



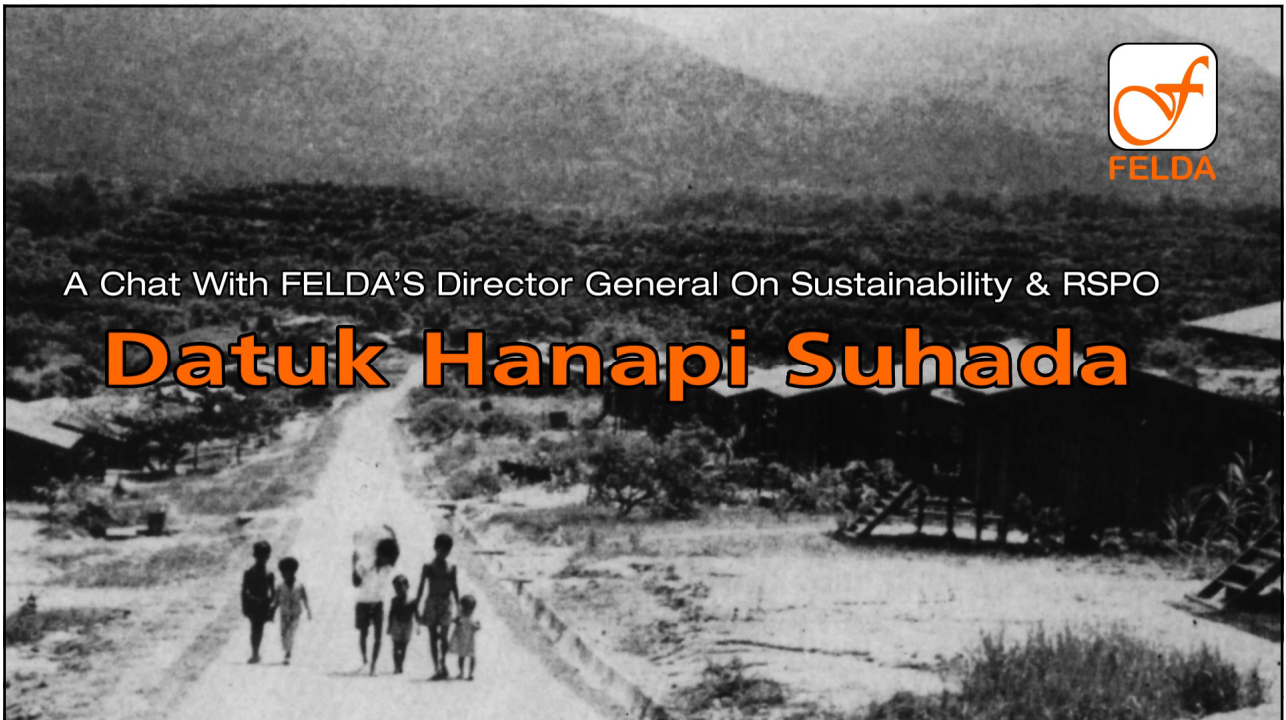
## RT- RSPO Panel Discussion Emerging Labour Issues

Date: 9<sup>th</sup> November 2016  
Denys Collin Munang  
Chief International Business Officer



A Chat With FELDA'S Director General On Sustainability & RSPO

# Datuk Hanapi Suhada





**Sharing our journey so far**  
It begins with this



**1. Commitment from the Top**

- Top Management Commitment
- Prepared to take that Bold Step



**2. That North Star**

- Group Sustainability Policy
- Specific, Actionable & Measurable Plan



**3. Transparency & Engagement**

- Public Release of Findings
- Be ready to engage



**4. Submit to a process**

- Internal Audit
- Collaboration with external organization – TFT
- Certification Audit - RSPO
- Publish progress regularly



**5. Embrace Social Media**



**6. Training/Awareness & Knowing your Stakeholders**

- Smallholders
- Planters
- Bosses



**7. Prosper thy neighbour**

- Round table discussion with Industry Peers
- Sharing & Advocacy

**FELDA & FGV ACTIONS**

Full and Transparent Disclosure with a Specific & Actionable Plan



FELDA & FGV Actions		Chronology of Milestones		
1	We made our Declaration on 3rd May 2016 that we VOLUNTARILY withdraw our RSPO certification, because of our Social Compliance Issues. We could have chosen the easy way, but we chose this path.	1	26 Jul 2015	WSJ published an article on Palm oil migrant workers tell of abuses on Malaysian Plantations claiming abuses of human rights.
2	We Acknowledge our Social Compliance Issues openly with our YouTube videos (featuring Group President & CEO of FGV, & Director General of FELDA) and the public release of the Wild Asia report.	2	9 Oct 2015	RSPO commissioned ASI to conduct compliance assessments issuing the compliance audit and investigation report <a href="http://www.rsपो.org/files/download/40cbe54823271bc">http://www.rsपो.org/files/download/40cbe54823271bc</a>
3	We have made it very clear - our Vision & Commitment to address the Social Compliance Issues comprehensively. (i) Releasing a formal policy on Sustainability. (ii) Refocusing our sustainability efforts towards Social Compliance. (iii) Working on a Social Compliance Management System, as recommended by the Wild Asia report and (iv) Increased and improved our engagements with FELDA & FELDA Settlers.	3	Apr 2016	FGV implemented revised salary slip format for workers that reflect clear earnings and deductions.
4	We have committed to independent Evaluation. We commit to report our progress regularly. We are also looking at working with other NGOs to help us in achieving our vision and to provide impartial evaluation.	4	May 2016	Completed 4 estates (708 workers) for Safety Box as an option for foreign workers to keep their passports. 2 <sup>nd</sup> phase is starting for another 731 workers.
5	RSPO New Certification - We have committed to RSPO New Certification for all 72 Complexes by following the new Time Bound Plan.	5	3 May 2016	FELDA and FGV withdrawal of RSPO P&C
		6	13 June 2016	Internal audit for 16 complexes started
		7	21 June 2016	1 <sup>st</sup> video clip featuring FGV Group President & CEO, Dato' Zakaria Arshad who talks on FGV's commitment in educating FELDA settlers on RSPO as well as applying good agronomy practices
		8	30 June 2016	High-level meeting with FELDA, FGV and RSPO BoG on Membership and Certification – Full transparency and a clear action plan
		9	4 Jul 2016	FELDA and FGV published a Time Bound Plan for RSPO Certification.
		10	15 Aug 2016	Employment Contract translated into 5 different languages - English, Bengali, Tamil, Nepali and Tagalog.
		11	21 Aug 2016	Kicked off 1 <sup>st</sup> Sustainability Awareness Training at FELDA Palong 1 for schemes smallholders.



