

Updates on the Clarification on the U.S. Customs and Border Protection's Withhold Release Order (WRO)

Media Statement

FGV Holdings Berhad (FGV) refers to the Withhold Release Order (WRO) issued by the United States Customs and Border Protection (CBP) on 30 September 2020 against palm oil and palm oil products made by FGV.

The Board of Directors of FGV wishes to inform that on 8 October 2020, FGV has communicated with the CBP via conference call to seek clarification on its investigation findings and on steps expected to be taken by FGV for the revocation of the WRO. Information around the CBP's investigation findings is imperative to enable FGV to address and resolve any remaining gaps in its practices.

However, the CBP could not reveal any information about its findings except that its research had identified the 11 International Labour Organization (ILO) indicators of forced labour in FGV's practices. The CBP did not disclose any further information about its findings including the nature or locations of any incidence linked to such indicators.

The CBP informed FGV that it would consider a petition for the revocation of the WRO together with information or reports arising from audits from credible, unbiased, third-party auditing firms. In relation to this, FGV is already in communication with several independent organisations to explore options for an imminent audit of FGV's operations. FGV expects to finalise the appointment of such an audit firm in the next couple of weeks and to proceed with the audits

shortly after.

FGV is committed to taking all necessary steps and measures towards the revocation of the WRO. FGV expresses its thanks and appreciation to the CBP for its readiness to discuss the matter with FGV, and FGV looks forward to continue engaging with the CBP.

At the same time, FGV remains committed to implementing its action plan under its affiliation with the Fair Labor Association (FLA). The FLA action plan can be accessed on FGV's website at fgv.iconcept-staging.com. The next progress report of the implementation of this action plan is due to be published on 31 March 2021.

FGV shall make further announcements if there are any further material development in respect of this matter.

FGV HOLDINGS BERHAD