At KLK Group, we believe that doing business in a sustainable manner goes in tandem with Corporate Responsibility ("CR"). We are committed to create sustainable stakeholder value by integrating environmental and societal concerns into our business strategies and performance. Our CR initiatives organised under KLKCare, are based on four (4) focus areas namely: Education, Community, Environment and Employees.

**Education**

**Empowerment Through Education**

We believe that education is an important catalyst for positive change and transforming the future of the community. As such, we seek to create appropriate education inroads and pathways in the areas where we operate for people and communities who may not be fortunate enough to have access to such opportunities.

**Community**

**Care for People**

At KLK, our values and the culture of caring continues through the generations and is embedded in our corporate DNA. In the spirit of caring and sharing, we reach out to the less fortunate through various activities, visits and donations. We will endeavour to improve the livelihoods of the communities in areas where we operate.

**Environment**

**Harmony with Nature**

We place great importance on the protection and preservation of the environment and this is reflected in our core business practices and policies. We strongly believe that our livelihoods depend on a healthier, more livable world for us and our future generations.

**Employees**

**Health and Wellbeing**

Employees are one of our greatest assets and their health and wellbeing remain our top priority. We aim to support our employees to be the best they can be by providing them an environment and opportunities that encourage and enable them to lead a healthy lifestyle.
About Us

Kuala Lumpur Kepong Berhad ("KLK"), a company incorporated in Malaysia, is listed on the Main Market of Bursa Malaysia Securities Berhad with a market capitalisation of approximately RM26.6 billion (USD 6.43 bil) at the end of September 2018.

It started as a plantation company more than 110 years ago and plantation, predominantly oil palm, still leads as KLK’s core business activity. Through various strategic acquisitions and sound management, the Group’s total oil palm planted area stands at 210,000 hectares spread across Malaysia (Peninsular and Sabah), Indonesia (Belitung Island, Sumatra, Central and East Kalimantan) and Liberia.

Since the 1990’s, the Group had diversified into resource-based manufacturing (oleochemicals, derivatives and specialty chemicals) and vertically integrated both its upstream and downstream businesses. The KLK Group expanded its manufacturing operations through organic growth, joint ventures and acquisitions in Malaysia, the Republic of China, Switzerland, Germany, The Netherlands, Belgium and Indonesia resulting in international scale oleochemicals operations.

The 1990’s also saw the Group capitalising on the strategic location of its land bank in Peninsular Malaysia by branching into property development.

Since the dawn of the 21st century, the Group has been in strong consolidation mode, in preparation for bigger leaps into the future.
About This Report

At KLK, we believe that corporations with resources and talents, are strong platforms to drive positive social change. Hence, Corporate Responsibility ("CR") plays an important role in our overall business strategy. We embrace CR and contribute to the continuous development of the communities in the areas where we operate.

This is the 3rd CR Report showcasing KLK Group’s CR initiatives during the financial year ended 30 September 2018 (FY2018). We are committed to improve the livelihoods of our communities and manage our impact on the environment through our CR focus areas namely Education, Community, Environment and Employees. We have established strategic partnerships with various stakeholders such as schools, communities, corporations, NGOs and government agencies to design and implement initiatives that will deliver positive impact in building a sustainable future.

KLK is continuously aligning its CR initiatives to achieve a higher impact in the community and environment. During this CR journey, we worked with our stakeholders and partners to make a positive difference. None of our efforts would have succeeded without their support. We would like to take this opportunity to thank our employees, partners and stakeholders and we look forward to having their continuous support in order for us to expand our outreach in 2019 and beyond.

We thank our partners
CEO’s Statement

Our approach to sustainability is very much based on the company’s CR motto which in turn, is a reflection of our core belief that Values Matter, Society Matters.

Tan Sri Lee Oi Hian
KLK CEO

Values Matter, Society Matters

KLK has journeyed more than 110 years of history and we are continuously committed to being a catalyst for change in the community where we operate. We strive to create sustainable stakeholder value by integrating environmental and societal concerns into our business strategies and performance. Our approach to sustainability is very much based on the company’s CR motto which in turn, is a reflection of our core belief that Values Matter, Society Matters.

This report is an overview of our CR progress in 2018. It showcases the hard work and commitment KLK employees have made in the development of our communities by improving the livelihoods, education opportunities, medical and infrastructure facilities.

