

**FGV Holdings Berhad** (800165-P)



17 September 2019

Dear Valued Business Partners,

### **Honouring FGV's Commitments to Respect Human Rights and Implement Good Labour Practices**

I am writing to inform you that FGV Holdings Berhad (FGV), with the support of Procter & Gamble Company (P&G), is finalising the establishment of a multidisciplinary group of non-governmental organisations (NGOs) and non-profits, who will work at various levels to accelerate our human rights remediation efforts and support our ambition to take a leadership position on addressing human rights issues.

FGV's commitment to human rights includes upholding internationally-recognised labour standards and this project will serve as an avenue for FGV to re-examine its internal processes to identify and eliminate any shortcomings or discrepancies in its labour practices.

Together, FGV and P&G will engage an independent international third-party organisation based in Washington to embark on a major project with FGV to ensure that all the various ongoing efforts are well coordinated and executed. (Link to P&G's statement: [us.pg.com/blogs/pg-to-invest-in-fgv](https://us.pg.com/blogs/pg-to-invest-in-fgv))

This comprehensive recasting of FGV's initiatives on human rights will cover all areas of our operations and business activities, as well as practices within FGV's supply chain. It will encompass all aspects of FGV's labour practices including recruitment procedures, placement and on-boarding processes, working and living conditions and payment of wages, among other things. In our view, ensuring good labour practices throughout our supply chain is a bigger challenge which needs to be addressed as a matter of great importance.

Many of these issues are already being addressed by FGV through separate collaborative programmes with various independent organisations. FGV noted that in April 2019, the International Organisation for Migration (IOM) and the Earthworm Foundation (EF) launched a one-year joint labour supply chain mapping project, and recognising the importance of ensuring responsible recruitment practices in our operations and business activities, we expressed our interest to participate in this project. At present, we are finalizing the terms of reference for a tripartite partnership between FGV, IOM and EF for this initiative, which is expected to begin in the next few weeks. The findings of this joint project will contribute to the strengthening of FGV's responsible recruitment practices and inform the formulation of better legislation and policies relating to labour migration.

As a follow-up to an earlier Memorandum of Understanding with the Human Rights Commission of Malaysia (SUHAKAM), FGV will continue its cooperation with SUHAKAM as the national human rights

institution to carry out audits and verification on the working and living conditions of workers at FGV's mills and plantations.

In addition, FGV has identified a credible organisation to support us in developing a human rights programme aimed at bolstering our application of the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Furthermore, we are working together with a local NGO to develop a human rights module to be used during on-boarding sessions for our employees including foreign workers, with the objective of promoting greater awareness and understanding of their rights as a worker.

All these initiatives will complement each other and be brought together as part of an overarching and concerted effort towards enhancing FGV's labour practices through a long-term programme that will be facilitated by the independent third party organisation, which will conduct assessments and verification throughout the process.

In keeping with our policy of transparency, the third party organisation will publish periodic independent reports, detailing objectively FGV's progress (or lack of progress) and practical recommendations in meeting the goals of the project.

We acknowledge the allegations and concerns around our past labour practices, and therefore we believe that this long-term programme is crucial to ensure that the correct and necessary processes and procedures are adopted, towards achieving the desired outcome of fully complying with international labour standards. We are confident that FGV's partnership with the independent third party organisation through this endeavour will help us enhance our practices in fulfilling our commitment to safeguard the rights and dignity of all our employees including foreign workers. For any inquiries, you may contact Nurul Hasanah Ahamed, Head of FGV Group Sustainability at [hasanah.ahm@fgvholdings.com](mailto:hasanah.ahm@fgvholdings.com).

On behalf of FGV, I wish to thank you for your support.

Yours sincerely,



**DATO' HARIS FADZILAH HASSAN**  
Group Chief Executive Officer