

22 August 2022

Fair Labor Association's (FLA) Independent External Assessment (IEA) Report

FGV Holdings Bhd (FGV) is fully committed to the human rights and sustainability agenda and has dedicated much effort to uphold labour standards. As part of this commitment, FGV became a participating company to the Fair Labor Association (FLA) in November 2019 as a long-term endeavor to enhance its labour practices. The programme with the FLA focuses on strengthening various aspects of FGV's labour practices including code alignment, recruitment process of migrant workers, capacity building and training modules on human rights for workers, grievance mechanism as well as labour standard compliance monitoring system, among other things.

FGV's affiliation to the FLA is subjected to independent assessment, validation and reporting by the FLA. The FLA published its first validation report in [October 2020](#), and a second validation report in [April 2021](#).

Following FGV's second year of affiliation, the FLA conducted an Independent External Assessment (IEA) between November 2021 and January 2022, which involved a review of both FGV's management systems and field-level operations. The assessment was based on the [FLA's Workplace Code of Conduct \(WCOC\)](#), which is derived from international labour standards and internationally accepted good labour practices. In total, FLA visited 9 sites (three mills and six estates) for the assessment.

FGV notes that based on the IEA, FLA did not identify non-compliances to the FLA forced labour benchmarks and found no evidence of child labour. FLA also recognised that progress has been made by FGV with regard to top management commitment, policy alignment with international and national standards, and engagement with civil society organizations, especially at the headquarters level. Nonetheless, FGV is cognizant of the need to expedite further improvements at the estate-level, as highlighted by FLA, and will take the necessary steps to that end.

FGV, in consultation with the FLA, has developed a comprehensive corrective action plan (CAP) to address and resolve all findings arising from the FLA IEA. The action plan covers various labour aspects and a wide range of activities including among others, developing more awareness materials, strengthening mechanisms to facilitate the enjoyment of the right to freedom of association, enhancing controls and systems to ensure workers' housing and facilities continue to meet the legal requirements, and strengthening procedures for the recruitment of migrant workers. Many of the action items under the CAP have already been implemented and FGV is committed to dedicating all necessary resources to close remaining gaps.

In keeping with the principle of transparency, FLA's IEA report together with FGV's CAP is attached below.

Baseline Mapping Report

FGV Holdings Berhad (Malaysia)

2021-2022



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GLOSSARY AND ABBREVIATIONS

CAP	Corrective Action Plan
Child labor	No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.
Contract workers	Workers, local or migrant, hired by contractors to perform services (e.g., cleaning, gardening, transportation etc.) in FGV mills or estates.
Contractor	Individual or company that provides services in FGV mills and estates for cleaning, security, gardening, transportation etc.
CSO	Civil Society Organization
FFB	Fresh Fruit Bunch
FGV	FGV Holdings Berhad
FGV-hired workers	Workers, local or migrant, recruited and hired directly by FGV for work in FGV mills or estates. These workers have an employee-employer relationship with FGV.
FLA	Fair Labor Association
Forced labor	There shall be no use of forced labor, including prison labor, indentured labor, bonded labor, or other forms of forced labor. FLA standards require that “workers shall have the right to enter and to terminate their employment freely, workers must not be bound to their jobs by debt, must have freedom of movement at work, must retain control of their identity papers, and must not be forced to work overtime.
GSP	FGV Group Sustainability Policy – Policy applicable in FGV’s own operations covering mills and plantations.
HQ	Headquarters
HRDD	Human Rights Due Diligence – a risk management tool for organizations that can identify, prevent, mitigate, and account for how a company can address actual and potential adverse human rights impacts in their own operations, their supply chain, and other business relationships.
IEA	Independent External Assessments
ILO	International Labour Organization
IMS	Internal Management System
KPI	Key Performance Indicators
Minimum age	Minimum age of work is anyone under the age of 15 or under the age for completion of compulsory education (in the country), whichever is higher.