Apart from maintaining a strong connection to the people and communities with whom we work, we put great emphasis on our environmental responsibility. We have incorporated environmentally friendly techniques into our business practices to reduce our impact on the environment, to preserve the present for a better tomorrow.

I wish to extend my upmost gratitude to all KLK employees for sharing our CR goals as this journey would not have been possible without their support and commitment. We look forward to continuing our CR efforts in the coming years, and to further cultivating volunteerism towards enhancing the wellbeing of our communities.
At KLK, we believe in growing our business in a sustainable and responsible manner and CR forms an integral part of the Group’s culture and business strategy. Our CR initiatives are conducted under KLKCare and are managed within a governance structure.

**Governance Structure**

**CR Steering Committee**

The CR Steering Committee (“CRSC”) sets the corporate strategies in relation to KLK’s CR commitments and responsibilities.

The CRSC is headed by the CEO and its members are the heads of KLK’s three (3) business divisions. It is a platform to set strategies to ensure that there is broad and balanced engagement across the Group.

**CR Working Committee**

The CRSC is supported by the CR Working Committee (“CRWC”). The CRWC is responsible to ensure the execution of programmes approved by the CRSC. The CRWC engages with the CR heads/representatives from the various regions to provide strategic advice and direction on the CR programmes so that they are in-line with the direction set by the CRSC.
**Highlights of Our Key 2018 CR Initiatives**

**MALAYSIA**
- Built 5 learning centres, 18 kindergartens and 2 primary schools in Sabah
- Provide education to more than 1,650 students

**KLK Palm Oil Education Programme**
- Reached out to more than 2,500 students at 13 schools to provide correct information about palm oil focusing on social economic importance besides it being more environmental friendly compared to other competing oils.

**INDONESIA**
- Built 31 learning centres & kindergartens, 15 primary schools, 3 junior high schools and 1 senior high school
- Provide education to more than 7,200 students

**LIBERIA**
- Built 2 schools in Butaw and Palm Bay
- Provide education to 1,200 students

**CHINA**
- Created environmental awareness through recycling and waste separation programme

**MALAYSIA / INDONESIA / LIBERIA**
- "One Employee One Tree" - tree planting initiative at plantations
- Planted 54,000 trees as at FY2018
We believe that education is an important catalyst for positive change and transforming the future of the community. As such, we seek to create appropriate education inroads and pathways in the areas where we operate for people and communities who may not be fortunate enough to have access to such opportunities.
Enriching Lives Through Education

Sabah, a state of great beauty and natural resources on the island of Borneo, is a very important palm oil producing state in Malaysia. It is also a home to a vast population of migrant workers who have contributed significantly towards the palm oil industry in Malaysia.

We at KLK, believe in the power of education to transform lives and we feel that every child should be given the opportunity to learn. It is our commitment to provide appropriate education opportunities to the community where we operate. In Sabah, we have established a partnership with Humana Child Aid Society Sabah, a Malaysian registered NGO to provide basic primary education to the children living in our plantations and undocumented children in rural areas in Sabah.

Through our 25 learning centres, kindergartens and primary schools, we have provided education to more than 1,450 children in Sabah.

<table>
<thead>
<tr>
<th>Type</th>
<th>Malaysia (Sabah)</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergartens</td>
<td>18</td>
<td>474</td>
</tr>
<tr>
<td>Humana Learning Centres</td>
<td>5</td>
<td>997</td>
</tr>
<tr>
<td>Primary Schools</td>
<td>2</td>
<td>195</td>
</tr>
</tbody>
</table>

KLK provides early education to children in Sabah

Children learn origami at kindergarten

Through our 25 learning centres, kindergartens and primary schools, we have provided education to more than 1,450 children in Sabah.

Children in Sabah participate in a variety of activities including:

- Children participating in colouring activity
- Children participating in a wall painting activity
- Children at school Sports Day
- Children taking part in football games and other sport activities

One of KLK Humana Learning Centres in Sabah

Children taking part in football games and other sport activities
The Malaysian palm oil industry is a significant contributor to Malaysia's overall economy, providing both employment especially for the remote poor, and income from exports. As one of the major commodities, it is not unusual to read some negative news in the media on the commodity. However, the negative press associated with palm oil tends to overshadow the many positives of palm oil.

