

FLA Assessment Report on the Implementation of FGV's Action Plan to Enhance Labour Practices

Recognising that respecting human rights is a continuous endeavour, FGV became a participating company of the Fair Labor Association (FLA) and is currently implementing a long-term and comprehensive action plan under its affiliation to the Fair Labor Association (FLA) that comprises a number of initiatives to further strengthen various aspects of our labour practices such as our recruitment process, human rights training programmes, working and living conditions, as well as grievance mechanisms, among others. [FGV's action plan](#) for 2020 was adopted on 31 March 2020 in consultation with the FLA and with various other stakeholders including civil society organisations (CSOs).

The action plan was adopted at a time when the COVID-19 situation was rapidly worsening globally, including in Malaysia. Despite the unprecedented challenges posed by the COVID-19 pandemic, which forced FGV to realign its priorities to ensure that necessary measures are taken to curb and combat the spread of COVID-19, FGV remained committed to implementing the action plan, and FGV believes that concrete progress has been made in the six months of implementation beginning April 2020. FGV is confident that it is on the right track to be able to accomplish the action items due to be completed by the end of 2020.

FGV's affiliation to the FLA is subject to a rigorous validation exercise and public reporting. FLA's report on FGV's progress on the implementation of the action plan is published on [FLA's website](#).



Findings on the Progress of FGV's Action Plan 2020

Published: September 30, 2020

In November 2019, the [FGV Holdings Berhad](#) (FGV) affiliated with the Fair Labor Association (FLA). Through this affiliation FGV's top management committed to upholding the FLA standards and address labor issues, and drive long-term improvements to manage working conditions in its own operations and those in its upstream supply chain.

FLA Standards for the Agriculture Sector

The FLA has two sets of standards that apply to companies who join the FLA as an Agriculture company: [FLA's Principles of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains](#) (Principles) and [FLA's Workplace Code of Conduct](#) for the Agriculture Sector (FLA CoC). When a company joins the FLA, senior leadership make a commitment to implement the FLA Principles and uphold the FLA Workplace CoC at the farm level. The FLA evaluates the labor compliance programs of the affiliated companies regularly against the Principles and publicly communicates about their performance.

The FLA **Principles are based on internationally-recognized guidelines for agriculture supply chains and seek** to uphold and protect workers' rights. The FLA Principles provide foundational and operational guidance for companies to apply in their labor standards management systems which allow companies to develop stronger labor compliance programs in their supply chains. As a result, companies' abilities to identify noncompliance, remediate in a timely manner, and introduce mitigation measures improve over time. Companies demonstrate their commitment to respect labor rights and account for the impact they have on workers and their communities.

The FLA **Workplace Code of Conduct for the Agriculture Sector** defines labor standards that aim to achieve decent and humane working conditions in the supply chain of affiliated companies. The CoC is based on International Labor Organization (ILO) core conventions and internationally-recognized good labor practices. All companies affiliated with the FLA are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed, and to implement these labor standards at both owned plantations and upstream farms, including small-holder farmers. When differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard and the one most favorable to workers. The FLA's Workplace CoC consists of elements including Employment Relationships, Forced Labor, Child Labor, Harassment and Abuse, Non-Discrimination, Freedom of Association and Collective Bargaining, Compensation, Hours of Work, and Health, Safety and Environment.

Upon affiliation and during the onboarding phase in the first year, the company affiliate starts to align its code of conduct with the FLA Workplace CoC, allocate resources, identify and train relevant staff to support the implementation of the program at the field level, and develop a timebound action (implementation) plan to establish and improve its labor compliance program. These management system improvements provide a foundation to help ensure decent working conditions at the plantation/farm level and sustain the improvements over time.

In the first year, the affiliate develops an action (implementation) plan based on the FLA's initial gap analysis and areas of weakness identified during the onboarding process. The development of the action plan is a consultative process with the FLA and local and international civil society organizations (CSOs) to ensure alignment with international standards.

FGV Implementation of the FLA Standard

FGV committed to an intensive engagement track with the FLA. In addition to the regular onboarding, the intensive engagement process requires heightened FLA verification processes, public communication, CSO engagement, and publication of its action plan and progress reports. The FLA Board of Directors approved the intensive engagement process for FGV given the urgent and critical nature of [labor issues](#) reported in palm operations in Malaysia.

FGV's palm supply chain is vast and complex, with a number of buying and processing relationships – which is generally true for the majority of the palm industry in Malaysia. FGV owns and operates 197 estates and 68 mills across Malaysia¹. Two-thirds of the fresh fruit bunches (FFB) that FGV processes are sourced from its upstream supply chain of several thousand small-holder farmers, some of which have direct contracts with FGV, while others are Federal Land Development Authority (FELDA)² settlers and independent small holders. FGV also buys FFB from intermediaries (alternately called traders or aggregators) who in turn buy from other small-holder farmers.

FGV is implementing FLA standards in a stepwise approach to ensure focus and introduction of sustainable systems that can be scaled over time both in owned operations as well as the upstream supply chain. FGV is building on its existing framework of labor standards (including forced labor standards), to create a more robust and effective system that will ensure workers are not placed in forced labor situations and that all other labor standards are also respected. The action plan first focuses on the revision of the internal management systems and improving working conditions in owned operations (197 estates and 68 mills). This will be followed by implementation and verification of the FLA standards in the traced independent small-holder supply chain, and finally will extend to untraced parts of the palm supply chain consisting of other small-holder farmers, which are currently being mapped.

In January 2020, the FLA organized an in-person onboarding workshop involving FGV's top management and Group CEO in Kuala Lumpur. The onboarding exercise was informed by a visit to FGV's operations in Sabah (East Malaysia) where the FLA staff took stock of the on-the-ground situation and conducted worker interviews.

On March 31, FGV published its [Action Plan 2020](#), outlining the key activities that FGV aims to implement throughout 2020. The Action Plan was based on the findings from the FLA's internal management systems gap analysis, feedback from the field visits, and recommendations provided by key CSOs working on human and labor rights and migration issues. Two consultations were organized with the CSOs in January (in-person) and in March (online).

This report presents the FLA's findings on the activities undertaken by FGV to revise internal labor standards management systems and implement activities in its owned operations. This report does not reflect the situation in FGV's upstream supply chains, both traced and untraced. The FLA will expand its focus to those parts of the supply chain in the near future starting with focused assessments on child labor and forced labor³. In the meantime, the FLA has made recommendations to FGV's top management to engage with its partners responsible for the upstream supply chain, including FELDA.

Since March, FLA staff have maintained regular communication with FGV to track progress on its action plan, amidst the pandemic. Given the COVID-19 pandemic and the resulting movement control orders and travel ban, FLA staff could not undertake the planned in-person visits to the plantations. Instead, FLA staff collected information through an in-depth desk-based documentation review, online meetings and consultations, and interviews with a range of FGV staff and external stakeholders. The

¹ <https://www.fgvholdings.com/our-businesses/plantation/plantation-upstream/>

² <https://www.felda.gov.my/en/public/felda/about-felda>

³ https://www.ilo.org/global/topics/forced-labour/publications/WCMS_182096/lang-en/index.htm

Findings on the Progress of FGV's Action Plan 2020 (September 30, 2020)

frequency of data collection intensified between August 28 and September 20. The FLA will continue to verify the implementation of the action plan and supplement it based on in-person engagement with workers in the coming months as the movement control order is lifted.

The data collection process for this report involved a series of semi-structured interview sessions with various divisions and business units of FGV, an estate management body, migrant workers (from Indonesia and Bangladesh), and CSOs involved in the implementation of some of the activities mentioned in FGV's Action Plan (*see Annex 1*).

The majority of the 2020 activities focus on revising internal management systems that help set the stage for sustainable and effective labor management. To verify those, the FLA did a documentation review of both internal and publicly available documents (*see Annex 2*).

The progress summary (Table 1) and corresponding details (Table 2) consolidate the actions taken by FGV between January and September 2020 and the FLA's findings. The findings have two elements: (i) FLA Findings, and (ii) Progress Status, as categorized below:

- Planned action ["planned"]
- In progress
- Full implementation ["Implemented"]

Several additional actions, such as development of a labor standards monitoring plan and protocols including specific forced labor KPIs; inclusion of trade union representatives in the Core Group; updating of contracts for workers and recruitment agencies to include more robust clauses against forced labor, and strengthening fair recruitment practices; deployment of a pre-departure communication pack for workers in the countries of origin; piloting of a new grievance mechanism; and large-scale worker trainings are planned for the fourth quarter of 2020 and first quarter of 2021.

The FLA will continue to report on the implementation in the next update scheduled for March 31, 2021. Assuming the pandemic situation allows, starting in December 2020, the FLA will commence its independent external assessments (IEAs) at a representative sample of FGV plantations and farms and will publish these reports on its [website](#).