Minimum wage	The minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract. The minimum wage applicable at the time of assessment, according to the Malaysia's Minimum Wage Order 2020, was MYR1,200 per month.
MSPO	Malaysian Sustainable Palm Oil
OSH	Occupational Safety and Health
PPE	Personal Protective Equipment
RSPO	Roundtable for Sustainable Palm Oil
SCOC	FGV Supplier Code of Conduct – Policy applicable to FGV suppliers such as the third party service agencies, contractors, other farms supplying fresh fruit bunch (FFB) of palm to FGV.
Supplier	FGV supplier providing FFBs to FGV mills

1. INTRODUCTION

FGV Holdings Berhad (FGV) began its affiliation¹ with Fair Labor Association (FLA) in October 2019, committing to uphold FLA standards, address labor issues, and drive long-term improvements in working conditions in its owned operations and upstream supply chain. After FGV adopted its Action Plan 2020² on March 31, 2020, FLA conducted a series of virtual assessments in 2020 and 2021, due to COVID-19 related movement restrictions. Progress reports were published on September 30, 2020³, and April 1, 2021.⁴

After FGV committed to further improvements and transparency, FLA conducted in-person assessments at FGV headquarters in Kuala Lumpur and at the field level (at the mills and estates) between November 2021 and January 2022, guided by the broad objectives of FLA's Independent External Assessment (IEA)⁵, as follows:

- (i) First, to explore the background, stakeholders, labor regulations and known risks associated with the palm oil sector in Malaysia to gain a better understanding of FGV's palm oil supply chain and risk management;
- (ii) Second, to assess FGV's sustainability governance and human rights due diligence systems based on [FLA Principles](#); and
- (iii) Third, to assess labor standards in the workplace and challenges, based on the [FLA Workplace Code of Conduct \(Code\)](#). The field-level assessments involved direct and indirect stakeholders, including FGV suppliers, contractors, workers, and workers' representatives as well as local community members.

FLA assessments used instruments, such as the Internal Management System (IMS) tool, Independent External Monitoring (IEM) tool, supplier evaluation tool, community profiling tool, and a worker survey. This report presents findings of FGV's HRDD systems and field-level working conditions.

¹ See [here](#).

² FGV Action Plan 2020 is accessible [here](#).

³ Findings on the Progress of FGV's Action Plan 2020, available [here](#).

⁴ FLA Assessment Report on the Implementation of FGV's Action Plan to Enhance Labor Practices, available [here](#).

⁵ See [here](#) for the various type of FLA assessments in the agriculture sector.

2. ASSESSMENT METHOD

Desktop research, conducted in November 2021, assessed the palm oil sector, stakeholders, and known labor risks. During this period, FLA assessment tools such as suppliers' Internal Management System (IMS) and field instruments such as the workers' survey and community profiling tool, were adjusted to the context of situation.

The field assessment began in November 2021, in Aring, Gua Musang (one mill, two supplying estates), followed by an assessment in Selanchar (one mill, two supplying estates), and in Serting (one mill and two supplying estates).

