

YBhg Dato' Henry Barlow
Chairperson of the Complaints Panel
Roundtable for Sustainable Palm Oil (RSPO)
A-37-1 Menara UOA Bangsar
59000 Kuala Lumpur

10 April 2020

YBhg. Dato',

FGV HOLDINGS BERHAD'S PROGRESS REPORT ON THE RSPO COMPLAINTS PANEL'S DIRECTIVES OF 28 NOVEMBER 2018

I wish to refer to the Roundtable on Sustainable Palm Oil (RSPO) Complaints Panel (CP)'s Directives of 28 November 2018 as well as FGV Holdings Berhad (FGV)'s action plan and its previous progress reports submitted to the RSPO.

I am writing to submit FGV's latest progress report which contains updates on FGV's efforts to address the Complaints Panel's Directives of 28 November 2018 as well as the additional points raised by the CP in its decision letter dated 13 January 2020. I would like to reassure the CP that FGV is fully committed to implementing its action plan and to filling any gaps in its practices. Having said this, I would like to bring to your attention that some of our efforts in this regard, especially the regularization exercise in Sabah, have been affected by the Covid19 outbreak and the Movement Control Order (MCO) imposed by the Government, and as a result, the completion of these programmes will be delayed. In light of this, FGV seeks the CP's consideration to grant FGV an extension for the completion of these initiatives. Depending on future developments around the Covid19 situation, FGV believes that at this stage, an extension for a period equivalent to the length of the MCO would be reasonable. The CP's kind consideration of this request is highly appreciated.

As you are aware, on 3 April 2020, FGV submitted an appeal against the 13 January 2020 decision of the CP. Irrespective of the outcome, FGV remains committed to the RSPO's P&Cs in its entirety, and will continue to strive towards full compliance with the same, as soon as practicable. Furthermore, FGV welcomes the RSPO's continued monitoring of FGV's progress.

On a separate but related matter, I wish to inform you that as part of its commitment to human rights and its ongoing effort to uphold labour standards, FGV became a Participating Company of the Fair Labor Association (FLA). FGV's affiliation to the FLA will involve embarking on a comprehensive and long-term programme to enhance FGV's labour practices. Some of the initiatives under this affiliation, which are also reflected in FGV's latest progress report, will complement FGV's existing efforts in addressing the CP's Directives. The implementation

of these initiatives, however, will be monitored and assessed independently by the FLA. A background and summary of FGV's initiatives under the FLA affiliation is appended herewith for your information.

I wish to reiterate FGV's commitment to sustainability and its appreciation to the RSPO CP and its Secretariat for the continued support in promoting responsible and sustainable business practices within the industry and beyond. Thank you.

Yours sincerely,



Nurul Hasanah Ahamed Hassain Malim
Vice President
Head of Group Sustainability Division
FGV Holdings Berhad



FGV's Action Plan in Response to RSPO's Complaints Panel's Directives of
28 November 2018

Progress Report – April 2020

FGV Holdings Berhad
Wisma FGV, Jalan Raja Laut
50350 Kuala Lumpur

10 April 2020

FGV's Progress Report – April 2020

Notes:

1. Many of the Complaints Panel (CP)'s Directives have been put into action as highlighted in the FGV's previous progress reports. As this report will focus on progress achieved until March 2020, it should be read together with the other progress reports.
2. In October 2019, FGV, with the support of the Procter & Gamble Chemicals (PGC), became a Participating Company of the Fair Labor Association (FLA). FGV's affiliation to the FLA is part of FGV's commitment to human rights and ongoing endeavour to uphold labour standards. As part of this affiliation, FGV developed its action plan in consultation with FLA as well as other stakeholders including United Nations agencies, civil society organisations as well as academicians. The background and summary of the action plan for 2020 was made public on 31 March 2020 and is accessible at the following link: <https://www.fgvholdings.com/wp-content/uploads/2020/03/Background-and-Summary-of-FGV-Action-Plan-2020.pdf>, and is attached as Appendix 2 to this report. The implementation of FGV's action plan under the FLA affiliation will be monitored and assessed independently by the FLA. Several items under the aforesaid action plan have been highlighted in this progress report as they complement FGV's existing efforts in addressing the CP's Directives.
3. Due to the Covid19 outbreak and the Movement Control Order (MCO) imposed by the Malaysian Government, some of FGV's efforts in addressing the CP's Directives, especially the regularization exercise in Sabah and the construction of new housing for workers, have been affected, and as a result, the completion of certain programmes will be delayed. In light of this, FGV seeks the CP's consideration to grant FGV an extension for the completion of these initiatives. Depending on future developments around the Covid19 situation, FGV believes that at this stage, an extension for a period equivalent to the length of the MCO would be reasonable. The CP's kind consideration of this request is highly appreciated.

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
A. Employment Contract				
1.	FGV shall undertake a full legal and operational audit and review of its current	FGV undertook an assessment of the Employment Contract between December 2018 and January 2019.	<ul style="list-style-type: none"> • FGV to revise the Employment Contract as per the CP's directives. 	i. The CP's Directives in relation to the employment contract have been

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>Based on the assessment, it was found that:</p> <ul style="list-style-type: none"> • FGV had translated the Employment Contract for migrant 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 migrant workers. • Despite the above, the provisions of the existing Employment Contract for the migrant workers are insufficient as addressed by RSPO CP. • The Employment Contract was signed in Malaysia instead of sourcing country. 	<ul style="list-style-type: none"> • The revised version (V2) shall be: <ul style="list-style-type: none"> • Translated into National Languages of Migrant Workers • Communicated to relevant embassies of migrant workers employed by FGV. • Explained to workers during orientation of new workers. • Signed by all new migrant 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. 	<p>implemented as stated in FGV's previous progress reports.</p> <p>ii. To further strengthen our practices, FGV has established One-Stop Centres (OSC) in Malaysia and in strategic locations in the workers' countries of origin. At the OSC, briefings are provided based on FGV's Communication Pack to ensure that workers understand the following:</p> <ol style="list-style-type: none"> a. Terms of employment b. Nature of work c. Benefits and entitlements d. Rights and responsibilities <p>At the moment, OSCs have been established in the following locations:</p> <ol style="list-style-type: none"> e. Gemencheh, Negeri Sembilan, Malaysia f. Kolkata, India g. Chennai, India h. Lombok, Indonesia <p>Interpreters have been appointed by FGV to facilitate understanding of the briefings by the workers.</p> <p>In the case of India, FGV is working with the Offices of the Protectors of Emigrants under the Ministry of External</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
				<p>Affairs to participate in the pre-departure briefing sessions for workers who are coming into FGV's operations, to ensure that they understand their terms of employment.</p> <p>FGV is also planning to establish more OSCs in strategic locations. FGV is currently working with the Sabah State Government to explore the possibility of establishing a OSC in Sabah.</p> <p>iii. In addition, as part of its continuous efforts to enhance its practices on labour, FGV through its affiliation with the FLA, is:</p> <ul style="list-style-type: none"> a. reviewing the employment contract and aligning it with FLA's Workplace Code of Conduct. b. strengthening its Communication Pack to include more infographics and pictorials to facilitate understanding by the workers. c. strengthening its mechanism to assess the effectiveness of its pre-departure briefings and post-arrival orientation programme, through the