Table 1: Progress Summary

Action Plan	Specific Activity	Progress Status
Principle 1: Top Management Commitment and Work Plan Labor Standards		
1.1 Initial assessment of FGV's Supplier Code of Conduct (SCOC)	1.1.1	Implemented
1.2 Alignment of FGV's SCOC and other related labor policies and procedures	1.2.1	In Progress
	1.2.2	In Progress
1.3 Review & amendment of employment policy, contract, ensuring consistency to FLA CoC	1.3.1	In Progress
1.4 Socialize Group Chief Executive Officer (GCEO's) sustainability commitment	1.4.1	Implemented
	1.4.2	Implemented
1.5 Strengthen representation of Group Sustainability Department (GSD) at the highest governance level to ensure consistent labor rights agenda at the top level	1.5.1	Implemented
1.6 Updating policies and procedures on the prohibition and prevention of forced labor	1.6.1	In Progress
1.7 Updating policies and procedures on the prohibition and prevention of child labor	1.7.1	In Progress
1.8 Updating policies and procedures on right to freedom of association	1.8.1	In Progress
1.9 Updating policies and procedures on promotion of gender equality and women empowerment	1.9.1	In Progress
Principle 2: Company Staff Training		
2.1 Improve FGV's organizational chart to reflect revised responsibilities on labor compliance	2.1.1	In Progress
2.2 Improve job descriptions to reflect revised responsibilities on labor compliance	2.2.1	Implemented
	2.2.2	In Progress
2.3 Strengthen the appointment process of responsible staff	2.3.1	In Progress
2.4 Implement staff training on labor standards and social performance	2.4.1	In Progress
Principle 3: Supplier Engagement and Training		
3.1 Strengthen the practices of recruitment agencies responsible for hiring of workers and their compliance with labor standards	3.1.1	In Progress
	3.1.2	Planned
	3.1.3	Planned
3.2 Organize worker trainings	3.2.1	In Progress
	3.2.2	In Progress
Principle 4: Functioning Grievance Mechanism		
4.1 Training and information sharing on grievance mechanisms and grievance redressal	4.1.1	Planned
4.2 Strengthening of the grievance mechanism	4.2.1	Planned
Principle 5: Monitoring		
5.1 Develop and strengthen a comprehensive labor standards compliance system	5.1.1	Planned
5.2 Improve Human Resources (HR) management of staff and workers	5.2.1	Planned
5.3 Strengthening the working and living conditions of workers	5.3.1	In Progress
Principle 6: Collection and Management of Compliance Information		
6.1 Develop an information management system accessible to the FLA	6.1.1	In Progress
Principle 7: Timely and Preventative Remediation		
7.1 Regularization and monitoring of undocumented migrant workers	7.1.1	In Progress
	7.1.2	Planned
	7.1.3	Planned
	7.1.4	In Progress
7.2 Strengthen FGV's commitment and practices on fair recruitment practices	7.2.1	In Progress
	7.2.2	In Progress
	7.2.3	Planned
7.3 Strengthen the post-arrival orientation program for migrant workers	7.3.1	In Progress
	7.3.2	In Progress
7.4 Enhance pre-departure communication pack for migrant workers	7.4.1	In Progress
	7.4.2	Planned
Principle 8: Responsible Procurement Practices		
8.1 Strengthen procurement policy and practices to mitigate negative effects on workers	8.1.1	In Progress
Principle 9: Consultation with Government, Local Authorities & Civil Society		
9.1 Consulting stakeholders for development and progress on the action plan	9.1.1	Implemented
9.2 Undertake stakeholder overview/mapping	9.2.1	Implemented
Principle 10: Verification Requirements		
10.1 Creating an internal procedure to manage affiliation with the FLA	10.1.1	In Progress
10.2 FGV's participation in FLA's independent external assessments	10.2.1	In Progress
	10.2.2	In Progress
10.3 Regular reporting to the FLA	10.3.1	In Progress
10.4 Provision of information and other support for assessment and verification	10.4.1	In Progress

Table 2: FGV Progress Update and FLA Findings

FGV Action (Implementation Plan)	Timeline	FLA Progress Status	FGV's Update	FLA Findings as of September 30, 2020
			<p>FGV's Response to COVID-19</p> <p>FGV's Action Plan for 2020 under its affiliation to the FLA was adopted and published on March 31 2020. At the same time the COVID-19 situation was rapidly worsening globally, including in Malaysia. The COVID-19 outbreak is one of the most devastating global health crises in recent times and is having an unprecedented impact globally. As of September 17, 2020, more than 29 million cases have been reported in 211 countries and territories, leading to more than 900,000 deaths, with over 10,000 cases and 128 COVID-19-related deaths recorded in Malaysia⁴. Like any other business or organization, FGV is affected by this pandemic, forcing FGV to realign its priorities to ensure that necessary measures are taken to support national efforts to combat the pandemic and to prevent infections.</p> <p>On March 18, 200, following the rise in COVID-19 cases, the Malaysian government announced a Movement Control Order (MCO) to curb the spread of the disease. The MCO restricted non-essential services from operating, called for physical distancing and limited movement. FGV's operations were recognized as an essential service and remained opened under certain conditions. FGV mills operated at 50 percent capacity from March 18-31, 2020. Several FGV's plantations in Sabah (East Malaysia) were closed under the directive of the Sabah State Government, and a substantial portion of the workforce (support services) worked from home to limit risks of infection. Under the Recovery Movement Control Order (RMCO), which is currently being enforced until December 2020, the Government has allowed most sectors to operate</p>	

⁴ Source: Ministry of Health, Malaysia

			<p>fully, but with the condition that the necessary Standard Operating Procedures (SOPs) are observed.</p> <p>FGV has taken several measures to reduce the risks of infection. A COVID-19 Taskforce was established on March 4, 2020 to monitor developments surrounding the pandemic and to keep all staff updated on preventive measures and the latest situation through various communication channels including email blasts. Some of the measures were taken even before the MCO was announced including:</p> <ul style="list-style-type: none"> • Masks were made available to all workers. • Hand sanitizers were provided at the entrance of each plantation office. • Workers are required to go through a health screening at the nearby health centers, and if there is a need for quarantine, workers must report and declare to their respective HR department. • Temperature check is made compulsory for all workers on a daily basis. • Detailed guidelines on handling workers who are COVID-19 positive were developed. The infected worker to be quarantined for 14 days. • Nearby hostel/house to go through isolation-hazard tape. • The quarantine process to be strictly monitored by FGV security official at all time. • If the workers' accommodation/hostel need to go through disinfection, the workers to be placed in a multipurpose hall. <p>To ease the burden on plantation workers during this difficult period, a one-time allowance of RM35 for basic necessities was provided during the MCO. All 38,484 plantation workers in owned estates received this aid. For the mill workers, the same allowance was provided to those under a Collective Voluntary Shutdown, while the rest received meal allowances for lunch and dinner. FGV is committed to ensuring that workers are employed during the MCO period, even if some operations have to be temporarily stopped. During shutdown,</p>	
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			<p>the plantation workers will continue to receive minimum wage equivalent to RM46.15 per day. Mindful of FGV's role in the larger society, the company has distributed over 13,000 food aid relief packages to low income rural communities including smallholders. FGV has been engaging with the authorities to implement the SOPs in owned operations to support national efforts to curb the spread of the disease. Furthermore, FGV, through its subsidiaries FGV Plantations (Malaysia) Sdn Bhd (FGVPM), and FGV Palm Industries Sdn Bhd (FGVPI), has come forward to assist front liners in the State of Sabah to curb the spread of COVID-19 by distributing financial aid to several government agencies and to local communities. The contribution is mainly for the purchase of personal protective equipment (PPE) for front liners at the Lahad Datu Hospital, the Lahad Datu Health Department, government agencies including the Lahad Datu District Police Station, the Malaysia Civil Defense Force as well as a number of District Councils and places of worship all over Sabah. FGV also provided daily basic supplies to 9,975 of its plantation and mill workers and aid to 1,647 FELDA settlers in Sabah.</p> <p>This unforeseen and exceptional circumstance of COVID-19 has adversely affected FGV's operations, and contributed to some delays in the implementation of some items of FGV's Action Plan under its affiliation to the FLA. Nonetheless, FGV believes that concrete progress has been made in the six months of implementation beginning April 2020, despite the unprecedented challenges. Recognizing that much more needs to be done, FGV is confident that with the existing momentum in the implementation of the Action Plan, FGV is on the right track to be able to accomplish the action items due to be completed by the end of 2020. To support these improvements, FGV sincerely appreciates and will like to thank all parties including external stakeholders who continue to provide a critical view, support and contribute to the implementation of the Action Plan.</p>	
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FGV Action (Implementation Plan)	Timeline	FLA Progress Status	FGV Progress Update	FLA Findings as of September 30, 2020
Principle 1: Top Management Commitment and Workplace Labor Standards - Company affiliate establishes and commits to clear standards				
1.1 Initial assessment of FGV's Suppliers Code of Conduct (SCOC) 1.1.1 FGV's SCOC is not aligned with FLA's Workplace Code of Conduct for the Agriculture Sector (FLA CoC).	2021 (Q2)	Implemented	<u>1.1.1</u> The previous version of the SCOC (in January 2020) was not aligned with the FLA Workplace CoC, on various code elements. The SCOC was then sent to FLA for a full gap assessment between March and April 2020. FLA reviewed the SCOC and provided its gap assessment findings for FGV's further action in April/May 2020.	<u>1.1.1</u> FLA conducted gap assessment in March-April. In May 2020, FLA provided the findings to FGV on areas where the FGV SCOC is not aligned, for its further action. <u>Sources</u> - Document review - Interview with GSD, FGV
1.2 Alignment of FGV's SCOC and other related labor policies and procedures 1.2.1 FGV will undertake the necessary amendments to align its SCOC and other labor policies and procedures with the FLA CoC. 1.2.2 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)	<div>In Progress</div> <div>In Progress</div>	<u>1.2.1(a)</u> Following FLA's gap assessment, FGV's SCOC has been revised with the primary objective of aligning it with the FLA CoC. As part of the revision exercise, FGV's Group Procurement Division – responsible for the formulation, adoption and implementation of the SCOC – consulted with relevant divisions within FGV, including the Group Sustainability Division (GSD), the Group Health, Safety and Environment Division and the Group Legal Division. The draft revised text of the SCOC was also shared with the FLA and Procter & Gamble Chemicals (PGC), which is supporting FGV in its FLA affiliation, for feedback and input. <u>1.2.1(b)</u> In addition to revising FGV's SCOC, FGV is also reviewing its Group Sustainability Policy (GSP), with a view to aligning it with the FLA Ag CoC. The GSP serves as FGV's overarching policy framework on matters pertaining to sustainability which also covers respect of human rights and environmental protection. As part of this review process, FGV has to date carried out the following sessions: i. Internal discussion within Group Sustainability Division (GSD) on June 15, to discuss the proposed amendments to the GSP. ii. Interdivisional consultation on July 3, to obtain	<u>1.2.1(a)</u> FLA confirms that FGV started its SCOC revision process) and conducted internal consultations to gather inputs from relevant divisions and business units. <u>1.2.1(a)</u> The revised SCOC is aligned with the FLA CoC on Employment Relationship, Non-discrimination, Harassment or Abuse, Child Labor, Forced Labor, Health, Safety and Environment, and Compensation. The SCOC is not yet aligned with the FLA CoC elements on Freedom of Association and Collective Bargaining; and Hours of Work (HOW). <u>1.2.1(b)</u> FLA reviewed the revised draft GSP3.0 and provided feedback on the draft. FLA confirms that internal and external consultations were organized by FGV to gather inputs from various department and other stakeholders. FLA participated in a consultation with subject-matter CSOs held on July 14, 2020. <u>1.2.1(b)</u> Interview with FGV Core Group and estate management confirm the internal consultations and a

