



FGV'S ACTION PLAN AND SECOND QUARTERLY PROGRESS
REPORT IN RESPONSE TO RSPO'S COMPLAINTS PANEL'S
DIRECTIVES DATED 28 NOVEMBER 2018

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FGV'S ACTION PLAN AND 2nd QUARTERLY PROGRESS REPORT IN RESPONSE TO RSPO'S COMPLAINTS PANEL'S DIRECTIVES DATED 28 NOVEMBER 2018

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A. Employment Contract				
1.	<p>FGV shall undertake a full legal and operational audit and review of its current employment contract practices/ processes/ policies/ procedures for all workers (including contractor's workers) to ensure full compliance with national laws and the P & C.</p>	<p>FGV undertook an assessment of the Employment Contract between December 2018 and January 2019.</p> <p>Based on the assessment, it was found that:</p> <ul style="list-style-type: none"> • FGV had translated the Employment Contract for foreign workers (V1) into six languages – Tamil, Bengali, Nepali, Tagalog, English and Indonesian. • The translated versions (version 1) of the Employment Contract is available at sites. • Communications on the terms in the Employment Contract was carried out to all foreign workers. • Despite the above, the provisions of the existing Employment Contract for 	<ul style="list-style-type: none"> • FGV to revise the Employment Contract as per the CP's directives. • The revised version (V2) shall be: <ul style="list-style-type: none"> • Translated into National Languages of Foreign Workers • Communicated to relevant embassies of foreign workers employed by FGV. • Explained to workers during orientation of new workers. • Signed by all new foreign workers at their home countries. • Communicated to existing workers, including explaining that the new contract shall supersede any previous contract(s), and arrange for signing. 	<ul style="list-style-type: none"> i. FGV has adopted fully the utilization of the revised and translated Employment Contract (V2). The currently-employed foreign workers at the estates have been briefed in several ways to ensure they understand the changes / improvements made to the employment contract, as follows: <ul style="list-style-type: none"> a. Briefing and Q&A session by FGV staff, assisted by foreign workers who act as translators for the other workers. b. A foreign worker reads out loud the translated employment contract to a small group of foreign workers. ii. The revised and translated employment contract also has been used for newly-recruited foreign workers. The employment contract is signed at their home countries, a copy of which is given to the worker for safekeeping.

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		<p>the foreign workers are insufficient as addressed by RSPO CP.</p> <ul style="list-style-type: none"> The Employment Contract was signed in Malaysia instead of sourcing country. 		<p>iii. The Communications Pack that has been developed is being applied and used by our operations staff to explain the terms of employment to the foreign workers to ensure that they fully understand the contents of the Employment Contract.</p>
2.	<p>As per P & C 6.12.3, a special labour policy and procedures shall be established and implemented in respect of all migrant workers employed by FGV, including contractor's workers. The special labour policy should include:</p> <p>i. statement of non-discriminatory practices; ii. no contract substitution; iii. post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices, etc; and iv. decent living conditions to be provided.</p>	<ul style="list-style-type: none"> FGV's Group Sustainability Policy (GSP) was first approved and implemented in 2016. However, it does not adequately cover the aspect of labour. In addition, it was also noted that the GSP (and its Bahasa Melayu version) was distributed, but was not effectively communicated, throughout FGV's operations. There is no specific policy on labour. However, there are a number of SOPs which govern different aspects of recruitment processes. These SOPs lack, or do not make, specific 	<p>i. FGV Group shall, where necessary, strengthen existing policies, and develop a special labour policy/SOP, to address the following issues relating to labour, including but not limited to:</p> <p>i. statement of non-discriminatory practices; ii. no contract substitution; iii. post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices, etc; and iv. descent living conditions to be provided.</p> <p>ii. FGV shall ensure that all its policies and procedures relating to labour are communicated to, and are binding on, all its recruitment contractors, agents and supply chains.</p>	<p>i. The revised FGV Group Sustainability Policy (GSP) had been approved and adopted by the FGV Board of Directors on 29 May 2019. In formulating the revised GSP, consultations were held internally and externally. Among the organisations that were consulted included the Human Rights Commission of Malaysia (SUHAKAM) the United Nations in Malaysia, the International Organization for Migration (IOM), Tenaganita, and the Institute of Malaysian and International Studies (IKMAS) of Universiti Kebangsaan Malaysia (UKM), the Malaysian Nature Society, and the Malaysian Palm Oil Board.</p> <p>ii. Essentially, the GSP underscores FGV's strengthened commitment to the principles of human rights; health and safety; non-</p>

