FGV HOLDINGS BERHAD
Group Sustainability Policy
1.0 PURPOSE

The purpose of this policy is to establish the objectives and guidelines for FGV Holdings Berhad and its Group of Companies (collectively referred to as the “FGV Group” or “Group”) for fulfilment of FGV’s commitments with regard to sustainability matters.

2.0 SCOPE

Group Sustainability Policy (hereinafter referred to as “this Policy”) applies to the FGV Group, including its listed and non-listed subsidiaries worldwide as a whole, in which FGV has management control (“FGV Group”). This policy binds our business operations and supply chains, inclusive of our contracted parties and raw material suppliers, to the following specific standards that we believe are essential to meeting these goals.

3.0 POLICY

As one of the world’s largest palm oil producers with integrated agribusiness operations in several countries, FGV Group is committed to deliver value to all its stakeholders. In ensuring this, FGV Group is committed to continuously improve its products and services by adopting the best possible approaches to enhance productivity and profitability by optimising resources and operational efficiencies, while minimising negative impacts on people, social and environment.

FGV Group recognizes its responsibility to respect and uphold international principles, standards and practices as encapsulated in the Universal Declaration of Human Rights (UDHR), United Nations Guiding Principles on Business and Human Rights (UNGPs), United Nations Sustainable Development Goals (UNSDGs) and other applicable treaties, subject to the laws and regulations of the countries and territories in which FGV Group operates. Further to that, FGV Group reiterates its commitment to comply with and obey all laws of the countries in which it operates, and commitments that FGV Group subscribes to such as RSPO and MSPO. FGV Group shall ensure its operations are in consonance with its commitments to No Deforestation, No Peat and No Exploitation (NDPE).
FGV Group acknowledges the significant roles of its suppliers and vendors as part of its value chain in delivering sustainable products and services. Therefore, FGV Group expects the adoption of this Policy in its entirety by all vendors and suppliers of the group.

FGV Group shall endeavour to socialise this policy and its commitments for compliance by all its suppliers and vendors. Where non-compliance is observed, FGV Group shall develop a phased approach to achieve full implementation of this policy.

3.1 Social Responsibility

As an organisation founded on the soundest principles of sustainable development of eradicating poverty in a planned manner through a jurisdictional approach, the FGV Group subscribes in whole to all the principles enshrined in the United Nations Sustainable Development Goals.

3.1.1 Strengthening Social Responsibility

3.1.1.1 FGV Group's priorities are to promote economic growth, prosperity and enhance the livelihoods of local communities, in particular its associated smallholders.

3.1.1.2 FGV Group shall continuously seek opportunities to align the commitments of this Policy with the interests of local communities.

3.1.1.3 FGV Group will strive to explore opportunities to alleviate poverty as well as provide opportunities for communities to secure a better livelihood.

3.1.2 Responsible Employment

3.1.2.1 All employees and workers shall receive equal treatment based on their relevant merits and competency regardless of gender, race, nationality, religion, age, physical condition, and marital status, reproductive rights of women, union membership/affiliation / employment status, or political affiliation.
3.1.2.2 FGV Group is committed to ensure its employees and workers receive adequate training and development to achieve their full potential in performing assigned tasks efficiently.

3.1.3 Respect for Human Rights

3.1.3.1 FGV Group strives to uphold and respect internationally recognised human rights as enshrined in the Universal Declaration of Human Rights (UDHR), United Nations Convention on the Elimination of All Forms of Discrimination against Women, United Nations Convention on the Rights of the Child, other applicable United Nations core human rights treaties, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work as well as other relevant ILO conventions.

3.1.3.2 In fulfilling its responsibility to respect human rights, FGV Group is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs). FGV Group is committed to ensure that its operations are free from any form of exploitation and to eliminate any form of forced and bonded labour, human trafficking and slavery, and child labour in all its operations.

