

POLICY ON EMPLOYMENT OF YOUNG WORKERS

1. Introduction

FIMA is committed to fair labour practices in the workplace as espoused in the Good Social Practices Policy. FIMA expects its employees and suppliers¹ to take appropriate steps to ensure that they subscribe to the same principles and practices, which include a prohibition of the use of child labour. FIMA acknowledges that every child has the rights, among others, to a healthy and safe environment with access to education, play and recreation, an adequate standard of living and to be protected from abuse and harm. FIMA does not tolerate the use or exploitation of child labour in any areas of its operations², including its supply chains³.

This Policy on Employment of Young Workers ("Policy") articulates FIMA's commitment in addressing and managing child labour risks in their operations and supply chains. The purpose of this Policy is to ensure that the FIMA group of companies:

- is compliant with applicable local, national and other applicable laws and regulations in the areas in which the businesses operate;
- sources products and services in accordance with legal obligations and community expectations while working with suppliers to improve their social and environmental practices;
- act to prevent and mitigate the use of child labour in their operations and supply chains.

This Policy is based on:

- Children and Young Persons (Employment) Act 1966 and Children and Young Persons (Employment) (Amendment) Act 2019, which is applicable in Peninsular Malaysia, Sabah Labour Ordinance 1950 and Sarawak Labour Ordinance 1952, (collectively, "the Malaysian Labour Laws");
- International Labour Organisation (ILO) Conventions No. 138 on the Minimum Age and No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (ILO Conventions);
- The United Nations Convention on the Rights of the Child (UNCRC).

FIMA will review and update this Policy at regular intervals to ensure compliance with changing laws and regulations.

2. Policy Application

2.1 The principles of this Policy must be complied with or incorporated into policies within the division or business unit (as applicable).

- (a) It shall be the responsibility of the management of the respective division/business unit and their respective Human Resource Department to implement policies and procedures

¹ 'Suppliers' is defined as factories, supplier sites and providers of goods or services to FIMA and its divisions/business units.

² 'Operations' is defined as activity controlled by FIMA and its divisions/business units.

³ 'Supply chains' is defined as suppliers, sub-contractors and service providers to FIMA and its divisions/business units.

to ensure that it is addressing child labour and ethical sourcing risks in its operations and supply chains in a way that is appropriate for the relevant division/business unit.

- (b) Each division/business unit must, as far as practicable, include in its operational and supplier contract terms, requirements that suppliers comply with all local, national and other applicable laws as well as the ILO Conventions in the areas in which they operate.
- (c) Each division/business unit must, as far as practicable, use in its operational and supplier contract terms requirements that suppliers:
 - (i) have, at a minimum, the following measures set out in Para 4 of this Policy within their own businesses (Minimum Standards);
 - (ii) provide the division/business unit with rights of termination if the supplier is unable or unwilling to work towards full compliance with the Minimum Standards.

3. Definitions

- 3.1 For the purposes of this Policy, the definitions adopted by FIMA below are based upon the provisions of the Malaysian Labour Laws and ILO:

Child: a person under the age of 15 years old.

Hazardous work: as any kind of work that might be prejudicial to a person's health, safety, morals, and development including, but not limited to, night shifts, overtime, moving heavy objects, exposure to extreme temperature and noise, and handling dangerous machinery. A non-exhaustive list of hazardous work is attached in Annexure [1].

Minimum working age: Under the ILO, "no person shall work at an age younger than 15, unless exceptions recognised by the ILO apply, or national laws apply, whichever is most stringent".

Young Workers: are at least 15 but not yet 18 years of age. Employment of Young Workers is permitted only in compliance with the provisions of national law and international standards.

- 3.2 In keeping with the foregoing, FIMA defines child labour as work by children under the age of 15; and work by children under of age of 18 that is hazardous to the harmful to their physical and mental development. This includes any child below the minimum working age engaged in non-light work, and Young Workers engaged in hazardous work.

