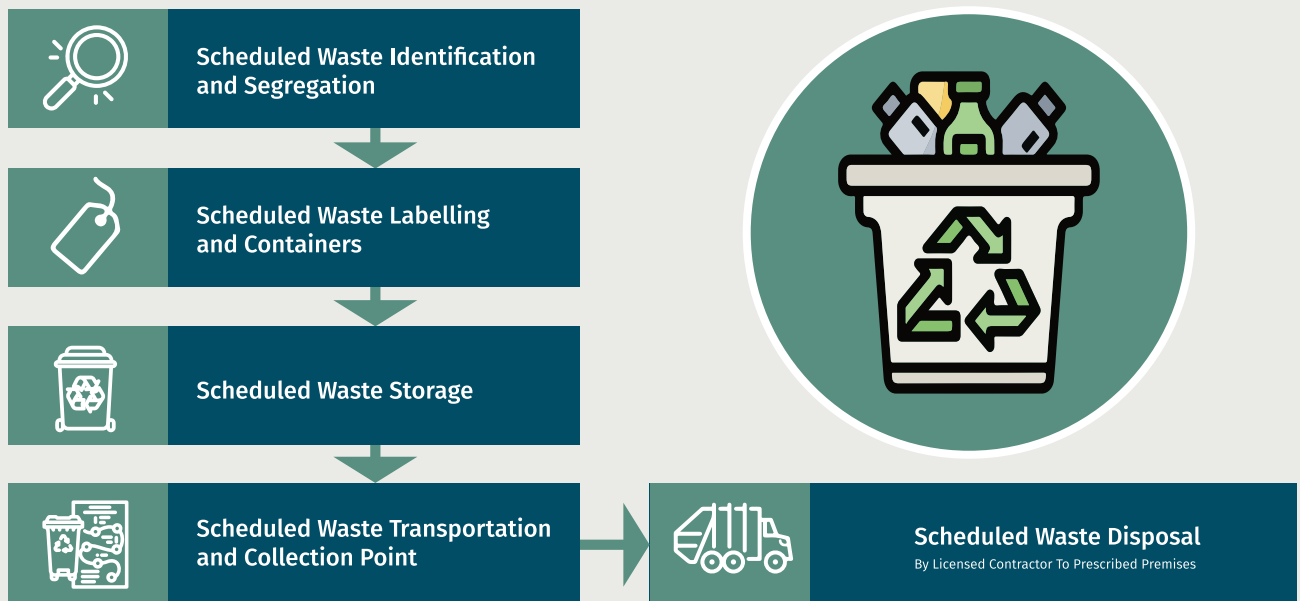
Downstream manufacturing plants rainwater harvesting has contributed to an estimated savings of 34,800m3 of water from the water supply grid.

Waste



GRI 306-3

The company complies with the scheduled waste regulation for the management of scheduled waste. Scheduled waste is properly stored, labelled and segregated in a designated place. The disposal of scheduled waste is done by a licensed contractor.



Materials



GRI 301-1

Wood waste from the plantations are brought to the biomass mill to be turned into pellets.



Wood waste is processed into pellets




Pellets

Biodiversity and Conservation (GRI 304) - Camera Trapping

In 2023, Lingui collaborated with the Forest Department Sarawak (FDS) to conduct a wildlife assessment in the Gerenai Forest Management Unit (FMU) using camera traps. A total of 25 camera traps were deployed in remote areas to capture images of wild animals in their natural habitat without human presence. The study documented 39 wildlife species residing in the Gerenai FMU, with varying conservation status ranging from Vulnerable (VU) to Critically Endangered (CR) according to the IUCN classification.

There are three (3) selected wildlife species that are unique to Ulu Baram region, Miri, Sarawak.

