

PUBLIC SUMMARY REPORT

External Verification of Sustainability Policy Transparency Toolkit (SPOTT) Palm Oil Assessment

FGV Holdings Berhad

2024

Contact

Control Union (Malaysia) Sdn. Bhd.

Port Tech Tower, Level 17 Unit No. 1,2,3,3A, 5, 6,7 Jalan Tiara 3 KU/1, Bandar Baru Klang
41150 Selangor, Malaysia

malaysia@controlunion.com

Tel: +603-3000 4132

Table of Contents

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT	3
1.1 COMPANY AND CONTACT DETAILS	3
1.2 ASSESSMENT DETAILS	3
1.3 ASSESSMENT TYPE.....	3
1.4 GENERAL DESCRIPTION OF FGV GROUP	3
1.5 OPERATIONAL UNITS UNDER SCOPE.....	3
PART 2: VERIFICATION PROCESS	4
2.1 ABOUT THE VERIFICATION BODY	4
2.2 VERIFICATION TEAM	4
2.3 METHODOLOGY	5
2.3.1 General Overview	5
2.3.2 Sampling.....	5
PART 3 ASSESSMENT FINDINGS	7
3.1 SUMMARY OF THE FINDINGS.....	7
3.2 SIGNING BY THE CLIENT	33
3.3 SIGNING BY THE LEAD ASSESSOR	33
3.4 SIGNING BY THE REVIEWER.....	33

PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT
1.1 Company and Contact Details

Company Name	FGV Holdings Berhad
Business Address	Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.
Contact Person	K. Ilangovan
Office Telephone	+603 2789 0475
E-Mail	k.ilangovan@fgvholdings.com
Web Site	https://www.fgvholdings.com/home/

1.2 Assessment Details

Dates of This verification:	01 st July 2024 – 05 th July 2024
-----------------------------	---

1.3 Assessment Type

Third party verification to assess and validate compliance, performance and/or action taken by FGV in relation to its commitment by evaluating the information provided by FGV towards SPOTT concerning the latest SPOTT Palm Oil Indicator Framework 2023 that requires external verification.

1.4 General Description of FGV Group

FGV operates in 7 countries across Asia, North America and Europe. FGV is a Malaysia-based agri-business listed on the main market of Bursa Malaysia on 28 June 2012. The initial public offering which was the world's third largest raised RM10.4 billion. It was initially incorporated as a commercial arm of Federal Land Development Authority (FELDA) in 2007 to oversee investments in the upstream and downstream palm oil businesses as well as other agri-businesses. FGV is a Malaysian-based agribusiness and is one of the world's largest producers of Crude Palm Oil (CPO), accounting for 4% of global and 16% of Malaysian CPO production. Since its listing on the Main Market of Bursa Malaysia in 2012, FGV has remained committed to achieve its strategic goals and leveraging synergies to create value for its stakeholders.

FGV is supported by a strong workforce of more than 45,000 people. They are focused primarily on three core business sectors: Plantation, Sugar, and Logistics. With 50 years of industry expertise, we are committed to continuously drive a sustainable business, whilst tapping into new revenue streams from the circular economy to create more value.

1.5 Operational Units Under Scope

FGV Holdings Berhad operates **4 refineries, 4 kernel crushing plants (KCP), 66 palm oil mills, and 165 estates** around Malaysia. Details of the processing units are as per **annex 1** in the report.

PART 2: VERIFICATION PROCESS
2.1 About the Verification Body

Control Union (CU) is an independent, international assurance and certification body. Founded in 1920 in the Netherlands, CU has office in more than 70 countries. CU offer one-stop-shop solution for sustainability reporting and assurance services. CU has more than 4,000 employees working across the globe.

Control Union Certification (CUC) is a part of Control Union – an international inspection and certification body. CUC performs assessments and certification across many sectors including biomass, biofuels, forestry, agriculture, food & feed, fats & oils, minerals, energy and tourism.

In the field of sustainability reporting, we serve our clients by performing sustainability strategy checks, gap analysis and independent assurance. Control Union is also a registered assurance provider for the AA1000 assurance standard.

Control Union (Malaysia) Sdn Bhd is accredited for RSPO (ASI-ACC-069) for the scope of P&C (Single Site & Group) and SCC worldwide and accredited by the Department of Standard Malaysia (DSM) for ISO 17021, ISO 17065, ISO 17020, ISO 9001, ISO 14001, MTCS - FMC, FSMS and MSPO. When requested, a copy of accredited certificates can be obtained from CUC. Control Union also approved in providing verification for POIG verification indicators.

2.2 Verification Team

Lead verifier	Mohamad Fitri Mustafa
Team member 1	Jasmandy Syahrul
Team member 2	Azrul Nizam Bin Anin

2.2.1 Qualifications of the Assessors

Name	Qualifications
Mohamad Fitri Mustafa	<p>Fitri obtained Bachelor of Science Agribusiness, graduated from University Putra Malaysia in 2007. He Started his career as research officer with Malaysian Agri Hi Tech Sdn Bhd, before servicing as agronomist at Tradewinds Plantations Berhad and FGV Agricultural Services Sdn Bhd.</p> <p>Accumulating his experience in sustainability when he served as an auditor with Global Gateway Sdn Bhd since 2018, he has attended and completed his training for MSPO Lead Auditor Course and ISO 9001:2015 Lead Auditor Course in 2018 and RSPO Lead Auditor Course in year 2019 and Completing SHO Course in 2022. He obtained general Management, Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).</p>
Jasmandy Syahrul	<p>Graduated in B. Sc. in Plantation Technology and Management from Universiti Teknologi Mara in 2010. He has 9 years working experience in oil palm plantation both in estate operation and sustainability department around Malaysia. He has more than 3 years working as a Lead Auditor.</p> <p>In addition, he has Successfully completed Lead Auditor training for RSPO P&C, MSPO OPMC, MSPO SCCS, Integrated Management System (IMS) (ISO 9001, ISO 14001, ISO 45001), ISO 14064 1-3, SA8000, SMETA (6.0), SMETA & SVA Defect Guidance Training, SEDEX Virtual Assessment, QMS-ISO 17021-3, OHSMS – ISO 17021-10, EMS-ISO 17021-2</p>
Azrul Nizam Anin	<p>Graduated in Diploma of Industrial Design from Universiti Teknologi Mara and attending Estate Assistant Manager Structure Training at Sime Darby Plantation Academy.</p> <p>6 years' experience in oil palm as an Assistant Manager with oil palm plantation company. Knowledge on environmental, health and safety aspect and best practices implementation in plantation. Successfully certified for RSPO P&C 2018, ISO 9001:2015 QMS and Unilever VDF Training, NDPE IRF, TTM and TTP verification.</p>

2.3 Methodology

2.3.1 General Overview

Assurance method included:

- Inquiring and interviewing of management, including senior management at executive and functional levels, and relevant management responsible for the day-to-day management of sustainability.
- Observing and inspecting management practices, process testing and evidence gathering across the organization on a sample basis.
- Evaluating documentary evidence and management representations that support adherence to the principles.
- Data source validation.
- Limited testing of detail on a sample basis (e.g., re-performance of calculations).
- Carrying out analytical procedures (e.g., trend analysis).
- Observing and inspecting on a sample basis management practice, process testing and evidence gathering (from source to aggregation).

There are 22 SPOTT indicators (customed) verified during the verification audit.

22 Indicators: 7, 33, 35, 36, 37, 38, 62, 67, 92, 105, 110, 112, 114, 139, 166, 168, 170, 173, 175, 176, 178, 179, will be subject to comprehensive external verification to achieve full scoring marks under SPOTT. The comprehensive external verification as these indicators is all applicable to FGV Group facilities included estates, palm oil mill, kernel crushing plant and refineries.

2.3.2 Sampling

For Non-Traceability Related SPOTT Indicators

Where sampling is required for the verification assessment, the sampling design was based on a minimum sample of facilities, where $x = (\sqrt{y})$, where y is the number of facilities under each processing scope. The result always to be rounded "up" to the next whole integer.

Based on the FGV's list, there are 4 refineries, 4 Kernel Crushing Plants (KCP), 165 estates and 66 mills recorded.

Therefore, there are **2 refineries, 2 KCPs', 13 estates** and **9 palm oil mills** sampled for this verification audit.

Sampled Operational Units for the Evaluation

Refinery	KCP	Palm Oil Mill	Estate
Tawau Oil Products	KCP Semambu	FGVPI ADELA	FGVPM Mengkarak 02
Sahabat Oil Products	KCP Pandamaran	FGVPI Air Tawar	FGVPM Palong 17
		FGVPI Aring A	FGVPM Tembangau 09
		FGVPI Baiduri Ayu	FGVPM Laka Selatan 02
		FGVPI Belitong	FGVPM Lawin Tengah
		FGVPI Besout	FGVPM Besout 06
		FGVPI Bukit Kepayang	FGVPM Sampadi 06
		FGVPI Bukit Mendi	FGVPM Aring 15
		FGVPI Bukit Sagu	FGVPM Telang 01
			FGVPM Kechau 02
			FGVPM Semaring 01
FGVPM Rantau Abang 01			
			FGVPM Terapai 01

Explanation of the Sample Selection

The sampling design was based on a minimum sample of facilities, where $x = (vy)$, where y is the number of facilities under each processing scope. The result always to be rounded “up” to the next whole integer.

Facility	Total Unit	Total Sample
Refinery	4	2
Kernel Crushing Plants (KCP)	4	2
Palm Oil Mill	66	9
Estate	165	13

3.1 Summary of the Findings

FGV is a leading vegetable oil processor and focuses on the upstream and downstream aspects of the palm oil value chain one of the world's largest producers of Crude Palm Oil (CPO), accounting for 4% of global and 16% of Malaysian CPO production. FGV's operations are limited to a refinery, palm oil mills and estate operations. FGV has been monitoring and upholding the commitment of their suppliers regarding NDPE implementation reporting framework (NDPE-IRF).

