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

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 FGV's palm oil and palm oil products. It has made an official statement on 1 October 2020.

While noting that CBP indicated that the issuance of the WRO against FGV was based on information from a year-long investigation that reasonably indicates the use of forced labour, FGV would like to reiterate that all issues raised by the CBP have been the subject of public discourse since 2015 and FGV's has been rigorously working towards enhancement of its labour practices.

FGV's continuous effort in ensuring the implementation of FGV's human rights and labour policies on the ground is evidenced by the various initiatives and programmes that FGV has embarked on, in particular its affiliation to the Fair Labour Association (FLA). FGV has also appointed the Independent Advisory Panel (IAP) to advise FGV on matters relating to governance and sustainability including labour matters.

FGV is committed to taking all necessary steps and measures towards the revocation of the WRO. On 8 October 2020, FGV has communicated with the CBP via conference call to seek clarification on the allegations of forced labour within FGV's plantations. The CBP, however, did not reveal any information about its findings except that its research had identified 11 International Labour Organisation (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.

Therefore, FGV has decided to take a systematic approach in ensuring that the rights of its workers are respected and protected, thereby eliminating practices indicative of labour exploitation. This is to ensure that the best labour practices are observed in accordance with international standards throughout its entire operations. FGV is committed to ensure the completion of its on-going efforts towards further improving the hard infrastructure of its facilities within a reasonable period of time, for the benefit of its workers. This includes added improvements on housing, clinics, schools, shops, and places of worship.

On 15 October 2020, FGV had stated that it will be appointing an independent third-party audit firm for an imminent audit of FGV's operations. After further deliberation by the Board, FGV has decided to revisit this appointment after FGV is satisfied that all of the above measures have been strengthened and implemented accordingly.

In the meantime, FGV will continue to engage with the CBP to keep them abreast on the various measures undertaken and its other ongoing initiatives pertaining to labour rights in particular, and human rights in general.

At the same time, FGV remains committed to implementing its action plan under its affiliation with the FLA. The FLA action plan can be accessed on FGV's website at www.fgvholdings.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