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		<p>references to the applicable labour standards.</p>		<p>discrimination and gender equality; no forced, bonded or child labour; zero tolerance of human trafficking and slavery; zero tolerance of sexual harassment, violence and abuse; no deforestation and planting on peat; eliminating/minimizing negative impact on the environment; and climate justice, all of which are consistent with standards advocated by the RSPO. The GSP will serve as FGV's principal document on sustainability with which other relevant guidelines and procedures of FGV will be streamlined. The GSP applies to the FGV Group, including its listed and non-listed subsidiaries worldwide as a whole, of which FGV has management control. FGV will also extend the application of the GSP to its suppliers and contractors.</p> <p>iii. FGV has adopted its Supplier Code of Conduct (SCOC) in April 2019, enumerating principles and standards with which any supplier of FGV needs to comply. The SCOC includes principles and standards relating to business ethics and integrity; safety, health and environment; labour; and</p>

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				<p>sustainability among other things. All FGV suppliers are expected to comply with the standards stipulated in the SCOC.</p> <p>iv. FGV is in the process of conducting socialization programme comprising a series of engagement sessions involving various stakeholders including all its mills, estates and its suppliers and contractors to raise awareness about the revised GSP, the SCOC, the Guidelines and Procedures for Responsible Recruitment of Foreign Workers and other relevant codes and procedures, as well as to convey FGV's expectations towards its operations and suppliers to comply with the principles and standards contained in the aforesaid documents. The socialization programme will be carried out in stages starting June 2019 and is expected to be completed by June 2020.</p> <p>v. The first awareness-raising exercise was held on 20 June 2019 at FGV's Seriting Complex in Negeri Sembilan. The event comprised two sessions.</p>

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				<p>The morning session involved the participation of personnel from the Seriting and Bera Regions including the complex General Managers, estate and mill managers and assistants. The afternoon session was conducted for FGV's contractors in the Seriting and Bera Regions. The main objectives of the sessions were to raise awareness and understanding on the revised GSP as well as the SCOC and to convey to them the expectations of FGV on its mill and estate operations as well as on its contractors to adhere to the standards and principles of the GSP and SCOC.</p> <p>vi. FGV has also adopted its Guidelines and Procedures for Responsible Recruitment of Foreign Workers in June 2019, which includes FGV's commitment to the following:</p> <ul style="list-style-type: none"> a. statement of non-discriminatory practices; b. no contract substitution; c. post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices, etc;

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				<p>and d. decent living conditions to be provided.</p> <p>The guidelines and procedures apply to the FGV Group, including its listed and non-listed subsidiaries worldwide as a whole, of which FGV has management control. This document outlines a set of procedures for the recruitment of foreign workers comprising guidelines relating to foreign workers' requisition, pre-employment, employment and post-employment.</p>
3.	<p>In particular, FGV shall ensure that accurate information of working conditions in the host country, including nature of work, wages, benefits and duration of contract are duly communicated at the time of recruitment.</p>	<ul style="list-style-type: none"> Based on FGV's assessment, it was noted that there were no adequate communications between FGV and the appointed agent in workers' home country, and thereby the transfer of information relating to the work in FGV is limited. 	<p>FGV to address the gaps by adopting the following:</p> <ul style="list-style-type: none"> iii. Where possible to conduct direct recruitment of foreign workers; iv. Where the use of recruitment agents is inevitable, FGV must ensure that the selected recruitment agents either in Malaysia or the sourcing countries are legally registered in accordance with the applicable national laws/ regulations. v. To ensure that all information on all aspects of working conditions in 	<ul style="list-style-type: none"> <i>i. Please see Paragraph 1(iii) above.</i> ii. Information regarding working conditions in the host country, including the nature of work, wages, benefits and duration of contract is also clearly stipulated under the newly-adopted Guidelines and Procedures for Responsible Recruitment of Foreign Workers. <i>Please see Paragraph 2(vi) above.</i>