The traceability data (related to SPOTT indicators 33, 35, 36, 37, 38 and 173) covers 2 refineries, 2 KCPs and 9 Mills provided for verification which are as follow:

1. Tawau Oil Products (Refinery)
2. Sahabat Oil Products (Refinery)
3. KCP Semambu
4. KCP Pandamaran
5. FGVPI ADELA
6. FGVPI Air Tawar
7. FGVPI Aring A
8. FGVPI Baiduri Ayu
9. FGVPI Belitong
10. FGVPI Besout
11. FGVPI Bukit Kepayang
12. FGVPI Bukit Mendi
13. FGVPI Bukit Sagu

Please refer to the next table for summary of indicators verified, findings and our recommendations towards SPOTT scoring criteria.

Summary of Findings Indicators	Scoring
<p>1. Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with palm oil production? (Indicator 7)</p> <p>FGV Holdings Berhad had being a member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with palm oil production.</p> <p>a. <u>ACE (Achieving Coexistence with Elephants) Coalition Partners:</u> FGV Holdings Berhad became a member of ACE Coalition Partners since 2022. The ACE Project started out with the recognition that stakeholders on the ground need to work together to manage human-elephant conflict and that the situation will only get worse if work in silo. The objective of this partnership is to jointly establish a working group and its relevant terms of reference for its operations which shall include to discuss, strategies and coordinate Human-Elephant Conflict (HEC) mitigation and management in the landscape. https://ace-coalition.com/partners/</p> <p>b. <u>Climate governance Malaysia</u> Climate Governance Malaysia is a network of non-executive directors who aims to acquire the practical skills needed as long-term stewards of the business to help steer the companies through an effective climate transition strategy, taking into account the need for financial stability, increased resilience and sustainability. FGV Holdings Berhad joined as a member on 27.05.2024, https://www.cgmalaysia.com/corporate-friends-of-cgm.</p> <p>c. <u>Malaysian Palm Oil Green Conservation Foundation (MPOGCF)</u> Since its establishment in 2016, MPOGCF which was then known as Malaysian Palm Oil Wildlife Conservation Fund (MPOWCF) has completed 29 projects in collaboration with stakeholders such as Sabah Forestry Department (SFD), Sabah Wildlife Department (SWD), Sarawak Forestry Corporation (SFC), Department of Wildlife and National Parks (PERHILITAN) Peninsular Malaysia, Academia (UNIMAS, USM, Cardiff University, UiTM), NGOs (HUTAN, DGFC, Wild Asia), and Malaysian palm oil industry members. FGV Holdings Berhad had become a member of MPOGCF https://www.mpogcf.org/partners/.</p> <p>d. <u>Roundtable Sustainable Palm Oil</u> FGV Holdings Berhad had become a member of RSPO since 27.12.2016 with membership no: 1-0225-16-000-00. https://rspo.org/members/1-0225-16-000-00/.</p>	<p>Comprehensive</p>
<p>2. Percentage of supply traceable to mill level? (Indicator 33)</p> <p>All CPO, PK received in 2023 were recorded in the SAP system and maintained by each facility.</p> <p>Stated on the FGV's website, Traceability & Supply Chain - FGV Holdings Berhad and FGV Sustainability Performance and Updates 2021-2023 the suppliers are considered traceable (TTM) when the following details are met:</p> <ul style="list-style-type: none"> • Suppliers name • Parent's company name (NA to smallholders) • Address/ GPS location of supplier • Volume 	<p>Comprehensive</p>

The following is the FGV's TTM information for CPO and PK for year 2023.

Facilities	Volume (MT)		Volume Traceable			
			MT		%	
	CPO	PK	CPO	PK	CPO	PK
Refineries	836,254.45	-	819,191.88	-	96.72	-
KCPs	-	539,650.27	-	539,650.27	-	100

[Based on the verification made, it was confirmed that the data has been checked and verified as per methodology stated.](#)

3. Percentage of fresh fruit bunches (FFB) supply to own mills traceable to plantation level? (Indicator 35)

All FFB received in 2023 were recorded in the Integrated Palm Mill System (IPMS) that established by FGV.

Stated on the FGV's website, [Traceability & Supply Chain - FGV Holdings Berhad](#) and [FGV Sustainability Performance and Updates 2021-2023](#) the suppliers are considered traceable (TTP) when the following details are met:

- Suppliers name
- Parent's company name (NA to smallholders)
- GPS location of supplier
- Size of land (NA to Dealer/Cooperative/Collection centres)
- Volume supplying to mill

The following is the total FFB received by 66 mills from January to December 2023:

Type of supplier(s)	Total volume (MT)	% Traceable
Own concession	9,054,614	100
Third-party estate	253,134	100
Smallholders	221,842	100
Dealer/Cooperative/Collection centres	3,064,583	100
Total	12,594,173	100

While below are the mills sampled during the verification assessment.

Mill	Total Volume (MT)	Traceable		RSPO Cert. number & validity
		MT	%	
Adela	237,132.63	237,132.63	100	RSPO 931888 13.12.2028
Air Tawar	186,601.88	186,601.88	100	-
Aring A	200,522.71	200,522.71	100	-
Baiduri Ayu	174,461.4	174,461.4	100	-
Belitong	228,606.37	228,606.37	100	RSPO 693230 06.02.2029
Besout	251,455.89	251,455.89	100	RSPO 682927 29.04.2028
Bukit Kepayang	179,779.2	179,779.20	100	RSPO 931988 11.02.2029
Bukit Mendi	111,826.19	111,826.19	100	-

Comprehensive
100% Traceable
to plantaion for
FGV Own Mill

Bukit Sagu	176,880.71	176,880.71	100	RSPO666409 28.12.2027
------------	------------	------------	-----	--------------------------

The following table indicates the sample of FFB received in 2023.

Mill	Transaction Record			
	Supplier Name	Vol. (MT)	Delivery Date	WB Ticket No.
Adela	FGVPM Ladang Kledang 02	5.62	07.03.2023	A00007852
	Kim Ma Oil Palm	4.12	11.11.2023	A00038214
Air Tawar	Felda Air Tawar 02	3.93	27.05.2023	A00015163
	Kim Ma Oil Palm	4.47	21.11.2023	A00033381
Aring A	KPF Plantation Sdn Bhd	6.63	02.12.2023	A00200863
	FGVPM Ladang Aring 02	6.72	28.06.2023	A00181083
Baiduri Ayu	Felda Sahabat 02	2.28	09.02.2023	A00039937
	FGVAS Sahabat 06	6.47	07.03.2023	A00042343
Belitong	Guan Leng Trading	22.25	24.09.2023	A00021885
	Felda Ulu Belitong	2.51	31.03.2023	A00007101
Besout	Felda Besout 01	3.40	12.01.2023	A01585613
	Felda Besout 05	2.17	17.02.2023	A01589943
Bukit Kepayang	Felda Bukit Kepayang	8.08	04.04.2023	A00010241
	Koperasi Permodalan	2.33	04.10.2023	A00031113
Bukit Mendi	Felda Bukit Puchong	5.68	28.04.2023	A000009260
	Koperasi Permodalan	3.05	07.10.2023	A00021334
Bukit Sagu	FGVPM Ldg. Bukit Sagu 07	7.00	03.01.2023	A00002846
	Eng Huat Latex	4.30	08.08.2023	A00020880

Based on the verification made, it was confirmed that the data has been checked and verified as per methodology stated.

4. Percentage of supply from third-party mills traceable to plantation level? (Indicator 36)

All CPO, PK received in 2023 were recorded in the SAP system and maintained by each facility.

Stated on the FGV's website, [Traceability & Supply Chain - FGV Holdings Berhad](#) and [FGV Sustainability Performance and Updates 2021-2023](#) the suppliers are considered traceable (TTM) when the following details are met:

- Suppliers name
- Parent's company name (NA to smallholders)
- Address/ GPS location of supplier
- Volume

The following is the FGV's traceability information for CPO and PK as well as for own and third-party mills for year 2023.

Partial

Facilities	Volume (MT)		Volume Traceable			
			MT		%	
	CPO	PK	CPO	PK	CPO	PK
Refineries	836,254.45	-	819,191.88	-	96.72	-
KCPs	-	539,650.27	-	539,650.27	-	100

Figure 1: Total TTM for CPO and PK based on the facilities level

Facilities	Volume (MT)			
	Own		3 rd Party	
	CPO	PK	CPO	PK
Refineries	807,398.22		28,856.23	
KCPs		539,650.27		-

Figure 2: Total CPO and PK received from own and third-party mills

Type of supplier(s)	Total volume (MT)		% Traceable	
	CPO	PK	CPO	PK
Own mill	807,398.22	539,650.27	100	100
Third-party mill	28,856.23		0	
Total	836,254.45	539,650.27		100

Figure 3: Total CPO and PK received from own and third-party mills from

As at 2023, FGV only sourced from 02 third-party mills as detail below:

Refinery	3 rd Party Mill	Volume (MT)	Volume Traceable	
			MT	%
FGVR Kuantan Oil Product	Villa Sutera Sdn Bhd	3,110.15	-	-
	Felcra Jayapura	19,729.61	-	-
FGVR Tawau Oil Product	Yayasan Sabah Seraya	6,016.47	-	-
Total		28,856.23	-	-

Based on the verification made, it was confirmed that the data has been checked and verified as per methodology stated.

5. Publishes traceability data at refinery level? (Indicator 37)

FGV is committed for responsible sourcing where the group ensures that the products are not linked to any deforestation, peat conversion and exploitation of human rights, which is in line with FGV's Group Sustainability Policy (GSP), <https://www.fgvholdings.com/wp-content/uploads/2024/04/Group-Sustainability-Policy.pdf>.

FGV Group has a total of four 4 vegetable oil refineries fully managed by FGV subsidiaries (FGV Refineries Sdn Bhd (3), and Delima Oil Products Sdn Bhd (1)). There are two (2) refineries that are managed by their joint venture FGV IFFCO Sdn Bhd.

Comprehensive

To ensure the products are sourced from responsible sources, FGV have started to trace their raw materials in 2017, the traceability covers Traceability to Mills (TTM) and Traceability to Plantations (TTP).

