

FGV Group Guidelines and Procedures for Responsible Recruitment and Employment of Migrant Workers

1.0 Introduction

- 1.1. FGV Group (“FGV”) is committed in ensuring fair, ethical and responsible recruitment of migrant workers within its supply chain, in line with its internal policies, applicable national laws and regulations, the applicable international standards and industry good practices, including but not limited to:
 - 1.1.1 FGV Group Sustainability Policy (“GSP”)
 - 1.1.2 FGV Supplier Code of Conduct (“SCOC”)
 - 1.1.3 United Nations Guiding Principles on Business and Human Rights (“UNGPs”)
 - 1.1.4 International Labour Organization (“ILO”) conventions, principles and guidelines
 - 1.1.5 International Organisation of Migration (“IOM”)'s IRIS Ethical Recruitment Standard
 - 1.1.6 Approved processes by the sourcing and receiving countries.
- 1.2. FGV commits to equal treatment of workers without any discrimination in employment, including hiring, compensation, training, disciplinary action and termination, on the basis of gender, race, religion, age, disability, sexual orientation, gender identity, nationality, political opinion, social group, ethnic origin, reproductive rights or other forms of discrimination.
- 1.3. In the application of these Guidelines and Procedures, FGV shall adopt a gender-responsive approach throughout the recruitment process.

2. Objective

To provide a set of guidelines for responsible and fair recruitment of all migrant workers within FGV's supply chain, in tandem with FGV's commitment to respect human rights.

3. Scope

- 3.1. This set of guidelines and procedures applies to the FGV Group, including its listed and non-listed subsidiaries in Malaysia, of which FGV has management control.
- 3.2. FGV's contractors, consultants, suppliers, vendors and all other third party companies shall comply with these guidelines where applicable.
- 3.3. The guidelines and procedures outline the requirements to be complied with during the recruitment of migrant workers, including but not limited to:
 - 3.3.1 Recruitment and Placement;
 - 3.3.2 Employment, Working and Living Conditions; and
 - 3.3.3 Termination and Repatriation

4. Definition

- 4.1. **Migrant Worker** is a person who migrates or has migrated to a country of which he or she is not a national with a view to being employed otherwise than on his or her own account.
- 4.2. **Official costs associated with the recruitment of migrant workers** include any costs and fees associated with the recruitment process in order for the workers to secure employment with the company, regardless of the manner, timing or location. Illegitimate, unreasonable and undisclosed costs such as extra-contractual, inflated or illicit costs are never condoned.
- 4.3. **Personal items** include such items as passports, bankbooks and bankcards, identity documentation and other valuable personal possession.
- 4.4. **Recruitment** includes the advertising, information, dissemination, selection, transport, placement into employment and return to the country of origin where applicable.

5. Recruitment

- 5.1. FGV shall recruit migrant workers from various countries through legal and authorised channels and such recruitment must be in line with the quota approved by the Government of Malaysia and Countries of Origin.

- 5.2. Any recruitment of migrant workers through the regularisation process shall strictly adhere to the conditions and regulations determined by the Government of Malaysia.
- 5.3. FGV shall ensure that no migrant workers are coerced to work under any form of threats including penalty, physical or sexual violence, harassment and intimidation against the employee, his/her family or close associates; or be held in debt bondage or forced to work to pay off an actually incurred or inherited debt.
- 5.4. FGV shall cover the official costs associated with the recruitment of migrant workers in the sourcing and receiving countries which include, but not limited to:
 - 5.4.1 Pre-departure training or orientation
 - 5.4.2 Issuance and/ or renewal of work permit
 - 5.4.3 Levy
 - 5.4.4 Visa (including renewals and any other fees related to obtaining a visa such as appointment or expedite fees)
 - 5.4.5 Security bond
 - 5.4.6 Insurance
 - 5.4.7 Air ticket
 - 5.4.8 Immigration security clearance
 - 5.4.9 Agency fee
 - 5.4.10 Processing fee
 - 5.4.11 Passport (new passport/ passport renewals) and identity documents
 - 5.4.12 Medical examination (FOMEMA/COVID-19/GROWARISAN/ source country)
 - 5.4.13 Transportation, accommodation and subsistence costs during the recruitment process
- 5.5. The appointed recruitment agency and its sub-agents or intermediaries shall not withhold any personal identification documents of the migrant workers unless for official purposes and with written consent. The written consent shall be obtained from the migrant workers after they have been explained, in the language they understand, about the purpose of obtaining their personal identification documents such as their passport.