			<p>feedback and input on the proposed amendments from relevant divisions within FGV including GSD, FGV Palm Industries, FGV Plantations, Field Workforce Department, Group Procurement Division, Group Governance and Risk Management Division, Group Legal Division, FGV Trading Division, Group Health, Safety and Environment Division.</p> <p>iii. Consultation with nine civil society organizations⁵ on July 14, to obtain feedback and input on the draft revised GSP.</p> <p>iv. The draft revised GSP was shared with the FLA for its input and feedback.</p> <p><u>1.2.1(b)</u> In line with internal procedures, the review of the GSP will need to go through several layers of approval before adoption. These layers are the Group Management Committee (GMC), the Board Governance and Risk Management Committee (BGRMC) and the Board of Directors. The first set of proposed amendments to the GSP were tabled at the GMC Meeting on July 23, and a second round of internal consultations were held with Group Human Capital on August 12, and with the Plantation Sector on September 10. The revised proposed amendments are expected to be presented again to the GMC by the end of September 2020 for endorsement, before it is tabled to the BGRMC, and subsequently to the Board for adoption. The revision to the GSP includes amendments that seek to achieve alignment to the following FLA CoC elements:</p> <ul style="list-style-type: none"> i. employment relationship ii. non-discrimination iii. harassment or abuse iv. child labor v. forced labor vi. freedom of association and collective 	<p>series of briefings and feedback gathering sessions from Operations department.</p> <p><u>1.2.1(b)</u> FLA reviewed the draft revised GSP3.0 and it is now aligned with the FLA CoC for Employment Relationship, Non-discrimination, Harassment or Abuse, Child Labor, Forced Labor, Health, Safety and Environment, Freedom of Association and Collective Bargaining and Compensation. The GSP is not yet aligned on Hours of Work.</p> <p><u>1.2.2</u> The FGV mills currently work beyond the stipulated working hours limit as defined in the FLA CoC. This was confirmed during interviews with the estate management and FGV's Core Group. To understand the root causes and define a way forward FGV will undertake a hours of work (HOW) study to document and understand HOW practices at the plantations and mills. The estate management and FGV Core Group were found to be aware of the study.</p> <p><u>1.2.2</u> FLA reviewed the concept note of the HOW study and noted the names and locations of the three sample mills and estates for data collection. The concept note indicates the objectives and the expected outcome of the study. The study will provide relevant information based on which further actions can be undertaken, including alignment of the hours of work requirements in the SCOC.</p> <p><u>1.2.2</u> FGV expects this study to be completed by October 15, 2020. Based on interviews and progress update, FLA concludes that data collection is delayed.</p> <p><u>Sources</u></p>
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⁵ The names of the CSOs and representatives are available with the FLA.

			<p>bargaining</p> <p>vii. health, safety and environment</p> <p>viii. compensation</p> <p><u>1.2.2</u> An aspect of the FLA CoC, which FGV finds challenging to align with is on hours of work. The Malaysian laws allows for a weekly sum of regular and overtime work of 72 hours, provided that the monthly overtime work hours do not exceed 104 hours.⁶ This is in contrast to the standard under the FLA CoC, allows for a maximum of 60 hours for the weekly sum of regular and overtime work. FGV believes that the implementation of international standards in this regard would not only be a challenge for FGV but also for other actors within the industry, especially those operating in Malaysia. To demonstrate FGV's commitment to move towards alignment on this subject, FGV is currently conducting a study on hours of work, with the following objectives:</p> <ol style="list-style-type: none"> To understand the existing system of record keeping, maintaining and reporting of hours of work in selected FGV's operations To determine the patterns of hours of work by selected variables To identify factors contributing to the existing working hour' practices To develop appropriate recommendations based on the findings of the study, which will serve as the basis for internal discussions on the feasibility of FGV adopting FLA's standards on working hours. <p>The concept paper for the study, which was developed with input and feedback from the FLA. FGV has identified the following mills and estates as samples⁷ for the study:</p> <ol style="list-style-type: none"> Mill (LK), Mill (P), Mill (LU6) Estate (T12), Estate (S56), Estate (A2) <p>FGV is in the process of compiling relevant study data.</p>	<ul style="list-style-type: none"> - Document review - Interview with GSD, FGV - Interview with FGV's Core Group - FLA staff participation in the CSO consultation
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⁶ Employment Act 1955

⁷ The names and addresses of the sites are available with the FLA.

<p>1.3 Review and amendment of employment policy and contract, ensuring consistency to FLA CoC</p> <p>1.3.1 FGV will reflect the UNGPs and the ILO Guidelines on Fair Recruitment in its recruitment policy and practices.</p>	<p>2020 (Q4)</p>	<p>In progress</p>	<p>1.3.1(a) As part of the code alignment exercise, FGV is reviewing its Guidelines and Procedures for the Responsible Recruitment of Foreign Workers (GPRRFW) and considering the following:</p> <ul style="list-style-type: none"> i. ILO General Principles and Operational Guidelines for Fair Recruitment ii. Recommendations arising from the labor supply mapping project conducted by the International Organization for Migration (IOM) and the Earthworm Foundation (EF). FGV received the report from IOM and EF on September 3. <p>1.3.1(b) In view of strengthening FGV's employment and recruitment policy, and to ensure its consistency with the FLA CoC, FGV is undertaking the following:</p> <ul style="list-style-type: none"> i. A review of FGV's contract with recruitment agencies. A revised contract with recruitment agencies was recently revised and adopted by FGV in September 2020. ii. A review of FGV's contract of employment for migrant workers. At the time of this progress update, the contract is being reviewed. FGV aims to revise the employment contract by taking into account the IOM-Earthworm Foundation's report on labor supply chain mapping 	<p>1.3.1(a) FLA received evidence that it is currently revising its policy on Responsible Recruitment of Foreign Workers (GPRRFW), based on the ILO General Principles and Operational Guidelines for Fair Recruitment. The revision will be further informed by the IOM-EF report on labor supply chain mapping.</p> <p>1.3.1(b) FLA received the revised contract agreement with the recruitment agencies that FGV engaged with, on September 18, 2020. FLA is currently undertaking a technical review of the document to determine consistency with the FLA CoC. FGV has not yet submitted a socialization and monitoring plan to brief and monitor the recruitment agencies to explain the new terms and conditions and monitor compliance with the revised contract.</p> <p>1.3.1(b) FLA received the employment contract for migrant workers that was last revised in February 2019. The employment contract is available in five languages: English, Tamil, Hindi, Bangla, and Bahasa, translated by the <i>Institut Terjemahan dan Buku Malaysia</i> (ITBM). FLA received the contract in all languages on September 18, and the evidence to confirm the translations by ITBM. FGV is planning to undertake review based on the findings from the IOM-EF study to inform further improvements.</p> <p>1.3.1(b) Interviews with Indonesian and Bangladeshi workers at the estate level found that they lack awareness about key contents of their employment contract (e.g., regular hours of work, rest periods, medical benefits). The sample included migrant workers who have worked with FGV for over ten years.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interviews with FGV Core Group
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				- Interviews with migrant workers
<p>1.4 Socialize Group Chief Executive Officer (GCEO's) sustainability commitment</p> <p>1.4.1 FGV will issue a commitment letter to uphold the FLA 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.</p> <p>1.4.2 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.</p>	2020 (Q2)	<p>Implemented</p> <p>Implemented</p>	<p><u>1.4.1</u> A commitment to uphold the FLA CoC in FGV's policies and procedures has been formally expressed at the highest level of FGV's management. FGV's Group Chief Executive Officer (CEO) has made a public commitment to the FLA CoC and to uphold international labor standards. The statement of commitment has been published on FGV's website. It has also been translated to Malay and circulated to all operations and employees of FGV on July 10.</p> <p><u>1.4.2</u> GSD and Group Strategic Communications Division (GSCD) developed a communications plan for matters pertaining to sustainability. The communications plan incorporates FGV's affiliation to the FLA including a component to ensure that all of FGV's employees and internal stakeholders are adequately informed of updated policies relating to sustainability and human rights.</p> <p><u>1.4.2</u> To complement the effort stated in paragraph 4.ii., FGV has also established a dedicated section sustainability within the FGV Hub. FGV Hub serves as a one-stop-center for all of FGV's employees to access company policies, codes and procedures. The sustainability section of the FGV Hub contains information on FGV's sustainability initiatives as well as policies and procedures relating to sustainability.</p> <p><u>1.4.2</u> FGV's commitment to sustainability and to enhance its labor standards, as well as FGV's affiliation to the FLA was also communicated by the Group CEO to all of FGV's employees through an internal newsletter published in July 2020 and a virtual town hall session that was carried out on September 14, 2020.</p>	<p><u>1.4.1</u> FLA reviewed the published Group's CEO letter, confirming the FGV's top management commitment to uphold international labor standards. FLA confirms that the statement was made public in English and translated into Malay and circulated internally.</p> <p><u>1.4.2</u> FLA received a communication plan developed by GSD and GSCD, with clear objectives to engage both internal and external stakeholders, using a range of internal communication platforms and digital media. The communication plan also stresses on the need to create awareness among its employees on FGV's sustainability commitments and initiatives.</p> <p><u>1.4.2</u> FLA confirms the existence of the internal FGV Hub for employees to access latest news and developments around sustainability. Interview with FGV Core Group and the estate management reflect that the middle management and operational levels staff are aware of the existence and objective of the FGV Hub. They reported that the FGV Hub aids employees' awareness and they receive information about newly adopted policies and procedures, new initiatives, and announcement on matters related to sustainability and labor standards.</p> <p><u>1.4.2</u> FLA confirms that a newsletter was circulated to all FGV employees and a virtual townhall was conducted on September 14, to explain top management commitment on labor standards.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with FGV's Core Group - Interview with estate management