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			<p>FGV's operations, including the terms of employment, nature of work, wages and other benefits are duly communicated to the foreign workers in their home country.</p> <p>vi. Where recruitment is done through agent, FGV shall ensure that the same information is provided to the agent to be communicated to the potential workers during the recruitment process.</p>		
4.	<p>Employment contracts should be written in a language that the workers understand, signed in the workers' countries of origin and only after the terms have been properly explained to the workers (including all documents referred to in the employment contracts such as the <i>Kadar Upah Kerja</i>). The key is to ensure full disclosure to enable workers to make an informed decision as to the signing of the contract.</p>	<i>Please see Paragraph 1 above.</i>			
5.	<p>To promote non-discrimination against illiterate workers, the content of the</p>	<p>FGV uses seasoned foreign workers who can best speak and understand Bahasa</p>	<ul style="list-style-type: none"> • FGV to put in place a process which will require actions to be taken in the home country to ensure that 	<i>Please see Paragraph 1 above.</i>	

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	contract is to be orally transmitted to the workers, by or on behalf of the employer.	Melayu, and is able to effectively communicate with the illiterate workers, to explain the terms of the employment contract.	<p>illiterate workers are not discriminated and that the contract is orally read and explained to them.</p> <ul style="list-style-type: none"> For existing illiterate foreign workers, FGV shall ensure that the contract is orally transmitted to them. If necessary, an interpreter shall be provided. 	
6.	Once signed, FGV shall ensure that no contract substitution occurs, whereby contracts signed by workers in their home country is respected and adhered to by FGV and the work they perform is in accordance with their contractual terms.	There were instances where employment contract was substituted when the workers arrived in Malaysia.	<ul style="list-style-type: none"> There shall be only one employment contract (V2) signed by foreign workers. For new workers, this employment contract shall be signed in their home countries and workers shall be provided with a copy for their safe keeping. For existing workers employed, FGV will seek their agreement to accept and sign the V2 contract which will supersede the previous contract. FGV will respect the workers right not to accept the revised employment contract. There shall be periodical assessments to ensure there is no violation of the contractual terms. 	<ul style="list-style-type: none"> i. The V2 contract will be used as the only contract for foreign workers. ii. The V2 contract is being shared with all recruitment agents to be adopted accordingly in the foreign workers' home country. iii. FGV's strict policy on 'no contract substitution' is enforced and implemented throughout FGV's operations, as stipulated in the newly-adopted Guidelines and Procedures for Responsible Recruitment of Foreign Workers. <i>Please also refer to updates in Paragraph 1.</i>
7.	Further, workers' freedom to resign without penalty and in accordance with law must be respected.	The V1 contract is silent on the worker's freedom to resign from the company.	<ul style="list-style-type: none"> FGV shall recognise and respect the workers' right to terminate the employment contract in accordance 	<ul style="list-style-type: none"> There is now a provision in the V2 contract that recognises and respects the workers' right to end their employment with FGV, with a 30 days'

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	<p>Action plan shall consider issues that may arise from termination under the contract either by FGV or on the initiative of the workers, including costs implication and costs sharing, without undermining workers' freedom of movement</p>		<p>with prescribed requirements. eg. Notice or pay in lieu).</p> <ul style="list-style-type: none"> • This shall be reflected in the revised employment contract and informed to all the workers. • On the implication of termination of employment, FGV shall identify an amicable solution in particular on matters relating to any cost implication resulting from the termination of employment. 	<p>notice. In cases where the worker wishes to end their employment with FGV, the contract provides the following:</p> <ul style="list-style-type: none"> - workers will not be imposed with any fee or penalty (any fee will be absorbed by employer); - workers will have to bear travel-related costs to return to their home country; - FGV will be responsible to prepare the necessary documents for repatriation. <ul style="list-style-type: none"> • These provisions are also stipulated under the newly-adopted Guidelines and Procedures for Responsible Recruitment of Foreign Workers and have also been included in the communications pack.
B. Labour recruitment contractors/agents				
8.	<p>FGV shall adopt and apply Standard Operating Procedures (SOPs) for all its labour recruitment contractors/agents (in Malaysia as well as those in the countries of origin) in full compliance with the P & C.</p> <p>Among others, the following elements should be included in</p>	<ul style="list-style-type: none"> • FGV has the relevant SOPs pertaining to processes of recruitment of foreign workers. However, the SOPs do not adequately address the elements specified by the CP. 	<ul style="list-style-type: none"> • FGV to strengthen its SOP to address the elements stipulated by CP including, but not limited to: <ul style="list-style-type: none"> i. Ensuring that FGV only engages duly registered labour recruitment contractors/ agents who do not support or partake in any form of forced or trafficked labour; ii. Clarity on the imposition of 	<ul style="list-style-type: none"> i. FGV has adopted its Guidelines and Procedures for Responsible Recruitment of Foreign Workers in June 2019, which includes FGV's commitment to the following: <ul style="list-style-type: none"> a. non-discriminatory practices; b. no contract substitution; c. post-arrival orientation programme; and

