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# FELDA GLOBAL VENTURES

(Company No: 974143-H)

Plantation Sustainability And Quality Management

## **SUSTAINABILITY PALM OIL PRODUCTION POLICY IN FGV GROUP**

In accordance with the FGV's aim to develop productive agriculture areas, improve people's livelihood and effective plantation management, FGV supports sustainable palm oil production through the process of certification of sustainable palm oil. With this, FGV as one of the largest palm oil producer in the world, we are committed to play its part to work on sustainable palm plantation.

FGV's sustainable palm oil production process is based on three core production lasting balance profit (Profit), environmental sustainability (Planet) and social welfare (People).

FGV Management is committed to continuous improvement and transparency in the activities of sustainable palm oil production.

## **EQUAL OPPORTUNITY POLICY**

FGV Group will seek to ensure that all employees and applicants for employment should receive fair treatment and do not engage in or support discrimination based on race, nationality, religion, disability, gender, age, sexual orientation, union membership and political body.

However, positive discrimination that can provide employment and benefits to the community/certain reasonably group will be implemented as agreed outcome of negotiations.

## **COMMUNICATIONS POLICY**

Management is responsible to communicate to customers/external parties and reviewing all reports received and takes proper action.

The management is also responsible for communicating with staff about the importance of achieving the goal of quality, environment, occupational safety and health. Management also considers the suggestions made by the employees.

It is the responsibility of each employee to communicate about issues, problems or suggestions to management.

Department of Corporate Services at Headquarters is responsible for any communication with the media.

## STEEP SLOPE AND RIPARIAN RESERVED PROTECTION POLICY

Along with the effort to control erosion, soil degradation prevention and reduce pollution, FGV Group adopts the following methods in the cultivation of oil:

**a. Hilly areas:**

- I. Does not plant palm oil in the area above 25 degrees in the steep area of new planting.
- II. Grow good legumes of cover crop.
- III. Maintains and encourages the growth of native ground covers that fit like soft grass in an area that is difficult to establish a good cover crop.
- IV. Build terrace or other methods to reduce soil erosion and surface runoff as appropriate.
- V. In areas with a slope of more than 25 degrees, the current vegetation will be maintained or even enhanced by the high value of forest tree species.

**b. Riparian Reserved areas:**

Provide appropriate buffer zones on both sides of the river, to filter out any foreign material that may contaminate the river. This practice must be enforced in all areas of the new opening.

In areas that have been developed, these buffer zones must be covered with vegetation without any input of agrochemicals.

General guideline on the width of buffer zones are:-

The width of the waterway between banks	Minimum requirements of the width of the reserved from both banks according to the width of existing river	
	Peninsular & Sarawak	Sabah
>40 Meter	50 m	20 m (river width > 3 m)
>20-40 Meter	40 m	
>10-20 Meter	20 m	
>5-10 Meter	10 m	
1-5 Meter	5 m	

## **CHILDREN EMPLOYMENT POLICY**

FGV Group prohibits an individual under the age of 18 to be employed on the premises accordance with current national legislation.

However children are acceptable on family farms with adult supervision (guardians) and when it do not interfere their studies.

Any accident is the responsibility of the children's guardians and FGV will not be responsible for any accident.

## **REPLANTING POLICY**

Replanting development is an important activity to be planned properly. This is to increase the production capacity of the estate with minimal impact on current income and operating companies in the FGV Group.

Replanting policy in FGV Group focused on two key points, namely, in the selection of areas to be replanted and the implementation of good agricultural practices during replanting.

The selection areas to be replanted are based on one or more of the following criteria:

- Palm trees in the area were aged 25 years and above.
- The first stage of development produces less than 16 tons/hectare for 3 years in a row.
- High history of pest and disease attack.
- For small areas surrounding the borders of estate settlers, replanting will be done together when the settlers replant in their area
- Comply with the local legal requirements relating to replanting such as mini assessment EIA (Environment Impact Assessment), PMM (Proposal Mitigation Measures) and EMP (Environmental Monitoring Plan) specifically for Sabah and Sarawak
- Other factors deemed appropriate by management of the company

During replanting, FGV will adopt the best practices in the industry to suit local situation. This is to ensure smooth operation, and provides good growth.

## **PARAQUAT USAGE POLICY**

Paraquat is classified as 1B class in WHO guideline. This chemical is extremely harmful to health and the environment. The Malaysian government has not banned the use of Paraquat in oil palm plantation; however FGV thinks this is a dangerous chemical and its uses should be reduced to the minimum level or discontinued altogether. This initiative can be implemented with a tight control on the uses of Paraquat.