<p>1.5 Strengthen representation of Group Sustainability Department (GSD) at the highest governance</p> <p>1.5.1 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.</p>	<p>2020 (Q4)</p>	<p>Implemented</p>	<p><u>1.5.1(a)</u> The Head of Group Sustainability Division (GSD) is now a permanent member of the Group Management Committee (GMC). The GMC represents the highest level of management within FGV. Sustainability matters are a permanent agenda item of the monthly GMC meetings, which are chaired by the Group CEO. In addition, sustainability and social compliance are instituted as a permanent agenda item of the Board Governance and Risk Management Committee (BGRMC) meetings, requiring the Head of GSD to attend all of the BGRMC meetings.</p> <p><u>1.5.1(b)</u> The Sustainability Synergy Committee (SSC) was established for better communication and more effective implementation of sustainability initiatives, including those related to labor standards, across the Group. Comprising heads or representatives of the various sectors and divisions within the FGV Group, the SSC is tasked with facilitating the mainstreaming of sustainability principles and practices throughout FGV and ensuring the effective implementation of FGV's sustainability initiatives and programs across its operations. The Head of GSD serves as the chair of the SSC, which meets at least once a quarter to establish, deliberate and agree on sustainability-related plans and strategies. This committee will monitor progress and address emerging issues pertaining to sustainability. Matters arising from the SSC are captured in monthly reports to the GMC and Plantation Management Committee, while biannual reports are prepared for the Independent Advisory Panel on Governance and Sustainability. The SSC held its first meeting in March 2020.</p>	<p><u>1.5.1(a)</u> FLA confirms that the Head of GSD was appointed as a permanent member to the GMC, and sustainability matters are discussed regularly at the GMC. FLA also confirms that sustainability and labor compliance topics are consistent agenda items during the BGRMC meetings. FLA received sample of BGRMC meeting outcomes, confirming decisions made on matters related to sustainability and labor standards.</p> <p><u>1.5.1(b)</u> FLA confirms the establishment of the SSC. FLA received a copy of the SSC's Terms of Reference on September 18, detailing the mandate and responsibilities of the SSC members based on their role. The TOR includes the SSC's organizational chart, further confirming the multi-divisional representation, where divisions and business units are divided into two groups namely SSC for Plantation Sector and SSC for Non-Plantation Sector. The Head of GSD is the chairperson for both SSC groups (plantation and non-plantation sectors). The meeting requirements and reporting are mentioned in the TOR.</p> <p><u>1.5.1(b)</u> FLA received a copy of the first SSC's meeting minutes held on March 11, reporting substantive discussion on matters related to improving working conditions. This includes discussion on improving the situation of women and children in the plantation; upgrading workers' accommodation in line with international standards; issues of labor non-compliance in FGV's operations in Sabah; welfare and management of contractors' workers; and a dedicated discussion on FGV's commitment to the FLA COC and FGV's Action Plan. FLA has not received information about subsequent meetings and discussions.</p>
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1.6 Prohibition and prevention of Forced Labor 1.6.1 FGV will strengthen the existing procedures and mechanisms to effectively prevent forced and bonded labor, and to establish remediation processes should they occur.	2020 (continuous)	In progress	1.6.1 Many of the activities and programs under this action plan complement and contribute to efforts in prohibiting and preventing forced labor. The review of our labor policies, strengthening of the recruitment process, developing a human rights training module for workers, among others, are all part of FGV's efforts against forced labor. In line with FGV's commitment to prevent forced labor, FGV will establish a remediation process to address any indicators of forced labor in our operations. As part of this effort, FGV has installed safety boxes at all of its estates as an option for its workers to keep their passports safely. This initiative will provide them with full autonomy over their personal documents. FGV is currently drafting a policy statement against forced labor. This policy aims to reiterate its commitment, aligned with its GSP, to strongly prohibit and prevent forced labor.	1.6.1 FLA confirms activities undertaken by FGV (e.g., revision of SCOC, GSP3.0 and GPRFFW, training development with PGC, etc.) will contribute towards strengthening its commitment to prohibit and prevent forced labor. 1.6.1 FLA received a draft copy of FGV's policy statement against forced labor. As of September 18, 2020, the revised policy statement is not yet adopted by FGV's top management. The process to identify indicators of forced labor, address incidences of forced labor, and resolve issues if and when grievances are raised is to be developed as part of the internal monitoring protocols (in Quarter 4). 1.6.1 FLA confirms that FGV has provided safety boxes for migrant workers to keep safe their identity and travel documents. Workers can opt to use or not to use the safety boxes. Based on interviews with Indonesian and Bangladeshi workers FLA found that some migrant workers do not prefer to use the safety boxes and keep their identity and travel documents with themselves, indicating that the provision of safety boxes is an option given by the management, and is not mandatory. Other interviewed migrant workers use the safety boxes, quoting that they find it safer to keep their documents in the safety boxes. In the coming months, the FLA will verify if 32,250 safety boxes have been provided in all estates ⁸ throughout Malaysia.

⁸ <https://www.theedgemarkets.com/article/fgv-committed-respecting-human-rights-upholding-labour-standards>

				<p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD, FGV - Interviews with migrant workers
<p>1.7 Prohibition and prevention of child labor</p> <p>1.7.1 FGV will strengthen the existing procedures and mechanisms to prevent child labor, and to establish effective remediation processes should they occur.</p>	2020 (continuous)	In Progress	<p><u>1.7.1</u> As an effort to strengthen existing procedures and mechanisms to prohibit and prevent child labor, FGV has reviewed its Group Sustainability Policy (GSP) and Suppliers Code of Conduct (SCOC). As part of the review, a strengthened provision against child labor has been incorporated in the GSP and SCOC. Refer paragraphs 1.i. and 2.i. In line with FGV's commitment to prevent child labor, FGV is establishing a remediation process to address any instances and risks of child labor in our operations. To this end, a draft guidance has been developed by FGV. In addition, a Policy Statement on Respecting and Protecting the Rights of the Child has been formulated.</p>	<p><u>1.7.1</u> FLA confirms that FGV has made improvement of its policy commitment to prevent and prohibit child labor. These include improvements in its GSP and SCOC.</p> <p><u>1.7.1</u> FLA confirms that FGV is currently developing a remediation process (a guidance) to address issues or grievances raised related to child labor incidences and risks. FLA received a copy of the draft guidance document on child labor grievance in September. FLA notes that the draft guidance lacks remediation protocols for child labor and case-management when a child labor case or risk of child labor is identified. This gap was communicated to FGV.</p> <p><u>1.7.1</u> FLA received a draft policy statement, reiterating FGV's overarching policy commitment to prevent and prohibit child labor.</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - Document review
<p>1.8 Promotion of the right to freedom of association</p> <p>1.8.1 FGV will develop procedures and mechanisms to strengthen the enjoyment of the workers' right to freedom of association and to</p>	2020 (continuous)	In progress	<p><u>1.8.1(a)</u> FGV recognizes and respects the right of workers to freedom of association. FGV periodically engages its 14 in-house unions and two national unions. FGV has concluded and signed collective agreements with these unions for the period 2019-2021. To ensure that the right to freedom of association is strengthened and enjoyed fully by all workers, FGV will initiate the process of improving the necessary procedures and mechanisms including exploring methods to facilitate informal groupings beginning the fourth quarter of 2020. FGV is also developing materials to raise greater</p>	<p><u>1.8.1(a)</u> FLA confirms that FGV engaged with in-house unions and two national unions. Evidence provided by FGV confirms that a series of engagement were organized on February, 20, 21 and 26, 2020 with various trade union. FLA confirms that collective agreements were signed with trade unions with various trade unions, representing workers at mill, refinery and plantation levels.</p>

unionize.			<p>awareness among employees of their rights to the freedom of association.</p> <p><u>1.8.1(a)</u> FGV has included a strengthened provision on the right to freedom of association in its revised SCOC and in the proposed amendments to the GSP.</p>	<p><u>1.8.1(a)</u> FLA has alerted FGV's GSD that the trade union representatives are not yet included in the existing initiatives led by GSD, including the Core Group. The trade unions need to have a permanent position and consulted regularly as part of the Core Group proceedings.</p> <p><u>1.8.1(a)</u> Based on the interviews with Indonesian and Bangladeshi workers FLA found lack of awareness and understanding on their right to association, including the benefits for workers having collective bargaining. The workers explained that they currently have worker leaders (based on workers' nationality), acting as the spokespersons to raise and resolve their issues with the estate management. Workers informed that the most common areas raised to management through the workers leaders include issues related to working overtime, calculation of wages, facilities at the workers' accommodation, provision and replacement of PPEs. Some workers mentioned that their issues were resolved in a timely manner and on several instances.</p> <p><u>1.8.1(b)</u> FLA confirms that FGV has made improvements in its draft GSP in relation to the right to freedom of association and collective bargaining.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD, FGV - Interview with migrant workers
<p>1.9 Promotion of gender equality and empowerment of women</p> <p>1.9.1 FGV will develop – through the establishment</p>	2020 (continuous)	In Progress	<p><u>1.9.1</u> FGV has initiated the process of establishing a Committee on Gender Equality and Women Empowerment, as part of its effort to develop and strengthen policies, procedures and mechanisms to promote gender equality and women empowerment in FGV's operations. A draft Terms of Reference (TOR) has been formulated to outline the</p>	<p><u>1.9.1</u> FLA reviewed a copy of the TOR for the establishment of the Committee on Gender Equality and Women Empowerment. The TOR includes the suggested role and mandate of the committee, including formulating appropriate policies and</p>