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	<p>the said SOPs:</p> <ul style="list-style-type: none"> - FGV only engages duly registered labour recruitment contractors/agents who do not support or partake in any form of forced or trafficked labour; - no recruitment fees/ costs should be charged to/deducted from workers at any stage of the recruitment process, including by its contractors; - such recruitment fees/costs should be borne by FGV; - there is an effective grievance mechanism in place to receive complaints from workers, without any fear of reprisal; - errant contractors/agents should be "blacklisted" and terminated; and <p>Transparency and accountability should be required of contractors/agents in the entire recruitment process and this principle should feature prominently in the said SOPs</p>		<p>recruitment fee;</p> <ul style="list-style-type: none"> iii. Strengthen the grievance mechanism to receive complaints from workers, without any fear of reprisal; iv. Applicable procedures to monitor and scrutinise the recruitment agents and contractors. This shall include actions necessary to address and manage errant contractors/agents, one of which shall include termination of service; v. Applicability of all FGV policies and SOPs on agents and contractors to ensure transparency and accountability in their actions. <ul style="list-style-type: none"> • The SOPs shall be communicated to the relevant personnel for effective implementation. • Periodical review of the SOPs will be carried out to ensure the SOPs adequately addresses new / revised requirements pertaining to legal and/or sustainability standards. 	<ul style="list-style-type: none"> d. decent living conditions. ii. The guidelines and procedures apply to the FGV Group, including its listed and non-listed subsidiaries worldwide as a whole, of which FGV has management control. This document provides a comprehensive foreign workers recruitment related activities in terms of foreign workers' requisition, pre-employment, employment and post-employment. iii. Please also refer to Paragraphs 2(iv) and 2(vi).

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	<p>The SOPs, upon completion, should enter into immediate force. Staff at all levels should be trained on its substance and implementation measures. It should also be assessed and reviewed regularly to ensure it meets national and international standards on recruitment and employment of migrant workers.</p> <p>FGV is obligated to exercise due diligence over its contractors/agents and will be held accountable for breaches by such contractors/agents</p>			
9.	<p>Acting on FGV's commitment to phase out contractors, FGV should where possible, conduct direct and in-person hiring in the workers' countries of origin.</p>	<ul style="list-style-type: none"> • FGV noted that the probabilities of contractors hiring irregular foreign workers is high. • FGV has given a direction to stop engaging / terminate renegade contractors through an internal memo – <i>"Pemberhentian Tender Baru Kerja-Kerja Pertanian & Amalan Pengurusan Tenaga Kerja"</i> 	<ul style="list-style-type: none"> • FGV to phase out contractors with irregular workers, and where possible will recruit workers directly to fill the void. • Where inevitable, FGV is committed to engage contractors with good labour management practices and will ensure that selection and appointment of contractors follow the applicable SOPs. • FGV to strengthen provisions in the contract between FGV and contractor requiring contractors to, amongst others (i) have in place good labour 	<p>i. The phasing out of contractors is still in the process of being carried out. In addition to the actions taken as updated in the first progress report, FGV has, during its session at Seriting Complex on 20 June 2019, met with contractors to inform them of the revised GSP and FGV's expectations towards them. <i>Please see Paragraphs 2(iii), 2(iv) and 2(vi).</i></p>

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		<p><i>Luar yang Baik”, Bil (163) 010810/HQ/JAB.OP.18/P LANTATIONS/AM”, dated 3 December 2018.</i></p>	<p>practices; (ii) comply with FGV's policy and procedures on labour management; and (iii) comply with the applicable standards on health and safety for their workers.</p>	
C. Pay and working conditions				
10.	<p>FGV shall undertake a full legal and operational audit and review of its current practices/processes/policies/procedures relating to wages/deductions and working/living conditions for all workers (local and foreign) to ensure full compliance with the P & C.</p> <p>In this regard, FGV should remove all forms of discrimination between local and foreign workers.</p>	<p><i>See Paragraphs 1 and 2.</i></p>		
11.	<p>As per P & C 6.12.3, a special labour policy and procedures shall be established and implemented in respect of all migrant workers employed by FGV, including contractor's workers. The special labour policy should include:</p> <ul style="list-style-type: none"> i. statement of non-discriminatory practices; ii. no contract substitution; 	<p><i>See Paragraphs 1 and 2.</i></p>		