Traceability to Mills:

FGV consider mills traceable when details such as their name, parent company’s name, address /GPS coordinate, and volume supplied are known. The TTM has been at 100% since 2019 for all their midstream and downstream facilities which include FGV Refineries Sdn Bhd, FGV Kernel Products Sdn. Bhd., FGV Biotechnologies Sdn Bhd, Delima Oil Products Sdn Bhd as well as the JVs in Malaysia, FGV IFFCO Sdn Bhd. Most of the CPO processed by their own vegetable refineries (FGV Refineries Sdn Bhd and Delima Oil Products Sdn Bhd) are coming from their own internal sources. In 2023, the group only sourced from four (4) third-party mills that contribute less than 3.28% (30,102 MT) of their total CPO processed by these refineries.

Traceability to Plantations:

Due to the complexity of the FFB supply chain that involves multiple categories of players/levels, our requirement for TTP varies between supplier categories. The suppliers are considered traceable to the plantation when details as follows are available:

Element/Information	Third-party Estate	Smallholders*	Dealer/Cooperative/Collection Centres**
Supplier name ***	√	√	√
Parent’s company name ****	√	NA	√
GPS location of supplier	√	√ (location of village/sub district is sufficient)	√
(location of village/sub district is sufficient)	√	√	x
Size of land	√	√	X

NA: Not Applicable

*This requirement is for independent smallholders supplying to FGV mills. Information for scheme/plasma smallholders are available at :

<https://felda.gov.my/peneroka/lokasi-rancangan>

**For Dealer/Cooperative/Collection Centres receiving FFB from estates, full information of the estates as mentioned in the table above (Third-party estate) is required. If the sources are from smallholders, name of the smallholders and quantity supplied are sufficient.

***Supplier defines as an entity with legal authority to supply palm oil materials to any FGV facility.

****Parent company – A holding company (large cooperation) or individual producer (grower) that has legal authority to sell palm oil material.

Supplier	Numbers of suppliers/plantation	Traceability
FGV Group	165	100 %
Dealers Network	110	100 %
Private Estates	111	100 %
Smallholders:		
FELDA	256	100 %
Independent Smallholders (ISH)	880	100 %
TOTAL	1,522	100%

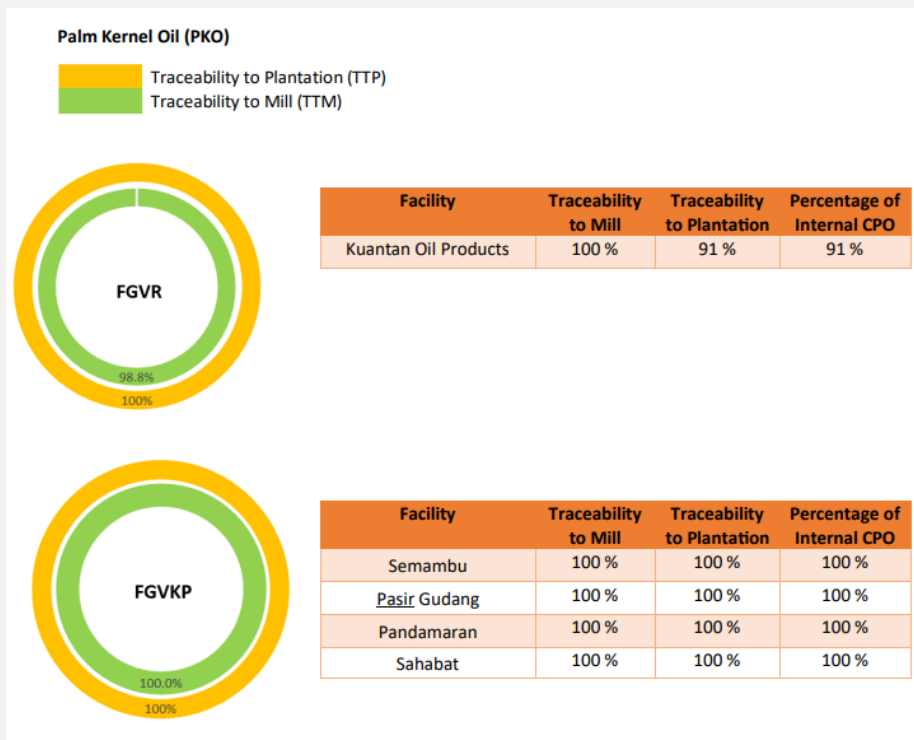
The information can be accessed through their website using the link, [FGV Sustainability Performance and Updates 2021-2023](#). Based on the verification made, it was confirmed that the data has been checked and verified as per methodology stated.

6. Publishes traceability data at crusher level? (Indicator 38)

FGV is committed for responsible sourcing where the group ensures that the products are not linked to any deforestation, peat conversion and exploitation of human rights, which is in line with FGV’s Group Sustainability Policy (GSP), <https://www.fgvholdings.com/wp-content/uploads/2024/04/Group-Sustainability-Policy.pdf>.

In Malaysia, FGV has a total of four (4) vegetable oil refineries. The four (4) are fully managed by FGV subsidiaries; FGV Refineries Sdn Bhd (3), and Delima Oil Products Sdn Bhd (1). The other two (2) refineries that are managed by our joint venture, one respectively in Malaysia and Pakistan. However, FGV has no direct management control over those facilities. To ensure our palm products are sourced from responsible sources, we started to trace our raw materials in 2017. Our traceability covers Traceability to Mills (TTM) and Traceability to Plantations (TTP).

Comprehensive



The information can be accessed through their website using the link, [FGV Sustainability Performance and Updates 2021-2023](#). Based on the verification made, it was confirmed that the data has been checked and verified as per methodology stated.

7. Evidence of monitoring deforestation in supplier operations? (Indicator 62)

FGV is committed to ensuring their raw materials come from responsible sources and shall not source FFB from deforested areas. FGV uses the Global Forest Watch (GFW) Pro platform to trace and monitor deforestation activities around their own operation and suppliers. This platform is an open-source web application that monitors global deforestation rates in near real-time and can detect land-clearing activities that encroach into protected areas.

FGV had communicated the use of this platform to all their top suppliers, along with the revised Group Sustainability Policy and NDPE commitments as well as measured their sustainability risk levels using the platform. When there is a high risk of deforestation around FGV’s suppliers, the group will verify if any of the suppliers are associated with deforestation

Comprehensive

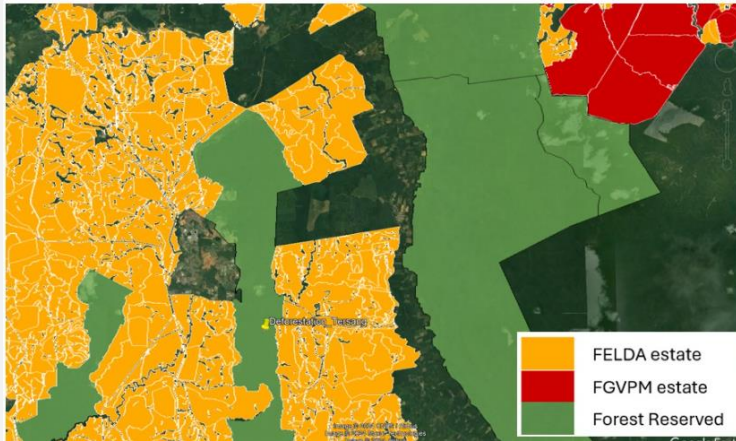
activity around their area, and if they are found to be involved, they will be subjected to our Supplier Delinquency Guideline which may lead to their removal from FGV supply chain.

FGV also monitor deforestation activities that were alerted by our stakeholders. In 2021-2023, FGV received deforestation alerts as below: -

Year	Total Area (Ha)	Location	Alert Status/Findings
2023	352	Felda Belara	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. • None of the suppliers are involved in the deforestation activity.
	496	Lepar Hilir 05	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. • None of the suppliers are involved in the deforestation activity.
	712	Felda Tersang 03	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. • None of the suppliers are involved in the deforestation activity.
	110	Jengka 2	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. • None of the suppliers are involved in the deforestation activity.
2022	351	Jengka 3	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. No FFB source from the area for FGV mills. • None of the suppliers are involved in the deforestation activity.
	25	Mukim Jemaluang, Johor PTD 1815 concession (2.29532, 103.90490)	<ul style="list-style-type: none"> • The deforested area is owned by one of FGV's indirect FFB suppliers that is supplied through one of the FFB dealers, AA Sawit. • FGV had stopped receiving FFB from AA Sawit and engaged with them for a remedial and corrective action plan. However, FGV did not receive any response from AA Sawit and decided to cease business with AA Sawit. The last transaction with AA Sawit was in April 2022.
2021	8,498	Mukim Keratong	<ul style="list-style-type: none"> • Outside FGV & FELDA concession. • None of the suppliers are involved in the deforestation activity.

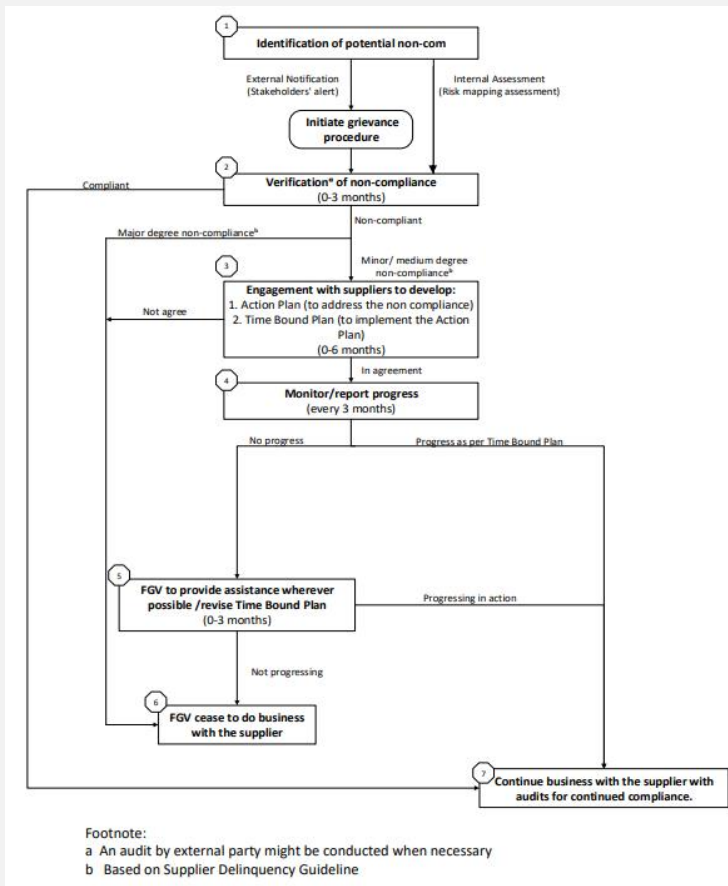


Map from FGV Holdings Berhad showing FELDA Belara is not within the deforested area. Tiny yellow pin is the alert raised by Olam Group.