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
				<p>development of pre-session and post-session surveys.</p> <p>d. collaborating with a local human rights NGO to strengthen the human rights component of the pre-departure and post-arrival briefing sessions for migrant workers.</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 references to the applicable labour standards. 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • statement of non-discriminatory practices; • no contract substitution; • post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices, etc; and • decent living conditions to be provided. • FGV shall ensure that all its 	<p>i. The CP's Directives in relation to the strengthening of policies and SOPs on labour related matters have been fulfilled as stated in FGV's previous progress reports.</p> <p>ii. The Socialization Programme undertaken by FGV since July 2019 seeks to communicate and promote awareness and understanding about the contents and expectations of FGV's revised Group Sustainability Policy (GSP), the Guidelines and Procedures for the Responsible Recruitment of Foreign Workers (GPRRFW), the Supplier Code of Conduct (SCOC) and other relevant policies among the personnel of its own operations as well as its contractors and suppliers. By the end of December 2019, FGV has completed the socialization programme for all its complexes as</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
			<p>policies and procedures relating to labour are communicated to, and are binding on, all its recruitment contractors, agents and supply chains.</p> <ul style="list-style-type: none"> • 	<p>planned. For 2020, the Socialization Programme will focus on FGV's Corporate Centre, its non-oil palm entities as well as the remaining contractors and suppliers. To date, FGV has conducted 54 Socialization sessions involving around 1400 participants.</p> <p>iii. As part of its continuous effort to enhance its internal policies and standards, FGV through its affiliation with the FLA, is reviewing its GSP, GPRRFW and SCOC to align them with FLA's Workplace Code of Conduct.</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"> • Where possible to conduct direct recruitment of foreign workers; • 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 	<p>i. The CP's Directives in relation to the recruitment of foreign workers have been put in action as stated in FGV's previous progress reports. These actions continue to be implemented throughout the recruitment process of FGV's migrant workers.</p> <p>ii. Since July 2019, FGV has been conducting briefing sessions for its appointed recruitment agencies to communicate and promote understanding about the contents and expectations of the Guidelines and Procedures for the Responsible</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
			<p>with the applicable national laws/ regulations.</p> <ul style="list-style-type: none"> • To ensure that all information on all aspects of working conditions in 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. • 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>Recruitment of Foreign Workers (GPRRFW). To date, 17 sessions have been conducted, including in India and in Indonesia involving recruitment agents and where applicable, sub-agents. <i>Please refer to Appendix 1.</i> Emphasis is given in particular on ethical recruitment processes and on the non-imposition of recruitment fees by the recruitment agencies on the workers as stipulated in the contract between FGV and the recruitment agencies.</p> <p>iii. FGV is participating in a labour supply-chain mapping project conducted by the United Nations International Organization for Migration (IOM) and the non-profit organization Earthworm Foundation. The scope of this project, which started in October 2019, includes reviewing processes and procedures relating to the recruitment of migrant workers, with a view to identifying any gaps and proposing initial recommendations. As of today, IOM and Earthworm Foundation has interviewed migrant workers at six of FGV's plantations, as well as a number of FGV's appointed recruitment agencies. The project, which is ongoing, will help FGV align its recruitment processes and</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
				<p>procedures with international standards.</p> <p>iv. As part of its continuous effort to strengthen its recruitment procedures, FGV through its affiliation with the FLA, is reviewing its contract with recruitment agencies to align it with FLA's Workplace Code of Conduct.</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>	<p>i. The CP's Directives relating to employment contracts have been fulfilled as stated in FGV's previous progress reports, and continue to be implemented in FGV's recruitment process.</p> <p>ii. Please refer to Paragraph 1 above.</p>		
5.	<p>To promote non-discrimination against illiterate workers, the content of the contract is to be orally transmitted to the workers, by or on behalf of the employer.</p>	<p>FGV uses seasoned migrant workers who can best speak and understand Bahasa Melayu, and is able to effectively communicate with the illiterate workers, to explain the terms of the employment contract.</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 illiterate workers are not discriminated and that the contract is orally read and explained to them. 	<p>i. The CP's Directives relating to non-discrimination against illiterate workers have been fulfilled as stated in FGV's previous progress reports. These actions continue to be implemented in FGV's recruitment process.</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
			<ul style="list-style-type: none"> For existing illiterate migrant workers, FGV shall ensure that the contract is orally transmitted to them. If necessary, an interpreter shall be provided. 	ii. Please refer to Paragraph 1.
6.	<p>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.</p>	<p>There were instances where employment contract was substituted when the workers arrived in Malaysia.</p>	<ul style="list-style-type: none"> There shall be only one employment contract (V2) signed by migrant 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. 	i. The CP's Directives relating to no contract substitution have been fulfilled as stated in FGV's previous progress reports, and continue to be implemented as FGV's standard practice.

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
7.	<p>Further, workers' freedom to resign without penalty and in accordance with law must be respected.</p> <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>The V1 contract is silent on the worker's freedom to resign from the company.</p>	<ul style="list-style-type: none"> • FGV shall recognise and respect the workers' right to terminate the employment contract in accordance with prescribed requirements. eg. Notice or pay in lieu). • 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>i. The CP's Directives relating to workers' freedom to resign without penalty in accordance with the law have been put into action as stated in FGV's previous progress report, and continue to be implemented as FGV's standard practice.</p>
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 migrant 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 	<p>i. The CP's Directives relating to the adoption of SOPs for engaging labour recruitment agencies have been fulfilled as stated in FGV's previous progress reports, and continue to be implemented as FGV's standard practice.</p> <p>ii. Please also refer to Paragraph 3.</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<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>The SOPs, upon completion,</p>		<p>trafficked labour;</p> <ul style="list-style-type: none"> ii. Clarity on the imposition of recruitment fee; 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 	

