

FGV Submits Petition to US CBP to Modify WRO

KUALA LUMPUR, 5 JULY 2024 – FGV Holdings Berhad (FGV) is pleased to announce that on 30 June 2024, the Group submitted its petition to the United States Customs and Border Protection (CBP) for the modification of the Withhold Release Order (WRO) that was issued in September 2020 on palm oil and palm oil products made by FGV. The submission comes after significant remediation efforts across its operations towards ensuring full enjoyment of labour rights and improving the welfare of workers.

FGV appointed LRQA (formerly known as ELEVATE) as an independent third-party to assess FGV's palm oil operations against the relevant labour standards, in particular the International Labour Organization (ILO) Indicators of Forced Labour. FGV also appointed Crowell & Moring as its legal counsel to advise the Group on requirements stipulated by US and international law to address the WRO.

Over the years, as part of the steps to address the WRO, FGV implemented a comprehensive remediation plan to close identified gaps in its labour practices and to align its operations with internationally recognised ethical labour standards.

Among a number of corrective measures, a key component of FGV's remediation plan involved reimbursing recruitment fees to its migrant workers. FGV has allocated a total of RM112 million for this purpose and has spent RM85.29 million to reimburse 22,600 workers to date.

The remediation plan includes the:

- strengthening of FGV's procedures for the recruitment of migrant workers in line with ethical recruitment principles and

standards, evidenced by enhancing due diligence measures in the appointment of recruitment agencies.

- enhancing infrastructure and housing facilities. During the time frame 2018-2023, a total of RM 487 million was spent to upgrade and construct new housing as well as enhancing internet connection in remote areas. An additional RM 605 million is further allocated for 2024-2026 to further enhance the infrastructures and housing facilities for workers. This also includes enhancing workers' access to internet connection at estates in remote areas by installing internet satellite facilities.
- strengthening FGV's grievance mechanism by updating its grievance policies and procedures, establishing a Grievance Management Committee and rolling out a third-party grievance channel, Suara Kami, that is accessible to all workers across FGV's estates and mills.
- promoting workers' right to freedom of association and facilitating the enjoyment of the right to join unions through collaboration with the National Union of Plantation Workers (NUPW).

These initiatives, which are also highlighted in FGV's submission to CBP, reflect FGV's seriousness in modifying the WRO. FGV's submission also sets out additional guidance and advice from the Group's advisors and consultants that demonstrates FGV's efforts in addressing the 11 ILO Indicators of Forced Labour. With the improvements and enhancements to its labour practices, it is FGV's utmost hope that its petition will lead to the modification of the WRO by the US CBP.

FGV remains steadfast in its commitment to promoting human rights as a fundamental pillar of FGV's corporate values. The company will continue to advance its rigorous ethical standards and labor practices, ensuring the fair treatment and fulfilment of rights of all workers across its operations in

the years to come.

FGV's commitment to the three pillars of its Group Sustainability Policy (GSP), which are promoting inclusive economic growth, respecting human rights and protecting the environment has transformed FGV into a responsible and sustainable company that continues to champion the sustainability agenda as part of its mission and vision.

ENDS