5.5.1 Recruitment agencies

- i. The selection and appointment of recruitment agencies shall be conducted through FGV's procurement process, which will include a pre-sourcing assessment of prospective recruitment agencies as part of a due diligence exercise, where the recruitment agencies will be required to provide information and evidence for FGV to assess their

commitment to responsible recruitment principles and labour standards.

- ii. Only recruitment agencies that are legally registered with relevant authorities in Malaysia and/or in the country of origin shall be appointed for the recruitment of migrant workers.
- iii. Upon appointment, the recruitment agency shall enter into a contract with FGV which will include the following:
 - a. The application of 'no recruitment fees' policy by the recruiters and sub-agents;
 - b. The list of fees and costs related to the recruitment of workers; and
 - c. Due diligence requirements.
- iv. Recruitment agencies shall practice and have in place commitments and policies on fair, ethical and responsible recruitment.
- v. During the recruitment process, the recruitment agencies shall only circulate the job advertisements prepared by FGV.
- vi. The recruitment agencies shall ensure that the information in the briefings provided to the potential candidates regarding the work and benefits are factual and accurate.
- vii. All engagements with sub-agents or any other intermediaries shall be declared to FGV. Any engagement with undeclared intermediaries is prohibited.
- viii. FGV shall monitor the recruitment agencies' compliance with the aforementioned standards and policies. Errant recruitment agencies shall be subjected to FGV's Supplier Delinquency Guidelines with the possibility of being suspended or terminated and blacklisted.
- ix. Recruitment agencies with existing policy and procedural gaps may be provided with an opportunity to implement a corrective action plan to demonstrate their commitment to meet FGV's requirements. Where necessary, FGV is committed to supporting training for recruitment agencies on fair, responsible and ethical recruitment.

- x. Recruitment agencies shall not impose any penalties to workers that opt for early termination.

5.5.2 Explanation on the recruitment process

- i. A briefing session by personnel from the recruitment agency shall be provided to the workers prior to the interview session.
- ii. The briefing session shall include a detailed explanation based on FGV's Communication Pack that will cover the following:
 - a. FGV's business operations
 - b. Nature and scope of work
 - c. Calculation method for salary and wages
 - d. Benefits and entitlements
 - e. Rights and responsibilities
 - f. Living conditions
 - g. Facilities provided
 - h. Existing grievance mechanisms including FGV's whistleblowing channel, FGV's E-Grievance app and Careline, which is a hotline that workers can call to raise any grievance.
 - i. Legal provisions that they need to comply with and customary practices in Malaysia.
- iii. FGV and the recruitment agent shall ensure that only candidates who are interested to work with FGV and who fulfil the established criteria are selected for interviewing.

5.5.3 Employment contract

- i. The biodata of the successful candidate shall be uploaded by the appointed recruitment agent into the Foreign Workers Centralized Management System (FWCMS) to apply for the Visa with Reference ("VDR").
- ii. Trained personnel from the appointed recruitment agency shall provide a detailed explanation of the content of the employment contract to the new migrant workers in the language that they understand.

- iii. The employment contract shall be provided to the migrant workers in their own language during the interview, for their review and consideration prior to signing the contract, if they agree to the terms and conditions. A copy of the signed employment contract shall be provided to the workers prior to their departure from the country of origin.
- iv. The employment contract shall contain all terms of employment including:
 - a. The description and scope of their job and duties
 - b. Remuneration, entitlements and benefits
 - c. Workers' rights including, among others, freedom of movement, right to association and collective bargaining.
- v. The employment contract shall only be signed, if the migrant worker has agreed to the terms stated in the contract, and in the presence of a witness.
- vi. A copy of the signed employment contract shall be given to the migrant worker for their safekeeping and another copy shall be handed over to FGV upon their arrival in Malaysia.
- vii. The migrant workers' employment contract is non-transferable to another worker and shall not be substituted with a different contract upon arrival in Malaysia.
- viii. During their employment with FGV, should there be any revision and changes made to the migrant workers' contract, FGV shall explain verbally to the migrant workers in the language they understand about the revision and changes to their contract. The migrant workers shall have the opportunity to decide whether they agree with the revision or changes to their contract.