Malaysia is the second largest producer of palm oil in the world after Indonesia, accounting for 27% of world palm oil production. The industry comprises for 5-6% of the national GDP. Hence, it is essential that we provide accurate facts about palm oil to the younger generation of Malaysians so that they are well informed and have the knowledge on how they could play a role to drive the Malaysian economy forward.

Palm oil is the most widely produced and consumed vegetable oil. Being a vegetable oil, palm oil is cholesterol-free just like all vegetable oils. Palm oil has a balanced composition of saturated fatty acids and unsaturated fatty acids and it does not require hydrogenation as its natural semi-solid properties make it highly suitable in food formulations. Palm oil can also be processed further into oleochemicals that serve as ingredients in cosmetics, personal care, home care and industrial lubricants. Palm as a fruit has the highest carotene and also contains vitamins. Tocotrienol, a form of vitamin E extract has been proven to have anti-inflammatory properties that supports brain, cardiovascular, liver and skin health.

As a leading company in the palm oil industry, KLK believes that it is essential for the young generation to have accurate information of the palm oil sector and its contribution to the Malaysian economy. To fulfill the growing global needs for oils and fats sustainably and to stay at the forefront of this industry, it is important that we raise proper awareness on palm oil industry, as well as to build up a more dynamic talent pool for Malaysia’s economy.

KLK collaborated with Science Bridge Academy to embark on its Palm Oil Education Programme (“POEP”) two (2) years ago aimed at creating awareness about palm oil’s attributes and career opportunities in the palm oil industry amongst secondary school students. The programme comprised an educational presentation on palm oil and its applications, team activities and hands-on soap making session.

"Before attending the palm oil education workshop, I didn’t know much about palm oil industry. I am glad that I learnt something about palm oil and I enjoyed the soap making experience," said Raajachelvan a/l Ilanchelvan, student from 5S3, SMK St Michael.

Palm Oil Education Programme (“POEP”)...
In FY2017, we conducted the POEP in five (5) schools with participation of 1,150 upper secondary students within close proximity to KLK manufacturing sites and offices. Arising from the encouraging response to the programme, we extended the programme to 12 schools reaching over 2,500 students in Ipoh and Klang Valley in FY2018.

We are committed to developing a knowledgeable Malaysian workforce, equipped with all information about palm oil industry which we believe will continue to be highly relevant to our future. We see this as an opportunity to not only play a role in delivering the required future talent, but also in retaining the current local talent and attracting foreign ones.

We hope this programme will assist students in making wise decisions when pursuing their higher education in a field related to the palm oil industry that has so much to offer.

A survey was carried out amongst the participating students upon completion of the programme and we are delighted to learn that 88% of the students have commented that they gained knowledge about palm oil during the workshop which helped them to better understand how palm oil is being used in their everyday lives. Not only did the interactive sessions bring much excitement to the students, but the teachers themselves had an interesting and informative time being educated on the applications and the palm oil industry.

As POEP is a valuable tool to provide young people with more accurate information about palm oil, a pilot project was also held at a primary school, Sekolah Jenis Kebangsaan Cina Kundang in Rawang. This programme will expand to more schools in line with the “Love MY Palm Oil” campaign initiated by the Ministry of Primary Industries Malaysia in 2019 to instill national pride and to educate people to appreciate Malaysian palm oil.
In line with our corporate responsibility initiatives, KLK has been providing scholarships to deserving and outstanding Malaysians to pursue the undergraduate studies at private and public universities locally through its foundation, Yayasan KLK since 1985. KLK is humbled by the opportunity to make a difference in the lives of young Malaysians by enabling them to pursue their academic goals and fulfil their dreams.

Apart from financial assistance, the scholars are given the opportunity to gain working experience through KLK’s internship programme during the course of their studies. The internship programme aims at providing the scholars various skills to increase individual abilities to develop their marketability prior to starting a career in a more challenging business environment. Upon completion of their studies, the scholars will also be given employment opportunities under the KLK group of companies.

CR plays an important role in cultivating shared values between KLK and our surrounding community. To instill the spirit of giving and caring, we strongly encourage our Yayasan KLK scholars to take part in the company’s CR activities.