of a Gender Committee – policies, procedures and mechanisms to promote gender equality and women empowerment in FGV's operations.			purposes, functions and mandate of the Committee. FGV plans to consult external experts on the subject including CSOs to obtain their input and feedback on the draft TOR. For this purpose, FGV has identified several experts and CSOs, whom FGV will invite to the consultation.	<p>procedures to promote gender equality and women empowerment.</p> <p><u>1.9.1.</u> FLA received a list of women activists and experts FGV aims to consult with. FLA plans to participate in the consultation process.</p> <p><u>1.9.1</u> FLA has alerted FGV to engage with trade unions and workers' representatives, including its own in-house unions, to support the development of its Committee on Gender Equality and Women Empowerment.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD, FGV
Principle 2: Company Staff and Implementing Partner Training - Company affiliate identifies and ensures that the specific personnel responsible for implementing labor standards are trained and are aware of the workplace standards criteria.				
<p>2.1 Improve FGV's organizational chart</p> <p>2.1.1 FGV's organizational chart will contain comprehensive information such as the number of responsible staffs to implement the Action Plan.</p>	2020 (Q2)	In Progress	<p><u>2.1.1</u> A Core Team comprising representatives of the relevant departments and divisions within FGV has been established to execute the action plan. The Core Team meets periodically to discuss the implementation of the action plan. The permanent members of the Core Team are made up of representatives from the following divisions:</p> <ul style="list-style-type: none"> i. Group Sustainability Division ii. Group Governance and Risk Management Division iii. Group Strategic Communications Division iv. FGV Plantations Malaysia v. FGV Palm Industries vi. Group Human Capital vii. Field Workforce Department viii. Group Health, Safety and Environment Division ix. Group Procurement Division x. FGV Trading Division 	<p><u>2.1.1</u> FLA confirms the formation of FGV's Core Team, FLA participated in two meetings of the Core Team held on March 13, and May 13, 2020. FLA received the organizational chart with names and roles of the members of the Core Team and the TOR of the Core team that lays out the frequency of meetings, minimum attendance required etc.</p> <p>2.1.1 As mentioned in 1.8.1(a) above, FLA has alerted FGV that the Core Group does not have representation from existing in-house and external unions and workers' representatives.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - FLA observations in meetings

2.2 Improve job descriptions 2.2.1 The job descriptions will include clear roles and expectations of the responsible staffs in implementing the Action Plan. 2.2.2 The FLA will work with FGV to develop Key Performance Indicators (KPIs) to oversee the implementation of the Action Plan.	2020 (Q2)	Implemented	<u>2.2.1</u> A Terms of Reference (TOR) has been developed to specify the roles and responsibilities of FGV’s personnel who have been assigned to implement FGV’s Action Plan under its FLA affiliation. These personnel make up the Core Team, who primary function is to coordinate the implementation of the Action Plan. <u>2.2.2</u> FGV has drafted the KPI to enable responsible persons / officials to oversee the implementation of FGV Action Plan.	<u>2.2.1</u> FLA received the TOR of Core Group and appointment of its members, including specific roles and responsibilities for FGV personnel responsible to implement its Action Plan. <u>2.2.2</u> FLA received the draft KPI from FGV on 20 September, 2020 with specific persons in charge responsible to implement each action item and expected output. FLA is in the process of a technical review of the document and shall provide feedback on the draft KPIs. <u>Source</u> - Document review
		In progress		
2.3 Strengthen the appointment process of responsible staff 2.3.1 FGV will create a chart/model of the appointment process of its responsible staffs in charge of labor standards at headquarters and operational levels	2020 (Q2-4)	In progress	<u>2.3.1</u> Specific personnel from the relevant divisions have been assigned, through the establishment of the Core Team, to coordinate the implementation of the action plan. The functions and roles of the Core Team are specific in the TOR which have been established. FGV has also strengthened its GSD and the Core Team with the appointment of a Manager for Policy Development and Reporting, with a human rights background.	<u>2.3.1</u> FLA notes that specific personnel have been assigned to coordinate the implementation of the action plan. However, FLA received no evidence that a chart/model of appointment has been established. <u>Source</u> - Document review
2.4 Implement staff training on labor standards and social performance 2.4.1 FGV will develop an interactive and action-based training on labor rights and international	2020 (Q2-Q4)	In Progress	<u>2.4.1(a)</u> FGV is collaborating with Procter & Gamble Chemicals (PGC) to develop step-wise training curriculum and materials on human rights, classified under “Basic”, “Proficient” and “Advanced”, targeted at different levels within the FGV organization and each having to meet different levels of qualification requirements. The objectives of the training material, which will take the form of short videos, posters and booklets, are as follows: i. To promote awareness and understanding among all	<u>2.4.1(a)</u> FLA notes that three of the GSD Team members have formal education and experience in human and labor rights. Furthermore, FGV and PGC are collaborating to develop training materials related to human and labor rights and safety and health (focus on PPEs). FLA received internal monitoring documents, indicating the progress of the training development which includes short videos, posters and booklets. FLA notes that FGV aims to make this

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>FGV employees on the fundamental principles of human rights, the corporate responsibility to respect human rights, and on rights of workers that all FGV employees should be able to enjoy.</p> <p>ii. To promote awareness on the importance of personal protective equipment (PPE) for workers both in operations and at headquarters.</p> <p><u>2.4.1(a)</u> The development of the two training videos is expected to be completed by the end of September 2020. The mandatory training videos will be accompanied by assessments which FGV employees will need to complete and pass.</p> <p><u>2.4.1(b)</u> FGV is collaborating with a Malaysian human rights NGO to develop and implement the following:</p> <ul style="list-style-type: none"> i. A human rights training module for FGV's plantation workers. The training will include components to raise awareness and understanding on forced labor and human trafficking, on the employment contract and on grievance mechanism. ii. A training of trainers program for the implementation of the human rights training. iii. A review of FGV's pre-departure and post-arrival orientation pack for the recruitment of migrant workers. iv. A human rights training for operations managers. v. Development of a human rights module to be included in the pre-departure orientation program for migrant workers. vi. Training of Trainers for FGV personnel who will be conducting the Pre-departure orientation in the source country. 	<p>training and the use of PPEs a mandatory requirement for all its employees. FGV is yet to develop the training calendar and dissemination plan.</p> <p><u>2.4.1(a)</u> FLA reviewed a copy of the training materials in the forms of awareness-raising videos and posters in view of promoting employees' awareness and knowledge on corporate respect to human rights and the use of PPEs.</p> <p><u>2.4.1(b)</u> FLA received the concept note for collaboration between FGV and the local human rights NGO –to develop training materials for workers. Relevant components such as development of training module, training-of-trainers, and review of FGV's pre-departure and post-arrival orientation pack – are adequately reflected in the concept note. The specific date of the start of this work is yet to be determined.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - FLA's observation in meetings - Engagement with the local NGO
Principle 3: Supplier Training – Company affiliate obtains commitment, drives supplier awareness of labor standards, and tracks the effectiveness of supplier workforce training				
3.1 Strengthen recruitment agencies'	2020 (Q2)		<u>3.1.1</u> FGV has reviewed its contract with the recruitment agencies to ensure alignment with the FLA CoC. In	<u>3.1.1</u> FLA received a copy of the revised contract agreement between FGV and recruitment agencies on

<p>compliance with labour standards</p> <p>3.1.1 FGV will include relevant clauses in the contract with the recruitment agencies that are aligned with the FLA CoC.</p> <p>3.1.2 FGV will brief recruitment agencies on the improved contract and new requirements, and support the implementation of the clauses when needed</p> <p>3.1.3 FGV will develop a mechanism for monitoring and assessment of the implementation of the labour standards by recruitment agencies.</p>	2020 (Q4)	In progress	<p>reviewing the contract, FGV is also taking into consideration findings and recommendations arising from the IOM-EF labor supply mapping project, which concluded recently. FGV received the project report from IOM-EF on September 3, 2020.</p>	<p>September 18. FLA will review the revised contract to determine alignment with FLA Standards.</p>
		Planned	<p><u>3.1.2</u> and <u>3.1.3</u> The contract with recruitment agencies has been revised, and sessions will be held to brief the recruitment agencies on the revised contract. A mechanism will be developed to assess and monitor implementation by the recruitment agencies. In developing the monitoring mechanism, FGV is also considering the findings and recommendations arising from the IOM-EF labor supply mapping project in its efforts to develop a mechanism to monitor compliance among recruitment agencies</p>	<p><u>3.1.2</u> FLA notes that FGV aims to consider the recommendations from the IOM-EF labor supply chain mapping report in the subsequent review of its contract. FGV confirms for another round of review and revision of its contract agreement with recruitment agencies. FLA will review the revised contract to ensure alignment with FLA Standards.</p>
		Planned		<p><u>3.1.3</u> In Q4, FLA is expecting to receive a plan for briefing sessions and for monitoring of recruitment agencies. Representatives from the CSOs indicated that regular monitoring and assessment of recruitment agencies' practices on fair recruitment needs attention and improvement.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD, FGV - Interview with CSOs
<p>3.2 Organize workers' training</p> <p>3.2.1 Training will focus on issues related to labour rights and labour standards at the workplace, including the FLA CoC, employment contract and pay slip. The training will be conducted for all workers in 2020 and to be repeated on a periodic basis.</p>	2020 (continuous)	In Progress	<p><u>3.2.1</u> On the specific training for workers, refer to paragraph 2.4.1(b)</p> <p><u>3.2.2</u> On the specific training for workers that have elements of illustration, see paragraph 2.4.1(a)</p>	<p><u>3.2.1</u> FLA notes that critical issues such as signing of employment contract and payment of wages are adequately reflected in the concept note for training collaboration between FGV and the local NGO. FGV has issued a contract to the local NGO on September 21 2020 for the training collaboration.</p> <p><u>3.2.1</u> Training package (in final draft version), particularly poster and booklets developed jointly by FGV and PGC contain illustrated materials, targeting workers at operations and headquarters. Further see findings 2.4.1(a).</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - Document review

