FGV Makes Significant Strides in Addressing US Customs Withhold Release Order: RM72.2 mil reimbursed to workers; strengthened recruitment procedures for no recruitment fee.

KUALA LUMPUR, 10 January: FGV Holdings Berhad (FGV) continues to make good progress in its efforts to modify the Withhold Release Order (WRO) issued by the United States Customs and Border Protection (CBP).

FGV has given top priority to implement a remediation plan to uphold labour rights and address any gaps in its labour practices. A key component of FGV's remediation programme is the reimbursement of recruitment fees imposed on its migrant workers by third-party recruitment agencies.

In line with its commitment to ethical and responsible recruitment standards and the principle of 'no recruitment fee' for workers, FGV has allocated a total of RM112 million to reimburse recruitment fees to its migrant workers, including former migrant workers. The reimbursements to workers were made in three tranches that were paid in March, June, and September 2023 respectively. To date, a total of RM72.2 million has been reimbursed to 19,673 workers.

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Upon completion of the reimbursement programme for its current workers, FGV appointed LRQA, formerly known as ELEVATE to conduct a verification of the reimbursement exercise. LRQA is a leading global assurance partner, with a dedicated sustainability consulting department with vast experience in advancing social compliance and addressing forced labour risks by applying a worker-centric approach.

LRQA's verification procedures, which took place between 30 October and 24 November 2023, concluded that 100 percent of the workers who were interviewed had received all three tranches of the reimbursement exercise made by FGV. The positive outcome of LRQA's verification process reflects FGV's determination to fulfill its commitment to recompense its workers and to safeguard workers' rights and welfare.

FGV is also implementing a reimbursement programme for its former migrant workers who are eligible to receive recruitment fee reimbursements from FGV. With the support of LRQA, FGV is reaching out to its former workers to inform them about the reimbursement programme which is publicised periodically on FGV's social media accounts as well as in local newspapers in the workers' countries of origin. The former worker reimbursement programme will be carried out until end of 2024. To date, FGV has reimbursed 415 of its former workers amounting to RM1.77 million.

"FGV is fully committed to the principle of 'no recruitment fee for workers'. We have made every effort towards ensuring that our recruitment procedures are aligned with ethical recruitment standards," said Dato' Nazrul Mansor, Group Chief Executive Officer of FGV.

FGV has also strengthened its procedures for the recruitment of migrant workers by instituting additional measures including engaging LRQA to conduct surveys among the newly recruited workers to ascertain if they had paid any recruitment fees.

FGV's revised agreements with appointed recruitment agencies stipulate the obligation of recruitment agencies to reimburse workers who claim to have made any form of fee during recruitment. All reimbursements to be made by the recruitment agencies to workers will be verified by LRQA. Furthermore, recruitment agencies will be screened before their appointments and are required to undergo an assessment and capacity-building programme facilitated by LRQA to ensure ethical recruitment standards compliance.

FGV believes that these initiatives and measures will further strengthen its labour practices as FGV continues its efforts in lifting the WRO. LRQA is expected to conduct its follow-up assessment in the first quarter of 2024 which is to verify the implementation of FGV's overall remediation plan. With the outcome of the assessment, FGV will then prepare a petition to the CBP to modify the WRO, which will be submitted by the end of the second quarter of 2024.

FGV's commitment to labour rights and sustainability is part of a broader trend in the industry towards more ethical and sustainable business practices. As companies around the world face increasing pressure to address issues such as forced labour and environmental degradation, FGV is leading the way in demonstrating how businesses can make a positive impact.

To learn more about FGV, watch FGV’s new corporate video available on its social media platforms – Facebook, Instagram, TikTok, LinkedIn, and YouTube, as well as on its website: www.fgvholdings.com.

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