Wildlife Species unique to Ulu Baram region

	No.	Common Name	Scientific Name	IUCN	WLPO 1998	Cities
	1	Borneo Crested Fireback	<i>Lophura Ignita</i>	VU	P	N/A
	2	Hose's Civet	<i>Diplogale Hosei</i>	VU	P	N/A
	3	Tufted Ground Squirrel	<i>Rheithrosciurus Macrotis</i>	VU	TP	N/A



Setting-up of camera trap



Borneo Crested Fireback (*Lophura Ignita*)



Hose's Civet (*Diplogale Hosei*)



Male Sambar deer (*Cervus unicolor*)



Emerald dove (*Chalcophaps indica*)



Social

• Human Rights and Labour Practices



GRI 4-8-1, 409-1

Lingui complies with human rights and labour practices and adheres to ILO (International Labour Organisation) indicators and the Sarawak State Labour Ordinance. The company ensures there is no forced labour and staff are paid at least the minimum wage set by the Government of Malaysia.



Employee Management, Training and Development

• Training and Enhancement Programme for Community Liaison Officers

The Community Liaison Officer (CLO) plays a crucial role in facilitating communication between Forest Management Units and local communities.

An advanced training program for CLOs was held on January 30-31, 2023, at the Wisma Samling Headquarters. Participants included CLOs from both Forest Management Units (Natural Forest) and Forest Plantation Management Units (Planted Forest), along with staff from the Forest Management Certification Unit and Survey & Engineering Unit.

The training covered various topics, including the Community Representative Committee Manual (A Step-by-Step Guide), Conflict Resolution Procedures and Complaint Forms, Community Engagement Checklist, High Conservation Value (HCV) Checklist, an overview of Malaysia's Criteria and Indicators for Sustainable Forest Management (Principles 1 to 9), Social Impact Assessment, the High Conservation Value Initiative, Rare, Threatened, Endangered species, as well as Social Impact Monitoring and the Community Awareness Engagement Programme (CAEP) for 2023.

• Occupational Safety and Health Coordinator Internal Enhancement Training

The Health, Safety, and Environment (HSE) department at Lingui organised a 2-day OSH Coordinator Enhancement Training programme at Wisma Samling from 26 to 27 October 2023. The training aimed to provide appointed OSH Coordinators (OSH-C) with essential knowledge on occupational safety and health (OSH) management. A total of 29 Lingui staff members, including OSH-C from forestry operations and downstream OSH practitioners, participated in the training. The programme covered topics such as OSH legal applications, incident reporting, OSH risk assessment, insurance claims, and HR-related matters.

In March 2023, Lingui's HSE Department conducted a DOSH-approved training for appointed forestry operations' staff. Upon successful completion of the training, Lingui's OSH-C appointees were recognised and registered with the DOSH, in compliance with requirements before before the enforcement of the new OSHA amendment.

The primary role of OSH-C is to support the company's Safety and Health Officers (SHOs) in implementing the annual HSE plan for designated workplaces. OSH-C are responsible for promoting HSE awareness, ensuring compliance with safe work procedures, conducting safety toolbox talks, HSE walkabouts, inspections, and audits to maintain a safe working environment for all employees.



Group pix taken after the training session

Diversity, Equity and Inclusion

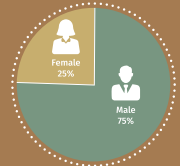


GRI 405-1

Simply by nature of our operations, Lingui’s employees have been predominantly male from the onset. However, we have taken considerable measures to encourage women to join our workforce. We uphold the practice of meritocracy-based equal opportunities in employment and career development for all. On top of that, at Lingui, we place great value on diversity within our workforce, looking at it as a strength and opportunity.



Total Workforce by Gender : December 2023



Employees’ Welfare (GRI 401)

Lingui provides accommodation in all camps and mills/factories. Additional facilities include on-site clinics manned by medical assistants or nurses, places of worship, transportation from hostels to workplaces for foreign workers, as well as recreational amenities such as multi-purpose halls, basketball courts, and football fields.



Staff quarters at camp.



Staff housing at Kuala Baram estate in Miri with clinic, multi-purpose hall, provision stalls and surau.