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	<p>iii. post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; and</p> <p>iv. decent living conditions to be provided.</p>			
12.	<p>Considering the nature/risk profile of work in the plantations, FGV shall ensure access to medical amenities and affordable healthcare is available to workers in accordance with national and international laws as well as the P & C.</p>	<ul style="list-style-type: none"> • Transportation is provided all workers who is in need of medical treatment. • FGV also provides allocation at a sum specified in the employment contract to cover the medical cost of outpatient treatment. • For in-patient treatment, all foreign workers are covered by insurance. 	<ul style="list-style-type: none"> • FGV to continue its current practices with regard to ensuring access to, and affordability of, appropriate / medical treatment and social security protection for all its workers. 	Implemented.
13.	<p>In addition, FGV shall ensure that workers are made aware of the terms and benefits of the FWCS under which they are insured.</p>	<ul style="list-style-type: none"> • Foreign workers are not made aware of their medical and insurance benefits. 	<ul style="list-style-type: none"> • FGV to ensure that foreign workers are adequately briefed and informed of their medical benefit and entitlements. • Also, FGV must ensure that foreign workers are informed of their insurance benefits under FWCS. 	<p>This has been included in the Communications Pack, as well as in the Guidelines and Procedures for Responsible Recruitment of Foreign Workers as per Paragraphs 1 and 2.</p>

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D. Passports				
14.	<p>Whilst the Complaints Panel notes steps already taken by FGV with regard to foreign workers' passports, the Complaints Panel reiterates that retention and withholding of passport and other identity documents of workers, in particular migrant workers, is prohibited by law. In instances where the workers request the assistance of the employer in safekeeping of their passport or identity documents, this shall be done through written request in the workers' own language; and the workers must, at all times, have access to the documents.</p>	<ul style="list-style-type: none"> • FGV has returned all foreign workers' passports in Peninsular Malaysia. However, for foreign workers in Sabah and Sarawak, their passports are still kept by the estate management as safety boxes have not been constructed yet. • Installation of safety boxes in Serting complexes, for the safekeeping of foreign workers' passport was completed in March 2017 and all passports have been returned in April 2017. • FGV does not practice holding foreign workers' passport even though some workers have requested that the company keeps their passports. 	<ul style="list-style-type: none"> • FGV shall ensure that all foreign workers' passports are returned to all workers. • In facilitating the safe keeping of passports, FGV shall ensure all complexes are equipped with safety boxes. • FGV to expedite the installation of the safety boxes in Sabah and Sarawak. • FGV shall ensure that workers understand their responsibility to keep their passports securely and safely. In case the passports are damaged or lost, workers shall bear the associated cost for the replacement of the legal document. 	<ul style="list-style-type: none"> • In Peninsular Malaysia, all of FGV's estates are equipped with safety boxes for foreign workers to keep their passports. It is accessible to the workers at all times. All passports have been returned to the foreign workers in Peninsular Malaysia, and they are free to keep their passports in the safety boxes or by themselves. • At present, safety boxes are being installed in remaining estates in Sabah and Sarawak. The process is 70% complete and is expected to be fully completed by end of July 2019.
15.	<p>There should be no constraints on the ability of the worker to leave the place of employment</p>	<ul style="list-style-type: none"> • Foreign workers hold their own passports which are kept in the safety boxes 	<ul style="list-style-type: none"> • FGV to ensure that it respects workers' freedom of movement and do not impose unnecessary 	<ul style="list-style-type: none"> • It is now an established practice throughout all FGV operations that foreign workers do not need to seek

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	<p>or any restrictions placed on their freedom of movement, outside working hours. The Complaints Panel notes FGV's submission that "legally, the workers are employed under FGV's work quota and therefore, the responsibility to know the presence of the workers lies with FGV." Nevertheless, it is important that FGV strike a balance between oversight and the workers' freedom of movement outside work time. In this regard, FGV shall adopt and apply Standard Operating Procedures (SOPs) setting out, among others, the circumstances under which permission to leave the plantations outside work time may be granted or denied. In coming up with these SOPs, FGV shall ensure that the workers' freedom of movement is not undermined.</p>	<p>installed in all estates.</p> <ul style="list-style-type: none"> Foreign workers are required to seek "approval" to leave FGV premises. 	<p>restrictions. This must be communicated to all workers.</p>	<p>approval to leave the premises, but merely have to notify the guardhouse or estate's management.</p>
E. Undocumented/trafficked workers				
16.	<p>FGV shall undertake a full legal and operational audit and review of its foreign workers (including contractor's</p>	<ul style="list-style-type: none"> The existing agreement between FGV and its contractors is not adequate to address the 	<p><i>Please see Paragraphs 8 and 9.</i></p>	