Aligned with the international and Malaysia requirements, FGV take the initiative to reduce and target “Zero Paraquat” in the management of the company. This policy is supported by the following practices.

- Paraquat is used only in the area of young trees (in the first 0-3 years of planting in the estate).
- The usage of Paraquat is not allowed in the mature palm trees, except for specific reasons.
- The alternatives availability should be used.



## **FOREIGN WORKER EMPLOYMENT POLICY**

FGV faced the challenges of shortage of local workers to work in the plantation sector, especially in oil palm plantations. Therefore, FGV has decided to fill this gap with foreign labor from an approved source country subject to the laws, regulations and acts related to the workforce in Malaysia.

FGV employment policy allows foreign workers to be paid based on the Minimum Wage Order as gazetted by the Malaysian government. FGV management also adopted a policy of no discrimination and no contract substitution.

The new foreign workers will be given an orientation program which covers safety, labor law, language and local cultural sensitivities. In addition, all foreign workers are protected by insurance and provided a proper shelter/hostel.

## **ENVIRONMENTAL CARE AND PROTECTION POLICY**

FGV as one of the big palm oil organization is responsible for the preservation of the environment and quality of FGV products.

To ensure a balance between the preservation of the environment and business objectives, FGV management will seek to;

- Comply with all guidelines and regulations relating to the preservation of environmental aspects.
- Follow and implement Good Agricultural Practices outlined in the FGV Sustainable Palm Manual.
- Plan, assess and implement appropriate measures to reduce the impact on the environmental aspect arising from activities of the company
- Avoid contamination and improve the quality of environmental management.
- Communicate this policy to all stakeholders in order to understand and support the management of FGV in its business continuity of future generations.

## **SEXUAL HARASSMENT, VIOLENCE AND REPRODUCTIVE RIGHTS POLICY**

FGV Management is responsible and committed in giving adequate attention to the ethics and conduct of the employees in connection with sexual harassment (verbal, gestures, visual psychological or physical contact, including any notes that are sent via electronic media) and violence in line with the needs and requirements contained under Section 22, Code of Ethics and Conduct Employees.

FGV Management will also maintain the rights of women, such as reproductive rights and family life, the right to breastfeed a child and there is no discrimination against women.

## **RIGHT TO FREEDOM OF EXPRESSION AND THE UNION POLICY**

FGV Unions Workers represent all employees in FGV Group, is a registered union.

FGV gives the right to freedom of expression (within the law) and does not preclude individuals to join the Union or other entities that are registered and approved by FGV that existed in FGV Group.

## **HUMAN RIGHTS POLICY**

FGV is committed in supporting human rights.

To realize this policy, FGV will take into account the needs of human rights in formulating and preparing manuals, procedures and other company policies.

FGV will also continue to engage in multilateral efforts to support and participate in various activities to promote corporate responsibility to respect human rights.

## **CODE OF ETHICS AND INTEGRITY POLICY**

FGV is committed to establish a culture of ethics and integrity in business management. In line with this commitment, FGV will ensure that all officers;

- To reject bribery, corruption and breach of trust
- To avoid any conflict of interest
- To conduct business with integrity, honesty and fairness
- To protect the confidentiality of information in accordance with ethics of dissemination of information
- To increase the level of professionalism

## **NO OPEN BURNING POLICY**

FGV adopts best management practices to ensure environmental sustainability.

In line with the best management practices and in compliance with Section 29A of the Environmental Quality Act 1974 to ban open burning; none of FGV employees and contractors working in FGV premises are allow for open burning. There shall be no burning during replanting activities, no burning of domestic waste in landfills, and all types of open burning on the premises is not allowed.

Failure to comply with this policy and if found guilty by the authorities, the party convicted shall be fully responsible for his actions.

## **NO WEAPON USAGE AND MILITARY POLICY**

FGV is committed to resolve conflicts and disputes through discussion.

Any conflicts and disputes which cannot be resolved by discussion, the company will use legal channels as means of legitimate solution for the satisfaction of both parties. There will be no use of weapons and military in the resolution of conflicts and disputes.

## **RECYCLE POLICY**

FGV practices recycling policy. This includes (waste recycling based on metal, plastics, glass, paper and others) to protect the environment. FGV also establish a good system of solid waste management. All relevant stakeholders in FGV also required to comply this policy.