Occupational Health and Safety



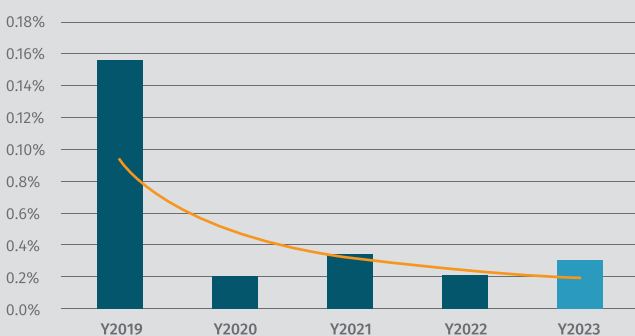
GRI 403-9

Lingui has established a comprehensive Occupational Safety and Health (OSH) management structure, which includes skilled OSH personnel in each operating unit overseen by the Group Health and Safety Department. This setup manages the diverse OSH challenges across the company's operations.

The Group Health and Safety Policy outlines the commitment and resources necessary to ensure the safety and health of all employees at their workplaces. Continuous improvement is achieved through the OSH programme framework. Top management reviews the effectiveness of these programmes against the Group's OSH Policy and objectives during the Management Review process as part of sustainable forestry management practices.

Incident reporting and tracking are essential components of monitoring and improving OSH performance. Lingui tracks Lost Time due to injury in accordance with the reporting and incident investigation requirements set by the relevant authorities (such as DOSH) to enhance risk management practices. This approach aims to improve the company's incident prevention efforts and minimise the recurrence of similar incidents.

Lost Time % Vs Total Manhours Worked Trend



Lingui is dedicated to enhancing its OSH management system to build a work culture that prioritises Health and Safety at all levels, ensuring sustainability and continued improvement in OSH practices.

Community Engagement



GRI 413-1

Lingui actively engages with the communities in its areas of operation which comprise a total of 211 villages across three regions. The following is a breakdown of villages by region and ethnicity :

Engaging Forest Communities

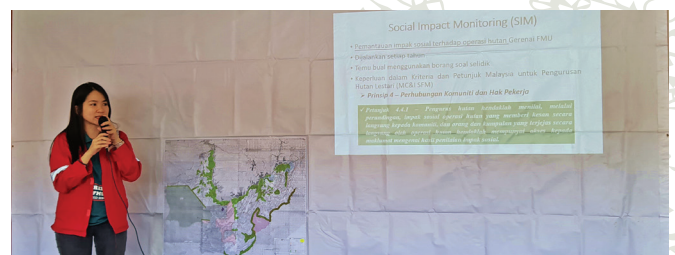
Beneficiaries of Lingui's Community initiatives	Planted Forest 2023 (Count)	Natural Forest 2023 (Count)
Villages	65	146
Regions	3	3
BARAM	34	91
Penan		35
Kelabit		19
Kenyah		18
Kayan	3	11
Berawan	3	6
Saban		2
Iban	26	
Others:	2	
LAWAS		38
Lun Bawang		38
Others:		
Others:		
BINTULU/BELAGA	31	17
Punan	5	7
Penan		4
Iban	26	3
Sekapan		2
Tanjong		1
Others:		
Others:		

Lingui has a dedicated team of Community Liaison Officers or CLOs who are responsible for engaging, and managing any conflict, with the communities. Our team of CLOs conducts regular visits to longhouses to facilitate Community Awareness & Engagement Programmes (CAEP).

In 2023, a Community Awareness & Engagement (CAE) session was held from 9 to 15 January in the Gerenai Forest Management Unit (FMU), involving 24 villages.

During the CAE session, various topics were discussed and shared, including:

- Presentation of the Social Impact Monitoring (SIM) and High Conservation Value (HCV) Monitoring reports
- Explanation of the roles and functions of the Community Relations Committee (CRC), Forest Management Certification Liaison Committee (FMCLC), and Forest Management Unit Representative Committee (FMURC)
- Guidance on how to address and file complaints using the complaint form
- Overview of the nine principles for the Malaysian Timber Certification Scheme (MTCS) certification
- Sharing information with the community about forest and land laws, customs, and traditions related to Temuda land.



Rachael Rosedy sharing on SIM and HCV monitoring results for 2022



Franklin Emang's briefing on MTCC (MC&I SFM) and Local Laws (Forest Ordinance, 2015 & Land Code, 1958 Edition)



Salt lick identified and marked



McKenzie giving a talk to villagers at Punan Sama



Eliza in the midst of interviewing women at Punan Sama

Another Community Awareness & Engagement (CAE) session was held with 4 villages at Lana namely Punan Sama, Punan Biau, Punan Bah and Punan Data Bah in February 2023. These 4 villages are within Lingui's Lana LPFs.