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>		<p>addresses new / revised requirements pertaining to legal and/or sustainability standards.</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 migrant 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 Luar yang Baik"</i>, Bil (163) 010810/HQ/JAB.OP.18/PLANTATIONS/AM", dated 3 December 2018. 	<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 	<ul style="list-style-type: none"> i. As of January 2020, FGV has phased out its contractors, save contractors providing replanting and FFB transportation services. The use of such contractors is common throughout the industry. Nonetheless, FGV will continue to monitor its contractors to ensure compliance with national laws and with FGV's commitments and standards. ii. As mentioned in Paragraph 2(iii), and as part of its affiliation to the FLA, FGV is in the process of reviewing and strengthening the SCOC to ensure that our suppliers and contractors adhere

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
			labour 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>to sustainability and human rights standards. In addition, FGV's affiliation with the FLA will also include programmes that will complement existing efforts to monitor contractors' adherence to human rights and sustainability standards.</p> <p>iii. In ensuring suppliers' compliance with FGV's standards, we are currently working with Malaysia's National Applied Research and Development Centre ("MIMOS") and the Malaysia Institute for Supply Chain Innovation ("MISI"). The partnership covers the validation of traceability data information, the verification of external suppliers' compliance with the GSP and the development of FGV suppliers' sustainability status through the Preferred Network Programme ("PNP"). This initiative is jointly supported by FGV and the Procter & Gamble Company (P&G) and is being monitored by a Taskforce established by FGV and P&G.</p> <p>iv. Please also refer to paragraph 2(ii).</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
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. This CP directive has been implemented by FGV as stated in FGV's previous progress reports. Please also refer to Paragraphs 1, 2 and 3 above.</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> <p>i. statement of non-discriminatory practices;</p> <p>ii. no contract substitution;</p> <p>iii. post-arrival orientation programme to focus especially on language, safety, labour laws, cultural practices etc.; and</p>		<p>i. The CP's Directives relating to the adoption of a labour policy have been fulfilled as stated in FGV's previous progress reports, and continue to be implemented as FGV's standard practice. FGV's Guidelines and Procedures for the Responsible Recruitment of Foreign Workers contain the elements stipulated by the CP's Directives.</p>	

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	iv. decent living conditions to be provided.			
12.	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.	<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 migrant 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. 	i. The CP's Directives relating to access to medical amenities and affordable healthcare have been fulfilled as stated in FGV's previous progress reports. Such actions continue to be implemented as FGV's standard practice.
13.	In addition, FGV shall ensure that workers are made aware of the terms and benefits of the FWCS under which they are insured.	<ul style="list-style-type: none"> • Migrant workers are not made aware of their medical and insurance benefits. 	<ul style="list-style-type: none"> • FGV to ensure that migrant workers are adequately briefed and informed of their medical benefit and entitlements. • Also, FGV must ensure that migrant workers are informed of their insurance benefits under FWCS. 	<p>i. The CP's Directives stipulating that workers are made aware of the terms and benefits of their FWCS been fulfilled as stated in FGV's previous progress reports especially through the adoption and application of the FGV's communications pack and the Guidelines and Procedures for Responsible Recruitment of Foreign Workers. These actions continue to be implemented as FGV's standard practice.</p> <p>ii. Please also refer to Paragraphs 1, 2 and 3 above.</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
D. Passports				
14.	<p>Whilst the Complaints Panel notes steps already taken by FGV with regard to migrant 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 migrant workers' passports in Peninsular Malaysia. However, for migrant 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 Seriting complexes, for the safekeeping of migrant workers' passport was completed in March 2017 and all passports have been returned in April 2017. • FGV does not practice holding migrant 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 migrant 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. 	<p>i. As mentioned in FGV's previous progress reports, all passports are kept by the migrant workers. All of FGV's plantations in Peninsular Malaysia, Sabah and Sarawak are equipped with passport safety boxes which may be used by migrant workers to keep their passports, if they wish. The safety boxes are accessible to the workers at all times.</p>
15.	<p>There should be no constraints on the ability of the worker to leave the place of employment or any restrictions placed on their freedom of movement, outside working hours. The Complaints Panel notes FGV's</p>	<ul style="list-style-type: none"> • Migrant workers hold their own passports which are kept in the safety boxes installed in all estates. • Migrant workers are required to seek "approval" to leave FGV 	<ul style="list-style-type: none"> • FGV to ensure that it respects workers' freedom of movement and do not impose unnecessary restrictions. This must be communicated to all workers. 	<p>i. As stated in FGV's previous progress reports, it is now an established practice throughout all FGV operations that workers, including migrant workers, do not need to seek approval to leave the premises, but merely have to notify the</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>premises.</p>		<p>guardhouse or plantation’s management for safety purposes.</p>
E. Undocumented Workers				
16.	<p>FGV shall undertake a full legal and operational audit and review of its foreign workers (including contractor’s workers) to ensure full compliance with</p>	<ul style="list-style-type: none"> The existing agreement between FGV and its contractors is not adequate to address the human rights and labour concerns raised by the CP. 	<ul style="list-style-type: none"> i. As communicated to the CP previously, the situation of undocumented persons in Sabah is highly complex and is a result of a multiplicity of contributing factors. The historical, socio-economic, political, cultural and geographical contexts all add to the intricacies surrounding the issue of undocumented persons in Sabah. The issue of undocumented persons working in plantations in Sabah is not unique to FGV’s case but is an industry-wide concern. In April 2019, the Sabah State Government introduced a programme that would allow undocumented migrant workers in 	

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>Sabah to apply for regularisation. In relation to this, and in keeping with our commitment to phase out contractors, as well as to support national efforts to eradicate poverty and to respect human rights, FGV has invited those undocumented workers from contractors to join our workforce. The application for regularisation is facilitated by FGV and we are also covering the fees involved in the regularisation process. As per FGV's submission to the CP on 13 February 2020, FGV has registered 6158 migrant workers with the Sabah State Government to undergo regularisation, and has developed a mechanism to monitor the regularisation process. As of 17 March 2020, the figures relating to the regularisation process are as follows:</p> <ul style="list-style-type: none"> a. Number of workers registered: 6158 b. Number of passports issued: 3692 c. Number of work permits approved: 675 <p>While the initial target date to complete the regularisation exercise was end of June 2020, this timeline will have to be revised given the Covid19 outbreak and the Movement Control Order (MCO) imposed by the Malaysian Government, which has disrupted the regularisation process.</p> <ul style="list-style-type: none"> ii. Please also refer to paragraphs 1, 2 and 3 above.

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;".