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	<p>workers) to ensure full compliance with national¹ and international² laws, as well as the P & C.</p> <p>FGV shall undertake a full legal and operational audit and review of its contractors including their labor force to ensure that any gaps or deficiencies are rectified, possibly including restitution in case of underpayment of wages or illegal/ excessive deductions, in full compliance with applicable legal requirements as well as the P & C.</p>	<p>human rights and labour concerns raised by the CP.</p>		
17.	<p>The unlawful outsourcing of FGV's foreign workers to contractors shall immediately stop. FGV shall commit to only recruit legal migrant workers and this commitment extends to its contractors. As clearly enshrined in P & C 6.12, FGV and its contractors shall ensure that no trafficked labour are used. To this end, FGV shall</p>	<ul style="list-style-type: none"> • FGV had erred when it allowed its contractor to utilize FGV's quota for foreign workers. • The contractor used the quota to recruit foreign workers to work for them. • The sharing of quota initiative was 	<ul style="list-style-type: none"> • FGV shall ensure that this incident do not recur in the future. • With regard to quota distributed in the past, FGV shall undertake the necessary remediation action to provide fair redress to all parties involved in particular the workers. 	<ul style="list-style-type: none"> • This matter has been resolved. There is no longer any practice of outsourcing of FGV's foreign workers to contractors throughout FGV's operations.

¹ Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 [Act 670]

² **UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, Article 3(a)** - "Trafficking in persons" shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs;"

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	<p>undertake a full legal and operational audit and review of its foreign workers (including contractor's workers) to ensure full compliance with national³ and international⁴ laws, as well as the P & C. Pursuant to the aforementioned audit/review, FGV shall draw up an action plan to effectively address any gaps/deficiencies identified.</p>	<p>immediately stopped in line with the CP directives.</p>		
18.	<p>Noting the findings/breaches established under items ii – iv in the preceding column, FGV should act on its commitment to phase out contractors on its plantations. In this regard, an action plan should be drawn up to guide FGV's implementation to this end, while ensuring minimal adverse impact on the contractor's workers.</p> <p>Notwithstanding, FGV shall undertake a full legal and operational audit and review of its contractors including their labour force to ensure</p>	<p><i>Please see Paragraphs 8 and 9 above.</i></p>		

³ Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 [Act 670]

⁴ **UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, Article 3(a)** - "Trafficking in persons" shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs;".

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	that any gaps or deficiencies are rectified, possibly including restitution in case of underpayment of wages or illegal/ excessive deductions, in full compliance with applicable legal requirements as well as the P & C.			
F. Health and safety requirements				
19.	FGV shall review its current OSH/PPE policy and Standard Operating Procedures (SOPs), and ensure full compliance with P & C 4.7 and 4.8 . FGV shall ensure that such reviewed OSH/PPE policy and SOPs are properly implemented and monitored in respect of all workers including contractor's workers.	<ul style="list-style-type: none"> • OSH Policy is available but needs revision. • Hazard Identification, Risk Assessment and Risk Control (HIRARC) is not effectively developed and monitored by relevant personnel. • Guideline on tasks that require PPE and types of PPE is available. • PPE is provided to all workers at no cost. Damaged PPE are replaced at no cost for all workers. • Records of distribution and replenishment of PPE are also available. • Workers are provided with training on how to use PPE and precautions 	<ul style="list-style-type: none"> • FGV to ensure that all OSH policies and SOPs are reviewed periodically to ensure compliance to the required standards. • With regard to contractors, FGV shall require contractors to comply with FGV's health and safety standards for their workers. 	<ul style="list-style-type: none"> i. FGV's SOP relating to health and safety – <i>SOP Pengenalpastian hazard, penilaian risiko dan penentuan kawalan</i> – which has been revised and communicated to all operations, is implemented. ii. With regard to contractors, please see Paragraphs 8 and 9 above.