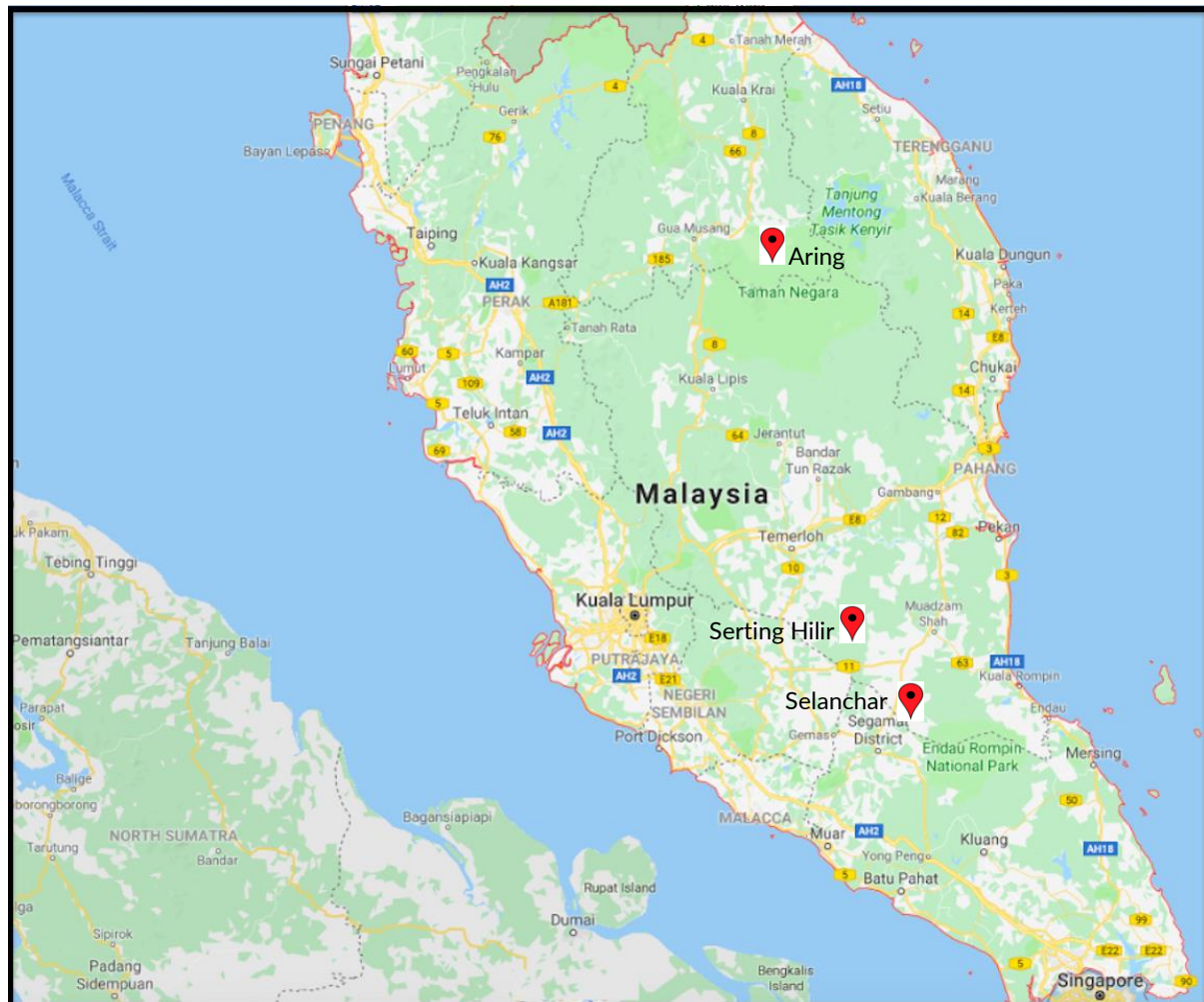


Table 1: Sample Sites, Business Operations, Locations and Period of field Assessment

Sample Site	Business Operation	Location and Period of Field Assessment
Farm 1: Mill Aring	Oil palm mill	Aring, Gua Musang, Kelantan November 23-26, 2021
Farm 2: Estate Aring 2	Oil palm estate (1651.55 ha)	
Farm 3: Estate Aring 5	Oil palm estate (622.47 ha)	
Farm 4: Mill Selanchar 2b	Oil palm mill	Selanchar, Segamat, Johor November 30 – December 3, 2021
Farm 5: Estate Selanchar 8	Oil palm estate (1680.89 ha)	
Farm 6: Estate Selanchar 9	Oil palm estate (2948.61 ha)	
Farm 7: Mill Serting Hilir	Oil palm mill	Serting, Negeri Sembilan December 4–8, 2021
Farm 8: Estate Tembangau 5	Oil palm estate (3301.33 ha)	
Farm 9: Estate Tembangau 8	Oil palm estate (1628.83 ha)	

Assessors interviewed 225 workers comprised of 64 respondents from mills and 35 respondents from estates, who were local Malaysian workers, and 126 migrant workers. (See Annex 4 for details on sample size, worker demographics, and survey responses). Additional interviews were held with four FFB suppliers and seven contractors.

