

**14 October 2020**

## **Updates and Developments around the Withhold Release Order Issued by the US Customs and Border Protection**

On 30 September 2020, the US Customs and Border Protection (CBP) issued a Withhold Release Order (WRO) on palm oil and palm oil products made by FGV *'based on information that reasonably indicates the use of forced labour'*<sup>1</sup>. The WRO came as a surprise to FGV as FGV was never alerted or forewarned about the decision.

FGV notes that two petitions against FGV were submitted to the CBP in June 2019 and August 2019, respectively, by the Grant & Eisenhofer ESG Institute and by a coalition of NGOs comprising the Rainforest Action Network (RAN), the International Labor Rights Forum (ILRF) and SumOfUs, and that these petitions may have triggered the CBP's investigations. The issues raised in the petitions have been the subject of public discourse since 2015 and FGV has taken various steps to correct the situation. Since August 2019, FGV has made five submissions to the CBP about FGV's efforts and initiatives to fulfil its commitment to human rights and to enhance its labour practices. FGV also met with the CBP in February 2020 to provide updates on FGV's progress in implementing its labour-related programmes.

Upon the issuance of the WRO, FGV communicated with the CBP to seek clarification on its investigation findings and on steps expected to be taken by FGV for the revocation of the WRO. Information around the CBP's investigation findings is imperative to enable FGV to address and resolve any remaining gaps in its practices.

A conference call between FGV and the CBP was held on 8 October 2020. However, the CBP could not reveal any information about its findings except that its research had identified the 11 International Labour Organization (ILO) indicators of forced labour in FGV's practices. The CBP did not disclose any further information about its findings including the nature or locations of any incidence linked to such indicators.

The CBP informed FGV that it would consider a petition for the revocation of the WRO together with information or reports arising from audits from credible, unbiased, third party auditing firms. In relation to this, FGV is already communicating with several independent organisations to explore options for an imminent audit of FGV's operations. FGV expects to finalise the appointment of such auditing firm in the next couple of weeks and to proceed with the audits shortly after.

FGV is committed to taking all necessary steps and measures towards the revocation of the WRO. FGV expresses its thanks and appreciation to the CBP for its readiness to discuss the matter with FGV, and FGV looks forward to continue engaging with the CBP.

---

<sup>1</sup> US Customs and Border Protection, *'CBP Issues Detention Order on Palm Oil Produced with Forced Labor in Malaysia'* [Press release on 30 September 2020]. Retrieved from <https://www.cbp.gov/newsroom/national-media-release/cbp-issues-detention-order-palm-oil-produced-forced-labor-malaysia>

At the same time, FGV remains committed to implementing its [action plan](#) under its affiliation with the Fair Labor Association (FLA). The next progress report is due to be published on 31 March 2021.

FGV will continue to provide updates to its business partners and stakeholders on further developments regarding the CBP WRO and other related matters.

\*\*\*\*