In 2018, eight (8) Yayasan KLK scholars engaged students with special needs who have emotional and behavioral disorder or physical disabilities of Program Pendidikan Khas Integrasi (PPKI) Sekolah Taman Klang Jaya at their Sports Day organised by KLK.
Ishvinderpal Kaur

My Voice As a Yayasan KLK Scholar

Meet Ishvinderpal Kaur A/P Rasphal Singh or as she likes to call herself – “Ishvin”, for short. Ishvin is just one from the team of highly motivated and enthusiastic Yayasan KLK scholars. She hails from Ipoh, Perak, and is currently pursuing the second year of her Degree in Chemical Engineering at the Universiti Teknologi Petronas. Ishvin was raised by a single mother, a fact that has driven her to want to make a difference not just in her own life to help her family, but also the world in general.

Ishvin was awarded a Yayasan KLK scholarship in 2017, and with the support of the Yayasan KLK scholarship, the burden on her mother to pay her University education has lessened. Another thing that has Ishvin smiling these days is that she’s very pleased to have secured a coveted place for her internship at KLK itself.

Ishvin has also participated in one of KLK’s CR activities at PPKI Sekolah Taman Klang Jaya during her semester break. This is how she summed up her experience... “It was a great experience for me to participate in this CR activity with the other KLK scholars. This is a great bonding opportunity for the scholars and KLK employees, not forgetting the teachers and students at Sekolah Taman Klang Jaya as well.”

Apprenticeship & Internship Programme

Continuous training and the gaining of knowledge are critically important in today’s fast-paced, ever competitive business environment – and for the future generations preparing to enter the workforce. KLK strives to empower our youth, hence, we have invested in a programme to help cultivate the knowledge and skills necessary and that can create a sustainable workforce for the palm oil industry.

Our KLK Oleo manufacturing sites in Malaysia have kick-started the inaugural Apprenticeship Programme in 2018 to provide industrial training to fresh graduates with a Diploma or a Bachelor’s Degree. The Apprenticeship Programme provides an exciting opportunity and platform for talented and ambitious individuals who wish to begin their careers at KLK.

Under this Apprenticeship Programme, fresh graduates follow a 6-month course where they earn while they learn on-the-job as well as gain invaluable experience in a real work and industry environment.

In Germany, KLK Emmerich continues its efforts to develop youths by offering the ‘Apprenticeship Programme’ to graduates and the ‘Internship Programme’ to undergraduates. We hope that through these programmes, we are able to gain better access to recruiting potential hard working and earnest workers to grow our company.
Money & Me...
The Financial Literacy Initiative

Poor financial planning had led to nearly 65,000 Malaysians between the ages of 18 and 44 declaring bankruptcy since 2013. The situation could be attributed to weak financial planning and insufficient knowledge to manage financial matters.

In view of the importance of financial literacy as a tool to improve the financial capability of our youth, KLK has once again collaborated with The Edge Education Foundation to deliver the Money & Me: Youth Financial Empowerment Programme (“Money & Me”), a financial literacy initiative for urban teenagers from middle to low income households.

The Money & Me programme is designed specifically to help participants understand the importance of saving and to instill good spending habits. In this programme, 15 volunteers have facilitated the teaching of various modules to 50 students at SMK Bandar Utama 4. This programme focuses on financial literacy as a basic skill, besides equipping youths with basic entrepreneurship skills for better economic prospects.

1Source: The Star, 15 Aug 2018
Oil palm cultivation has been an important generator of economic growth in Indonesia. The palm oil industry's role in securing access to education has been notable.

In Indonesia, we collaborate with the Indonesia Heritage Foundation ("IHF") to provide education facilities and tools for Early Childhood Education (Pendidikan Anak Usia Dini – "PAUD") at the learning centres near KLK’s estates across Indonesia. Apart from providing hardware support, KLK is also employing teachers for these learning centres. The Character-based Holistic Education model (created by IHF) is designed to develop and build children’s character.

We hope with the education access, we can prepare the next generation to be citizens of integrity who are also positive learners using creative thinking and higher order thinking skills.

Outreach: 7,111 Students

<table>
<thead>
<tr>
<th>Learning Centres &amp; Kindergartens</th>
<th>2,183 Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Schools</td>
<td>3,766 Students</td>
</tr>
<tr>
<td>Junior High Schools</td>
<td>959 Students</td>
</tr>
<tr>
<td>Senior High School</td>
<td>204 Students</td>
</tr>
</tbody>
</table>

Students taking part in Boy Scouts

Children learned discipline and teamwork through marching

Immunisation for children at one of KLK’s learning centres

One of KLK’s learning centres in East Kalimantan, Indonesia

Free school bus service was provided

Aerial view of the new school building block in Mandau Estate Indonesia

Teaching of tooth brushing to children at one of the learning centres in Indonesia
In Liberia, KLK is working with the Ministry of Education to provide education not only to our workers’ children but also to the children living nearby our estates in Palm Bay and Butaw. In addition to education, free school bus service, reading materials, uniforms, textbooks and daily meals are also provided to the students.