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		<p>on handling of chemicals. This training is carried at the estates in their respective national languages through translators.</p> <ul style="list-style-type: none"> There is no clarity on how FGV monitors the contractors' compliance to health and safety of their workers. 		
20.	<p>As per the Specific Guidance for P & C 6.12.3, a comprehensive post-arrival orientation programme, which among others focuses on safety, should be drawn up and implemented in respect of all new migrant workers to ensure that these workers are well equipped and adequately prepared to commence work on the plantations.</p>	<ul style="list-style-type: none"> The workers undergo on-the-job training on safety aspects including the use of PPE. There was no specific training on safety and use of PPE during recruitment and/or during orientation. 	<ul style="list-style-type: none"> FGV to include OSH and PPE information into training materials for all workers during post-arrival orientation programme. 	<ul style="list-style-type: none"> This aspect is now included in the Communications Pack which is being applied during the briefings in the home country and the post-arrival orientation programme. The orientation programme is also stipulated under the newly-adopted Guidelines and Procedures for Responsible Recruitment of Foreign Workers. <i>Please see Paragraph 2(vi)</i>
G. Adequate housing/accommodation				
21.	<p>FGV should undertake a full legal and operational audit and review of the housing / accommodation conditions of its migrant workers (including</p>	<ul style="list-style-type: none"> Based on the field audit, it is noted that actions were being taken to build new housing for workers. 	<ul style="list-style-type: none"> FGV is committed to ensure its workers' accommodation are in line with the applicable national standards. This commitment must be 	<ul style="list-style-type: none"> The construction of housing for workers in Sabah has been completed. For Peninsular Malaysia, 17 contractors have been appointed for

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	contractor's workers) to ensure full compliance with national laws, international human rights standards as well as the P & C	<ul style="list-style-type: none"> Also at the time of visit, it was noted that the available accommodation was overcrowded due to construction of the new housing blocks. Periodical inspection of workers' accommodations were not carried out as required by the Workers' Minimum Standard of Housing and Amenities Act 1990. 	<ul style="list-style-type: none"> supported by necessary financial provisions. In order to maintain good lineside management and to ensure healthy and safe housing conditions, there shall be periodical inspections of workers' accommodations. 	the development of new houses for workers in Peninsular Malaysia.
22.	FGV shall remove all forms of discrimination between FGV's workers and contractor's workers, as well as between local and migrant workers.	<i>Please see Paragraphs 1 and 2 above.</i>		
23.	Relatedly, FGV should consider implementing reasonable ways to reduce the burden of electricity and water costs charged to migrant workers (including contractor's workers). For these purposes, FGV shall draw up an action plan to guide its implementation/ rectification in accordance with national laws, international human	<ul style="list-style-type: none"> FGV subsidizes workers' utilities cost as follow – RM 6 for electricity and RM 4 for water. This is also included in the V2 contract. In response to the RSPO's CP's directives, FGV had made public its commitment to provide free water supply to all 	<ul style="list-style-type: none"> FGV shall reasonably consider ways to reduce the utilities burden of foreign workers. 	<ul style="list-style-type: none"> The practice and actions taken as updated in the first progress report are still implemented.

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	rights standards as well as the P & C.	workers in its mill/estate operations.		
H. Adequate food and supplies				
24.	<p>FGV should undertake a full legal and operational audit and review of the access to adequate, sufficient and affordable food/supplies by its migrant workers (including contractor's workers) to ensure compliance with international human rights standards as well as the P & C.</p> <p>Gaps and deficiencies identified must be rectified to ensure meaningful improvements to migrant workers' (including contractor's workers) access to adequate, sufficient and affordable food and supplies, including basic necessities. In this regard, FGV shall eliminate profiteering by third party suppliers.</p>	<ul style="list-style-type: none"> • These sundry shops are also frequented by FGV workers and villagers from the surrounding areas. The price of the goods sold are the same for everyone. • Capitalising on the limited options, external vendors from the nearby towns often seen entering the estate's housing areas to supply fresh products which are sold at a higher price – margin between 6-10% as compared to nearby town. • Most workers prefer to purchase their food and supplies in bulk from shops in nearby towns. For this purpose, the transportation is provided by the estate management. • FGV does not profit from the third party suppliers. 	<ul style="list-style-type: none"> • FGV issued a circular to the estate and mill management to ensure that the prices are monitored periodically, especially those by merchants coming straight to workers' housing areas. • FGV shall advise workers to inform management if there are incidences where prices are unjustified. FGV will investigate accordingly. 	<ul style="list-style-type: none"> • The practice and actions taken as updated in the first progress report are still implemented.