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
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 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>	<ul style="list-style-type: none"> • FGV had erred when it allowed its contractor to utilize FGV's quota for migrant workers. • The contractor used the quota to recruit migrant workers to work for them. • The sharing of quota initiative was immediately stopped in line with the CP directives. 	<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. 	<p>i. The CP's Directives relating to the outsourcing of FGV's migrant workers to contractors have been resolved as stated in FGV's previous progress report. The practice of outsourcing migrant workers to contractors has totally stopped and has been addressed.</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</p>	<p>i. Please refer to paragraphs 1, 2, 3 and 9(1) above.</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;"

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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 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>			
F. Health and safety requirements				
19.	<p>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.</p>	<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 	<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. As mentioned in FGV's previous progress reports, the CP's Directives relating OSH/PPE policy and SOPs have been put into action, which continues to be carried out as a standard practice. ii. For our contractors, they are monitored continually by plantation and mill personnel, and audited by our internal audit team.

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
		<p>replaced at no cost for all workers.</p> <ul style="list-style-type: none"> • Records of distribution and replenishment of PPE are also available. • Workers are provided with training on how to use PPE and precautions on handling of chemicals. This training is carried at the estates in their respective national languages through translators. • 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"> i. Information relating to OSH and PPE is included in FGV's communications pack that is used during pre-departure and post-arrival orientation programmes. ii. Please also refer to Paragraph 1 above.

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
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 contractor's workers) to ensure full compliance with national laws, international human rights standards as well as the P & C</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. • 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"> • FGV is committed to ensure its workers' accommodation are in line with the applicable national standards. This commitment must be 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. 	<p>i. As stated in FGV's previous progress reports, new houses are being constructed to ensure the workers enjoy their right to adequate housing in compliance with national laws and international standards.</p> <p>While the new houses for FGV's complexes in Sabah have been completed, FGV has decided to construct additional units. The construction of the houses for FGV's complexes in Peninsular Malaysia and Sarawak is ongoing. It was earlier projected that the construction of the houses in Peninsular Malaysia and Sarawak, as well as the additional units in Sabah would be completed by May 2020. However, in light of the Covid19 outbreak and the Movement Control Order (MCO), the construction work has been put on hold until further notice by the Government.</p> <p>ii. As part of its continuous effort to enhance its practices relating to working and living conditions of its workers, FGV through its affiliation with the FLA, will be collaborating with an independent</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
				human rights body to conduct assessments and verification exercises.
21.	FGV shall remove all forms of discrimination between FGV's workers and contractor's workers, as well as between local and migrant workers.	i. The CP's Directives relating to non-discrimination have been put into action as stated in FGV's previous progress reports, and such actions continue to be carried out as a standard practice. The principle of non-discrimination is clearly embedded in FGV's Group Sustainability Policy, Supplier Code of Conduct and Guidelines and Procedures for the Responsible Recruitment of Foreign Workers. Efforts are being made to ensure the continuous adherence to such principle.		
22.	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 rights standards as well as the P & C.	<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 workers in its mill/estate operations. 	<ul style="list-style-type: none"> • FGV shall reasonably consider ways to reduce the utilities burden of migrant workers. 	i. The CP's Directives relating to reducing the burden of electricity and water costs charged to migrant workers have been put into action as stated in FGV's previous progress reports, and such actions continue to be carried out as a standard practice.
H. Adequate food and supplies				
23.	FGV should undertake a full legal and operational audit and review of the access to adequate, sufficient and affordable food/supplies by its	<ul style="list-style-type: none"> • These sundry shops are also frequented by FGV workers and villagers from the surrounding areas. The price 	<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 	i. The CP's Directives relating to access to adequate and affordable food supply by its migrant workers have been put into action as stated in FGV's previous progress reports,

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>	<p>of the goods sold are the same for everyone.</p> <ul style="list-style-type: none"> • 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. 	<p>merchants coming straight to workers' housing areas.</p> <ul style="list-style-type: none"> • FGV shall advise workers to inform management if there are incidences where prices are unjustified. FGV will investigate accordingly. 	<p>and such actions continue to be carried out as a standard practice.</p> <p>ii. In light of the Movement Control Order (MCO) imposed by the Malaysian Government due to the Covid19 outbreak, FGV has provided food supplies worth RM35 to over 37,000 of its workers.</p>
I. Protection of whistleblowers and complainants				
24.	<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</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 	<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 	<p>i. The CP's Directives relating to grievance mechanisms have been put into action as stated in FGV's previous progress reports, and such actions continue to be carried out as a standard practice.</p> <p>ii. As part of its continuous effort to enhance its practices relating to</p>

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
	<p>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>	<p>the workers and staff members at the operations.</p> <ul style="list-style-type: none"> 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 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>grievance mechanism which shall be communicated and implemented throughout its operation.</p> <ul style="list-style-type: none"> Additionally, adequate monitoring and tracking system should be developed to ensure grievances are addressed accordingly. 	<p>labour, FGV through its affiliation with the FLA, is strengthening its grievance mechanisms by, among other things, exploring partnership with independent third-party organisations, as well as to assess effectiveness.</p>
25.	<p>FGV to implement a policy on protection of human rights defenders (whistleblowers and complainants) and institute relevant mechanisms for reporting and protection.</p>	<p>FGV is bound and guided by the protection of whistleblowers as provided by its Whistleblowing Policy and the Whistleblower Protection Act 2010.</p>	<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. Please see paragraph 24 above. 	

No.	Complaints Panel's Directives	FGV Assessment Finding	Action	Progress Update as at April 2020
J. Compliance for human rights at the operational level				
26.	<p>FGV shall ensure that its human rights policy is properly communicated and effectively 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>	<ul style="list-style-type: none"> The existing communications of sustainability and human rights policy is weak. This resulted in lack of appreciation on labour and human rights issues. 	<ul style="list-style-type: none"> FGV shall establish a communication strategy to ensure that the approved policies and relevant SOPs supporting the policies are adequately communicated and implemented internally at all levels. 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. 	<ul style="list-style-type: none"> Please refer to paragraph 2 above. As part of its continuous effort to enhance its practices relating to labour, FGV through its affiliation to the FLA is collaborating with a local human rights NGO to strengthen FGV's human rights training programme for workers.