5.5.4 Departure to Malaysia

- i. For purposes of making arrangements for the arrival of the newly recruited migrant workers to Malaysia, the appointed recruitment agency is responsible to provide FGV with the list of new migrant workers and their arrival schedule.
- ii. Entry visa and insurance for the migrant workers will be prepared by the appointed recruitment agency before the migrant workers depart to Malaysia.
- iii. The appointed recruitment agencies and FGV shall ensure that all necessary documentation are made available for immigration clearance at the point of entry to Malaysia.

6. Employment

6.1. Arrival of Migrant Workers

- i. Newly recruited migrant workers who have entered Malaysia shall be accompanied by FGV Field Workforce Department (FWD) representatives who are responsible in ensuring all newly recruited migrant workers and the necessary documents including the migrant workers' signed employment contract are in order before sending the workers to the transit centre (FGV One Stop Centre - OSC) for an orientation programme.
- ii. Upon arrival at the One Stop Centre, FGV shall conduct surveys among the newly recruited migrant workers to ascertain if they have paid any fees to agents or any intermediaries. The same survey shall be conducted with the workers after three months to verify the information provided by the workers in their first survey. Any claims by the recruited workers that they have paid fees to agents or intermediaries will be verified and shall be remediated where applicable.

6.1.1 Access to personal identification documents

- i. FGV shall ensure that migrant workers have free access to their personal identification documents, such as passports, at all times. A centralized, secure facility for the safekeeping of the workers' personal identification documents such as their passports shall be made available and accessible 24 hours to all migrant workers, once they arrived at the operation site. The workers shall have the option of either keeping their documents by themselves or in the safety boxes provided.
- ii. The personal identification documents of the migrant workers, particularly their passport, should only be obtained by FGV management for official purposes only, such as passport renewal and work permit renewal, FOMEMA and medical treatment.
- iii. FGV shall obtain the migrant workers' written consent to obtain their passport for any administrative procedures including renewal of the migrant workers' working permit or working visa. When obtaining the migrant workers' written consent, FGV shall explain to the workers in the language they understand the purpose of obtaining their passport and the estimated time needed for the completion of the procedure and the return of the passport to the workers.

6.1.2 Freedom of Movement

- i. FGV recognises and respects migrant workers' right to freedom of movement and shall not place any restrictions in this regard especially outside of working hours. There are six working days in a week and the weekly rest day is on Friday.
- ii. FGV shall provide transportation to migrant workers to facilitate their movement.

6.1.3 Right to association and collective bargaining

FGV recognises and respects migrant workers' rights to association and collective bargaining. FGV shall facilitate the fulfilment of the migrant workers' rights to association and collective bargaining and ensure that

workers do not face retaliation as a result of their participation in any association or collective bargaining process.

6.1.4 Migrant workers' orientation at FGV's One Stop Centre ("OSC")

- i. All newly recruited migrant workers shall undergo the Orientation Programme at the OSC before assignment to the respective operating unit. An interpreter shall be present to ensure the migrant workers' full understanding of the information imparted during the orientation.
- ii. In cases where an OSC is not available, the orientation programme shall be conducted at the receiving operating unit.
- iii. the orientation programme, the migrant workers shall be taken to the registered clinics for medical check-up (eg: FOMEMA) as required by the Government of Malaysia.
- iv. During the orientation, migrant workers shall be briefed on:
 - a. Their employment rights and the terms and conditions in their contract, including explanation on salary slips and deductions, calculation method for salary and wages, and overtime;
 - b. The protection for whistleblowers and the grievance or complaint channels available for them to raise any concerns with regard to their rights;
 - c. FGV's policies on zero tolerance towards harassment;
 - d. Their right to freedom of association and to collective bargaining; and
 - e. Relevant labour immigration laws of Malaysia by which they need to abide.
- v. Upon completion of the orientation programme, the receiving operating unit shall ensure all preparations for the workers' arrival at the operation site are in order.

