



Officer In-Charge / Acting Group President

28th August 2017

Dear Valued Business Partners,

Pursuant to the feedbacks that we have received from our stakeholders with regards to FGV's plantation located in Kalimantan, Indonesia, Felda Global Ventures Holdings Berhad ("FGV") wishes to inform that with effect from 24th August 2017, the Company has enhanced the Group Sustainability Policy ("GSP") to reflect the following additional elements :

FGV Group :

- a) pledges to no deforestation, no conversion of High Conservation Value (HCV) areas, no new planting on peat land immaterial of size and depth and no development of areas classified as having High Carbon Stock , irrespective of when the lands are acquired or owned by FGV Group;
- b) will adopt best management practices for existing peat land estates and endeavor to rehabilitate peat lands that have been planted after 25th August 2016; and
- c) will stop immediately all new development on peat lands irrespective of when the land was acquired or any previous RSPO New Planting Procedure approval.

The enhancements to the GSP is to reflect FGV's commitment to continuously support our customers NDPE Policies. The details of the above changes are enclosed in Appendix 1. In addition, you may refer to the full version of the GSP on FGV's corporate website under Sustainability page (link : <http://www.feldaglobal.com/sustainability/our-sustainability-policy/>)

Stop Work Order

FGV has since 25th April 2017 stopped the land development at PT Temila Agro Abadi (PT TAA) and PT Citra Niaga Perkasa (PT CNP) in Kalimantan, Indonesia. However, the development work had temporarily re- commenced for approximately two weeks in May 2017 due to the strong insistence by the neighbouring local communities for PT TAA to continue to develop the land. Subsequent to 19th May 2017 until todote, there is no more new land development carried out at PT TAA and PT CNP. With the enhancements in the GSP as stated above, the land development work at PT TAA and PT CNP shall be permanently discontinued.



Rehabilitation of Peat Land Developed after 25th August 2016

In respect of the peat lands which have been developed at PT TAA and PT CNP, FGV will use RSPO's land rehabilitation guideline as guidance and will consult Badan Restorasi Gambut Indonesia on the course of actions to be taken to implement the rehabilitation program.

Community Program at PT TAA and PT CNP

FGV is committed to maintain the existing good relationship with the local community at PT TAA and PT CNP and will endeavor to continue to engage with the local community. FGV is working with a local partner to formulate a community program to address the local community's concerns.

We value your trust in our partnership and truly appreciate your continuous support.

Best regards,

A handwritten signature in black ink, appearing to be 'Dato' Khairil Anuar Aziz', is written over a thin, light-colored line that extends from the signature area towards the left.

Dato' Khairil Anuar Aziz
Officer In-Charge / Acting Group President
Felda Global Ventures Holdings Berhad



APPENDIX 1

Old Provision in the GSP	New Provision in the GSP (Clause 7.7)
<p>"The Group shall not perform any new development in areas rich in biodiversity or that are under protection e.g. primary forests, wildlife reserves and wetlands. FGV Group has appropriate action plans in place which are in line with international guidelines and established practices to guide the operations in close proximity to these areas and to continually improve the Group's practices. The Group pledges to no conversion of HCV areas, peat soil, and/or areas with High Carbon Stock ("HCS") and implementation of Best Management Practices for existing peat land estates. The Group shall perform a HCV assessment through which it will develop management and monitoring plans. In addition, the Group will ensure that the operations do not pose a threat to wildlife and establish programmes to enhance and enrich habitats of endangered species."</p>	<p>The Group shall not perform any new development in areas rich in biodiversity or that are under protection e.g. primary forests, wildlife reserves and wetlands. The Group has appropriate action plans in place which are in line with international guidelines and established practices to guide the operations in close proximity to these areas and to continually improve the Group's practices. The Group pledges to no deforestation, no conversion of High Conservation Value (HCV) areas, no new planting on peat land immaterial of size and depth and no development of areas classified as having High Carbon Stock (HCS) irrespective of when the lands are acquired or owned by FGV Group. FGV Group will adopt best management practices for existing peat land estates and endeavour to rehabilitate peat lands that have been planted after the Date of the First Approval of the Policy. FGV Group will stop immediately all new development on peat lands irrespective of when the land was acquired or any previous RSPO New Planting Procedure approval. The Group shall perform a HCV assessment through which it will develop management and monitoring plans. In addition, the Group will ensure that the operations do not pose a threat to wildlife and establish programmes to enhance and enrich habitats of endangered species .</p>