4. Employment of Young Workers

- 4.1 While FIMA's standard policy is to employ only individuals aged 18 and above, FIMA acknowledges that ILO Conventions and national laws permit the employment of Young Workers under specific conditions. These conditions, which include restrictions on working hours and job types, are detailed in Para 4.3 of this Policy. To ensure strict compliance, all Young Workers employed or performing tasks on FIMA's premises, must comply to the restrictions outlined in Para 4.3 of this Policy.
- 4.2 Furthermore, third-party employers and contractors engaged to perform for or work on behalf of FIMA shall verify and submit a written undertaking to FIMA confirming that all their workers meet the minimum age requirements and comply with the restrictions outlined in Para 4.3 of this Policy. Failure to comply may result in immediate contract termination and other appropriate

legal action. Each division/business unit and their respective Human Resource Department must establish clear recruitment procedures to ensure all workers are above the minimum working age at the time of hiring. A copy of such identification and all other legally required documentation must be kept on file during the entire period of employment. A separate register of Young Workers must be maintained.

4.3 Employment of Young Workers will be subject to the following Minimum Standards:

- (a) Young Workers may work up to a maximum of 6 days a week, 7 hours a day including rest of 1 hour, or in compliance with applicable local laws whichever is most stringent.
- (b) Young Workers may not work overtime. Assignment to night shifts is also prohibited.
- (c) Young Workers must not work between 8.00 p.m. to 7.00 a.m.
- (d) Paid leave of Young Workers may not be shorter than that of adult employees. Young Workers should be covered by social security insurance. Such insurance should cover work accidents and other appropriate employment-related insurance.
- (e) No hazardous work and environment are allowed for all Young Workers or in any employment requiring him/her to work underground. Each division/business unit and their suppliers must ensure that Young Workers do not perform physically strenuous work or work that involves hazardous materials unless he/she is working under an apprenticeship contract or undergoing vocational training with personal supervision.

4.4 Each division/business unit and their respective Human Resource Department must ensure that adequate training is provided to Young Workers on occupational safety & health related topics and any supporting processes applicable to their role, in language/s that are understandable to them.

5. Dealing with Violations

- 5.1 Any violation of this Policy must be remedied immediately. In case child labour is identified in FIMA's supply chain or in the facility of any of the suppliers, FIMA will initiate the remediation procedures set out in Annexure [2].
- 5.2 All employees and suppliers have an obligation to report on any violations or of any risks related to child labour. Employees and suppliers are required to immediately contact the Head of Human Resource of the respective business unit/division and/or Group Human Resource & Administration, in the event any violations are suspected or discovered, or if you have any questions or concerns.
- 5.3 Violations of this Policy may lead to disciplinary action up to, and including, termination of employment/ partnership. Disciplinary process will be undertaken in accordance with FIMA's policies, all applicable local laws and other legal requirements.

Annexure [1]

Children and Young Persons (Employment) (Amendment) Act 2019
Fourth schedule

List of hazardous work

- A. Work related to machines, installations and other equipment
1. Machinery
 - (a) Any machine tools or production machine which can pose high risk such as drilling machines, grinding machines, cutting machines, lathes machines, scraping machines, power press machine, knitting machines, weaving machines, packaging machines and bottling machines;
 - (b) Steam boiler or internal combustion engine such as diesel engines, turbines and engines for generating electricity;
 - (c) Hoisting and loading machine such as lift, hoist, crane, escalators, conveyor belts, gondolas and forklift; or
 - (d) High pressure vessels.
 2. Heavy-duty machine such as tractors, rock breakers, graders, asphalt mixer, piling machine and agriculture machinery.
 3. Installations such as pressure pipe, electricity, firefighting system and electricity transmission lines.
- B. Work conducted in hazardous environment
1. Work that is expose to physical hazards
 - (a) Underground work, underwater or in a confined space such as a well or a tunnel;
 - (b) Working at height which can lead to serious bodily injury;
 - (c) Working environment which involves electricity at high voltage power line;
 - (d) Working in a caisson with limited ventilation;
 - (e) Work that uses electric welding machines or gas welding machines;
 - (f) Work in an environment with extreme temperature and moisture or high-speed wind;
 - (g) Work in an environment with noise or vibration where intensity exceeds the permissible exposure limits;
 - (h) Work to handle, store, use and transport radioactive substances;
 - (i) Work that produces ionizing radiation or work in an environment with ionizing radiation;
 - (j) Work in a dusty environment that is detrimental to health;
 - (k) Work which may lead to electrocution, fire or explosion; or
 - (l) Manual handling works which may pose high risk such as lifting, lowering, pushing, pulling, carrying or moving a load.
 2. Work that is exposed to chemical hazards
 - (a) Work in relation to production, processing, handling, storage, transport, removal, disposal or treatment of hazardous chemical as defined in the Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013; or

(b) Work in relation to production, processing, handling, storage, transport, removal, disposal or treatment of pesticides and schedule waste as defined in the Pesticides Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.

