

Additional 16,000 migrant workers will strengthen FGV's growth trajectory in 2023

KUALA LUMPUR, 4 November – FGV Holdings Berhad is recruiting an additional 16,000 migrant workers to solve labour shortage issue for its plantation business by end of 2023. The arrival of those workers will further strengthen FGV's growth trajectory via expected increase in its plantation yields and productivity.

The migrant workers are recruited from the source countries such as India, Indonesia, and Nepal. As of October 2022, FGV has received a total of 4,980 workers from India and Indonesia. In order to expedite the arrival of migrant workers, FGV chartered private flights to bring over 531 new recruits from India in September. The initiative in bringing over migrant workers through chartered flights will be executed throughout the year. Meanwhile, FGV expects another 3,000 new workers in November.



FGV expects to welcome 10,000 new recruits by end of this year

FGV began its recruitment in July and to date has recruited 68 percent of the workers and expects to welcome 10,000 additional new recruits by year end and another 6,000 workers by 2023.

According to Dato' Mohd Nazrul Izam Mansor, Group Chief Executive Officer of FGV, "Our recruitment is delayed for two years due to the COVID-19 pandemic. While adhering to stringent processes and procedures, we can now expect more workers to arrive to keep our production and plantation activities on track and to improve our productivity and yields."

The recruitment process is conducted based on recently revised FGV's Guidelines and Procedures for Responsible Recruitment and Employment of Migrant Workers. This includes prohibiting recruitment agents from charging workers any recruitment fees.

Upon arriving in Malaysia, recruits will undergo a four-day induction and orientation programme at FGV's One Stop Centre (OSC) in Gemencheh, Negeri Sembilan before being assigned to one of FGV's estates for three months of training.

New recruits will be trained in all types of fieldwork such as harvesting, fertilising, pruning, loading fruit bunches into transporters, plant nursery activities, and seed planting. They will receive daily wages during their training programs according to the current minimum order of the Malaysian government.

During the orientation programme, migrant workers will also be introduced to FGV e-Wallet system that facilitates cashless transactions for payroll and remittance of migrant workers. It was introduced in 2020, as part of FGV's efforts in supporting Government's initiatives toward cashless transactions.

The e-Wallet system also has additional functions including e-Attendance, e-Grievance, e-Announcements and e-SOS. Besides that, the application also allows migrant workers to make remittances to their families in their country of origin and workers are able to channel any grievances or complaints through the application.

He added, "FGV has implemented a few initiatives to show our appreciation and cares for our migrant workers, which includes funds for the construction of new workers' housing and facilities. With more recruits arriving, we have allocated RM4.8 million for new accommodation facilities."

In 2021, FGV allocated RM43 million for the refurbishment of the housing facilities and upgrading the equipment to ensure uninterrupted electricity and water supply.



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Although manual labour is still a major component of palm oil plantations, FGV has increased its digitalisation and mechanisation activities to modernise its plantations and mills using technology. Drones have been used for monitoring, collecting plantation data and managing weeds via aerial spraying. FGV has also developed other digitalisation methods which includes a positioning device, Geotagger to assist oil palm replanting activity and digital tracking of harvesting, manuring and Fresh Fruit Bunch (FFB) transportation.

“The focus for our Upstream operations is to record higher productivity and lowers costs by improving yields through digitalisation and mechanisation initiatives. We made good progress on our mechanisation plans and now have 115,000 Ha landbank fully mechanised using the Mechanised Assisted Infield Collection (MAIC) method. With the digitalisation and mechanisation plans in place, moving forward, FGV hopes to rely less on manual labour that would eventually alleviate our reliance on migrant workers.” Dato’ Mohd Nazrul added.

From the perspective of sustainability, FGV also upholds and respects employees’ rights in line with the international labour standards as enshrined in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. FGV is committed to ensuring that there shall be no use of force, including indentured labour,

bonded labour, or other forms of forced labour in its operation.

In line with the current shortage of foreign workers in Malaysia across various industries, FGV also hopes that both Ministry of Home Affairs and Ministry of Human Resources Resources will collaborate with the private sectors in accelerating the recruitment process of the foreign workers due to the high dependence of many sectors of the country on foreign workers especially among labour-intensive sectors such as plantation, manufacturing, retails and others.

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