Conflict Resolution Mechanism

Complaint boxes and forms are available at all camps and plantation offices for the communities to raise and forward any complaint to the company. The communities can also email their complaint directly to the company's official email.

Engaging with Local Communities via QR Code

Utilising QR codes to keep local communities informed about the latest developments in the Forest Management Unit (FMU) is an effective way to enhance community engagement. In the past, posters were distributed to community members after each awareness or engagement session. However, with the increasing availability of internet connections (such as Connectme Wi-Fi, Jendela Wi-Fi, etc.), using QR codes to interact with the communities will have a more significant impact.

In 2023, each village received a Community Engagement File (CEF) containing presentation slides and Complaint Forms (CF) for residents to display on their notice boards for easy reference. The primary goal of the CEF is to guide and support local communities in maintaining their information in an organised manner. Additionally, the CEF includes a "QR code" that directs community members to the company website (e.g., Complaint Form, conflict resolution flowchart, etc.) for further assistance.



Wilfred Sedau explaining the importance of CEP to the Penan.



Our Social Commitment and Responsibility

On August 24, 2023, Lingui made a generous donation of RM250,000 towards the establishment of the Miri Temporary Transit Centre for the Homeless (TTG). This contribution was part of our corporate social responsibility efforts in supporting the state government's initiative to provide shelter to the homeless, destitute individuals, and those in transit from other divisions seeking better opportunities in Miri.

Lingui COO, James Ho (in white shirt) handing over a mock cheque for the RM250,000 to the Minister of Women, Childhood and Community Wellbeing Development Dato Sri Fatimah Abdullah (fourth from left).

Repair of Logging Roads and Bridges

Heavy rainfall often brings with it damage to logging roads and bridges, which in turn impact negatively on the movement of local communities to the nearest towns for essential supplies and medical care. Lingui carries out repair and remedial works of these damaged roads and bridges to alleviate the difficulties faced by the local residents.