Apart from physical infrastructure, we believe in playing a part in developing and creating alert minds in younger generations and we hope that with proper education, the children may grow up to become knowledgeable and useful participants in their society.

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Our Other Education Initiatives

- KLKCare volunteers donating books to Lan Tian School in China
- Students are happy with the activity workbooks provided by Ladang Palem
- KLKCare volunteer having reading session with children at Lan Tian School
- Students learning music and discipline in Indonesia
- KLK representative presents the Academic Excellent Awards to one of KLK’s employee’s child
- KLK donated televisions to SRJK (T) Ladang Seilborne
- KLK Plantation estate donating school uniforms to poor students
- KLKCare volunteers donating books to Lan Tian School in China
At KLK, our values and the culture of caring continues through the generations and is embedded in our corporate DNA. In the spirit of caring and sharing, we reach out to the less fortunate through various activities, visits and donations. We will endeavour to improve the livelihoods of the communities in areas where we operate.
The ‘adopted children’ were invited to the KLK Club House where the event took place. Cue the energetic tele-matches specially designed for the children by the KLK employees themselves. Whilst there, the children learned a lot about good teamwork in the course of the various games – regardless of whether they were winners. The KLK team of volunteers wanted to convey to the children the message of being ‘a good sport in sports’. Sometimes in life, it’s not about the winning; it’s about the taking part whether good or bad, making new friends along the way, and not putting the blame on any supposed ‘losers’. The children were taught how to take losing in their stride. Through this, we noted that the children eventually worked well together even if it was their first time meeting with other children from different homes. It’s a good characteristic and behavior to have, and one that they can take with them for life.

During the handover ceremony, KLK also provided the children with school supplies such as school shoes, socks and book vouchers; and groceries for their homes. The children were pleasantly surprised with the individual Back-To-School gifts from the KLK employees as they were unaware and not expecting anything more, apart from the school shoes supplies. The children were thereafter treated to delicious refreshments after the fun-filled day.

We hope the “Back To School” items will help reduce the burden of seeing to these very necessary expenses for these children, so as to enable the children to better focus on their studies and to secure themselves a brighter future, said Patrick Kee, KLK’s Group Plantations Director.
Community

KLK Muhibah Cup...
Promoting Unity

Sports is one of the significant driving forces for peace and development. It is also a great vehicle to ensure respect for each other regardless of ethnicity, culture or religion.

KLK has once again organised its annual Piala Muhibah KLK (U12 and U16 categories) for the Perak community to promote unity and healthy lifestyle amongst youth.

The U12 category attracted a total of 15 teams whilst the U16 category attracted 16 teams from the football clubs in Perak. These football tournaments are unique in that all participating teams are required to have players from at least three ethnic groups of Malaysia and no more than seven players should come from one single ethnic group during the game. The teams vied for cash and in kind prizes as well as the championship title.

<table>
<thead>
<tr>
<th>Category</th>
<th>Team</th>
<th>Pax/Team</th>
<th>Total Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>U12</td>
<td>15</td>
<td>20</td>
<td>300</td>
</tr>
<tr>
<td>U16</td>
<td>16</td>
<td>20</td>
<td>320</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>620</td>
</tr>
</tbody>
</table>

We are glad to see the children building friendship from various ethnic communities and we hope to encourage better interaction and understanding amongst them through Malaysia’s most popular sports – football,
said Janaki Raman Shanmugam, General Manager of KLK Plantation Division.
Engaging Children with Special Needs

While most people have the cognitive and physical ability to choose a sports activity to participate in, unfortunately many children with special needs and disabilities do not have the luxury of getting themselves out to participate in sports. Sports programmes are limited for children with special needs because many symptoms including inattention, lack of impulse control and trouble following directions make sports difficult.

In view of sports in its full potential as a powerful way to foster greater inclusion and wellbeing for students with special needs, KLK continues to demonstrate commitment to engage children with special needs at Projek Pendidikan Khas Integrasi (PPKI) SK Taman Klang Jaya through sports day.

Apart from sports day, KLK has also organised a talent day for children at PPKI SK Telok Gadong aimed at helping them to enhance social development and to also build self-confidence.

