# FGV's response to the Wall Street Journal (WSJ) article

FGV notes with concern the Wall Street Journal (WSJ) article on 27 July 2015 and subsequent media reports quoting WSJ, alleging human rights abuses on our plantations. We state unequivocally our commitment to ethical and transparent operations to ensure equitable long-term value for all our stakeholders: including employees, smallholders and plantation workers, without whom we would not be able to operate daily.

We also question why WSJ is targeting FGV in its report when most plantation companies employs foreign workers. We state for the record that we have provided complete responses to Wall Street Journal, which chose to use only a small part for their article. Allow us to provide our answers categorically to the allegations.

- FGV currently employs about 33,720 foreign workers (approx. 85% of our workforce) legally and in full observance of regulatory requirements.
- All foreign workers employed are accorded the same rights and privileges as Malaysians, with our standardized labor policies grounded in Malaysia's labor legislation, as well as in International Labor Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. All matters pertaining to the employment of Foreign Workers are managed by FGV Jabatan Tenaga Kerja under Palm Upstream Cluster
- With regard to minimum wage concerns, FGV's labor policy is guided by the Malaysian Agriculture Producers Association (MAPA), which provides the industry standard on minimum wages and is regulated by Ministry of Human Resources. However, the worker must meet the minimum 26 working days as required by regulation in order to receive minimum wage.
- FGV has a zero tolerance policy towards harassment or abuse in the workplace and our collective bargaining agreement includes coverage of all our foreign workers.
- Housing: We build and maintain houses and dormitories with amenities in our estates in accordance with the Malaysian Labour Law complete with Certificate of Fitness (CF).
- Benefits: We provide insurance coverage, hospitalisation, free medical and emergency case and RM200/year for outpatient treatment at hospital or clinic. In most estates, there are clinics, some of which are operated by FGV, which serve the local communities on plantations. In the absence of a clinic in the estate, FGV would bear the transportation cost to the nearest local clinic or hospital.
- Trainings: Each worker undergoes four health and safety training modules before being deployed to the field. Workers are trained on general health and safety, hazards at the workplace, personal protective equipment (PPE) and training specific to their role. We conducted training on "Chemical Safety" to comply with

the OSHA 94 and FMA 97, and worked on improving enforcement of PPE use among workers through various programs.

- Management: Our estate management team monitors the treatment of all workers employed by third-party agents servicing our plantations. The compensation of workers is directly supervised and monitored by estate management team. Contractors found in violation of any regulations will risk losing their contracts with FGV.
- Governance: Internal audits are also conducted to ensure no such violations occur by way of stakeholder feedback and regular management meetings where workers' representatives are present. This is also confirmed through certification audit by RSPO appointed auditors and verified annually by the surveillance audit.
- We appreciate the Wall Street Journal raising instances that may have fallen through the cracks, and we welcome a meeting with Wall Street Journal and the relevant workers affected to better understand the situation, strengthen our processes, and ensure that all FGV employees are accorded the same rights and protection under the law.
- We have proven our commitment to reducing our dependence on contractors: we reduced dependency on labour contractors from 60% in 2008 to 15% in 2014.
- We are also reviewing our processes in order to ensure full compliance with the law and FGV's standards by all parties involved.
- As a founding member of the RSPO, we reiterate our long-term commitment to environmental and economic sustainability, and the fair and equitable treatment of our employees – responsibilities we take very seriously.
- In the meantime, we request Wall Street Journal share details of these individuals and locations in order for us to investigate these isolated incidents. We welcome the evidence from Wall Street Journal which will allow us to take the necessary steps to eliminate mistreatment or exploitation of workers on our plantations.

For more information, please contact us at groupcorporatecomms@feldaglobal.com