Following the field work, an assessment of FGV IMS was conducted at FGV's headquarters in Kuala Lumpur. Data collection concluded in January 2022. At the HQ level, assessors interviewed management staff from departments including Group Sustainability, Group Governance and Risk Management, Plantation Sector, and Field Workforce. FLA conducted a detailed review of documents at the HQ, mill, and estate levels.

A final report was submitted to FGV on March 1, 2022. FGV submitted the Corrective Action Plan (CAP) published with this report on May 18, 2022.

3. INTERNAL MANAGEMENT SYSTEMS FINDINGS

3.1 Overview of the Internal Management System Assessment

FLA assessed FGV's International Monitoring System (IMS) and the implementation of its Action Plan 2020 by engaging with various FGV divisions and business units between December 2021 and February 2022. Where relevant, findings from the field-level assessment were leveraged to corroborate written and verbal inputs from company representatives.

Across the 10 FLA Principles, 53% of Key Performance Indicators (KPIs) were in "Full Implementation" and 47% were "In Progress". None of the KPIs were marked as "Planned" or "No Action Taken".

Of FGV's 46 action pledges, 32 (69.5%) have been fully implemented, including 10 action pledges that were marked "In Progress" in previous reports in March/April 2021. Thirteen action pledges (28.2%) are marked as still "In Progress", and one action pledge is marked as "Planned".

Table 2 provides the summary of the assessment results of FGV's Internal Monitoring System (IMS) and a review of FGV's Action Plan developed on March 31, 2020, following its affiliation with Fair Labor Association (FLA) in October 2019. The Action Plan aligned FGV's systems, structures and practices with international standards, including FLA standards. It was developed in consultation with FLA and other relevant stakeholders and is the framework within which FLA and FGV are working together. Detailed findings from the IMS assessment and Corrective Action Plan (CAP) are presented in Annex 1.

Table 2: Summary of the Assessment Results of the FGV's Internal Monitoring System (IMS) and the Implementation of FGV Action Plan 2020 / 2021

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
PRINCIPLE 1A: TOP MANAGEMENT COMMITMENT AND WORKPLACE LABOR STANDARDS Participating Company is committed to accountability and transparency through established workplace standards				
BENCHMARK 1A.1 Participating Company leadership formally commits to practices to uphold workplace standards, and to integrate these commitments into company business practices.				
KPI a)	Full Implementation	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. 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. 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.	1.4.1 Implemented 1.4.2 Implemented 1.5.1 Implemented	No further assessment No further assessment No further assessment
KPI b)	Full Implementation			
KPI c)	In-Progress			
KPI d)	Full Implementation			
BENCHMARK 1A.2 Participating Company establishes and articulates clear, written workplace standards for its upstream supply chain that meet or exceed those embodied in the FLA Workplace Code of Conduct.				
KPI a)	Full Implementation	1.1.1 Initial assessment of FGV's SCOC	1.1 Implemented	No further assessment

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
KPI b)	In-Progress	<p>1.2.1 FGV will undertake the necessary amendments to align its SCOC and other labor policies and procedures with the FLA CoC.</p> <p>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.</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>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.</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> <p>1.8.1 FGV will develop procedures and mechanisms to strengthen the enjoyment of workers' right to freedom of association and to unionize.</p> <p>1.9.1 FGV will develop – through the establishment of a Gender Committee – policies, procedures and mechanisms to promote gender equality and women empowerment in FGV's operations.</p>	<p>1.2.1 In Progress</p> <p>1.2.2 In Progress</p> <p>1.3.1 In Progress</p> <p>1.6.1 In Progress</p> <p>1.7.1 In Progress</p> <p>1.8.1 In Progress</p> <p>1.9.1 In Progress</p>	<p>1.2.1 In Progress</p> <p>1.2.2 In Progress</p> <p>1.3.1 In Progress</p> <p>1.6.1 Implemented</p> <p>1.7.1 In Progress</p> <p>1.8.1 In Progress</p> <p>1.9.1 In Progress</p>
PRINCIPLE 1B: RISK ASSESSMENT AND TRACEABILITY Participating Company uses risk assessments to prioritize its workplace labor compliance program implementation and progressively increase supply chain traceability.				