Educational trips are powerful teaching tools that provide unique opportunities which encourage students to engage with people, places and buildings in new ways. KLK had arranged a trip for children of PPKI SK Telok Gadong and SK Taman Klang Jaya to visit KL Tower Upside Down House and Aquaria KLCC. We hope these sports and outdoor activities could develop a sense of self-esteem amongst the children and they are benefitting from the visual and sensory experience during the educational trip.

We believe that by bringing these children with special needs to a public area it will aid them in being more independent and more accustomed to the public, said AK Yeow, Managing Director of KLK Oleo.
Connecting with Nature and Native

We at KLK believe that it is our responsibility to give back to the community where possible, and this is what KLK has taken upon to inculcate from the early days. Today, we support various community development initiatives such as having our employees be actively involved in a variety of Community Outreach Projects which allow them a platform to reach out in giving a helping hand to the needy.

Together with the Jabatan Kemajuan Orang Asli Malaysia, KLK had organised a series of Community Outreach programme at Kampung Orang Asli in Pulau Indah. A gotong royong activity was conducted by 39 KLKCare volunteers helping the villagers clean up their neighborhood.

Through the gotong royong activity, we hope to promote the culture of sharing not just the joys but also the burdens in the community. We hope that with this initiative, the villagers will shoulder the shared responsibilities with one another to build a better living environment for all. Apart from the gotong royong activity, we have also upgraded the village’s Community Hall so that everyone is able to enjoy the communal hall facilities.

“Let’s work together to create a better living environment and we certainly will continue to contribute our times and efforts in making a difference to the Pulau Indah community as well as creating long term value for our company,”

Raghunathan Nair, Managing Director of Fatty Alcohols & Methyl Esters, Sales Business Unit, KLK Oleoamas.
We all know that Family is one of the most important units in society. KLK hopes to foster a positive relationship with this vulnerable community through our visitations, where we do our best to bring a little happiness and smiles to these less fortunate folks, as well as to encourage the practice of the importance of genuine caring and sharing overall.

**Engaging the Elderly**

**Empower Community Through Agriculture**

Gunung Sari Village is situated in Segah District of Berau Regency in East Kalimantan Province. The plantation sector, primary oil palm, is a key commodity in East Kalimantan because it has an important role in developing the local economy.

In the effort to improve livelihood and enhanced food security, estate PT Hutan Hijau Mas (PT HHM) has engaged the villagers of Gunung Sari Village by helping them to establish agriculture activities. Subsistence crop and livestock farming have traditionally provided food for the rural communities. Together with the villagers, PT HHM built fish pond and vegetables garden for the local community. In addition, the villagers were taught on the proper techniques of growing crops and breeding fish so that they could produce food for self-consumption as well as to generate supplemental income.
Enriching Lives in Liberia

Liberia is Africa’s oldest republic, unfortunately it is known for its long-running, ruinous civil war and its role in a rebellion neighbouring Sierra Leone.

Over two decades of political and economic instability including two violent civil wars (between 1989 and 1996 and again between 1999 and 2003) have devastated the country’s economy. Most of the country’s infrastructure was largely destroyed during the civil wars. The country is still one of the poorest in the world with high rate of unemployment.

Oil palm cultivation is one of the important elements in Liberia’s economic development. We believe that the palm oil industry offers many opportunities for human and infrastructural development where the presence of KLK in Liberia has provided job opportunities and socio-economy development to the local community. There are currently 664 permanent local staff in Liberia, of which about 40% are women.

Poor nutrition and lack of healthcare, clean water, education and infrastructure facilities have all been major areas that KLK seeks to improve since its investment in Liberia in 2013. KLK continuously work with the Liberia’s government to help in the development of these basic services for the local communities.

Infrastructure Improvement
At KLK, we strive to improve the livelihood of the communities in areas where we operate. Hence, we make significant contribution to enrich the lives of local communities and infrastructures including construction of roads and bridges.

Clean Water and Hygiene
Over a decade of civil wars have left Liberia’s water and sanitation infrastructure in ruins which has been bedeviled with serious health challenges. Poor sanitation, lack of clean water and hygiene have caused number of serious consequences to the people, increasing their vulnerability to a wide range of diseases. Our commitment to improve the lives of those around us remains our top priority. To improve water and sanitation infrastructures, KLK has provided 38 hand pumps to supply clean drinking water for 38 villages surrounding our plantations to-date. Pit latrines were also built for the vulnerable communities to promote hygiene practices.
Community

Health

Health situations of the community living within our plantations are also our main concern. Our medical clinics located at Palm Bay and Butaw estates provide free health facilities for not only our employees, but also communities of the surrounding towns and villages.