***** END OF DOCUMENT *****

List of Socialisation Sessions with Recruitment Agencies on FGV's Guidelines and Procedures for the Responsible Recruitment of Foreign Workers

No.	Location of Socialisation Sessions with Recruitment Agencies	Date
1	Lombok, Indonesia	5 July 2019
2	Lombok, Indonesia	8 July 2019
3	Pekan Baru, Indonesia	2 August 2019
4	Lombok, Indonesia	19 August 2019
5	Lombok, Indonesia	6 September
6	Lombok, Indonesia	16 September 2019
7	Lombok, Indonesia	23 September 2019
8	Mumbai & Chennai, India	30 September 2019
9	Delhi & Kolkata	12 October 2019
10	Nusa Tenggara Timur, Indonesia	31 October 2019
11	Lombok, Indonesia	2 November 2019
12	Lombok, Indonesia	20 November 2019
13	Delhi, Kolkata, Lucknow & Chennai, India	30 November 2019
14	Lombok, Indonesia	24 December 2019
15	Nusa Tenggara Timur, Indonesia	7 January 2020
16	Lombok, Indonesia	29 January 2020
17	Chennai & Kolkata, India	12 February 2020

Background and Summary of FGV's Action Plan 2020

Preamble

Following the [announcement](#) of the affiliation of [FGV Holdings Berhad \(FGV\)](#) with the FLA and FGV's public commitment to transparency and addressing labour issues in November 2019, FGV drafted its 2020 action plan, of which the summary is presented in Annex 1. The action plan is designed to align FGV's commitment and practices on labour with the [FLA's Principles of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains \(Principles\)](#). The Principles are based on international human rights standards and instruments including the [International Bill of Human Rights](#), as well as the International Labour Organization (ILO) standards, particularly the [ILO Declaration on Fundamental Principles and Rights at Work](#). The Principles also uphold and promote the [United Nations Guiding Principles on Business and Human Rights \(UNGP\)](#) and the [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#).

The action plan includes FGV's commitment to, among others, responsible recruitment of migrant workers, strengthening of grievance mechanisms, regularisation of undocumented migrant workers, improving monitoring systems and remediation and enhancing stakeholder engagement, among other things. The programmes and initiatives highlighted in the action plan are also part of FGV's commitment and role in contributing to the fulfilment of the Sustainable Development Goals (SDGs).

In developing the action plan, FGV has engaged in consultation with various external stakeholders, including international and Malaysia-based civil society organisations (CSOs). FGV is committed to continue engagement with all external stakeholders throughout the process including in the implementation phase of the action plan.

In light of the escalating COVID19 outbreak, which has led to the imposition of the Movement Control Order (MCO) by the Malaysian Government, and its potential negative impacts to workers, FGV is committed to putting in place mechanisms and procedures to protect the workers' rights, health and safety. Such measures by FGV is also reflected in the 2020 action plan.

This document provides the steps taken in the designing of the action plan, a brief description of key activities to be implemented in 2020, and opportunities to engage at a sectoral level. Implementation of the 2020 action plan and its lessons learnt will be used as a foundation to continuously improve FGV's commitment and practices for the following years. The 2020 action plan builds on the initiatives and actions already implemented by FGV in the past years (overview presented in Annex 2). The 2020 action plan is deemed to be a living document, which FGV will review and update regularly, in consultation with the FLA, on the progress made and lessons learnt from the past implementation period.

Design of the Action Plan

The action plan aims to be strategic, long-term and collaborative to enable FGV to proactively address labour standards issues and move away from its reactive approach. The drafting process was informed by a number of internal and external engagement activities organized between January and March 2020, including:

- i. The FLA conducted a desk-based mapping of FGV's owned operations and its supply chains comprising small-holder farmers and traders;

- ii. The FLA visited one of the FGV's owned palm oil plantation sites in Sabah (East Malaysia) and conducted interviews with estate management staff, supervisors, and groups of workers;
- iii. The FLA, FGV and PGC consulted international and Malaysia-based CSOs to discuss challenges facing migrant workers in Malaysia. On 20 March 2020, FGV organised an online stakeholders consultation participated by some 20 representatives from various CSOs and academic institutions. Prior to that, FGV disseminated an online survey form enabling stakeholders to provide their written inputs for FGV's consideration. FGV has incorporated some of the recommendations received from the stakeholders, where relevant, into the 2020 action plan, and will keep in mind the remaining recommendations for potential integration into the action plan at a later stage; and
- iv. The FLA conducted a management systems gap analysis and an onboarding workshop with FGV top management and various divisions in Kuala Lumpur on the FLA's independent accountability framework.

For 2020 action plan, in line with the FLA's requirements, the activities will focus on achieving FGV's commitment under Principle 1 (Labour Standards) and Principle 2 (Company Staff and Implementing Partner Training). Given the urgency to fill other gaps, FGV is committed to concurrently implement several activities under other Principles including improving monitoring systems and remediation, strengthening pre-departure and post-arrival orientation program for workers; grievance redressal; strengthening monitoring tools and data management systems; supporting the regularization of undocumented migrant workers; and stakeholder engagement. In 2020, FGV will focus its efforts in its owned operations and progressively in its supply chain.

FGV's action plan encompasses the following:

- | | |
|-------------------------------------|---|
| FLA Principle 1: | Align code of conduct for owned operations and its suppliers with the FLA Workplace Code of Conduct for the Agriculture Sector (Ag CoC) . Develop and distribute a code of conduct tailored for workers to understand the commitment. |
| FLA Principle 2: | Expand the GSD to create a cross-departmental core labour standards management team to work in a cohesive and concerted manner with clear roles and responsibilities and performance indicators. |
| FLA Principle 2
and Principle 4: | Conduct interactive and action-based training (and refreshers) for key staff and management on labour rights, international frameworks, and grievance redressal mechanism. |
| FLA Principle 3: | Set traceability targets to increase visibility in the supply chain. |
| FLA Principle 5: | Develop a comprehensive monitoring plan for owned operations, including contract workers, and progressively for the supply chain. |
| FLA Principle 6: | Create fair recruitment, working conditions, and repatriation monitoring tools, and data management system. This will be built on the existing efforts FGV is undertaking with two international organizations on mapping the migrant labour recruitment process as well as other industry guidance (e.g., ILO Guidelines on Fair Recruitment). |
| FLA Principle 7: | Starting with owned operations, build worker awareness on labour standards and contract terms and conditions. Execute training surveys to |

- ensure efficacy of training and identify gaps at pre-departure and post-arrival.
- FLA Principle 7: Include a survey in the pre-departure Communication Pack to understand if costs have been incurred by the workers (before introduction to FGV), and if so, the details of those costs.
- FLA Principle 7: Seek legal guidance on the legalization process for workers and report updates on progress on FGV's website.
- FLA Principle 9: Establish regular contact with local and international civil society organizations to brief them on the action plan and seek guidance.
- FLA Principle 10: The FLA will verify the progress against the action plan in mid 2020 in a follow up visit.