6.1.5 Arrival at the operation site:

- i. Documentation
 - a. The operating unit shall ensure all relevant documents of the workers such as passports and permits are in order upon their arrival at the operation site.
 - b. A copy of the workers' passport, work permit, signed employment contract and biodata including the contact details of next of kin shall be kept in the workers' personal file at the respective operating unit. This file shall also include other relevant information such as medical certificates and other relevant documents.
 - c. All workers shall be given free access to their personal file.
 - d. Personal data of the workers shall be processed lawfully and fairly, and only for reasons directly related to the employment of the workers.
 - e. All FGV's personnel who have access to the personal data of workers shall be bound to a rule of confidentiality in accordance with the relevant national legislation and policies.
 - f. Personal data of the workers shall not be communicated to third parties without the workers' written consent, unless such communication is:
 - necessary for the conduct of the employment relationship;
 - necessary to prevent serious threat to life or health;
 - required or authorised by law;
 - necessary for audit purposes;
 - necessary for purposes of preventing or detecting a crime or for investigation; and
 - required for the enforcement of law.

- ii. Accommodation, basic necessities and amenities
 - a. All basic necessities shall be provided to the migrant workers upon their arrival at the operation site in accordance with the employment contract.
 - b. Accommodation and necessary amenities shall be provided to the migrant workers without any discrimination and in accordance with applicable legal requirements and standards to ensure decent living conditions for the workers.
 - c. FGV shall ensure that the workers' accommodation as well as amenities and facilities are provided and maintained in accordance with the standards stipulated under the applicable laws.
 - d. Migrant workers are responsible to ensure that the accommodation and amenities provided are well-kept and maintained in good condition.
 - e. In areas where access to groceries goods are limited, FGV shall ensure that the groceries which are of reasonable quality, and sufficient for overall nutrition are available to the migrant workers at a fair and reasonable price. FGV shall also ensure that the groceries are labelled with clear and visible price tags.
- iii. Health and medical examination
 - a. The migrant workers are required to undergo health screening on an annual basis as required by the Government of Malaysia. The cost of the annual screening shall be borne by FGV.
 - b. FGV shall bear the cost of medical treatment including cost for admission to a government hospital.

c. For migrant workers working with chemicals and hazardous substance, an annual chemical health risk assessment (CHRA) is compulsory as stipulated under the Occupational Safety and Health (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulation 2000. The cost of the annual CHRA shall be borne by FGV.

iv. On job training

- a. FGV Operating unit is responsible to provide on-job training for all migrant workers based on the Operations Operating Procedures and Guidelines on Occupational Safety and Health.
- b. An interpreter shall be appointed to ensure the migrant workers' full understanding of the information provided during the training.

v. Wages and Salary

- a. All migrant workers shall receive their salary every month as per their employment contract which shall be credited into their bank/FGV e-wallet accounts.
- b. All migrant workers including those that earn wages by performance-related or on a piece-rate basis shall at least be paid the minimum wage as prescribed under the law.
- c. The pay slip with details of earnings and deductions as allowed by the law shall be given and signed by the workers as a proof of receipt.

- vi. Grievance procedure and access to remedy
- a. Migrant workers are given easy and free access to report/ voice out their grievances without fear of reprisal through FGV Group's available channels, as follows:
 - Complaint box
 - Grievance/ complaint book
 - Through the workers' appointed representatives
 - Grievance hotline
 - FGV's whistleblowing channel which allows for anonymous complaints
 - Grievance channel under FGV's e-Wallet System
 - b. The migrant workers may also report their grievances through external channels such as the relevant government agencies and civil society organisations.
 - c. In cases where violation of human rights has occurred, migrant workers are free to access remedies that are available to them, either judicial or non-judicial remedies.
 - d. FGV respects workers' rights to obtain information on their rights and the terms and conditions of their recruitment and employment. A trained and dedicated officer is present at each estate or operating unit to attend to the needs and welfare of migrant workers.
 - e. All grievances submitted by the migrant workers shall be addressed without fear or favour, and resolved in a fair and transparent manner, in line with the criteria underlined in the UNGPs.
- vii. Monitoring compliance of contractors and suppliers
- a. FGV's Operating Unit is responsible to monitor contractors' or suppliers' adherence to all FGV's policies, in particular on labour standards as stipulated in the GSP, SCOC and the *Surat Perintah Kerja* for the contract given.