The clinics offer vaccination programme, pre and post-natal facilities, isolation wards, health education and drug dispensation, and the clinics are managed by trained medical professionals. The clinics also provide a 24-hour free ambulance service. Additionally, a mobile clinic outreach programme which operates two days a week to serve the patients living within and outside the operating centres.

650 Patients Treated at Palm Bay & Butaw Clinic Per Month

40% Patients are Non-Employees

Community Vegetable Farming

In an effort to enhance food security and to strengthen socio-economic empowerment of the communities at Palm Bay estate in Liberia, KLK has initiated a vegetable farming project, in collaboration with the Ministry of Agriculture of Liberia (MOA). The objective of the project is to train the targeted communities on vegetables farming for self-consumption and local sales. The selection of the types of vegetable to be cultivated are based on several factors including local demand and weather. The MOA provides valuable technical input and market insights such as demand statistics and in depth understanding of other important local conditions to ensure sustainable agriculture.

With this project, we hope to empower communities’ ability to conserve the natural resources they depend upon and to strengthen their role as stewards of the environment while at the same time improve their livelihoods.
Our Other Community Initiatives

- KLKCare volunteers cleaning up and planting the community park at Kampung Baru Kundang in Rawang
- Gotong royong at Hope Mission Home in Teluk Intan, Perak
- KLK Emmerich supports the Chernobyl Children’s Project by hosting the Belarusian children during their recuperative holidays in Germany
- Donation drive to Sulawesi earthquake and tsunami victims
- Participants of KLK Land Community Cyclethon having thrill ride at KLK Tuan Mee Estate in Selangor
- Participants of KLK Land Community Cyclethon
- Provision of school items to Aokam Benevolent Centre in Tawau, Sabah
- Gotong royong at Rumah Haruman Kasih in Ayer Tawar, Perak
- KLK Emmerich supports the Chernobyl Children’s Project by hosting the Belarusian children during their recuperative holidays in Germany
Harmony with Nature

We place great importance on the protection and preservation of the environment and this is reflected in our core business practices and policies. We strongly believe that our livelihoods depend on a healthier, more livable world for us and our future generations.
In partnership with the Lovely Disabled Home, KLK organised a waste separation workshop for 120 students at Sekolah Kebangsaan Seri Kundang in Rawang, Selangor to promote environmental preservation and to educate children on the importance of recycling from a young age.

The workshop was divided into two sessions, where the first session was an information sharing on recycling and ways of performing waste separation facilitated by Lovely Disabled Home followed by a Recycling Quiz and a competitive tele-match on waste separation.

At KLK, we place great importance on protecting and preserving the environment. In collaboration with Koperasi Alam Hijau Perak Berhad ("KOHIJAU"), KLK rolled out its very own recycling programme at its head office, Wisma Taiko in Ipoh to embrace green culture at work place. Under this project, KLK employees were educated on the importance of recycling and the type of recyclable materials. This programme includes a reward system where the employees can collect recyclables such as paper, plastic bottles, aluminium and electronic waste to redeem shopping vouchers with the KOHIJAU-iCYCLE Recycling Reward points where the vouchers will be donated to charitable organisations.

Apart from the head office, our manufacturing sites in Rawang had also organised the Work Place Recycling Project to encourage the employees to reduce, reuse and recycle to protect the environment. Designated recycling stations were identified to instil recycling habit.
One Employee One Tree Project

KLK is committed to play its part in advocating environment protection and strive to preserving ecosystems of conservation value in the vicinity where we operate.

In line with our Environment pillar, our plantation sector in Indonesia introduced the “One Employee One Tree” project to encourage every employee to plant a tree per year. This project was implemented throughout the five (5) regions in Indonesia. As at FY2018, approximately 54,000 trees were planted and amongst the tree species are silk tree, mahogany and fruit trees. Through this project, we hope to promote a holistic green approach amongst our employees as well as to improve the quality of natural environment.