3.2.2 FGV will develop simple, illustrated materials for workers and their families.		In Progress		- Interview with GSD, FGV
Principle 4: Functioning Grievance Mechanisms – Company affiliate ensures workers, farmers, and their family members (where applicable) have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.				
4.1 Training and information sharing on grievance mechanisms and grievance redressal 4.1.1 FGV will conduct training on grievance redressal for plantation level staff (including supervisors, crew leaders, and worker committees) as well as providing adequate information to workers on how and where to raise complaints and grievances.	2020 (continuous)	Planned	4.1.1 With regard to the training on the grievance mechanism for plantation workers, refer to 2.4.1(b)	4.1.1 FLA confirms that the concept note for a one-year training collaboration between FGV and the local NGO includes workers' productivity, human and labor rights, forced labor and human trafficking, grievance mechanism for workers (including migrant workers) and other sustainability topics. FLA has concerns if this training initiative will be able to cover the wide variety of topics effectively, and recommends emphasis on human and labor rights, forced labor and human trafficking, and grievance mechanisms. The training activities are yet to start in the field. <u>Source</u> - Document review
4.2 Strengthening the grievance mechanism 4.2.1 FGV will strengthen its grievance mechanisms by, among other things, exploring a partnership with independent third-party organizations, as well as to assess effectiveness.	2020 (continuous)	Planned	4.2.1 FGV is collaborating with three organizations ⁹ under an umbrella project of the Roundtable for Sustainable Palm Oil (RSPO) to strengthen FGV's grievance mechanism. The project is currently at the pilot stage. FGV has identified its Complex (S) ¹⁰ for the pilot project.	4.2.1 FLA confirms that FGV is in dialogue with the mentioned organizations to pilot-testing a worker grievance mechanism. in addition to the one that is currently at the plantations. 4.2.1 GSD informed the FLA that Complex (S) has been selected for the pilot. Interview with Core Group and an estate management found that the officials are aware of the pilot but are unsure if the pilot has already started and which plantation units are to be involved.

⁹ The names of the three organizations are available with the FLA.

¹⁰ The name and address of the site is available with the FLA.

				<p>4.2.1 FLA confirms that FGV, together with the three organizations are currently reviewing and finalizing the baseline survey, prior to implementing the pilot project in October 2020. FLA will continue to monitor the implementation of the pilot project in the coming months.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD and Core Group, FGV - Interview with an estate management - Engagement with the third party service provider
Principle 5: Monitoring – Company affiliate conducts workplace standards compliance monitoring.				
<p>5.1 Develop and strengthen a comprehensive labor standards compliance system</p> <p>5.1.1 The labor standard compliance system will include risk assessment plan and methodology, monitoring and evaluation, field data collection and verification methodology, organizing specific training for compliance, collaboration with other stakeholders and the planned utilization of assessment and monitoring results for continuous improvement.</p>	2020 (continuous)	Planned	<p><u>5.1.1</u> FGV will work together with the FLA to develop a labor standards compliance system. The development of the system is expected to begin in the fourth quarter of 2020. As part of this effort, FGV is reviewing its existing compliance monitoring and internal audit systems to identify any gaps.</p>	<p><u>5.1.1</u> FLA notes that this action will be initiated in Q4 of 2020. A workshop between FGV and FLA to review the internal monitoring process and make required amendments is planned for the first week of November 2020.</p>

<p>5.2 Improve Human Resources (HR) management of staff and workers</p> <p>5.2.1 FGV will improve HR management and record-keeping of staff and workers in all its owned operations. This will enhance the company's accountability and transparency, particularly in managing the employer-employee relationship, in alignment with the FLA CoC. It includes record-keeping of information on the language of contract provided, input to survey on recruitment fees, type of training conducted, family members accompanying, etc.</p>	<p>2020 (Q2)</p>	<p>Planned</p>	<p><u>5.2.1</u> FGV is in the process of developing a template that will enumerate the kinds of information needed to establish a transparent and effective record-keeping system, in line with the FLA CoC. The template, once finalized, will be adopted by all of FGV's operational sites.</p> <p><u>5.2.1</u> FGV has implemented an electronic wallet (e-wallet) cashless payroll system for its plantation workers under its Recruitment, Retention and Repatriation (3R) program. The e-wallet system, which falls under the retention initiative of the 3R program, was successfully rolled out in February 2020 involving 1,500 registered users in 11 of its estates. By first quarter 2021, FGV aims to implement this system for its entire plantation sector including estates in Sabah and Sarawak. The e-wallet system also enables workers to conduct cashless transactions, perform remittance to their family members in their country of origin, purchase mobile prepaid and withdraw cash at any auto teller machines (ATM) and registered merchants. Workers can also purchase groceries at designated FGV mini marts as well as selected local marts, which are appointed as FGV merchants in this cashless program.</p>	<p><u>5.2.1</u> Interview with Core Group highlights that FGV is currently revising its human resource system to digitalize management of human resources information. This includes efforts to strengthen record-keeping exercise at the plantation level and sharing of information from plantation to headquarters. FLA received no documentation to confirm on this development. Implementation of this action point is behind schedule. FLA received no further evidence that this system will be able to capture information related to workers' employment contract (in various languages), recruitment fees, workers' families information and training provided to workers.</p> <p><u>5.2.2</u> FLA will continue to engage FGV to better understand the extent of its initiative to improve its record-keeping of its employees' and workers' information. FLA will also engage FGV in the coming months to verify the e-wallet system.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Interview with Core Group - Interview with GSD, FGV
<p>5.3 Strengthening the working and living conditions of workers</p> <p>5.3.1 FGV will continue its cooperation with the Human Rights Commission of Malaysia (SUHAKAM) to strengthen FGV's compliance with labour standards concerning the working and living</p>	<p>2020 (Q4)</p>	<p>In Progress</p>	<p>5.3.1 FGV has completed 319 new blocks of housing for its workers. This includes 45 in Peninsular Malaysia, 274 in Sabah and 7 in Sarawak. The collaboration with SUHAKAM will assist FGV in addressing any gaps on the working and living conditions of its workers. A concept note outlining the framework for the project has been developed.</p>	<p>5.3.1 FLA staff visited the new housing blocks in one of the estates in Sabah in January 2020.</p> <p>5.3.1 FLA reviewed the concept note outlining the collaboration between FGV and the national human rights commission. The concept note outlines potential areas of collaboration, including undertaking assessment of working and living conditions of FGV workers, including migrant workers. Though the collaboration is yet to begin, an understanding of areas for collaboration has already been established.</p>

conditions of its workers, though assessments and verification exercises.				Sources - Document review - FLA field observations in January 2020
Principle 6: Collection and Management of Compliance Information – company affiliate collects, manages and analyses labor standards compliance information.				
6.1 Develop an information management system accessible to the FLA 6.1.1 The information management system aims to gather and manage traceability data, and strategy to share such information with the FLA	2020 (continuous)	In Progress	<u>6.1.1</u> FGV has developed a computerized traceability system called Traceability of Product or FGV-ToP. This is part of our overall Sustainable Palm Oil Management System (SPOMS) that also includes an Audit Compliance Integrated Management System (FGV-AIMS). With FGV-ToP, FGV's customers can now obtain details such as the certification, geolocation and production per month of a mill from the system. In addition, FGV is working with two Malaysia based supply chain expert organizations ¹¹ to work on the validation of traceability data information, verification of external suppliers' compliance to our Group Sustainability Policy, and development of FGV's suppliers' sustainability status through Preferred Network Programme (PNP).	<u>6.1.1</u> FLA confirms that the traceability system known as FGV-ToP has been established and is currently accessible online here . The FGV-ToP is only accessible to persons who are given access and permission to log into the system. <u>6.1.1</u> Interview with the Core Group informed that key traceability data is also available on FGV's traceability page (online). Review of FGV's traceability hub found a traceability dashboard for a period between January and December 2019, segregated between traceability to mill and plantation, available here . <u>6.1.1</u> In January, FLA met with representatives of the two organizations with whom FGV is collaborating to increase small-holder supply chain traceability. Sources - Document review - Interview with Core Group - Meeting with external service providers in January 2020 and calls in September 2020
Principle 7: Timely and Preventative Remediation – company affiliate works with suppliers to remediate in a timely and preventative manner.				
7.1 Regularization and monitoring of undocumented migrant	2020 (Q2) (continuous)		<u>7.1.1</u> & <u>7.1.2</u> FGV has participated in the regularization program introduced by the Sabah State Government in 2019, and has registered <u>6,158 workers</u> under this program. The	<u>7.1.1</u> FLA verified the registration of workers under the government-led regularization program through a document dated February 11. The Sabah State

¹¹ The names of the two organizations are available with the FLA.