Map from FGV Holdings Berhad showing FELDA Tersang 3 is not within the deforested area. Tiny yellow pin is the alert raised by Olam Group.

FGV uses the Group Sustainability Policy Compliance Framework to manage any deforestation activity by its suppliers. The frameworks are illustrated as below:



[FGV Sustainability Performance and Updates 2021-2023.](#)

FGV used the Global Forest Watch (GFW) Pro to assessed each’s mills risk by calculating the threats and value index of area that is within 50 km radius each mill. Threats are referred as likelihood to have deforestation, peat, protected area and fire related impact in the past,

<p>whereas value is the likelihood for such risk to happen in the future. The assessed mills and collection centre will be classified into categories of low, medium, or high risk.</p>	
8. Implementing a landscape or jurisdictional level approach? (Indicator 67)	
<p>As a leading producer of crude palm oil in the world, FGV is deeply committed to sustainability, recognising its crucial role in mitigating the significant impact of its operations on People and Planet. With over 400,000 hectares of oil palm plantations spanning Malaysia, FGV invest efforts and resources to protect the ecosystem and conserve biodiversity, especially within their many plantations that are located near natural forest reserves such as the Belum-Temengor.</p> <p>(SR2022/23 link: https://fgv.investors-centre.com/investor-relations/interactiveSR2022-2023/, page 105 – 106).</p> <p>FGV’s approach to biodiversity and land management is guided by the Group Sustainability Policy (GSP), the group’s Sustainability Framework and RSPO and MSPO certification systems. These certifications are essential to mitigating organisational risks, including regulatory, operational and reputational risks.</p> <p>a. <u>Sun Bear Conservation Program:</u> The SBCP focuses on safeguarding the ecosystems and habitats of endangered, rare and threatened species. The five-year SBCP began in 2015 and was the first of its kind in Peninsular Malaysia and has been extended for an additional three years starting from 2020. Under this initiative, FGV prioritised wildlife conservation, through the rescue, rehabilitation and release of injured or displaced Malayan Sun Bears, in collaboration with the Malaysian Nature Society, the Department of Wildlife National Parks Peninsular Malaysia and the National University of Malaysia (UKM). FGV have successfully rescued and rehabilitated 84 sun bears since 2016, with 68 of them released into their natural habitats.</p> <p>b. <u>Achieving Coexistence (ACE) with Elephants Project:</u> In 2022, FGV teamed up with plantation companies, the Management and Ecology of Malaysian Elephants (MEME) research group from the University of Nottingham Malaysia, and the Earthworm Foundation to collaborate on the ACE project within the southern landscape of Peninsular Malaysia. This initiative aims to promote peaceful coexistence between elephants and humans, through collaboration among multiple agencies.</p> <p>The project’s main objectives include improving community safety, helping the agricultural sector deal with human-elephant conflicts and studying elephant behaviour and habitat needs. It is supported by the Department of Wildlife and National Parks and the Department of Forestry of Peninsular Malaysia, aligning with the government’s National Elephant Conservation Action Plan (NECAP) and Central Forest Spine (CFS) masterplan. Activities include two Human-Elephant Conflict workshops organised by MEME in Kota Tinggi, Johor.</p> <p>c. <u>Tree Planting in Tawai, Perak:</u> FGV, in collaboration with FELDA and Malaysia Nature Society (MNS), launched the Tree Planting for Wildlife Programme on 16 March 2023, in conjunction with World Wildlife Day on 3 March 2023 and the International Day of Forests on 21 March 2023. The initiative aimed to enhance the High Conservation Value (HCV) area in Ladang FGVPM Tawai 01, Gerik, Perak. It aligns with FGV’s sustainability framework and commitment towards wildlife conservation, carbon reduction and community benefits. To date, FGV</p>	<p>Comprehensive</p>

has planted over 2,000 indigenous and wild fruit tree species in Tawai area. The seedlings for the tree planting programme were sourced from the nurseries operated by the Orang Asli community around Ladang Tawai.

d. “Eksplorasi Alam Lestari” School Programme:

In 2022, FGV along with Yayasan Didik Negara (YDN) and the Ministry of Education (MoE), initiated the “Eksplorasi Alam Lestari” pilot programme. This programme aims to educate primary school students on environmental sustainability by incorporating visual learning and diversifying classroom environments. Five sessions were conducted successfully at various locations, including the National Zoo, Paya Indah Wetlands, Wildlife Conservation Centre, National Elephant Conservation Centre and Tanjung Piai National Park. Approximately 500 students from 26 schools participated in the programme, which supports UN SDG 4 (Quality Education), UN SDG 15 (Life on Land) and UN SDG 17 (Partnership for Goals).

9. Implementation of commitment to no planting on peat of any depth? (Indicator 92)

FGV had revised their Group Sustainability Policy with effective date 26.02.2024. Since 26.08.2016, FGV is committed to No Deforestation No Peat and No Exploitation (NDPE) and to promote environmental awareness and shared responsibility through communication and training. FGV also undertakes to ensure that there is no deforestation in its supply chain and will conduct appropriate environmental due diligence in the development of any new business activity or relationship.

Stated under the Protecting the Environment, section 3.3: No Deforestation and Planting on Peat, 3.3.3: There shall be no new planting on peatland regardless of depth that is owned or leased by FGV Group.

FGV reports total peatland area is 3,751.95 ha which has not increased since the first peat inventory for RSPO reporting in 2020. The second peat inventory reporting in 2023 shows that there are no changes in area planted on peat.

Comprehensive

Total Planted area (Ha)	Summary of estates containing peat (Ha)			
	Planted	Unplanted		
		Conservation	Rehabilitation	Other
33,973.88	3,751.95	1,234.78	31.83	10.00

Table 1: Total Planted Area for Malaysia.

Region	Total planted area (Ha)	Summary of peat area (Ha)			
		Planted Total Area	Unplanted		
			Conservation (HCV,HCS, Conservation)	Peat (rehabilitation)	Other (Infra, buildings etc)
Sarawak, Malaysia	2278.37	738.44	0	0	10
Johor, Malaysia	6692.23	970.19	249.23	31.83	0
*West Kalimantan, Indonesia	16257	325.6	357	0	0
Terengganu, Malaysia	2543.26	280	164.03	0	0
Perak, Malaysia	2151.21	496.92	0	0	0

Sabah, Malaysia	4051.81	940.8	464.52	0	0															
<p><i>Table 2: Total Planted Area by Region.</i> <i>*FGV had disposed their property in West Kalimantan, Indonesia in November 2023.</i></p> <p>All the existing plantations on peat adopts the best management practice as stipulated in RSPO Best management Practices (BMPs) for existing oil palm cultivation on peat. the information can be accessed through the link, FGV Sustainability Performance and Updates 2021-2023.</p>																				
<p>10. Progress towards commitment to reduce GHG emissions intensity (Indicator 105)</p>																				
<p>FGV are committed to reducing FGV's Green House Gas (GHG) emissions by half in the medium term (by 2030) and to zero in the long term (by 2050), based on the baseline in 2019. The GHG Inventory and Management cover the emissions from all of the group's 25 business units in three business sectors (Plantation, Sugar, Logistics, and Others) that were in operation in 2019. In determining the GHG inventory and develop the group reduction target based on latest science, FGV have appointed a third-party South pole for an independent assessment in 2013. The group plan to submit their GHG reduction plan to SBTi in the later part of 2024.</p> <p>Besides, FGV has also reported the GHG intensity per tonne of product for their palm oil operations, which is measured in CO₂e per tonne of CPO (crude palm oil). The group track the operations' net GHG emissions using the PalmGHG Calculator developed by RSPO. This calculation includes their Scope 1 and 2 emissions for the RSPO-certified management units and reported in the RSPO ACOP Report Submissions. https://rspo.org/members/1-0225-16-000-00/ (at the time of audit, ACOP 2023 is pending to be uploaded on the RSPO website. Communication with FGV had indicate that they have submitted the ACOP 2023 report to the RSPO on 02.05.2024)</p> <p>The yearly trend is as follows:</p> <table border="1" data-bbox="183 1176 1157 1249"> <thead> <tr> <th>Year</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Average GHG intensity emission (tCO₂e/tCPO)</td> <td>1.02</td> <td>0.91</td> <td>0.85</td> </tr> </tbody> </table> <p>From 2021 to 2023, the average GHG intensity emission (tCO₂e/tCPO) had showed a decreasing trend from 1.02 (tCO₂e/tCPO) to 0.85 (tCO₂e/tCPO), the information can also be accessed through the link, FGV Sustainability Performance and Updates 2021-2023.</p>						Year	2021	2022	2023	Average GHG intensity emission (tCO ₂ e/tCPO)	1.02	0.91	0.85	Comprehensive						
Year	2021	2022	2023																	
Average GHG intensity emission (tCO ₂ e/tCPO)	1.02	0.91	0.85																	
<p>11. Progress towards commitment on water use intensity? (Indicator 110)</p>																				
<p>FGV is aimed to achieve the water use intensity at 1.20 m³ per tonne FFB processed as sighted in the FGV Sustainability Performance and Updates 2021-2023.</p> <p>FGV has outlined the water use intensity for its' refinery and mill as sighted in the 'FGV Sustainability Performance and Updates 2021-2023', under section 7, Water Use Intensity. Baseline of the water use intensity for each refinery and mill are also identified in the report. The water use intensity is calculated by dividing the total water usage over the total tonnage of raw material or product processed.</p> <p>The following is the summary of water use intensity of FGV's refinery and mill from 2022 to 2023.</p> <p>A. Refinery</p> <table border="1" data-bbox="231 1883 1136 1980"> <thead> <tr> <th rowspan="2">Refinery</th> <th colspan="2">Baseline (m³/MT)</th> <th colspan="2">Water Cons. (m³/MT)</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						Refinery	Baseline (m ³ /MT)		Water Cons. (m ³ /MT)		2022	2023	2022	2023						Limited
Refinery	Baseline (m ³ /MT)		Water Cons. (m ³ /MT)																	
	2022	2023	2022	2023																

