FGV Updates its Steps to Address the U.S. Customs and Border Protection (CBP)'s Withhold Release Order (WRO)

The Board of Directors of FGV Holdings Berhad (FGV) refers to the Withhold Release Order (WRO) issued by the U.S. Customs and Border Protection (CBP) on 30 September 2020 against palm oil and palm oil products made by FGV and its subsidiaries and joint ventures. This announcement serves as an update on the subject following FGV's statement dated 31 March 2021.

FGV reiterates its full commitment to the sustainability and human rights agenda. In the last several years, FGV has been focusing on efforts towards ensuring compliance to human rights and labour standards, and these efforts have been intensified since early 2019 especially with FGV's affiliation to the Fair Labor Association (FLA), which is a long-term programme to improve structures and systems for the enhancement of FGV's labour practices. Various initiatives are being implemented under this programme, concentrating on, *inter alia,* improving FGV's migrant worker recruitment process, developing human rights capacity building and training programmes, strengthening grievance mechanisms and enhancing our labour monitoring systems.

In November 2020, FGV established the Foreign Workers Working Committee (FWWC) to focus on continuous improvement with regard to infrastructures on the ground that will further strengthen our labour practices. These include, among other things, further upgrading of workers' housing, improving access to healthcare by establishing clinics in remote areas, upgrading facilities to provide uninterrupted water supply and electricity in areas that do not have access to the national power grid and state-provided water supply, implementing FGV's e-Wallet system for more convenient salary payment and cashless transactions, and establishing FGV mobile shops to provide regular access to fresh food supplies.

FGV takes very seriously any concern raised with regard to its human rights and labour practices, including the WRO by the CBP. FGV is determined to take all necessary steps towards the lifting of the WRO, and will be appointing an independent auditor to conduct an assessment of FGV's operations against the 11 International Labour Organization (ILO) Indicators of Forced Labour, as advised by the CBP. FGV is currently calling for proposals from prospective organisations and expects to finalise the appointment of the independent auditor in August 2021, following which the assessment work will immediately begin. FGV estimates that it would be able to submit to the CBP, for its consideration, the assessment report together with FGV's proposed remediation plan within eight months upon the appointment of the independent auditor.

FGV recognises that upholding labour standards is a continuous endeavour, and is committed to prioritising efforts to advance the sustainability and human rights agenda. The Company shall make further announcements if there are any material development in respect of this matter.

FGV HOLDINGS BERHAD