Commitment and Opportunities

Many issues that have been identified must be addressed at the sectoral level in order to address the root causes. FGV plans to do the following to address sectoral challenges:

- i. There are differences between Malaysian laws and the FLA standards, such as working hours. To address this internally, FGV will initiate a series of consultations with various divisions and develop capacity building initiatives to raise awareness among its responsible staff. Externally, FGV is committed to engaging in dialogues and consultation to raise and seek a sustainable solution in addressing several sectoral issues such as working hours.
- ii. Resolution of sectoral level issues such as labour shortages, undocumented migrant workers, and a complex government mechanism dealing with migrant workers, requires the involvement of other actors, including the Malaysian Government and CSOs. FGV will join efforts with PGC and leverage other existing industry platforms to continuously raise these issues for resolution. .
- iii. In light of the escalating COVID19 outbreak in Malaysia and globally, and its potential negative impacts to workers, FGV is committed to putting in place mechanisms and procedures to protect the workers' rights, health and safety. The establishment of an internal COVID-19 Task Force headed by the Group CEO and its pandemic response plan in March 2020 will be used as a foundation to further improved response plan, which will include preventive measures for all regardless of their nationality, gender and social status.

The implementation of this action plan will leverage the commitment and resources that already exist within FGV and beyond. These include:

- i. Commitment from FGV's top management for structural change and policy alignment to the FLA's standards, particularly the FLA Agriculture Code of Conduct;
- ii. FGV's commitment to improve its field level structures, personnel, and management systems in order to fully and efficiently implement a social compliance program;
- iii. FGV's evolving relationship with external stakeholders in Malaysia, particularly the Government of Malaysia and members of CSOs;

- iv. Strong support from PGC, through exchange of resources and expertise; and
- v. On-going national policy reform relating to labour standards. These include, for instance, the strengthening of government-to-government [G2G] bilateral agreement between Malaysia and sending countries; development of Malaysia's National Action Plan on Forced Labour; and the development of the National Action Plan on Business and Human Rights.



Annex 1: Summary of the FGV Action Plan (2020)



Activities	Timeline
Principle 1: Labour Standards - <i>company affiliate establishes and commits to clear standards</i>	
<p>Initial assessment of FGV's Suppliers Code of Conduct (SCOC)</p> <ul style="list-style-type: none"> - FGV's SCOC is not aligned with the FLA's Workplace's Code of Conduct for the Agriculture Sector (Ag CoC). Further action is required. 	<i>Completed</i>
<p>Alignment of FGV's SCOC and other related labour policies and procedures</p> <ul style="list-style-type: none"> - FGV will undertake the necessary amendments to align its SCOC and other labour policies and procedures with the Ag CoC. - FGV acknowledges that there are challenging areas (i.e., working hours). FGV will organize internal consultations, meetings and training to get support and approval. 	2020 (Q4)
<p>Review and amendment of employment policy and contract, ensuring consistency to Ag CoC</p> <ul style="list-style-type: none"> - FGV will reflect the UNGPs and the ILO Guidelines on Fair Recruitment in its recruitment policy and practices. 	2020 (Q4)
<p>Socialize Group Chief Executive Officer (GCEO's) sustainability commitment</p> <ul style="list-style-type: none"> - FGV will issue a commitment letter to uphold the Ag CoC in its policies and procedures. This letter will be circulated to all FGV's owned operations and employees and will also be posted on FGV's website. - GSD will work closely with FGV's Communication Department to strengthen internal communication ensuring all employees are adequately informed and updated frequently of the improved policies and procedures. 	2020 (Q2)
<p>Strengthen representation of Group Sustainability Department (GSD) at the highest governance</p> <ul style="list-style-type: none"> - FGV has placed at least one sustainability's (GSD) staff in the Governance and Risk Management Committee. Sustainability and social compliance will be included as a standing agenda item as part of the regular meetings of the Committee. 	2020 (Q4)
<p>Prohibition and prevention of forced labour</p> <ul style="list-style-type: none"> - FGV will strengthen the existing procedures and mechanisms to effectively prevent forced and bonded labour, and to establish remediation processes should they occur 	2020 (continuous)

<p>Prohibition and prevention of child labour</p> <ul style="list-style-type: none"> - FGV will strengthen the existing procedures and mechanisms to prevent child labour, and to establish effective remediation processes should they occur. 	<p>2020 (continuous)</p>
<p>Promotion of the right to freedom of association</p> <ul style="list-style-type: none"> - FGV will develop procedures and mechanisms to strengthen the enjoyment of the workers' right to freedom of association and to unionise. 	<p>2020 (continuous)</p>
<p>Promotion of gender equality and empowerment of women</p> <ul style="list-style-type: none"> - FGV will develop – through the establishment of a Gender Committee – policies, procedures and mechanisms to promote gender equality and women empowerment in FGV's operations. 	<p>2020 (continuous)</p>
<p>Principle 2: Company Staff and Implementing Partner Training - <i>company affiliate identifies and ensures that the specific personnel responsible for implementing labour standards (at head office and in the regions) are trained and are aware of the workplace standards criteria.</i></p>	
<p>Improve FGV's organizational chart</p> <ul style="list-style-type: none"> - FGV's organizational chart will contain comprehensive information such as the number of responsible staffs to implement the Action Plan. 	<p>2020 (Q2)</p>
<p>Improve job descriptions</p> <ul style="list-style-type: none"> - The job descriptions will include clear roles and expectations of the responsible staffs in implementing the Action Plan. The FLA will work with FGV to develop Key Performance Indicators (KPIs) to oversee the implementation of the Action Plan. 	<p>2020 (Q2)</p>
<p>Strengthen appointment process of responsible staff</p> <ul style="list-style-type: none"> - FGV will create a chart/model of the appointment process of its responsible staffs in charge of labour standards at headquarters and operational levels. 	<p>2020 (Q2-4)</p>
<p>Implement staffs' training on labour standards and social performance</p> <ul style="list-style-type: none"> - FGV will develop an interactive and action-based training on labour rights and international frameworks, involving all key staffs including at plantation level management. The training will adopt a training of trainers (ToT) approach to reach a maximum impact on the ground. 	<p>2020 (Q2-4)</p>
<p>Principle 3: Supplier Training - <i>company affiliate obtains commitment, drives supplier awareness of labour standards, and tracks effectiveness of supplier workforce training.</i></p>	

