

Group President / Chief Executive Officer



9<sup>th</sup> May 2017

## SUPPORT FOR TRANSFORMATION (SOCIAL ISSUES) INITIATIVES

Dear Valued Business Partners,

In late September 2016, FGV had appointed The Forest Trust (“TFT”) under a Business Engagement Proposal to carry out “Support for Transformation (Social Issues”) Initiatives” (“the Initiatives”), focussing in five focus areas in FGV and FELDA which were highlighted in The Wall Street Journal report, as shown below :



The objectives of the Initiatives are to identify gaps in FGV and FELDA’S current policy commitment and practices and to provide a specific, measurable and time-bound plan of action to remedy the above stated five focus areas on the ground.

In January 2017, we have updated, in our corporate website, on the progress of the Business Engagement with TFT. Subsequently, TFT has issued its “**Business Engagement - Support for Transformation- Social Issues 2016/2017**” report (“TFT Report”) and the TFT Report was adopted by FGV on 29<sup>th</sup> March 2017. The TFT Report was prepared based on assessments and reviews conducted in November 2016 at four sample sites of FGV, FELDA, Felda Technoplant (FTP) and FELDA independent settlers. The corrective actions and action plan are further explained in the TFT Report which is now uploaded on FGV website, together with this letter.

### NEXT PLAN OF ACTION AFTER THE TFT REPORT

FGV and FELDA are committed to develop and support the social aspects transformation by implementing the necessary processes to comply with the relevant social compliance and human rights principles in FGV and FELDA plantation operations.

FGV and FELDA, through its Social Compliance and Human Rights (“SCHR”) Task Force, are in the process of establishing FGV-FELDA’s own social compliance and human rights action plan which would encapsulate TFT Report’s action plan as well as the proposals from the SCHR Task Force.

On 30<sup>th</sup> March 2017, FGV and FELDA had signed with SUHAKAM, a National Human Rights Institution established under the Human Rights Commission of Malaysia Act 1999 (Act 597), a memorandum of understanding to kick-start a cooperation to better promote respect and compliance for human rights in business operations and to intensify collaboration in related areas in support of human rights, consistent with the United Nations Guiding Principles on Business and Human Rights (UNGP).

The two year collaboration with SUHAKAM offers mutual assistance and commits the parties to share knowledge and expertise relating to business and human rights in Malaysia, as well as to implement several initiatives including establishing a plan of action to ensure compliance and respect of human rights principles, to conduct stakeholders consultations, to implement capacity building programmes and for SUHAKAM to conduct on-site visits and monitor activities to ensure adherence and compliance of human rights standards. In relation to the Initiative, SUHAKAM’s role would also to provide strategic advices on the implementation of FGV-FELDA social compliance and human rights action plan.

The updates of the social issues and human rights action plan will be made in FGV’s Sustainability Web Page from time to time. In this regard, we value your trust in our partnership and truly appreciate your continuous support.

Thank you and best regards,



**DATO' ZAKARIA ARSHAD**  
Group President / Chief Executive Officer  
Felda Global Ventures Holdings Berhad