3.1.3.3 FGV Group is committed to ensure responsible recruitment of workers is in line with industry norms and/or through the process approved by the sourcing and receiving countries.

3.1.3.4 FGV Group reiterates its commitment to respect employees’ and workers’ right to freedom of movement, fair working hours, freedom of association and right to decent living condition.

3.1.3.5 FGV Group respects the rights of all its employees and workers to join and form associations, and to bargain collectively.

3.1.3.6 FGV Group shall ensure access to remedy for all employees and workers without fear of reprimand or dismissal.

3.1.3.7 FGV Group respects the rights of women as enshrined in Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).
3.1.3.8 FGV Group shall conduct due diligence from time to time to ensure no violations to the human rights commitment of this policy.

3.1.4 Respect for Community Rights

3.1.4.1 The FGV Group respects and supports the rights of peoples to a dignified livelihood and eliminate poverty.

3.1.4.2 FGV Group respects the rights of indigenous and local communities, including their rights to give or withhold their consent to land over which they hold legal, communal or customary rights.

3.1.4.3 FGV Group shall observe the principles of free, prior and informed (FPIC) consent prior to any new land development.

3.1.4.4 Where there is conflicts and/or disputes over any land, FGV Group believes in resolving such conflicts and disputes through engagement and consultation with affected local communities.

3.1.4.5 Any disputes with local people shall be handled under the same principles and shall be free of intimidation, violence and harassment. The agreement making processes shall be documented, including negotiations regarding entitlements and compensation.

3.1.4.6 FGV Group respects the rights of local communities to practice their ancestral cultures and beliefs.

3.1.5 Health and Safety

3.1.5.1 FGV Group is committed to providing a healthy and safe working environment in its operations for all its workers and employees.

3.1.5.2 FGV Group shall allocate appropriate resources in order to minimise and eliminate Health and Safety risks.

3.1.6 Gender Equality and Preventing Sexual Harassment & Violence

3.1.6.1 FGV Group is committed to the principles of non-discrimination and gender equality.

3.1.6.2 FGV Group shall not tolerate any form of sexual harassment violence and abuse.

3.2 Profitability and Use of Resources
As part of our commitment to long-term economic viability, FGV Group shall seek opportunities to improve productivity and profitability throughout the value chain.

3.2.1 FGV Group strives to use resources efficiently in order to improve productivity in its operation.

3.2.2 FGV Group shall adopt lean management for efficiency improvement, reduce wastage and leakages in its operations by:
   3.2.2.1 Improving competency and capacity of employees and workers in performing their tasks efficiently.
   3.2.2.2 Align management strategies and operational system towards efficient use of material and resources.
   3.2.2.3 Continuously reviewing internal control system and processes to minimise and eliminate leakages.
   3.2.2.4 FGV Group shall inculcate productivity improvement culture by clear reward and recognition system.

3.2.3 FGV Group believes in innovation and embrace new technologies as a means for continuous improvement in its products and services.

3.3 Environmental Stewardship

FGV Group values its natural resources and endeavours to eliminate or minimize negative impacts to the environment through the implementation of best practices and by continuously improving its performance.

3.3.1 Efficient use of natural resources
   3.3.1.1 FGV Group shall continuously explore opportunities to improve efficiency in the existing land bank by implementing Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP).

3.3.2 Managing Environmental Impacts
3.3.2.1 FGV Group shall ensure that all its business operate in a responsible and sustainable approach to minimize and/or eliminate negative impacts on environment.

3.3.3 No Deforestation and Planting on Peat

3.3.3.1 FGV Group will not develop on any areas of natural forest, High Carbon Stock (HCS) or High Conversation Value. FGV Group will be guided by HCS Approach toolkit or any other accepted methodology as the basis for defining HCS.