FGV Refineries Sdn. Bhd. – Kuantan Oil Products*	0.34	0.50	0.35	0.39
FGV Refineries Sdn. Bhd. – Sahabat Oil Products**	0.26	0.26	0.47	0.37
FGV Refineries Sdn. Bhd. – Tawau Oil Product*	0.51	0.34	0.37	0.51
Delima Oil Products, Pasir Gudang**	0.65	0.65	0.68	0.61

*Actual consumption lower than projected baseline

**Actual consumption higher than projected baseline due to operational factor such as low CPO processed.

B. Mill

Mill - Zone	Baseline (m ³ /MT)		Water Cons. (m ³ /MT)	
	2022	2023	2022	2023
Zone 1* (Northern Peninsular)	1.20	1.20	1.41	1.49
Zone 2* (Southern Peninsular)	1.20	1.20	1.33	1.41
Zone 3** (East Malaysia's mills)	1.20	1.20	1.13	1.17

*Actual consumption lower than projected baseline

**Actual consumption higher than projected baseline due to operational factor such as low FFB processed.

The following table indicates the total water consumption of the sampled mill for 2022 and 2023.

Mill	Baseline (m ³ /MT)	Water Cons. (m ³ /MT)	
	2022/2023	2022	2023
Adela	1.20	1.16	1.22
Air Tawar		1.35	1.33
Aring A		0.93	1.68
Baiduri Ayu		1.19	1.53
Belitong		1.27	1.27
Besout		1.18	1.86
Bukit Kepayang		1.16	1.23
Bukit Mendi		0.63	0.71
Bukit Sagu		1.39	0.68

Sighted under section Water Use, sub-section New Initiatives of the *Sustainability Report 2022/2023*, FGV has introduced a new initiative called Water Neutrality with objective to optimise the water usage and minimise the environmental impact. The following is an example of the action taken by FGV to optimise the water usage:

- Establishment of water inventories for all operations to quantify the water consumption and discharged water to conduct baseline assessments and water mapping.
- Exploring opportunities for rainwater harvesting
- Wastewater recycling

In addition, FGV established *Water Consumption Control (FPI/L3/15-28)* dated 01.07.2021 as a guidance to monitor and control the water consumption:

- The Production Supervisor ensures that the flowmeter gauge is in good condition to measure the amount of daily consumption.
- The Production Supervisor will ensure there is no waste and will monitor the pump house operator.
- Foreman ensures no water pipe leaks and any damage shall be repaired immediately.
- Laboratory Assistant responds to Production Supervisor information on the ratio of water consumption to BTS and daily MRE production so as not to exceed the permissible limit.
- The practice of doing dry cleaning can reduce water consumption at the station Process.

12. Progress towards commitment on water quality (BOD and COD)? (Indicator 112)

FGV monitor the water quality (BOD and COD) on daily, weekly and monthly basis as stated in the [FGV Sustainability Performance and Updates 2021-2023](#) under section 7 Water Quality (BOD and COD).

Sighted in the [FGV Sustainability Performance and Updates 2021-2023](#), FGV has established the BOD monitoring report as below:

Watercourse Discharge

MILL	BOD Result (mg/L)			DOE Limit (mg/L)
	2021	2022	2023	
Southern (12 mills)	55	55	40	100*
Northern, Central East and Central West (38 mills)	71	75	64	100
Sarawak (1 mills)	27	49	50	100

* The Department of Environment Johor (Southern Region) has set a new limit (20 mg/L) for POME discharge in southern region in 2021. However, FGV has been given a mediation period until 30 June 2024 to upgrade the mills' POME treatment plants. Therefore, the current permissible POME discharge limit for FGV's mills in southern region stays at 100 mg/L until the end of the mediation period.

Land Discharged

Mill	DOE Limit (mg/L)	BOD Result (mg/L)	
		2022	2023
Northern (2 mills)	5000	94	108
Southern (4 mills)	500	133	114
Southern (1 mill)	100	39	51
East (6 mills)	100	43	48
East (2 mills)	20	11	10

*DOE = Department of Environment

The following is the BOD data for the sampled mills for 2022 and 2023. The legal limit for discharging wastewater to the watercourse is varies depending on the location

Mill	*Legal Limit	2022	2023	Remark
Adela	100	64	39	Watercourse discharge

Comprehensive

Air Tawar	100	55	40	Watercourse discharge	
Aring A	100	40	40	Watercourse discharge	
Baiduri Ayu	100	70	70	Land Discharge	
Belitong	20	20	20	Watercourse discharge	
Besout	100	43	47	Watercourse discharge	
Bukit Kepayang	100	134	67	Watercourse discharge	
Bukit Mendi	100	44	36	Watercourse discharge	
Bukit Sagu	100	70	64	Watercourse discharge	
*Legal Limit is varies depending on the location of the palm oil mill.					
Currently, FGV monitor the BOD level by implement the following practices:					
<ul style="list-style-type: none"> • Sample of POME is sent to the appointed lab to be analysed. • Conduct water sampling and send to recognized laboratory. 					
13. Treatment of palm oil refinery effluent (PORE)? (Indicator 114)					
<p>The disposed of effluent in accordance with the Department of Environment (DOE) regulations, sighted the DOE permission letter with reference number FEESB/A6/06-45/DOE dated 6th April 2024. FGV have attached guidance document Tawau Oil Product Refinery Flowchart Effluent Treatment Process Flow Diagram. The effluent treatment discharge follows <i>Peraturan 6(1), Peraturan-Peraturan Kualiti Alam Sekeliling (Effluen Perindustrian), 2009</i>. FGV set the target below 200ppm for COD. Sighted the sample lab test report by Borneo Samudera dated 13/12/2023 and the result is below parameter.</p> <p>PORE records in 2021, 2022 and 2023 for FGV Refinery are as follow (this information can be accessed through the link FGV Sustainability Performance and Updates 2021-2023.)</p>					Comprehensive
Sample Refinery Tawau Oil Product					
Month/Year	COD results (ppm)				
	2021	2022	2023		
January	-	32	-		
February	13	-	-		
March	-	7	-		
April	20	6	7		
May	-	-	-		
June	2	-	12		
July	-	-	-		
August	-	-	6		
September	-	-	-		
October	-	-	10		
November	14	-	-		
December	-	7	2		
Average	12.25	13	8.75		
Remarks: FGVR Tawau Oil Product only do analysis when plant is running.					
Sample Refinery Sahabat Oil Product					
Month/Year	COD results (ppm)				
	2021	2022	2023		
January	3	3	10		
February	3	5	4		
March	3	3	3		
April	4	8	3		

May	3	4	14	
June	6	3	5	
July	4	2	3	
August	2	10	2	
September	12	3	2	
October	3	6	2	
November	2	3	4	
December	3	7	4	
Average	4	4.75	6.33	
<p>Sampling has been conducted monthly as per DOE's written approval. The performance monitoring has been conducted as per requirements Technical Guidance Document Series Number DOE-IETS-1: Technical Guidance on Performance Monitoring of Industrial Effluent Treatment System. All the parameters will be recorded with the corrective action to be kept objective for inspection. The record logbook comprised of:</p> <ol style="list-style-type: none"> 1. Flow rate of influent dan effluent 2. Chemical usage of industrial material 3. Sludge Quantity 4. Record of upset incident and corrective action 5. Maintenance and effluent management 				
14. Examples of local stakeholder engagement to prevent conflicts? (Indicator 139)				
<p>At FGV, stakeholder engagement is crucial for advancing sustainable development both within their operations and the surrounding area. This is to ensure there are no conflict arise due to the operation especially towards the local community.</p> <p>As published in FGV Sustainability Performance and Updates 2021-2023, FGV actively conduct stakeholder consultation using various platforms to get the stakeholder feedback, such as conducting Social Impact Assessments (SIAs) in communities where we operate, interview or meeting with local stakeholders during the High Conservation Value (HCV) assessments process, as well as stakeholder consultation program on FGV's sustainability commitment (Program Konsultasi Bersama Pihak Berkepentingan Mengenai Komitmen Kelestarian FGV).</p> <p>SIA assessment aims to demonstrate the commitment to open and comprehensive project management by actively seeking feedback from all stakeholders. The goal is to implement the management plan effectively, minimizing negative impacts while enhancing positive outcomes. Series of SIA conducted as follow:</p> <ol style="list-style-type: none"> a. SIA conducted at Keratong 09 Complex, dated 04-07.07.2023 b. SIA conducted at Kechau B Complex, dated 20-24.02.2023 c. SIA conducted at Lepar Utara 09 Complex, dated 26.02 - 01.03.2023 <p>HCV assessment aims to identify and preserve areas that are crucial for local communities' livelihoods, culture, and overall well-being. These areas may include area used for subsistence, traditional practices, spiritual rituals, or other essential community needs. HCV assessments were conducted to the following areas:</p> <ol style="list-style-type: none"> a. High Conservation Value Report for Bukit Kepayang Mill Complex, revised January 2023. b. High Conservation Value Report for Nitar Complex, revised January 2024. c. High Conservation Value Report for Selendang Complex, revised May 2024. d. High Conservation Value Report for Serting Hilir Complex, revised December 2023. e. High Conservation Value Report for Jengka 21 Complex, revised January 2023. 				<p>Comprehensive</p>