<p>Improve Human Resources (HR) management of staff and workers</p> <ul style="list-style-type: none"> - FGV will improve HR management and record-keeping of staff and workers in all its owned operations. This will enhance company's accountability and transparency particularly in managing the employer-employee relationship, in alignment with the FLA Ag CoC. It includes record-keeping of information on language of contract provided, input to survey on recruitment fees, type of training conducted, family members accompanying, etc. 	2020 (Q2)
<p>Strengthening working and living conditions of workers</p> <ul style="list-style-type: none"> - FGV will continue its cooperation with the Human Rights Commission of Malaysia (SUHAKAM) to strengthen FGV's compliance with labour standards with regard to the working and living conditions of its workers, through assessments and verification exercises. 	2020 (Q4)
<p>Principle 6: Collection and Management of Compliance Information – <i>company affiliate collects, manages and analyses labour standards compliance information.</i></p>	
<p>Develop an information management system accessible to the FLA</p> <ul style="list-style-type: none"> - The information management system aims to gather and manage traceability data, and strategy to share such information with the FLA 	2020 (continuous)
<p>Principle 7: Timely and Preventative Remediation – <i>company affiliate works with suppliers to remediate in a timely and preventative manner.</i></p>	
<p>Regularization and monitoring of undocumented migrant workers</p> <ul style="list-style-type: none"> - FGV will identify and monitor periodically – the total number of undocumented migrant workers currently hired in its owned operations and the status of rehiring/regularization programme. - FGV will engage legal experts / practitioners to provide legal opinion on the status of migrant workers who are in the regularization process in order to improve remediation - FGV will develop procedures in preventing the hiring of undocumented migrant workers and the remediation strategy in dealing with unexpected future undocumented workers. - FGV will regularly and publicly update its progress, including steps taken to prevent and remedy, in the event where undocumented migrant workers are found in its owned operations. 	2020 (Q2) – (continuous)
<p>Strengthen FGV's commitment and practices on fair recruitment practices</p> <ul style="list-style-type: none"> - FGV, through its current joint project with the United Nations International Organization for Migration (IOM) and the Earthworm Foundation, will undertake workers' survey on recruitment fees for the purpose of continuous improvement of its fair recruitment practices. The findings and recommendations arising from this exercise will inform the formulation of FGV's remediation measures concerning 	2020 (Q2-3)

<p>recruitment fees. The report and follow-up plans will be made available.</p> <ul style="list-style-type: none"> - FGV will continue engaging in dialogue with other stakeholders, including the Roundtable on Sustainable Palm Oil (RSPO) in addressing systemic issues relating to fair recruitment practices. FGV is also committed to engage workers' representatives and local organization in these dialogues. - FGV will review its repatriation practices to ensure compliance with labour standards. 	2020 (Q4)
<p>Strengthen post-arrival orientation programme for migrant workers</p> <ul style="list-style-type: none"> - FGV will strengthen the post-arrival orientation programme for newly arrived workers. The post-arrival orientation programme will include training on FGV's labour policies, workers' rights and responsibilities, no recruitment fees, no retention of passports and a choice to use employer provided lockers, taking leave and exiting the premises and repatriation procedures. - FGV is exploring opportunities to collaborate with a labour rights NGO in Malaysia in strengthening the post-arrival orientation module. 	2020 (Q4)
<p>Enhance communication pack</p> <ul style="list-style-type: none"> - The communication pack aims to raise awareness among migrant workers during their recruitment process (in origin country), upon arrival in Malaysia and those that are already worked on sites. - The communication pack will also include a pre-departure survey to identify the costs paid by workers during their recruitment process (before they are introduced to FGV) 	2020 (Q2-Q4)
<p>Principle 8: Responsible Procurement Practices – <i>company affiliate aligns procurement practices with commitment to labour standards.</i></p>	
<p>Strengthen procurement policy and practice</p> <ul style="list-style-type: none"> - FGV will review and amend (where needed) the contract (procurement), which amendments may include supply chain disclosure and access to facilities/growers for assessments/by the FLA. 	2020 (Q4) (continuous)
<p>Principle 9: Consultation with Government, Local Authorities & Civil Society – <i>company affiliate identifies, researches and engages with relevant local and international non-governmental organizations, trade unions and other civil society organizations (CSO).</i></p>	
<p>Consulting stakeholders for development and progress on action plan</p> <ul style="list-style-type: none"> - FGV will consult with a core group of local and international stakeholders to get input and feedback to the (updated) action plans and progress reports. 	2020 (continuous)

<p>Undertake stakeholder overview/mapping</p> <ul style="list-style-type: none"> - FGV will undertake a mapping of relevant local and international stakeholders and frequently update an overview of these stakeholders including general information, areas of expertise, relevancy to FGV and contact information. FGV is in the process of engaging with 5 local and 5 international CSOs. 	<p>2020 (continuous)</p>
<p>Principle 10: Verification Requirements – <i>company affiliate meets FLA verification and program requirements.</i></p>	
<p>Creating internal procedure to manage affiliation with the FLA</p> <ul style="list-style-type: none"> - FGV's Sustainability team will be the main liaison with the FLA. They will be responsible for working with other departments to execute the Action Plan. A cross-departmental core team comprising of various departments has been created to execute the action plan. This core-team will develop an internal procedure to manage matters related to its affiliation with the FLA. 	<p>2020 (continuous)</p>
<p>FGV's participation in assessments</p> <ul style="list-style-type: none"> - FGV is committed to participate in and provide support to any assessment / due diligence exercises conducted by the FLA, including assessments at owned operations and suppliers' operations. - FGV will support the FLA assessment to verify progress against the action plan starting mid-2020. 	<p>2020 (continuous)</p>
<p>Regular reporting to the FLA</p> <ul style="list-style-type: none"> - FGV is committed to reporting its progress to implement the FLA's Principles of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains on an annual basis. 	<p>2020 (continuous)</p>
<p>Provision of information and other support for assessment and verification</p> <ul style="list-style-type: none"> - FGV will provide the necessary information and other support (where needed), including owned operations and suppliers' information that will facilitate regular assessment and verification by the FLA. 	<p>2020 (continuous)</p>

Annex 2: List of Initiatives Undertaken by FGV until February 2020

Over the past years, FGV has been implementing a number of initiatives in its operations, some of which involve its suppliers and contractors. The 2020 action plan for implementing the FLA Principles builds on those existing initiatives.