- b. For purposes of monitoring contractors' and suppliers' adherence to these standards, FGV shall require the contractors and suppliers to provide a copy of relevant documents including their workers' identification document, passport, work permit, employment contract, insurance policy and monthly payslips.

7. Post-Employment

Upon expiry of their contract, the migrant workers shall be offered the option of either renewing their employment contract or returning to their country of origin.

7.1. Renewal of Employment Contract

The employment contract period varies depending on the arrangements between the Government of Malaysia and countries of origin. For Malaysia, migrant workers can extend their contract up to a maximum of 10 years. If a migrant worker wishes to continue working with FGV after 10 years, it shall be subject to approval by the Government of Malaysia on a case-by-case basis.

7.2. Renewal of work permit

- 7.2.1 For migrant workers who wish to renew their employment contract with FGV, FGV's Operating Unit shall submit the application for the renewal of the work permit together with the necessary documents to the Immigration Department at least three months prior to the expiry of the existing work permit.
- 7.2.2 Costs for the renewal of the work permit shall be borne by FGV.
- 7.2.3 For migrant workers who decide not to renew their employment contract with FGV after the expiry of their work permit, arrangements will be made by the Operating Unit for the workers to return to the country of origin.

7.3. Termination

Migrant workers are free to terminate their employment contract at any time without fear of retaliation.

- 7.3.1 Any worker who wishes to end their employment contract before its expiry date shall notify the Operating Unit by providing a thirty (30) days' notice.
- 7.3.2 Should the migrant worker wish to terminate their contract earlier than the contract period, the migrant worker shall cover the cost for the return to their country of origin unless otherwise stated by the national laws of Malaysia. FGV shall settle any outstanding salaries or benefits prior to the return of the workers to their countries of origin.
- 7.3.3 FGV has the right to terminate the employment contract if the worker is found guilty of breaching the employment contract, FGV's policies or any national law.

7.4. Repatriation

- 7.4.1 The repatriation of migrant workers shall be carried out in accordance with FGV's standard operating procedures on this matter.
- 7.4.2 For new migrant workers who fail their medical screening (eg: FOMEMA) within the first 3 months of their guaranteed period, the Operating Unit shall make arrangements for them to return to their country of origin, the cost of which shall be borne by the recruitment agency.
- 7.4.3 For workers who are found to be physically or medically unfit to work after the 3-month guaranteed period, the repatriation cost shall be borne by FGV.
- 7.4.4 If the migrant worker passed away while in service, FGV shall make the funeral arrangements in consultation with the next-of-kin of the worker named in their employment contract. The cost of repatriating the deceased shall be covered under the workers' insurance scheme. Any amount exceeding the insurance coverage shall be borne by FGV.

8. Protection for Workers in Extraordinary Circumstances

This section is applicable for extraordinary circumstances which are normally not foreseeable including, but not limited to, natural disasters, pandemic and/ or public emergencies.

8.1. Communication

- 8.1.1 During extraordinary circumstances, FGV shall ensure important information are regularly communicated to the workers in the language they understand.
- 8.1.2 Where relevant and applicable, FGV shall communicate to the workers the following information:
 - i. Updated and verified information on standard operating procedure (“SOP”) applied in the situation;
 - ii. Clear guidance on how to seek assistance when needed;
 - iii. Available internal and external channels and mechanisms for assistance purposes.

8.2. Access to Healthcare

- 8.2.1 Should the extraordinary circumstances occurred lead to difficulties in accessing healthcare, FGV shall provide assistance to ensure that workers are able to access healthcare when necessary.
- 8.2.2 FGV shall bear the additional cost of healthcare for workers as required due to the circumstances occurred, such as vaccination costs.

8.3. Wage and Livelihood

- 8.3.1 Should the workers be unable to carry out their work due to the extraordinary circumstances, FGV shall ensure continued minimum wage payments for workers.
- 8.3.2 FGV shall also ensure that workers have unhindered access to water, food, electricity, and health services.

9. Monitoring

- 9.1. FGV shall monitor the implementation of these guidelines and procedures through established internal procedures at every stage of the recruitment and employment process and provide transparent reporting on the implementation.
- 9.2. Where there are gaps in the implementation, FGV shall develop and implement effective remediation strategy, in consultation with relevant stakeholders.

10. Review of the Guidelines and Procedures

Any revision to this guidelines and procedures shall come into effect upon its adoption.