<p>workers</p> <p>7.1.1 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 program.</p> <p>7.1.2 FGV will engage legal experts/practitioners to provide a legal opinion on the status of migrant workers who are in the regularization process in order to improve remediation</p> <p>7.1.3 FGV will develop procedures in preventing the hiring of undocumented migrant workers and the remediation strategy in dealing with unexpected future of undocumented workers.</p> <p>7.1.4 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</p>		In Progress	<p>regularization of the workers is contingent on the issuance of passports by the Indonesian and Philippine authorities, and on the consideration and approval of the relevant agencies of the Sabah State Government. With the COVID-19 situation and the Movement Control Order (MCO) enforced by the Malaysian Government, this process has been disrupted, leading to a delay in the completion. FGV has also been informed by the Sabah State authorities that with the dissolution of the Sabah State Assembly on 30 July 2020, and with a Caretaker Government now in power until State elections are held on 26 September 2020, the processing of regularization applications are now put on hold by the Sabah State Government. Therefore, FGV is not in a position, at the time of reporting, to project when the regularization exercise is expected to be completed.</p>	<p>Government has temporarily stopped the regularization program until further notice. Decision was made due to the upcoming State’s General Election in September 2020, and the escalating COVID-19 cases.</p>
		Planned	<p><u>7.1.3</u> & <u>7.1.4</u> FGV has put in place procedures to prevent the hiring of undocumented migrant workers. A directive has been issued to all of FGV’s plantation managers in Sabah prohibiting them to recruit additional workers without approval of the FGV’s Field Workforce Department, in accordance with FGV’s Guidelines and Procedures for the Responsible Recruitment of Foreign Workers. The directive is attached as Appendix 6.</p>	<p><u>7.1.2</u> FGV submitted to the FLA a series of letters from the authorities clarifying that the workers who are undergoing the regularization process can work under temporary conditions. FGV needs to engage with legal experts to provide legal opinion on the status of migrant workers under regularization program.</p>
		Planned	<p><u>7.1.3</u> & <u>7.1.4</u> As of 30 June 2020, the figures relating to the regularization process are as follows:</p> <ul style="list-style-type: none"> i. Number of workers registered: 6158 ii. Number of passports issued: 3692 iii. Number of work permits approved: 976 	<p><u>7.1.3</u> FLA reviewed FGV’s top management directive (written as “Memorandum” dated 11 February 2020), addressing all plantation units in Sabah to prohibit the recruitment of workers, including undocumented migrant workers, without prior permission from the top management. The directive instructs all plantations to inform the management on the status of regularization of their respective migrant workers every two weeks. While this directive serves as a reminder to plantation units, this does not serve as a procedure in preventing the hiring of documented migrant workers as planned under this specific action item.</p>
		In Progress		<p>7.1.4 FLA has verified that FGV provides public updates as a response to the RSPO on the status of undocumented migrant workers.</p> <p>FLA’s conclusion based on research and engagement with several palm stakeholders: The hiring of undocumented migrant workers is an industry-wide problem in the palm sector in Sabah (East Malaysia). This issue is not unique to FGV. While the government-initiated regularization programme is able to legalize the immigration and</p>

owned operations.				<p>employment status of undocumented migrant workers, the long process of approval have delayed the legalization process. This eventually puts undocumented migrant workers at risk of labor rights exploitation, including forced labor. On July 22, 2020, FLA published an Issue Brief reflecting the situation of migrant workers in the palm sector, including the risks to forced labor, due to COVID-19 outbreak in Malaysia. Earlier in 2018, FLA published a comprehensive assessment on forced labor risks in the palm sector in Indonesia and Malaysia. Given the complex and cross-sectoral nature of forced labor, FGV needs to engage in an industry-wide dialogue, and as a sector work with the Malaysian authorities to find a sustainable solution to this issue.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with FGV's Core Group
<p>7.2 Strengthen FGV's commitment and practices on fair recruitment practices</p> <p>7.2.1 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</p>	2020 (Q2-Q3)	In Progress	<p><u>7.2.1(a)</u> FGV has participated in the labor supply mapping project conducted by the United Nations International Organisation for Migration (IOM) and the Earthworm Foundation (EF). The scope of this collaborative project includes reviewing the process of recruitment of migrant workers and to upgrade FGV's internal processes and procedures in line with international standards. On 3 September 2020, FGV received a report from IOM and EF on the outcomes and recommendations arising from the labor supply mapping exercise, which will also be taken into account in the review of the GPRRFW.</p> <p><u>7.2.1(b)</u> In addition, as part of FGV's efforts to strengthen is practices relating to the recruitment of migrant workers, FGV has established One-Stop Centers (OSCs) in Malaysia and in strategic locations in the workers' countries of origin. At the OSCs, briefings are provided to the migrant workers based on FGV's Communication Pack to ensure that workers understand the terms of employment, nature of work, benefits</p>	<p><u>7.2.1(a)</u> Interview with CSOs involved in the implementation of this project confirmed that the scope of the project includes the review of the recruitment process. FLA received a copy of the report on September 3, 2020.</p> <p><u>7.2.1(a)</u> Interviews with the CSOs reflect that FGV is open and cooperative in facilitating and providing internal information throughout the project. CSOs highlighted that there is a greater need for training especially for FGV plantation employees (e.g., Assistant Managers) in delivering their respective duty that can support the commitment from the top management in regard to labor standards and respect to human rights. Besides, there is confusion and lack of awareness among workers (including migrant workers) on company's policy and procedures with regards to labor standards.</p>

[illegible]

				<p><u>7.2.3</u> FLA received no evidence to confirm that FGV is reviewing its repatriation policies and practices, in alignment to FLA Standards.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with CSOs - Interview with OSC management
<p>7.3 Strengthen the post-arrival orientation program for migrant workers</p> <p>7.3.1 FGV will strengthen the post-arrival orientation program for newly arrived workers. The post-arrival orientation program will include training on FGV's labor 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.</p> <p>7.3.2 FGV is exploring opportunities to collaborate with a labor rights NGO in Malaysia in strengthening the post-arrival orientation module.</p>	2020 (Q4)	<p>In Progress</p> <p>In Progress</p>	<p><u>7.3.1 & 7.3.2</u> FGV is finalizing its collaboration with a local human rights NGO to, among other things, strengthen FGV's post-arrival orientation program by reviewing the post-arrival orientation pack.</p> <p><u>7.3.1</u> In addition, as part of FGV's efforts to strengthen the post-arrival orientation program for migrant workers, briefings are held at FGV's One-Stop Centre in Negeri Sembilan, Malaysia.</p>	<p><u>7.3.1 & 7.3.2</u> FLA reviewed the concept note for potential training collaboration with the local CSO. FLA confirms that post-arrival orientation is one of the six components of the proposed training project. Though the concept note does not specifically highlight the topics related to recruitment fees, passport retention and free use of lockers, it may come within the larger proposed topics such as essentials of human rights and labor rights, as well as forced labor and human trafficking – these are all adequately reflected in the proposed concept note. FLA has provided this feedback to FGV to strengthen the concept note.</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - Document review
<p>7.4 Enhance communication pack</p>	2020 (Q2-Q4)		<p><u>7.4.1 & 7.4.2</u> FGV is finalizing its collaboration with a local human right NGO to, among other things, strengthen FGV's</p>	<p><u>7.4.1 & 7.4.2</u> FLA reviewed the FGV communication pack currently being used to orient new migrant</p>

<p>7.4.1 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.</p> <p>7.4.2 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)</p>		<p>In progress</p> <p>Planned</p>	<p>pre-departure orientation program by reviewing the pre-departure orientation pack and by including a survey to identify any fees paid by workers in the recruitment process. Refer paragraph 2.4.1(b)</p>	<p>recruits and held interviews with the OSC management. FGV aims to revise the communication pack based on the IOM-EF study findings. The concept note with the local CSO who will review the FGV's orientation program includes a specific component to review pre-departure and post-arrival orientation pack. However, the concept note does not include development of a <u>pre-departure</u> survey to identify the associated recruitment costs¹² paid by workers even before they are introduced to FGV in their country of origin.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with GSD, FGV - Interview with OSC management body
<p>Principle 8: Responsible Procurement Practices – Company affiliate aligns procurement practices with a commitment to labor standards.</p>				
<p>8.1 Strengthen procurement policy and practice</p> <p>8.1.1 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.</p>	<p>2020 (Q4) (continuos)</p>	<p>In Progress</p>	<p><u>8.1.1</u> All of FGV's contracts with suppliers and vendors are subject to FGV's Suppliers Code of Conduct (SCOC). The SCOC has been reviewed and amended towards aligning it with the FLA CoC.</p> <p><u>8.1.1</u> FGV has reviewed its agreement with fresh fruit bunch (FFB) suppliers, to include, among other things, the following:</p> <ul style="list-style-type: none"> i. A requirement that supplier commit and adhere to the principles and standards contained in FGV's Group Sustainability Policy (GSP) and in FGV's SCOC. ii. A requirement that the supplier undertake to ensure that 	<p><u>8.1.1</u> FGV's SCOC has recently been revised on several provisions, yet it needs to be fully aligned with FLA CoC. FLA also received the revised copy of the contract agreement with suppliers and vendors on September 18 and is undergoing a technical review of the document. FLA recommends undertaking a comprehensive assessment of child labor and forced labor issues in FGV's upstream supply chain in the coming months (as COVID-19 related restrictions are lifted) to identify gaps both in labor standards management systems and working conditions in the small-holder farms.</p>