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I. Protection of whistleblowers and complainants				
25.	<p>FGV should undertake a full legal and operational audit and review of its grievance mechanisms, particularly the hotline.</p> <p>Guidelines for the use of the mechanisms should be adopted, and explained to the workers. There should be an accessible database to record, track and monitor the complaints and issues. Fixed response times should be set and informed to the workers.</p> <p>FGV's staff should be trained to implement the grievance mechanisms, and to constructively engage with the workers to allay the risk/fear of reprisals.</p>	<ul style="list-style-type: none"> • FGV Group adopted a Whistleblowing Policy in 2012 and it is administered by Governance at the Group level. • However there is lack of awareness and understanding of the whistleblowing and grievance processes amongst the workers and staff members at the operations. • With regard to grievance mechanism, it is noted that the estate management have in place several platforms which workers can use to raise their complaints/grievances namely (i) suggestion box; (ii) verbal to management; and (iii) through a hotline. • That said, while the platforms are available, there is no clear policy or SOP on how those 	<ul style="list-style-type: none"> • FGV shall ensure that workers have adequate access to functional grievance mechanism and that they can voice their concerns/grievances without fear of reprisal. • To achieve the above, FGV will develop guidelines on grievance mechanism which shall be communicated and implemented throughout its operation. • Additionally, adequate monitoring and tracking system should be developed to ensure grievances are addressed accordingly. 	<p>i. The GSP highlights clearly FGV's commitment to an effective grievance mechanism accessible to both internal and external stakeholders to express any grievance without fear of reprisal. At the moment, existing channels for submission of grievance include the following:</p> <ol style="list-style-type: none"> a. Workers are free to express their grievance through the following platforms: <ul style="list-style-type: none"> • Complaint Box • Grievance/ complaint book • Through the workers' appointed representative • Grievance hotline • FGV's Whistleblower procedure b. External parties may submit any grievance through FGV's general email or directly to FGV's Group Sustainability Division. <p>ii. To complement FGV's existing channels for grievance submission, and to act as a centralised grievance</p>

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		<p>grievances shall be managed/addressed. Most of the time, those grievances are addressed in a conventional manner, which to a certain extent, have been proven to be inefficient and ineffective.</p>		<p>mechanism, FGV is currently finalising internal arrangements to have the grievance mechanism up and running by end of July 2019.</p>
26.	<p>FGV to implement a policy on protection of human rights defenders (whistleblowers and complainants) and institute relevant mechanisms for reporting and protection.</p>	<ul style="list-style-type: none"> • FGV is bound and guided by the protection of whistleblowers as provided by its Whistleblowing Policy and the Whistleblower Protection Act 2010. 		<ul style="list-style-type: none"> • The revised GSP includes a strengthened section on human rights which makes reference to the United Nations Guiding Principles on Business and Human Rights (UNGPs), applicable international human rights treaties as well as relevant ILO conventions. The principle of respecting human rights is applied throughout FGV's operations, in line with FGV's commitment to human rights, as underscored in its GSP. • FGV is committed to ensuring workers have access to appropriate grievance mechanism without fear of reprisal. <i>Please see Paragraph 25 above.</i>
J. Compliance for human rights at the operational level				
27.	<p>FGV shall ensure that its human rights policy is properly communicated and effectively</p>	<ul style="list-style-type: none"> • The existing communications of sustainability and human 	<ul style="list-style-type: none"> • FGV shall establish a communication strategy to ensure that the approved policies and relevant SOPs 	<ul style="list-style-type: none"> • <i>Please see Paragraph 2 above.</i>

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	<p>implemented to all levels of its workforce including to its contractors and their workers.</p> <p>Regular and compulsory capacity building and training programmes on human rights should be conducted.</p>	<p>rights policy is weak. This resulted in lack of appreciation on labour and human rights issues.</p>	<p>supporting the policies are adequately communicated and implemented internally at all levels.</p> <ul style="list-style-type: none"> In addition, these policies shall also be communicated to all FGV's external stakeholders. In particular to its contractors and supply chains to ensure that they understand that they are expected to comply and implement the same in their operations. 	

***** END OF 2ND QUARTERLY PROGRESS REPORT *****