3. Work that is exposed to biological hazards

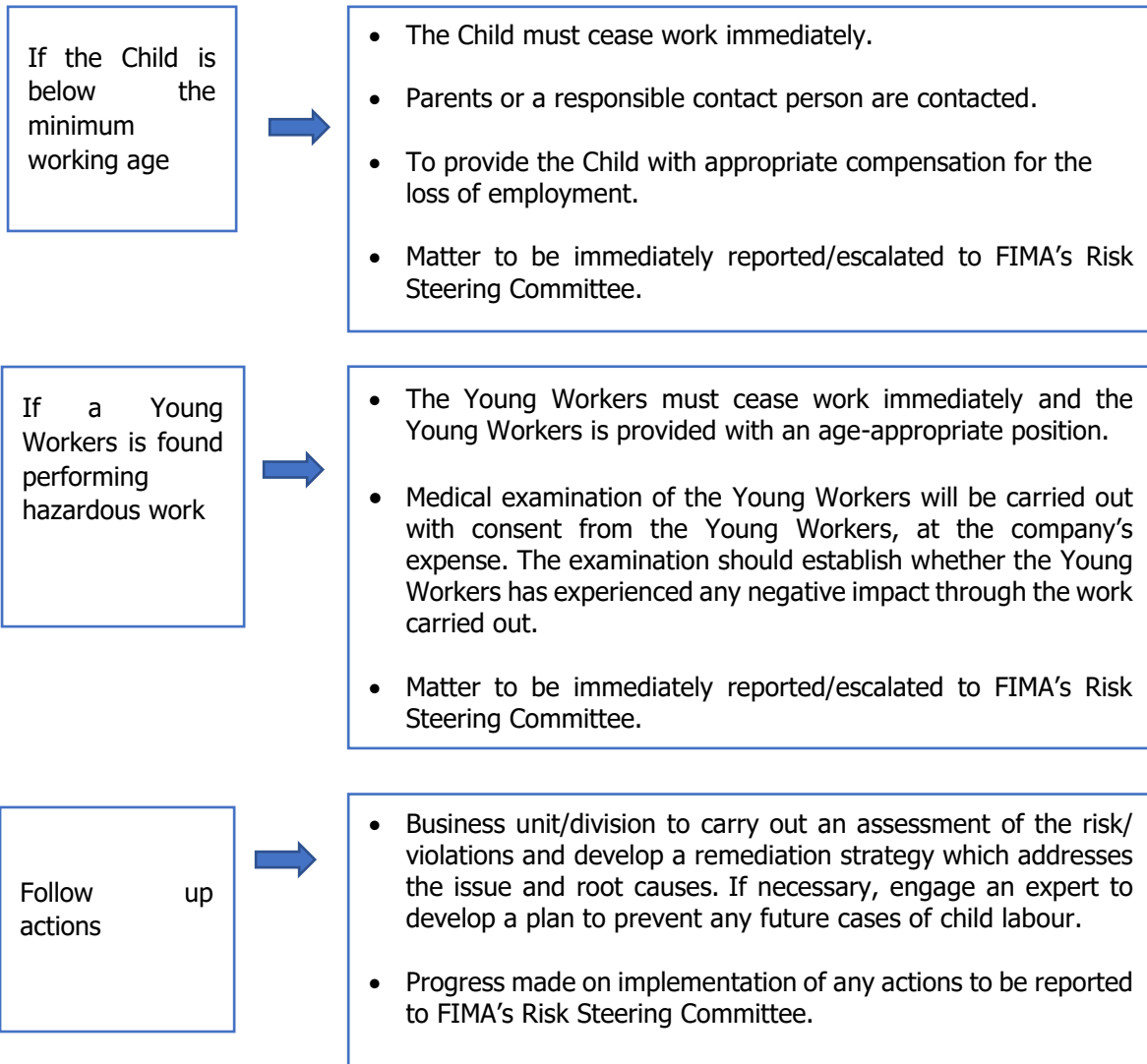
Work in an environment that relates to germs, bacteria, viruses, fungi, parasites and other biological agents such as works in clinical laboratories, slaughter house, meat processing place and silo or storage for storing crops.