Sg. Linei Putih I-beam bridge

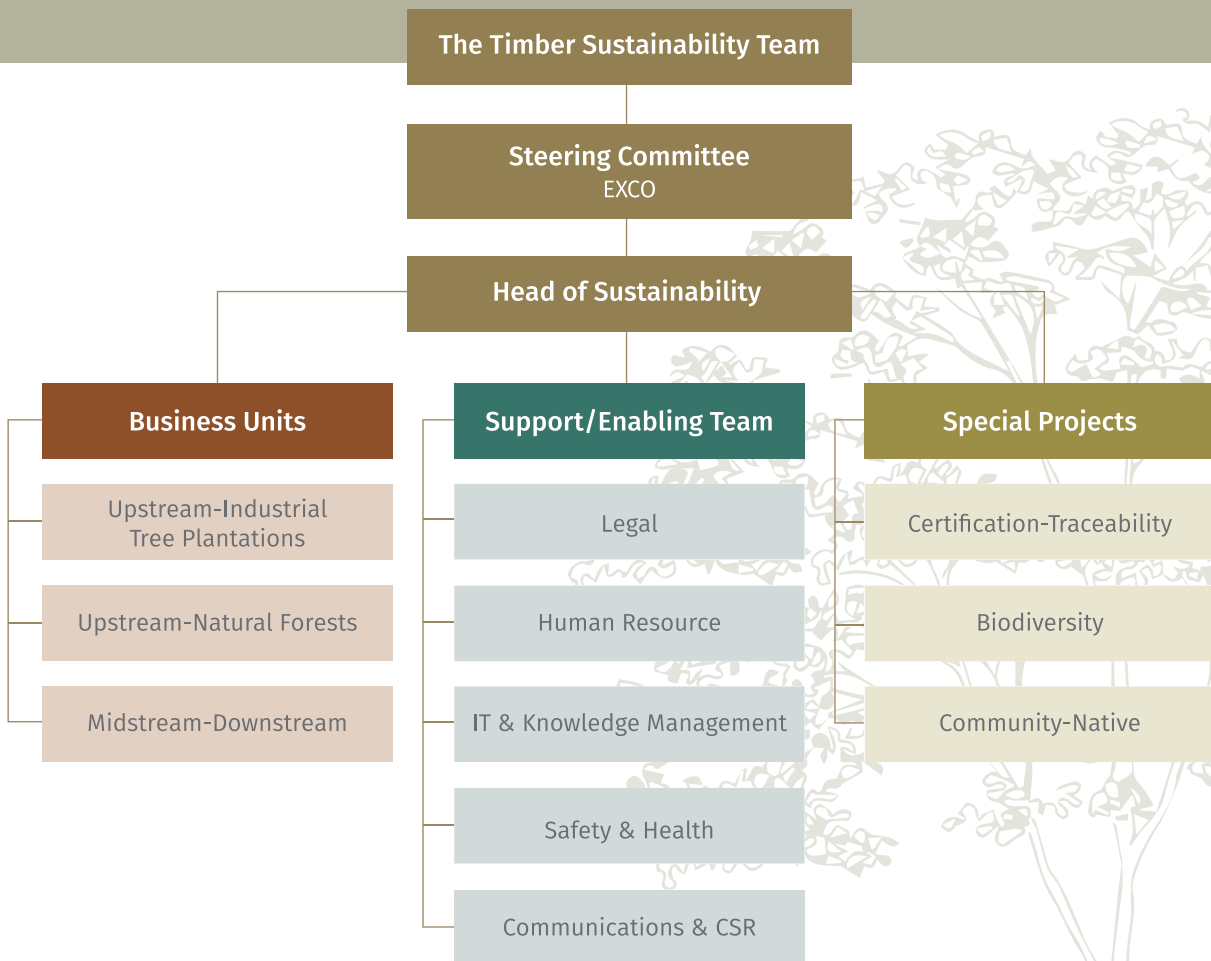
Internship Programme

A total of 49 final year students from different institutions were given internships in various departments and units in 2023. The internships – which form a critical element of their courses – are aimed at providing students with practical experience and exposure in their future line of work or field of study.



Governance

Sustainability Committee Organisational Chart





GRI 2-23/24

Policy Commitments



1) Responsible Forest Management Policy

- i. Adhere to applicable environmental laws, rules, and regulations, as well as guidelines from the Malaysian Timber Certification Scheme's principles and criteria for Sustainable Forest Management, to preserve and improve the environmental benefits and functions of forests.
- ii. Adhere to global agreements and protocols concerning social and environmental safeguards, in addition to complying with regulations established by the Sarawak Timber Industry Development Corporation (STIDC) and Sarawak State Forest Department (FDS).
- iii. Regularly assess our operational standards, plans, and programmes to enhance and improve operational practices.
- iv. Engage and collaborate with relevant authorities, agencies, institutions, local communities, and other stakeholders through dialogue and consultation.
- v. Partner with expert organisations to conduct research, development, and monitoring programmes for conservation and environmental protection.
- vi. Continue seeking forest management certification for eligible areas that are not yet certified, while maintaining the current certification status of areas already certified.



Safety at worksite



2) Health and Safety Policy

The well-being of our employees is a top priority. We adhere to safe work systems that follow the Occupational Safety & Health Act 1994, along with recognised industry and international standards, to mitigate operational health and safety risks.



3) Human Rights Policy

We are dedicated to upholding human rights as articulated in the Universal Declaration of Human Rights. Any infringement is treated with the utmost gravity, as our fundamental principles are built on respecting, supporting, and safeguarding these rights.



4) Whistleblower Policy

In line with our zero-tolerance policy towards such behaviour, we have implemented an internal system to report, investigate, address, and prevent any instances of corruption, misconduct, or other illegal activities that contradict our business ethics.



5) Anti-Bribery and Anti-Corruption Policy

Integrity and ethical conduct are core principles and values that govern our operations.