<p>Series of “Program Konsultasi Bersama Pihak Berkepentingan Mengenai Komitmen Kelestarian FGHV” were conducted that cover all FGV’s operation. These sessions were attended by local agencies, smallholders, FELDA settlers, representative from schools, clinics, and local authorities:</p> <ol style="list-style-type: none"> Stakeholder engagement was conducted at Besout, Trolak & Sg Tenggi Complex dated 14.03.2023. Stakeholder engagement was conducted at Bukit Sagu, Panching & Neram Complex dated 05.09.2023. Stakeholder engagement was conducted at Bukit Sagu, Panching & Neram Complex dated 05.09.2023. Stakeholder engagement was conducted at Chini Complex dated 09.05.2023. Stakeholder engagement was conducted at Kechau Complex dated 23.02.2023. Stakeholder engagement was conducted at Kota Gelanggi & Lepas Utara Complex dated 11.07.2023. Stakeholder engagement was conducted at Lepar Hilir Complex dated 13.09.2023. Stakeholder engagement was conducted at Selancar Complex dated 03.08.2023. Stakeholder engagement was conducted at Sampadi Complex dated 20.07.2023. 																			
15. Percentage of scheme/plasma smallholders involved in programme? (Indicator 166)																			
<p>Not applicable since FELDA settlers are not scheme smallholders under FGV Holdings Berhad’s management and FGV has no control over the FELDA’s scheme smallholders</p>	<p>NA</p>																		
16. Percentage of independent smallholders/out-growers involved in programme? (Indicator 168)																			
<p>Smallholder farmers play a critical role in the palm oil industry, for their palm oil mills in Malaysia. FGV maintains an ongoing collaborative effort with the smallholder partners to continuously improve their agricultural practices, aligning with their commitment to becoming a responsible and sustainable palm oil producer. FGV classified their independent smallholders / out-growers as below:</p> <table border="1" data-bbox="181 1272 1185 1496"> <thead> <tr> <th>Type of Smallholder</th> <th>Total SH</th> <th>% Traceability</th> </tr> </thead> <tbody> <tr> <td>FELDA settlers</td> <td>256</td> <td>100%</td> </tr> <tr> <td>Private estate</td> <td>111</td> <td>100%</td> </tr> <tr> <td>Independent Smallholder</td> <td>880</td> <td>100%</td> </tr> <tr> <td>Dealer/Collection Centre</td> <td>110</td> <td>100%</td> </tr> <tr> <td>Total</td> <td>1357</td> <td>100%</td> </tr> </tbody> </table> <p>From 2022 to 2023, FGV has conducted 9 sessions of Independent Smallholder Consultation Program, a total of 82% of smallholders (out of all invited smallholders) have been involved in our smallholder training program with the objective to provide them with training on technical advice on agronomy, industry awareness updates on the palm oil industry’s development, challenges, and regulatory requirements. These sessions are also used as a platform for FGV to get feedback and input from the smallholders for our operation’s improvement.</p> <p>This information can be accessed through the link FGV Sustainability Performance and Updates 2021-2023.</p>	Type of Smallholder	Total SH	% Traceability	FELDA settlers	256	100%	Private estate	111	100%	Independent Smallholder	880	100%	Dealer/Collection Centre	110	100%	Total	1357	100%	<p>Comprehensive</p>
Type of Smallholder	Total SH	% Traceability																	
FELDA settlers	256	100%																	
Private estate	111	100%																	
Independent Smallholder	880	100%																	
Dealer/Collection Centre	110	100%																	
Total	1357	100%																	
17. Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements? (Indicator 170)																			

<p>FGV is committed to ensure the raw materials are not associated with risk that may jeopardize the commitment towards sustainability. FGV assess their suppliers’ environmental risk annually to ensure the suppliers of Fresh Fruit Bunches (FFB), crude palm oil (CPO) and palm kernel (PK) are not associated with the risk. To determine this, FGV obtain traceability information of the suppliers and assess their risk using Global Forest Watch (GFW) Pro for FFB dealers and palm oil mills. As for smallholders, FGV use the simplified risk assessment toolkits developed by RSPO (Simplified HCV Approach for Smallholder).</p> <p>For new suppliers, they must go through a due diligence process to ensure they have no significant risk. The due diligence process starts with acquiring details of the suppliers including MPOB license number, location of collection centres, farms or estates and its size, as well as estimation FFB supply to the mills per month. This information will be verified by FGV’s FFB sourcing team for verification.</p> <p>Upon meeting these requirements, the suppliers will be given an offer letter together with Supplier Code of Conduct (SCOC), that includes compliance to Group Sustainability Policy (GSP). The suppliers will only be accepted as FGV’s suppliers once they have signed the offer letter and agreed to meet the SCOC. All accepted suppliers will be registered in a system called, FFB Supplier Information System (FSIS) which will record the information from the supplier such as supplier identification, location of the supplier, area planted, GPS coordinate, oil palm licenses etc.</p> <p>In 2023, FGV had fully assessed their active suppliers supplying FFB to FGV’s mills. The list is as follow:</p> <table border="1" data-bbox="183 1012 1149 1283"> <thead> <tr> <th>Supplier</th> <th>FFB (MT)</th> <th>Numbers</th> <th>% Assessed</th> <th>Deforestation Free</th> </tr> </thead> <tbody> <tr> <td>FGVPM</td> <td>3,745,809</td> <td>165</td> <td>100 %</td> <td>100 %</td> </tr> <tr> <td>FELDA</td> <td>5,308,805</td> <td>256</td> <td>100 %</td> <td>100 %</td> </tr> <tr> <td>Dealers / Cooperatives</td> <td>3,064,583</td> <td>110</td> <td>100 %</td> <td>100 %</td> </tr> <tr> <td>Private Estates</td> <td>253,134</td> <td>111</td> <td>100 %</td> <td>100 %</td> </tr> <tr> <td>ISH</td> <td>221,842</td> <td>880</td> <td>100 %</td> <td>100 %</td> </tr> <tr> <td>Total</td> <td>12,594,173</td> <td>1,522</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table>	Supplier	FFB (MT)	Numbers	% Assessed	Deforestation Free	FGVPM	3,745,809	165	100 %	100 %	FELDA	5,308,805	256	100 %	100 %	Dealers / Cooperatives	3,064,583	110	100 %	100 %	Private Estates	253,134	111	100 %	100 %	ISH	221,842	880	100 %	100 %	Total	12,594,173	1,522	100%	100%	<p>Comprehensive</p>
Supplier	FFB (MT)	Numbers	% Assessed	Deforestation Free																																
FGVPM	3,745,809	165	100 %	100 %																																
FELDA	5,308,805	256	100 %	100 %																																
Dealers / Cooperatives	3,064,583	110	100 %	100 %																																
Private Estates	253,134	111	100 %	100 %																																
ISH	221,842	880	100 %	100 %																																
Total	12,594,173	1,522	100%	100%																																

<p>18. Proportion of supply from 3rd party that is verified as compliant DCF (Indicator 173)</p>											
<p>All new suppliers must go through a due diligence process to ensure they have no significant risk. The due diligence process starts with acquiring details of the suppliers including MPOB license number, location of collection centres, farms or estates and its size, as well as estimation FFB supply to the mills per month. This information will be verified by our FFB sourcing team for verification. Upon meeting these requirements, the suppliers will be given an offer letter together with Supplier Code of Conduct (SCOC), that includes compliance to Group Sustainability Policy (GSP).</p> <p>The suppliers will only be accepted as FGV’s suppliers once they have signed the offer letter and agreed to meet the SCOC. All accepted suppliers will be registered in a system called, FFB Supplier Information System (FSIS) which will record the information from the supplier such as supplier identification, location of the supplier, area planted, GPS coordinate, oil palm licenses etc.</p> <p>In 2023, the number of active suppliers supplying FFB to FGV’s mills are:</p> <table border="1" data-bbox="183 1964 1181 2029"> <thead> <tr> <th>Supplier</th> <th>FFB 2023 (MT)</th> <th>Numbers of suppliers</th> <th>Traceability</th> <th>Deforestation Free</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Supplier	FFB 2023 (MT)	Numbers of suppliers	Traceability	Deforestation Free						<p>Comprehensive</p>
Supplier	FFB 2023 (MT)	Numbers of suppliers	Traceability	Deforestation Free							

FGVPM (Internal)	3,745,809	165	100 %	100 %
FELDA	5,308,805	256	100 %	100 %
Dealers/ Cooperatives	3,064,583	110	100 %	100 %
Private Estates	253,134	111	100 %	100 %
Independent Smallholders	221,842	880	100 %	100 %
TOTAL	12,594,173	1,522	100%	100%

FGV published the proportion of supply (FFB or CPO volume) on their website <https://www.fgvholdings.com/sustainability/traceability/> and [FGV Sustainability Performance and Updates 2021-2023](#).

19. Programme to support high risk mills to become compliant with sourcing policies? (Indicator 175)

No high-risk mill as per claimed by FGV Trading Department. All own and third-party mill risk categories based on assessment by Traceability Department. The assessment checklist covering transparency, safety health, training, social, environment, economy, law and regulations and company policies. Sighted the sample of assessment done by Trading Department.

FGV uses the Global Forest Watch (GFW) Pro and Google Earth Pro platform to trace and monitor deforestation around their own operation and supplier. The platform can detect land-clearing activities that encroach into protected areas. The communication using to all their supplier and monitor their sustainability risk using the platform. The supplier will be assessed using 'Senarai Semak Pembekal BTS Luar (Tier 1)' form and contain supplier profile, source of FFB, use of land and workers' profile. If the supplier is associated with deforestation activity, or involved with, they will be subjected to the Supplier Code of Conduct. Every supplier and third party must sign the Supplier Code of Conduct. Sighted the sample of Supplier Code of Conduct.

FGV conduct a training for all supplier and third-party title Group Sustainability Policy. As per training materials provided, this training program include as per below:

- Group Policy
- Promoting Economic Growth
- Respect Human Right
- Protect Environment

This training also explaining the process of workers recruitment and its term and condition.