3.3.3.2 FGV Group shall adopt Best Management Practices (BMP) in all its existing plantations on peatland.

3.3.3.3 There shall be no new planting on peat land regardless of depth that is owned or leased by FGV Group.

3.3.3.4 FGV Group shall abide by all legislative requirements on the management of peatland within its concession area.

3.3.3.5 FGV Group shall consider replanting when due based on economic, legal and/or environmental concern(s).

3.3.4 High Biodiversity Value (HBV) & High Conservation Value (HCV)

3.3.4.1 FGV Group shall not plant on any HCV areas.

3.3.4.2 FGV Group shall perform HBV or HCV assessments that are in line with the relevant guidelines, and develop management plans to protect, conserve and/or enhance the identified value/s.

3.3.5 Use of Agrochemical

3.3.5.1 FGV Group shall not use agrochemical that are categorized as World Health Organization Class 1A or 1B or that are listed by the Stockholm or Rotterdam Conventions and paraquat except in specific situations. In such situation, action(s) must be taken to eliminate the use of the pesticides in time bound manner.

3.3.6 No Open Burning/Use of Fire

3.3.6.1 FGV Group practices no open burning policy in all its premise.

3.3.6.2 FGV Group shall develop and maintain fire prevention and emergency preparedness programmes to deal with fires that may encroach within or in the vicinity of its boundaries.
3.3.6.3 FGV Group shall actively monitor and report all fire incidents occurring within as well as its surrounding areas to the relevant authorities.

3.3.7 Water Management
3.3.7.1 FGV Group shall deploy water management practices to ensure its activities do not lead to any negative impacts to natural water bodies on its water quality availability.

3.3.8 Waste Management
3.3.8.1 FGV Group is committed to manage waste in accordance with applicable regulatory requirements and other commitments made by FGV Group.
3.3.8.2 Wherever possible, measures shall be taken to reduce, reuse, recycle or dispose wastes in an environmentally responsible way.

3.3.9 Addressing Climate Change
3.3.9.1 In addressing climate change, FGV Group is committed to reduce or minimize its Greenhouse Gases (GHG) emissions through the use of proven technologies wherever feasible.
3.3.9.2 FGV Group is committed to optimize the use of renewable energy and efficiency across its operations wherever possible.

3.4 Value Chain

In driving sustainability, FGV Group expects its partners to embrace and adhere to its sustainable practices. Wherever possible, FGV Group will lend its support to assist them in meeting this objective.

3.4.1 Traceability and Supply Chain
3.4.1.1 FGV Group promotes the inclusion of smallholders and outgrowers into our supply chain in a fair, transparent and equitable manner.
3.4.1.2 FGV Group shall continuously work towards improving the traceability of raw materials sourced and utilized.
3.4.1.3 FGV Group is committed to ensure that all its raw materials are sourced from legal and responsible suppliers. Where non-compliance is observed, FGV Group will take appropriate measures within its means to resolve the shortcomings.

3.4.1.4 Where necessary, FGV Group will engage with value chain partners to assist, enhance/exchange skills, knowledge and/or access to resources.

3.4.2 Obligation of value chain partners

3.4.2.1 When required, FGV’s value chain partners shall agree to authorize FGV or any party appointed by FGV to conduct audits to verify compliance to this policy, subject to maintaining confidentiality of the findings within relevant party(ies).

3.5 Transparency and Reporting

3.5.1 FGV Group shall provide adequate and transparent information on timely manner for effective engagement with its stakeholders through appropriate platforms.

3.5.2 Grievance Management

3.5.2.1 FGV Group shall provide accessible means for internal and external stakeholders to express their grievances without fear of reprisal.

3.5.2.2 All grievances shall be handled in accordance to United Nations Guiding Principles on Business and Human Rights.

3.5.2.3 Where confidentiality is required, it shall be instituted in accordance to FGV’s Whistleblower Policy.

3.5.3 FGV Group shall identify, monitor and report its sustainability performance periodically in appropriate platforms.

*** END OF FGV GROUP SUSTAINABILITY POLICY***