6) Gift and Entertainment Policy

This policy is designed to ensure that all employees at Lingui, at every level, fully comply with the Malaysian Anti-Corruption Commission Act 2009. They must strictly adhere to the guidelines and parameters as outlined in the Anti-Bribery and Anti-Corruption (ABAC) Policy regarding the giving and receiving of gifts.



7) Anti-Discrimination & Anti-Harassment Policy

In line with our commitment to foster a safe and inclusive environment for all, we have zero-tolerance for discrimination or harassment of any kind and offer equal opportunities for advancement and growth based on meritocracy.



Safety at workplace



Data Protection & Privacy GRI 418

At Lingui, the Personal Data Protection Act 2010 (PDPA) strictly regulates the processing of personal data in commercial transactions.



Aerial view of Lingui's planted forest

Going Forward



Lingui has set specific targets and goals for the next three years as we move forward on our Sustainability Journey.

We will enhance GHG monitoring and reporting. We will also commit to sustainable procurement by engaging with suppliers in the sustainable supply chain.

Our aim is also to achieve Sustainable Forest Management certification for all our Forest Plantations by 2025.

As far as our communities are concerned, we will hold continuous engagement sessions and improve on the complaint mechanism.

GRI Content Index

GRI Standards 2016	Disclosure Title	Section Reference & Remarks
GRI 102 : GENERAL DISCLOSURE		
• Organisational Profile		
102-1	Name of organisation	Back cover
102-2	Activities, brands, products and services	Pages 2, 3, 5 and 10
102-3	Location of headquarters	Back cover
102-4	Location of operations	Page 2, 3 and 10
102-5	Ownership & legal form	Back cover
102-6	Markets served	Pages 2 and 10
102-7	Scale of the organisation	Pages 3, 8, 10, 20 and 22
102-8	Information on employees and other workers	Pages 3, 7, 12, 13, 18, 19, 21 and 24
102-9	Supply chain	Pages 6, 7, 9 and 25
102-10	Significant changes to organisation and its supply chain	Page 25
102-11	Precautionary principle or approach	NA
102-12	External initiatives	Page 21
102-13	Membership of associations	NA
▪ Strategy		
102-14	Statement from senior decision-maker(s)	Pages 3 and 4
▪ Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	Pages 5, 6, 7, 12, 13, 16, 18, 19, 20 and 21

GRI Standards 2016	Disclosure Title	Section Reference & Remarks
■ Governance		
102-18	Governance structure	Page 22
■ Stakeholder Engagement		
102-40	List of stakeholder groups	Page 20
102-41	Collective Bargaining Agreements	NA
102-42	Identifying and selecting stakeholders	Page 20
102-43	Approach to stakeholder engagement	Page 21
102-44	Key topics and concerns raised	Page 21
■ Reporting Practice		
102-45	Entities included in the consolidated financial statements	NA
102-46	Defining report content and topic boundaries	Page 2
102-47	List of material topics	Page 10, 11, 12 and 13
102-48	Restatements of information	Page 3 and 4
102-49	Changes in reporting	We committed in 2022 to do GRI Reporting 2021, however due to transition in talent, we are unable to achieve that in the 2023 report.
102-50	Reporting period	Page 2
102-51	Date of most recent report	Sustainability Report 2022
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 2
102-55	GRI Content Index	Page 25 and 26
102-56	External assurance	NA
MATERIAL TOPICS		
GRI 205	Anti-Corruption	Pages 7, 13 and 24
GRI 301	Materiality Assessment	Page 11
GRI 302	Energy	Page 11
GRI 303	Water and Effluents	Page 11
GRI 304	Bio-diversity	Page 11
GRI 305	GHG Emissions	Page 11 and 14
GRI 306	Waste	Page 11 and 16
GRI 307	Environmental Compliance	Pages 8 and 11
GRI 401	Employment	Page 12
GRI 403	Occupational Safety and Health	Pages 12, 18 and 19
GRI 404	Training and Education	Pages 12 and 18
GRI 405	Diversity and Equal Opportunity	Pages 12 and 19
GRI 409	Forced or Compulsory Labour	Page 12
GRI 412	Human Rights Assessment	Not applicable
GRI 413	Local Communities	Pages 12 and 21
GRI 417	Marketing and Labelling	Page 13



Contact Us

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