Hereby a summarized overview of those initiatives:

a) Establishment of Group Sustainability Division

Since early 2019, the Group Sustainability Division (GSD) has a Group-wide function. Prior to that, the mandate of the Sustainability Division primarily covered FGV's Plantation Sector. The GSD now reports directly to the Group CEO of FGV, driving higher accountability and quick decision making on areas concerning corporate respect for human rights and social responsibility; including FGV's commitment to no deforestation, no planting on peat and no exploitation (NDPE). Since March 2019, FGV has appointed [new leadership](#) in the GSD consisting of personnel with a cumulative experience of 45 years in the fields of human rights, law reform and development.

b) Establishment of an Independent Advisory Panel

FGV has established an [Independent Advisory Panel](#) (IAP), with the function to provide independent advice and recommendations to FGV on matters pertaining to corporate governance and sustainability, which covers respect for human rights as well as environmental protection. The IAP comprises experts in related fields from the business and academic sectors, and their advice will complement FGV's existing and ongoing efforts in advancing its sustainability agenda.*

c) Establishment of Sustainability Synergy Committee

A [Sustainability Synergy Committee](#) comprising the heads or representatives of the various sectors and divisions within FGV Group was established to facilitate the mainstreaming of sustainability principles and practices throughout FGV, as well as to ensure effective implementation of FGV's sustainability initiatives and programs across its operations.*

d) Revision of the Group Sustainability Policy (GSP 3.0)

On 29 May 2019, FGV's Board of Directors adopted the revised [Group Sustainability Policy](#) (GSP). The revised GSP serves as the overarching framework on sustainability applies to the entire FGV Group, including its listed and non-listed subsidiaries globally. The revised GSP has a reinforced component on human rights with references to international human rights instruments, including the UN Guiding Principles on Business and Human Rights (UNGPs). The revised GSP articulates an expectation that FGV's contractors and suppliers are required to adhere to the principles and standards stipulated in the GSP.

e) Creation of the Suppliers Code of Conduct (SCOC)

FGV has created and deployed a [Supplier Code of Conduct](#) (SCOC) in April 2019, which outlines principles and standards relating to sustainability; business ethics and integrity; safety, health and environment; and labour, among other things. With this document, any supplier or contractor wishing to enter into a business partnership with FGV is required to agree and commit to the principles and standards stipulated by the SCOC.

f) Adoption of the Guidelines and Procedures for the Responsible Recruitment of Migrant Workers

In June 2019, FGV adopted its [Guidelines and Procedures for the Responsible Recruitment of Foreign Workers](#). This document provides a set of guidelines to ensure responsible and ethical recruitment of migrant workers and covers various stages of the recruitment process, namely pre-employment, employment and post-employment processes.

g) Socialization programme

FGV is in the process of conducting a socialization programme comprising a series of engagement sessions with various internal stakeholders and supply chain partners including its mills, estates and its suppliers. The socialization programme aims to raise awareness about the revised GSP, the SCOC, the Guidelines and Procedures for Responsible Recruitment of Foreign Workers and other relevant materials. The socialization programme further aims to convey FGV's expectations towards its operations and suppliers to comply with the principles and standards contained in the aforesaid documents.*

h) Revision and translation of employment contract

The employment contract for migrant workers was revised to provide greater clarity and to enhance provisions on several areas including on training, nature of work, working hours, salary or wages, facilities and benefits, leave and termination of employment. The revised employment contract has been translated and issued in English as well as the local languages of the migrant workers namely in Indonesian, Bengali, Tamil and Hindi.*

i) Revision of the Contract with Recruitment Agencies

FGV has amended its contract terms and conditions with the recruitment agencies to ensure alignment to its GSP, SCOC and the Guidelines and Procedures for the Responsible Recruitment of Migrant Workers. The revised contract requires all recruitment agencies to adhere to the FGV's SCOC, including that no fee is charged to migrant workers throughout their recruitment process, nor any cost imposed by intermediaries.*

j) Development of a Training Module on Human Rights for Workers

FGV is working together with local NGOs to develop a human rights module to be used during on-boarding sessions for employees including migrant workers, with the objective of promoting greater awareness and understanding of their rights and responsibilities as a worker.

k) Development of a Communication Pack and One-Stop Centres

A Communications Pack has been developed to ensure workers understand their terms of employment, nature of work as well as their rights, benefits and entitlements.* In relation to this, [One-Stop Centres](#) for workers have also been established where workers will receive orientation programs, briefings and trainings. To date, FGV has established a One-Stop Centre in Gemenchah, Negeri Sembilan (Malaysia), Lombok (Indonesia), Chennai and Kolkata (India), and is considering establishing more One-Stop Centres in other strategic locations.

l) New Accommodation for Workers

FGV has developed new and refurbished accommodation for workers in its owned operations in line with national standards to provide its workers access to housing.

m) Community Learning Centres (CLCs) in Sabah

FGV, in partnership with the Government of Indonesia through the Indonesian Consulate in Sabah, has established a total of 9 [Community Learning Centres \(CLCs\)](#) across FGV's

plantations in Sabah. CLCs provide education for children of migrant workers who are unable to enrol in local government schools. Currently, all 9 CLCs are supported and jointly supervised by FGV and the Government of Indonesia. FGV is currently working with the Indonesian Consulate in Sabah to add four more CLCs in the state.

n) Regularisation of Undocumented Migrant Workers

In April 2019, the Sabah State Government introduced a programme allowing undocumented migrant workers in Sabah (east Malaysia) to apply for regularisation. FGV has invited the undocumented migrant workers of its contractors to join FGV's workforce and to undergo the regularisation process conducted by the Sabah State Government. FGV is working with the Sabah State Government, the Indonesian Consulate in Sabah as well as the Philippine Embassy in Kuala Lumpur in this process. To date, a total of 6,158 undocumented migrant workers have been registered for regularisation, and the regularisation process for all registered workers is expected to be completed by June 2020.*

o) Traceability and Risk Mapping

FGV is currently developing a model to identify geography-related sustainability risks at the small-holder farmers. To support this, FGV has developed an online traceability system known as the Traceability of Product (FGV-ToP), which is part of the overall [Sustainable Palm Oil Management System](#) (SPOMS) that includes Audit Integrated System (FGV-AIMS).

Additionally, FGV is working with the Malaysia Institute for Supply Chain Innovation (MISI) and Malaysia's National Applied Research and Development Centre (MIMOS) to validate the traceability data, verification of external suppliers' compliance to the Group Sustainability Policy, and development of FGV's suppliers' sustainability status through Preferred Network Programme (PNP).*

p) FGV-IOM-Earthworm Foundation Tripartite Partnership

FGV is participating in a [Labour Supply Chain Mapping](#) project conducted by the International Organization for Migration (IOM) and the Earthworm Foundation. The scope of this collaborative project includes reviewing the process of recruitment of migrant workers and to upgrade its internal processes and procedures to align with international standards.

Note: * above indicates that efforts are currently being made to verify actions and progress undertaken by FGV.