Below is the schedule of training conducted in 2023:

Comprehensive

Date	District	State	Mills
29/08/2023	Kluang	Johor	Belitong
			Kulai
			Penggeli
30/08/2023	Kota Tinggi	Johor	Adela
24/10/2023	Kota Tinggi	Johor	Air Tawar
			Lok Heng
			Semenchu
			Tenggaroh
			Tenggaroh Timur
			Wa Ha
25/10/2023	Kluang	Johor	Kahang
	Mersing		Nitar
26/10/2023	Segamat		Maokil
14/11/2023	Rompin	Pahang	Palong Timur
	Simpang Pertang	Negeri Sembilan	Pasoh
	Jempol		Serting
	Jempol		Serting Hilir
15/11/2023	Rompin	Pahang	Selancar 2A
	Rompin		Selancar 2B
16/11/2023	Keratong		Keratong 2
			Keratong 3
			Keratong 9
			Lepar Hilir
17/11/2023	Gambang		Chini 2
	Chini		Chini 3
			Bkt Kepayang
28/11/2023	Bera		Tementi
29/11/2023	Jengka		Triang
			Kota Gelanggi
			Jengka 21
			Jengka 3
			Jengka 8
			Lepar Utara 6
			Padang Siol
			Seroja
			Bkt Sagu
30/11/2023	Kuantan	Terengganu	Neram
	Kemaman	Pahang	Panching
	Kuantan	Terengganu	Jerangau Barat
20/12/2023	Ajil		Kerteh
	Paka		Chalok
19/12/2023	Setiu		
21/12/2023	Bentong	Pahang	Mempaga
			Krau
27/12/2023	Kuala Kubu	Selangor	Sg Tenggi
28/12/2023	Behrang	Perak	Besout
			Trolak

20. Regularly engages with a subset of high risk mills? (Indicator 176)

FGV engage with the supplier and third-party by Independent Consultation Programs, Sustainable and Traceable FGV Supply Chain Workshop 2023-2024, and Stakeholder Engagement.

Comprehensive

At FGV, stakeholder engagement is crucial for advancing sustainable development both within our operations and the surrounding area. This is to ensure there are no conflict arise due to our operation especially towards the local community.

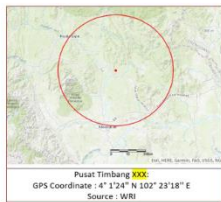
Its aim to demonstrate the commitment to open and comprehensive project management by actively seeking feedback from all supplier and third-party. The goal is to implement the management plan effectively, minimizing negative impact while enhancing positive outcomes. FGV maintains an ongoing collaborative effort with our smallholder partners to continuously improve their agricultural practices, aligning with our commitment to becoming a responsible and sustainable palm oil producer.

The training will share on how the supplier to using the e-Procurehere, the system for supplier to register, tender invitation, and latest updates from FGV.

Training program with independent smallholder aims to consistency of business collaboration, fair product and service price, changes of current market, and fulfil current market. This training also to engage with all supplier and third-party how to analyse risk and tools were using for risk.

Analisa risiko pembekal dari Pusat-pusat Timbang

- ✓ Sebanyak 145 pusat timbang telah memberikan lokasi GPS mereka
- ✓ Sebahagian daripadanya beroperasi di sekitar Kawasan berisiko tinggi
- ✓ Risiko sebenar tidak dapat ditentukan kerana tiadanya maklumat traceability pembekal individu



HISTORIC LOSS: MEDIUM RISK		
Indicator	Rank	Amount
Rate of tree cover loss	medium high	19208 ha/year
Tree cover loss on primary forest	low	0 ha
Tree cover loss on peat	medium	1639 ha
Tree cover loss on protected areas	medium	2435 ha

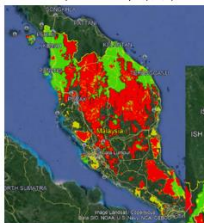
Supplier	Collection Centre	Volume FFB supply per month (MT)	MRP Priority	THREATS - Deforestation	THREATS - Peat	THREATS - Protected Areas	THREATS - Fire	THREATS - Overall
CCT11		500	Low	Low	Low	Low	Low	Low
CCT12		500	Low	Low	Low	Low	Low	Low
CCT13		300	Medium	Low	High	Low	High	High
CCT14		1200	Low	High	Low	Low	Low	Medium
CCT15		2300	Low	Low	Low	Low	Low	Low
CCT16		500	Low	Low	Low	Medium	Low	Low
CCT17		2000	Low	Low	Low	Low	Low	Low
CCT18		700	Low	High	Low	Low	Low	Medium
CCT19		500	Low	Low	Low	Low	Low	Low
CCT20		800	Low	High	Low	Low	Low	Medium

Analisa risiko pekebun kecil –penghantaran terus ke kilang Sawit FGV

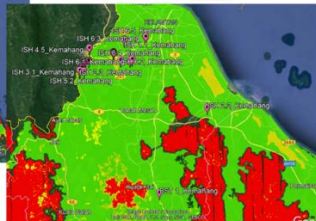
- ✓ Kesumua pembekal pekebun kecil yang disahkan Kawasan kebun mereka berada dalam Kawasan risiko rendah



HCV risk area in peninsular Malaysia (LUMH)



HCV risk area of FFB suppliers to Kemahang POM



	Low	Medium	High
Besout	100%	0%	0%
Bukit Kepayang	100%	0%	0%
Bukit Mendi	100%	0%	0%
Jengka 8	100%	0%	0%
Kechau B	100%	0%	0%
Kemahang	100%	0%	0%
Kemasul	100%	0%	0%
Kota Gelanggi	100%	0%	0%
Krau	100%	0%	0%
Lepar Utara 6	100%	0%	0%
Mempaga	100%	0%	0%
Pasoh	100%	0%	0%
Serting	100%	0%	0%
Serting Hilir	100%	0%	0%
Sungai Tengi	100%	0%	0%
Tementi	100%	0%	0%
Tersang	100%	0%	0%
Trolak	100%	0%	0%
Triang	100%	0%	0%

Analysed based on Group Certification document (RSP0-GUI-T06-008 V1.0 ENG). 19

Below table is the schedule for Sustainable and Traceable FGV FFB Supply Chain Workshop in 2023:

Date	District	State	Mills
29/08/2023	Kluang	Johor	Belitong
			Kulai
			Penggeli
30/08/2023	Kota Tinggi	Johor	Adela
24/10/2023	Kota Tinggi	Johor	Air Tawar
			Lok Heng
			Semenchu
			Tenggaroh
			Tenggaroh Timur
			Wa Ha
25/10/2023	Kluang	Johor	Kahang
	Mersing		Nitar
26/10/2023	Segamat		Maokil
14/11/2023	Rompin	Pahang	Palong Timur
	Simpang Pertang	Negeri Sembilan	Pasoh
	Jempol		Serting
	Jempol		Serting Hilir
15/11/2023	Rompin	Pahang	Selancar 2A
	Rompin		Selancar 2B
16/11/2023	Keratong		Keratong 2
			Keratong 3
			Keratong 9
			Lepar Hilir
17/11/2023	Gambang		Chini 2
	Chini		Chini 3
			Bkt Kepayang
28/11/2023	Bera		Tementi
29/11/2023	Jengka		Triang
			Kota Gelanggi
			Jengka 21
			Jengka 3
			Jengka 8
			Lepar Utara 6
			Padang Siol
			Seroja
			Bkt Sagu
30/11/2023	Kuantan	Terengganu	Panching
	Kemaman	Pahang	
	Kuantan		
20/12/2023	Ajil	Terengganu	Jerangau Barat
	Paka		Kerteh
19/12/2023	Setiu		Chalok
21/12/2023	Bentong	Pahang	Mempaga
			Krau
27/12/2023	Kuala Kubu	Selangor	Sg Tenggi
28/12/2023	Behrang	Perak	Besout
			Trolak
21. Regularly assesses and categorises the risk level of all their own and third party supplying mills? (Indicator 178)			
At FGV, ensuring responsible sourcing of raw materials is a cornerstone of the commitment to sustainability. They actively engage with the suppliers to uphold these standards, fostering compliance with the group's sustainability commitments across their supply chain. Since 2023, they have conducted a comprehensive series of engagements through the FGV Trading			Comprehensive

roadshow, reaching out to 508 of the fresh fruit bunch (FFB) suppliers, which represents 50% of the Tier 1 FFB supply base.

During these engagements, they assess the suppliers on their adherence to FGV's sustainability compliance, ensuring they align with the environmental, social, and ethical guidelines. This proactive approach not only strengthens the supply chain resilience but also reinforces the dedication to promoting sustainable practices throughout the operations. By maintaining close partnerships and rigorous assessments, FGV continues to drive positive change towards a more sustainable future.

FGV uses the Global Forest Watch (GFW) Pro and Google Earth Pro platform to trace and monitor deforestation around their own operation and supplier. The platform can detect land-clearing activities that encroach into protected areas. The communication using to all their supplier and monitor their sustainability risk using the platform. The supplier will be assessed using '*Senarai Semak Pembekal BTS Luar (Tier 1)*' form and contain supplier profile, source of FFB, use of land and workers' profile. If the supplier is associated with deforestation activity, or involved with, they will be subjected to the Supplier Code of Conduct.

For internal source, the assessment will be conducted as an internal audit RSPO and MSPO to all mills as per standard requirement. Sighted the assessment checklist for internal audit. For the third-party supplier will be assessed by the Traceability Department on the compliance and identify the risk level.

Sighted the risk mill level of all mills on annual basis. The own internal mill has been assessed on yearly basis and categorized by using Global Forest Watch Pro:

- High Risk – 28%
- Medium Risk – 41%
- Low Risk – 30%

All supplying mills to KCP have been assessed on the risk which consist of the threats and values.