C. Work contains certain hazardous nature and condition

1. Construction work including construction of building, bridges, roads, or irrigation project.
2. Work in timber industry such as cutting, transporting and unloading trees.
3. Work offshore such as working in a petroleum platform.
4. Work above or near water where the risk of drowning exists such as lifeguard, fishing activities and work in water treatment plant.

Annexure [2]

Process Upon Identification of Child Labour Risks and/or Violation of this Policy



Non-exhaustive list of hazardous work (Plantation)

Types of Work	Enhanced Definitions of Hazardous Work based on the Children and Young Persons Employment Act (Amendment 2019)	Permissible/ Non-Permissible
Harvesting fresh fruit branches without wearing protective gear, cutting fruit stalks and palm fronds Carrying overload sacks of palm fruits to carts, climbing palm trees	Work in an environment with extreme temperature and moisture or high- speed wind	Non-Permissible
	Working at height which can lead to serious bodily injury	
	Manual handling works which may pose high risk such as lifting, lowering, pushing, pulling, carrying or moving a load	
	Work in a dusty environment that is detrimental to health	
Spraying, transport fertiliser and chemicals, weeding and pest control	Work in relation to production, processing, handling, storage, transport, removal, disposal or treatment of hazardous chemical as defined in the Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 [P.U. (A) 310/2013]	Non-Permissible
	Work in relation to production, processing, handling, storage, transport, removal, disposal or treatment of pesticides and schedule waste as defined in the Pesticides Act 1974 [Act 149] and the Environmental Quality (Scheduled Wastes) Regulations 2005 [P.U. (A) 294/2005]	
Kernel crushing plant, handling heavy machineries in mill plantations, loading ramp	Any machine tools or production machine which can pose high risk such as drilling machines, grinding machines, cutting machines, lathes machines, scraping machines, power press machine, knitting machines, weaving machines, packaging machines and bottling machines	Non-Permissible
	Heavy-duty machinery such as tractors, rock breakers, graders, asphalt mixers, piling machine and agriculture machinery	
Manual weeding	Using of manual tools such as bush knives can exposed the user to dangerous cuts	Non-Permissible
Cleaning the estate office	Not harmful and not worst forms of child labour. Even so, OSH risk analysis is needed, for instance using the HIRARC (Hazard Identification, Risk Assessment, and Risk Control) to minimize injuries and accidents	Permissible
Childcare caregiver		
Quality checker	<ul style="list-style-type: none"> - To check harvesting and manuring standard - To census palm affected by pest - To carry out stand census. 	Permissible
Clerical/administration	- Key in data into system	Permissible

Non-exhaustive list of hazardous work (Bulking)

Types of Work	Enhanced Definitions of Hazardous Work based on the Children and Young Persons Employment Act (Amendment 2019)	Permissible/ Non-Permissible
Working in confined space area	Work in a confined space area such as but not limited to tank cleaning activities or performing preventive maintenance/attending break down inside confined space area	Non-Permissible
Working at heights	<ul style="list-style-type: none"> - Work on top of storage tank for ullage/dipping activities - Schedule maintenance - Discharging liquid products into tanker/ISO tanks 	Non-Permissible
Technical/ Electricity/ Welding/ Constructing	- Anything involved with electrical, power supply, construction, welding, etc	Non-Permissible
Handling chemical or hot/boiling products/material	<ul style="list-style-type: none"> - Discharging liquid material/products in/from storage tanks - Handling drumming/repacking activities involving chemicals/other liquid materials 	Non-Permissible
Transport/machines	<ul style="list-style-type: none"> - Driving/handling forklift/prime movers - Handling any machine tools or production machine which can pose high risk such as drilling machines, grinding machines, cutting machines, lathes machines, scraping machines, power press machine, knitting machines, weaving machines, packaging machines and bottling machines 	Non-Permissible
Clerical/administration	<ul style="list-style-type: none"> - Key in data into system - Photocopying - Documentation 	Permissible