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
BENCHMARK 1B.1 Participating Company conducts risk assessment and prioritization that informs the workplace labor compliance program.				
KPI a)	In-Progress			
BENCHMARK 1B.2 Participating Company progressively establishes supply chain traceability.				
KPI a)	Full Implementation			
KPI b)	Full Implementation			
BENCHMARK 1B.3 Participating Company develops an implementation plan.				
KPI a)	Full Implementation	6.1.1 The information management system aims to gather and manage traceability data, and strategy to share such information with the FLA	6.1.1 In Progress	6.1.1 Implemented
KPI b)	Full Implementation			
PRINCIPLE 2: RESPONSIBLE SOURCING AND PROCUREMENT Participating Company aligns its sourcing/procurement practices with commitment to workplace labor standards.				
BENCHMARK 2.1 Participating Company has written policies and procedures for sourcing/procurement that facilitate collaboration across the internal departments and with business partners to uphold its workplace labor standards at farms.				
KPI a)	In-Progress	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.	8.1.1 In Progress	8.1.1 Implemented
KPI b)	Full Implementation			
BENCHMARK 2.2 Participating Company implements its responsible sourcing/procurement policy and procedures.				
KPI a)	In-Progress			
KPI b)	In-Progress			
BENCHMARK 2.3 Participating Company holds relevant staff and its suppliers accountable for the implementation of the responsible sourcing/procurement policies and procedures.				
KPI a)	In-Progress			
KPI b)	In-Progress			

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
KPI c)	In-Progress			
BENCHMARK 2.4 Participating Company selects its business partner based on a pre-sourcing evaluation and has a supplier evaluation system.				
KPI a)	In-Progress			
KPI b)	In-Progress			
PRINCIPLE 3: COMPANY STAFF TRAINING Participating Company identifies and ensures that the specific personnel responsible for implementing workplace labor standards (at head office and in the regions) are trained and are aware of the labor standards criteria.				
BENCHMARK 3.1 Participating Company identifies the person(s) responsible for administering and implementing its workplace labor compliance program.				
KPI a)	Full Implementation	2.1.1 FGV's organizational chart will contain comprehensive information such as the number of responsible staffs to implement the Action Plan.	2.1.1 Implemented	No further assessment
KPI b)	Full Implementation	2.2.1 The job descriptions will include clear roles and expectations of the responsible staffs in implementing the Action Plan.	2.2.1 Implemented	No further assessment
		2.2.2 The FLA will work with FGV to develop Key Performance Indicators (KPIs) to oversee the implementation of the Action Plan.	2.2.2 Implemented	No further assessment
		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	2.3.1 Implemented	No further assessment
KPI c)	In-Progress	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	7.3.1 In Progress	7.3.1 Implemented
			7.3.2 In	7.3.2 Implemented

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
		<p>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> <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>Progress</p> <p>7.4.1 In Progress</p> <p>7.4.2 In Progress</p>	<p>7.4.1 Implemented</p> <p>7.4.2 Implemented</p>
BENCHMARK 3.2 Participating Company ensures training of all staff managing responsible sourcing/procurement and implementation of labor standards.				
KPI a)	In-Progress	<p>2.4.1 FGV will develop an interactive and action-based training on labor rights and international frameworks, involving all key staffs including at plantation level management. The training will adopt a training of trainers (ToT) approach to reach a maximum impact on the ground.</p> <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> <p>3.2.2 FGV will develop simple,</p>	<p>2.4.1 Implemented</p> <p>3.2.1 In Progress</p> <p>3.2.2 Implemented</p>	<p>No further assessment</p> <p>3.2.1 In Progress</p> <p>No further assessment</p>