The Values index considers the risk that deforestation-related impacts associated with a particular mill will occur in the future. For each selected mill you can discern the overall Values index risk level, and the risk level for each of the three environmental indicators that comprise the Values index. There are three options for risk levels – low, medium, and high, denoted by the colours yellow, orange, and red respectively on the GFW pro website:

VIEW Commodity Risk											
Q Type and press Enter											
SELECT FILTERS ADD COLUMNS											
LIST DIAGNOSTIC FULL LIST MAP											
	T + V	Threats					Values				
<input type="checkbox"/>	Location Name	Mill Pri...	Defo...	Peat	Prot...	Fire	Over...	Forest	Peat	Prot...	Over...
<input type="checkbox"/>	ADELA	LOW	●	●	●	●	LOW	●	●	●	LOW
<input type="checkbox"/>	AIR TAWAR	LOW	●	●	●	●	LOW	●	●	●	LOW
<input type="checkbox"/>	ARING A	HIGH	●	●	●	●	HIGH	●	●	●	HIGH
<input type="checkbox"/>	Asian Plantation Mil...	MED	●	●	●	●	MED	●	●	●	MED
<input type="checkbox"/>	BAIDURI AYU	HIGH	●	●	●	●	MED	●	●	●	HIGH
<input type="checkbox"/>	BELITONG	HIGH	●	●	●	●	HIGH	●	●	●	MED
<input type="checkbox"/>	BESOUT	HIGH	●	●	●	●	MED	●	●	●	HIGH
<input type="checkbox"/>	BKT. SAGU	MED	●	●	●	●	MED	●	●	●	MED
<input type="checkbox"/>	BUKIT MENDI	LOW	●	●	●	●	MED	●	●	●	LOW
<input type="checkbox"/>	CHALOK	MED	●	●	●	●	MED	●	●	●	MED

To find risk levels, the amounts for each indicator were calculated on the Universal Mill list (UML) (most current publication of the UML at the time of the method publication). For risk calculation, all amounts are normalized to area. Using the results from this baseline set of mills, thresholds were established based on quantiles of data (more details on the divisions will be provided in the group's forthcoming technical note) and the cutoffs of these divisions divide the mills into low, medium, or high. Risk is also summarized for all Threats and Values indicators by assigning a score to each low, medium, or high category and then summarizing these scores to get low, medium, and high categories for an overall threat and overall value score as well as a mill priority.

22. Regularly reports the risk level of all own and third party supplying mills identified in its supply chain (Indicator 179)

Sighted the report FGV SUSTAINABILITY PERFORMANCE AND UPDATES 2021 2022 2023 dated 1st July 2024. The report regularly updates and published in the websites. The report consist of the following contents:

1. NDPE Implementation Reporting Framework
2. Monitoring deforestation in our supplier's operation
3. GSP Compliance Framework
4. Peatland Area
5. No Open Burning/ Use of Fire
6. Climate Action
 - 6.1 Carbon Management
7. Water Use Intensity
 - 7.1 Refinery Water Intensity Performance
 - 7.2 Mill Water Intensity Performance
8. Water Quality (BOD and COD)
9. Stakeholder Engagement
10. Independent Smallholder Consultation Programs
11. Supplier Engagement on FGV's Sustainability Compliance

The report observed on the website as per picture below:

Comprehensive

Updates

Search Year Month

<p>23 August 2023</p> <p>Final Summary Report SPOTT 2023</p>	<p>15 August 2023</p> <p>FGV Sustainability Performance And Updates 2021-2022</p>	<p>24 August 2022</p> <p>Fair Labor Association's (FLA) Independent External Assessment (IEA) Report</p>
<p>22 April 2022</p> <p>GCEO Statement on IPCC Report – FGV Commitment to Climate Action</p>	<p>16 July 2021</p> <p>FGV's Pledge Against Child Labour</p>	<p>01 July 2021</p> <p>FGV Sustainability Updates – July 2021</p>
<p>01 April 2021</p> <p>FLA Assessment Report on the Implementation of FGV's Action Plan to Enhance Labour Practices</p>	<p>27 January 2021</p> <p>FGV Sustainability Updates – January 2021</p>	<p>14 October 2020</p> <p>Updates and Developments around the Withhold Release Order Issued by the US Customs and Border Protection</p>
<p>07 October 2020</p> <p>FGV's Progress Report (October 2020) Pertaining to RSPO's Complaints Panel's Directives of 28 November 2018</p>	<p>02 October 2020</p> <p>FLA Assessment Report on the Implementation of FGV's Action Plan to Enhance Labour Practices</p>	<p>26 September 2020</p> <p>Statement on FGV's Commitment to Human Rights</p>

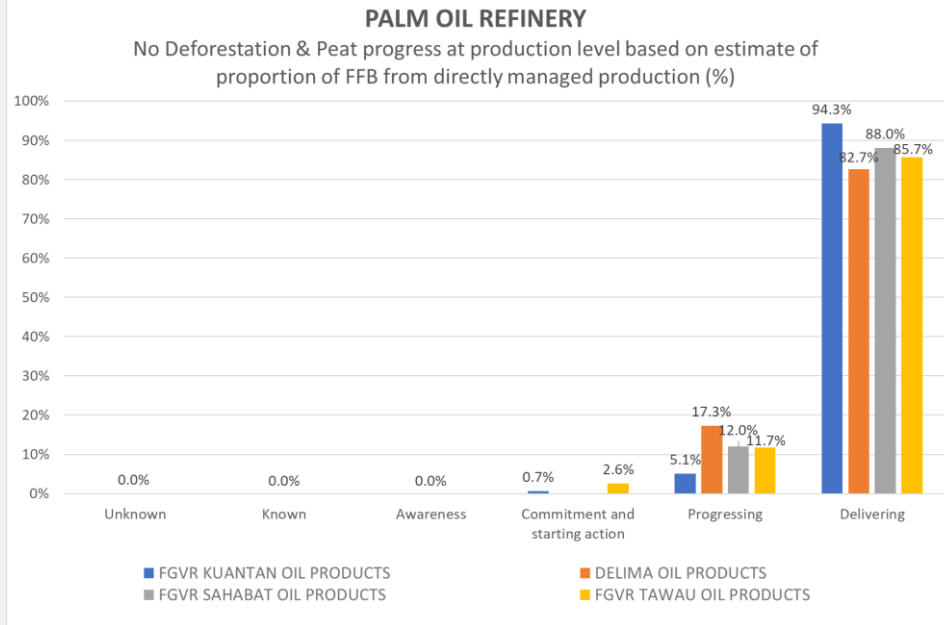
[Report & Updates – FGV Holdings Berhad](#)

The risk mill for internal estate has been categories into 3 main risk which are High, Medium and Low. The risk assessment for own internal and third party are using Global Forest Watch Pro (GFWP). Sighted the sample risk mill for own internal estate and the details of parameter been verified for the risk classification such as:

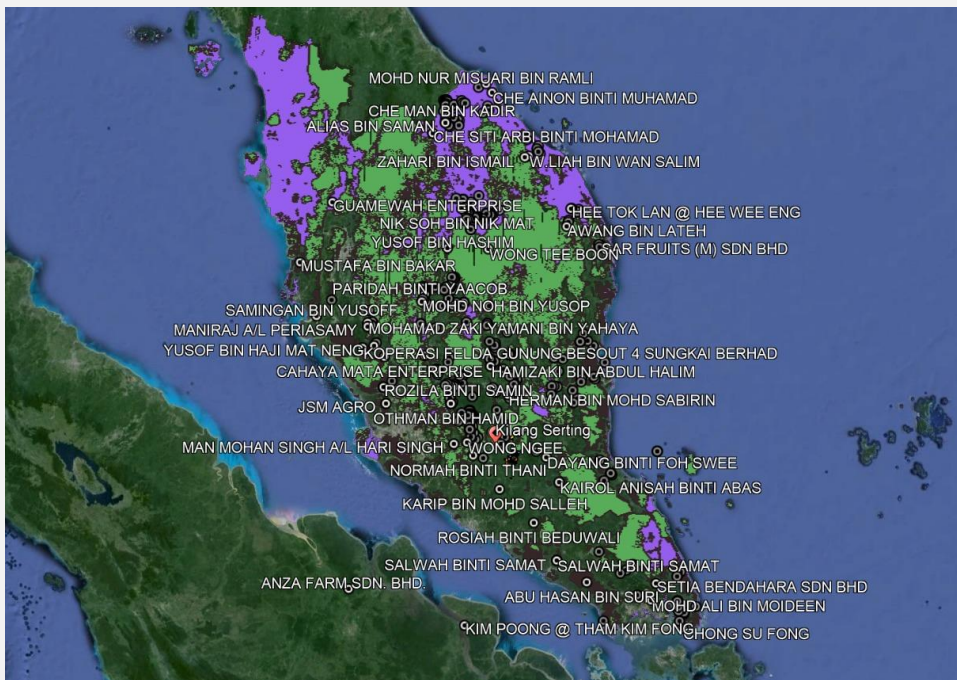
- Historic Site characteristic (Tree cover extent, Primary Forest, Protected Area, Peat ,)
- List Attributes (total hectarage)
- Loss of Forests (from year 2001 until 2018) - hectarage loss (116,552)
- Percentage of Historic Area Lost (Tree Cover Loss, Primary Forest, Protected Area, Peat, Intact Forest landscape

Sample for the mill covering Adela, Air Tawar, Aring A, Baiduri Ayu, Belitong, Besout, Bukit Kepayang, Bukit Mendi and Bukit Sagu palm oil mill.

FGV also conducted NDPE Verification internally and the result percentage:



Current data, geolocation, particular supplier, dealers, and mills are annually assessed. Traceability Department reported to Group Management committee which stated 110 collection centres and all 880 smallholders have been risk mapped. None with all high-risk status and overall risk related to scope of work and risk mapping.




Sample of risk mapping for smallholder in Peninsular Malaysia.

3.2 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.


I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative, pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Verifier.

Acknowledged by:		 Signature
Name:	K. Ilangovan	
Position:	Head, Sustainability Technical Department, Group Sustainability Division	
Date:	19 th August 2024	


3.3 Signing by the Lead Assessor

I the undersigned, being the Lead verifier, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:		 Signature
Name:	Mohamad Fitri Mustafa	
Position:	Lead Assessor	
Date:	22.07.2024	

3.4 Signing by the Reviewer

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:		 Signature
Name:	Ebnun Holdoon Shawal	
Position:	Reviewer	
Date:	16 th August 2024	