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of Trees Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sumut</td>
<td>9,679</td>
</tr>
<tr>
<td>Riau</td>
<td>17,476</td>
</tr>
<tr>
<td>Belitung</td>
<td>3,157</td>
</tr>
<tr>
<td>Central Kalimantan</td>
<td>16,342</td>
</tr>
<tr>
<td>East Kalimantan</td>
<td>7,440</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53,894</strong></td>
</tr>
</tbody>
</table>

Tree planting areas in Belitung, Central Kalimantan & Riau region

Tree planting activity carried out by KLK employees

Biodiversity Protection

In our estates, we have been implementing sustainable practices to conserve the environment including biodiversity protection, energy management and Integrated Pest Management System.

We adopt environmental friendly technique such as planting antigonon leptopus, turnera subulata and cassia cobanensis to provide shelter and supplementary food for beneficial insects. These plants also encourage the population of predators and parasites. Apart from that, barn owls are used to control the rat population at our estates, resulting major reduction of rodent damage. This is a much more sustainable, less risky and simpler approach to pest management.

We reaffirm our commitment to reinforce the environmental awareness amongst our employees and we hope to instill this sense of responsibility in each individual. We strongly advocate efforts for healthier, a more liveable world for us today and our future generations.
Environmental Conservation Awareness

In the effort to establish a future society that is in harmony with nature, our manufacturing site in China organised an environmental conservation awareness programme at one of the public parks at Zhangjiagang in China. The programme comprised a series of environmental conservation games which have attracted the surrounding community.
Employees are one of our greatest assets and their health and wellbeing remain our top priority. We aim to support our employees to be the best they can be by providing them an environment and opportunities that encourage and enable them to lead a healthy lifestyle.
Employees First...truly

KLK believes that employees are one of our greatest assets and employees' welfare remains our top priority. The contribution of our employees are a key factor in seeing our company achieve greater heights. Hence, we are committed to provide an inclusive and conducive working and living environment for our employees.

Free medical service for KLK employees in the estates

Aerial view of employees’ quarters at one of KLK estates in Indonesia

Free housing for the employees at KLK estates

Places of worship maintained for our employees and local community in Indonesia

Sports facilities are made available for employees at the estates

At KLK plantations, we provide safe and comfortable homes and other necessary facilities such as places of worship, sports ground, clinics, creches to our employees and their families.
Various sporting and team building activities have been organised thus far to improve both health and wellbeing. They also serve as platform for social interaction that promote greater teamwork amongst employees. These help foster closer relationships with one another, whether it is inside the workplace or out of it, which always is a good adage to take away.

Apart from quality housing and living amenities, we also strongly encourage a healthy living lifestyle amongst our employees.
Employees

Employees of Taiko Palm-Oleo (Zhangjiagang) taking part in team building activity

Swimming lesson was made available for employees in Ipoh

Employees attending yoga classes

Team coordination activities were organised to promote team spirit

Employees taking part in Giant Slippers Race

Employees’ children participated in fun game at Employees’ Sports Day

Group photo taken at the Employees’ Sports Day in Kekayaan Estate

Tug of War competition at the Employees’ Sports Day

Employees’ children participated in fun game at Employees’ Sports Day

Cheerleading performance at Employees’ Sports Day

Group photo of winning team at Employees’ Sports Day in Sabah
Gift of Life

According to statistics released by the National Blood Centre, approximately 3,000 to 3,500 pints of blood are distributed to hospitals weekly for regular usage on patients with ongoing condition. However, the blood donation rate in Malaysia is still low as only 2.2% of the total population are donors. In an effort to create blood donation awareness and in the spirit of caring and giving, KLK at its regional sites frequently organise blood donation drives to help overcome the blood supply shortage at the hospitals surrounding our community. This initiative is to encourage our employees to donate blood and at the same time keep track of their health conditions.

FY2018
Collected
365
Pints of Blood
Run for Love

Opting to run a race for charity is a meaningful experience. KLK employees at different sites have participated in various charity runs and fitness walks not only to live a healthy lifestyle but to also raise funds for charitable organisations. We hope this effort will contribute to the increasing awareness of the importance of teamwork and volunteering for good cause amongst our employees.
CR is an integral part of our organisation and the CR initiatives at KLK very much rely and depend on the unwavering support and commitment of our many generous volunteers within the Group. FY2018 has truly been an eventful and impactful year for KLKCare, and we hope to see our volunteers continue working together for the betterment of our community in the coming years.

Special Tribute to KLKCare Volunteers