## A Plan must be Specific & Actionable Plan

Specific & Actionable Plan	Chronology of Milestones (continue)
<p><b>1 Engagement of TFT</b></p> <p><b>Objective</b></p> <ul style="list-style-type: none"> <li>To recommend a <b>Specific, Measurable and Time-bound</b> plan of action by providing FGV/Felda/FTP with robust steps forward to ensuring the compliance of focus areas.</li> </ul> <p><b>Focus Areas include:</b></p> <ol style="list-style-type: none"> <li>1) Forced &amp; Bonded Labour</li> <li>2) Passport Retention</li> <li>3) Ethical Recruitment</li> <li>4) Minimum Wage</li> <li>5) Health &amp; Safety</li> </ol>	<p><b>12 25 Aug 2016</b> Group Sustainability Policy approved &amp; released which addresses many of the compliance issues mentioned that also align FGV policies with ILO and UNDP guidelines, amongst others. <a href="http://www.feldaglobal.com/wp-content/uploads/2016/09/Group-Sustainability-Policy-Corporate-WebsiteEV.pdf">http://www.feldaglobal.com/wp-content/uploads/2016/09/Group-Sustainability-Policy-Corporate-WebsiteEV.pdf</a></p> <p><b>13 Sept 2016</b> Time record for worker's attendance and working hours had been introduced and Estates are forced to use the new system to track the workers time of work to mitigate minimum wage disputes.</p> <p><b>14 29 Sept 2016</b> Appointment of TFT as a Sustainable Partner on a short term engagement. The purpose is to derive a time bound action plan to close out five focus areas highlighted in the Wild Asia Report. Subsequently, progress towards the development of Social Compliance Management System (SCMS).</p> <p><b>15 23 Sept 2016</b> Completed Internal Audit for all 16 complexes and ready to undergo the External RSPO Audit.</p> <p><b>16 13 Oct 2016</b> The release of 2<sup>nd</sup> Sustainability video with Dato' Director General FELDA. He publicly declares the four labour and social issues found and actions taken to address them.</p> <p><b>17 19 Oct – 2 Nov</b> FGV-Contractors Meet – emphasizing on the legal labour requirements, which have been embedded in the revised contract. (7 sessions). Contractors will implement revised salary slip format as imposed by FGV by Jan 2017.</p> <p><b>18 4 – 10 Oct 2016</b> CUC conducted Partial Verification Audit for New RSPO Certification. 10<sup>th</sup> Oct FGV discussed with RSPO Secretariat on CUC's findings for separate membership.</p> <p><b>19 05 – 11 Oct 2016</b> FGV response to RAN's letter to customers and Investors, and Wild Asia Report made publicly available in FGV's website. <a href="http://www.feldaglobal.com/wpcontent/uploads/2016/04/201603301415_ran.pdf">http://www.feldaglobal.com/wpcontent/uploads/2016/04/201603301415_ran.pdf</a></p>
<p><b>2 Public Release of Wild Asia Report</b></p> <p>We have made available on our website the full report of Wild Asia on those issues for the public to download. This is there for the public to be able to gauge where we have been and where we intend to go. <a href="http://www.feldaglobal.com/wp-content/uploads/2016/10/FGV-Group-Review-and-Field-Report_04032016.pdf">http://www.feldaglobal.com/wp-content/uploads/2016/10/FGV-Group-Review-and-Field-Report_04032016.pdf</a></p>	
<p><b>3 Commitment to Publish Progress to all Stakeholders</b></p> <p>We will issue quarterly announcements on our website, as well as continue our face-to-face engagements with our stakeholders.</p>	

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## A Plan must be Specific, Actionable & Measureable

### Measurement of effectiveness

**Withdrawal from RSPO Certification Provides FGV a fresh platform – 0 base**

- Phase 1 - FGV- TFT Project Effectiveness**

  - ✓ Focus group discussion with settlers, document checks and interviews.
  - ✓ Report with recommendations and action plan.
  - ✓ Presentation to FELDA, FTP and FGV managements on the work plan and milestones.
- Phase 2 – Internal Assessment for all FGV Complexes Certification process**

  - ✓ Outcomes of FGV-TFT project to supplement the implementation of FGV and small holders' Certification initiative.
  - ✓ Monitor progress of planned activities against deadlines
  - ✓ Internally assess & monitor commitment of FELDA's settlers pertinent to FGV complexes
- Phase 3 - External certification of every FGV complex**

  - ✓ Establish database of smallholders who are / are not successful in the sustainability journey – based upon their external certification.

### Where we are in 2016

16 Complexes completed internal audit

2016 target 16 Complexes are ready to undergo external audit

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**Thank You**