¹² https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_536755.pdf

			<p>its own suppliers and those within its supply chain also adhere to the requirements and standards stipulated in FGV's SCOC and GSP.</p> <p>iii. A requirement that the suppliers disclose, when requested, relevant information to FGV for traceability purposes.</p> <p>iv. A requirement that the suppliers assist FGV in any verification or capacity building exercise within their supply chain.</p>	<p><u>Sources</u></p> <ul style="list-style-type: none"> - Document review - Interview with FGV's Core Group
<p>Principle 9: Consultation with Government, Local Authorities & Civil Society – Company affiliate identifies, researches and engages with relevant local and international non-governmental organizations, trade unions and other civil society organizations (CSO).</p>				
<p>9.1 Consulting stakeholders for development and progress on the action plan</p> <p>9.1.1 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</p>	2020 (continuous)	Implemented	<p><u>9.1.1</u> Engagement and consultation with external stakeholders are an important aspect of FGV's practices. FGV's action plan for 2020 under its FLA affiliation, was developed in consultation with FLA and Procter & Gamble Chemicals (PGC). A consultation involving various external stakeholders, including UN agencies based in Malaysia, CSOs and academic institutions was held on 20 March 2020 to obtain their input and feedback on FGV's action plan.</p> <p><u>9.1.1</u> FGV organized a consultation involving external stakeholders on 14 July 2020 to obtain their input and feedback for the review of FGV's Group Sustainability Policy. Refer paragraph 2.i.c.</p>	<p><u>9.1.1</u> FLA confirms that FGV's engagement with CSOs took place on March 20 and July 14 and confirms the participation of PGC in both consultations. FLA has received evidence of various other international engagements that FGV did with international CSOs. The local CSOs provided a positive feedback about FGV's continuous effort to engage and consider inputs from them.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - Interview with CSOs - FLA's participation in the CSO meetings
<p>9.2 Undertake stakeholder overview/mapping</p> <p>9.2.1 FGV will undertake a mapping of relevant local and international stakeholders and frequently update an overview of these stakeholders, including</p>	2020 (continuous)	Implemented	<p><u>9.2.1</u> FGV continuously updates its stakeholder list, which consists of various groups including government agencies, CSOs, business partners, investors, academic institutions and rating agencies.</p>	<p><u>9.2.1</u> FLA received the updated database, documenting the stakeholders list consist various groups as reported by FGV.</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - Document review

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.				
Principle 10: Verification Requirements – Company affiliate meets FLA verification and program requirements.				
10.1 Creating an internal procedure to manage affiliation with the FLA 10.1.1 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.	2020 (continuous)	In Progress	<u>10.1.1</u> FGV's Group Sustainability Division (GSD) acts as the main coordinator for the implementation of the action plan. A core team comprising representatives of the relevant departments and divisions within FGV has been established. Several sessions involving the core team have been organized to coordinate the action plan implementation.	<u>10.1.1</u> FLA confirms that GSD acts as the main coordinator for the implementation of its action plan. FLA observes that the participation of the Core Group members in its regular meetings can be improved. <u>Sources</u> - Document Review - FLA participation in meetings
10.2 FGV's participation in assessments 10.2.1 FGV is committed to participate in and provide support to any assessment / due diligence	2020 (continuous)	In Progress	<u>10.2.1</u> & <u>10.2.2</u> FGV is committed to supporting any assessment exercise conducted by the FLA, including the assessments that will take place in August 2020.	<u>10.2.1</u> & <u>10.2.2</u> FLA confirms that the necessary support has been provided by FGV to enable engagement and assessment to take place. However, due to COVID-19 and implementation of the movement control order (MCO), and internal restricted FLA travel policy no field-level assessment

<p>exercises conducted by the FLA, including assessments at owned operations and suppliers' operations.</p> <p>10.2.2 FGV will support the FLA assessment to verify progress against the action plan starting mid-2020.</p>		In Progress		<p>and verification could be undertaken since March 2020.</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - FLA's observation
<p>10.3 Regular reporting to the FLA</p> <p>10.3.1 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)	In Progress	<p><u>10.3.1</u> FGV is committed to submitting progress reports to the FLA, the first of which will be submitted by the end of July 2020.</p>	<p><u>10.3.1</u> FGV submitted the final progress report including corresponding documents and evidence. The first public reporting was completed and published on FLA's website and FGV's sustainability portal. This report is the second public report.</p> <p><u>Sources</u></p> <ul style="list-style-type: none"> - FGV's public reports - FLA's observation
<p>10.4 Provision of information and other support for assessment and verification</p> <p>10.4.1 FGV will provide the necessary information and other support (where needed), including owned operations and suppliers' information to facilitate regular assessment and verification by the FLA.</p>	2020 (continuous)	In Progress	<p><u>10.4.1</u> FGV is committed to providing relevant information and supporting documents to facilitate FLA's assessment and verification of FGV's progress in implementing the action plan.</p>	<p><u>10.4.1</u> FGV provided the requested information, documents and evidence to support assessment and verification of progress in most cases. FLA observes that sharing of information internally for the implementation of the action plan can be improved.</p> <p><u>Source</u></p> <ul style="list-style-type: none"> - FLA's observation

Annex 1: FLA Data Collection

Note: FLA was not able to undertake the in-person data collection due to COVID-19 related restrictions.

	Sources of Information	Information Collected and Stakeholders Interviewed	Time period (2020)
1.	Visit to FGV's Sabahat Plantation	FLA staff conducted an in-person visit to FGV's Sabahat operations in January 2020. During the visit, the FLA staff met with 18 estate managers (out of 38 estates) and conducted in depth discussion with the management of one estate. FLA staff further conducted focus-group discussion with a group of 12 Indonesian workers visited the school for the children of the migrant Indonesian workers operated in one of the estates and conducted visual inspection of old and newly constructed workers' housing. The visits provided keen insights into the operations and gaps.	January 14-15
2.	In person consultations with CSOs	FLA staff held several in- person meetings with eight national and international CSOs working on human and labor rights in the palm sector to provide them an update, validate the findings, identify root causes, and collect inputs from them on potential solutions.	January - February
3.	In person Management Onboarding Workshop	FLA staff met with about 35 top and middle management of FGV in Kuala Lumpur in January 2020. Detailed information from the various departments was collected. The two-day onboarding workshop was organized to analyze management systems gaps and co-develop the action (implementation) plan.	January 16-17
4.	Monthly calls with FGV and PGC teams	Track the development of various activities, review of documents, and update on COVID-19 activities	February – September
5.	Participation in internal and external meetings	<ul style="list-style-type: none"> - CSO Consultations - GSD Meetings - Core Group Meetings 	March – September
6.	Documentation review	Review of documents involves FGV's established and draft policies, guidelines, standard operating procedures and other evidence such as portal, email, letter and memo. List of the reviewed documents and evidence (<i>Annex 2</i>).	Ongoing Intensive – September 1 – 25
7.	Online interview with FGV's Core Team	Interview with the FGV's Core Team comprising officials from Group Sustainability Division, Group Strategic Communication Division, FGV Plantations and Field Workforce Department.	September 3
8.	Online interview with FGV's One-Stop-Centre management	Interview with the Head and Assistants of FGV's One-Stop-Centre located in Negeri Sembilan, Malaysia.	August 28
9.	Online interview with FGV's estate management	Interviews with a Manager and Assistant Managers of FGV Serting Hilir (#) estate	August 28
10.	Phone interviews with plantation migrant workers	Interviews with 5 Indonesian and 5 Bangladeshi migrant workers from FGV's Serting Hilir (#) (estate)	August 28
11.	Online and phone interview with CSOs and other stakeholders	Interviews with eight CSOs and relevant stakeholders involved in the implementation of FGV Action Plan 2020	During September

Annex 2: List of Reviewed Documents¹³

Reviewed Documents	Status of document
Supplier Code of Conduct	Public
Concept note - hours of work study	Internal
Draft Group Sustainability Policy (GSP)	Internal
Email invite for internal engagement to discuss GSP	Internal
Email invite and attendance list	Internal
Guidelines and Procedures for the Responsible Recruitment of Foreign Workers (GPRRFW)	Public
Draft revised Guidelines and Procedures for the Responsible Recruitment of Foreign Workers (GPRRFW) [in draft format]	Internal
Revised contract agreement with recruitment agencies	Internal
Revised employment contract in five main languages (English, Tamil, Hindi, Bangladeshi and Indonesian)	Internal
Evidence of professional translation by <i>Institut Terjemahan dan Buku Negara</i> (ITBM)	Internal
Samples of Contract of Employment	Internal
Letter from FGV Group CEO to Business Partners to Upholding Labor Standards	Public
Communication plan on matters related to sustainability	Internal
FGV Sustainability Hub (sample of evidence)	Internal
Evidence of townhall session by FGV's Top Management on Labor Standards	Internal
Agenda of the GMC meetings	Internal
Agenda of the BGRMC meetings	Internal
Sustainable Synergy Committee's (SSC) Terms of Reference	Internal
Minutes of SSC meetings	Internal
Evidence of engagement with trade unions (including an in-house union)	Internal
Evidence of Collective Agreement with trade union	Internal
Organizational chart – FGV Core Team and contact information	Internal
Terms of Reference – FGV Core Team	Internal
Draft Guidelines on Child Labor Grievances	Internal
Draft FGV Policy Statement against Child Labor	Internal
Draft TOR of the Gender Committee	Internal
Invitation and list of women activists and gender experts	Internal
Progress document and evidence related to development of training materials between FGV and PGC	Internal
Concept note for training development with local human rights NGO	Internal
Final report of the IOM-Earthworm Foundation labor supply chain mapping project	Internal
Concept note and background information about the project on Worker Voice & Grievance Mechanism	Internal
Letter to SUHAKAM and concept note for FGV-SUHAKAM collaboration	Internal
Evidence of the FGV-TOP system and evidence relates to the Enterprise Content Management System (ECMS)	Internal
Documents and evidence relate to registration and status of migrant workers under regularization program	Internal
Evidence provided by third party agencies handling registration of migrant workers under regularization	Internal
Selected profiles and biodata of migrant workers under regularization program	Internal
Background information about FGV's One Stop Centre	Internal
Documents and evidence on modules and programs implemented in FGV's One Stop Centre	Internal
Communication pack (pre-departure and post-arrival materials)	Internal
Revised contract agreement between FGV and Suppliers and Vendors	Internal
Evidence of engagement with CSOs and academics in Malaysia	Internal
Updated stakeholders database	Internal

¹³ This list is not inclusive of all the documents, but represents majority of the documentation.