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
		illustrated materials for workers and their families.		
KPI b)	In-Progress			
KPI c)	In-Progress			
PRINCIPLE 4: BUSINESS PARTNER TRAINING AND IMPLEMENTATION Participating Company obtains commitment, and drives business partner awareness of labor standards.				
BENCHMARK 4.1 Participating Company formally conveys its labor standards to its business partners and verifies that the information is cascaded upstream.				
KPI a)	Full Implementation	3.1.1 FGV will include relevant clauses in the contract with the recruitment agencies that are aligned with the FLA CoC. 3.1.2 FGV will brief recruitment agencies on the improved contract and new requirements, and support the implementation of the clauses when needed	3.1.1 Implemented 3.1.2 Implemented	No further assessment No further assessment
KPI b)	Full Implementation			
BENCHMARK 4.2 Participating Company obtains agreement from business partners to facilitate periodic assessments at the farms, including those organized by the FLA, and to actively contribute to consequent remediation.				
KPI a)	Full Implementation	3.1.3 FGV will develop a mechanism for monitoring and assessment of the implementation of the labour standards by recruitment agencies.	3.1.3 Implemented	No further assessment
BENCHMARK 4.3 Participating Company conditions future business with business partners upon continuous improvement of labor conditions at farms.				
KPI a)	In-Progress			
KPI b)	In-Progress			

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
KPI c)	Full Implementation			
BENCHMARK 4.4 Participating Company ensures that labor standards are accessible in the upstream supply chain, in written or illustrative format and relevant languages.				
KPI a)	In-Progress			
BENCHMARK 4.5 Participating Company ensures that farmers and workers are trained on labor standards at appropriate intervals.				
KPI a)	In-Progress			
KPI b)	In-Progress			
PRINCIPLE 5: MONITORING Participating Company conducts labor standards compliance monitoring at the farm level.				
BENCHMARK 5.1 Participating Company monitors an appropriate sampling of farms regularly to assess compliance with labor standards.				
KPI a)	Full Implementation			
KPI b)	Full Implementation			
BENCHMARK 5.2 Participating Company ensures that the monitoring program in scope is aligned with FLA workplace labor standards.				
KPI a)	In-Progress	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.	5.1.1 In Progress	5.1.1 In Progress
KPI b)	Full Implementation			
KPI c)	In-Progress	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	5.2.1 In Progress	5.2.1 In Progress

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
		information on the language of contract provided, input to survey on recruitment fees, type of training conducted, family members accompanying, etc.		
PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISMS Participating Company 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.				
BENCHMARK 6.1 Participating Company ensures functioning grievance mechanism in the supply chain.				
KPI a)	Full Implementation			
KPI b)	In-Progress			
KPI c)	In-Progress			
BENCHMARK 6.2 Where local mechanisms are not functioning, Participating Company provides alternative channels for farmers and workers to contact the Company directly and confidentially.				
KPI a)	Full Implementation	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.	4.2.1 In Progress	4.2.1 In Progress
KPI b)	Full Implementation			
BENCHMARK 6.3 Participating Company ensures that training and communication on grievance mechanism cover all farmers and workers.				
KPI a)	Full Implementation	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.	4.1.1 In Progress	4.1.1 Implemented
KPI b)	Full Implementation			
PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION Participating Company collects, manages and analyzes labor standards compliance information.				
BENCHMARK 7.1 Company Affiliate facilitates access to a complete and accurate list of all direct suppliers, where upstream transparency has been established.				

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
KPI a)	Full Implementation			
KPI b)	Full Implementation			
BENCHMARK 7.2 Participating Company analyzes systemic issues and trends in noncompliance findings.				
KPI a)	In-Progress			
KPI b)	In-Progress			
KPI c)	In-Progress			
PRINCIPLE 8: TIMELY AND PREVENTATIVE REMEDIATION Participating Company works with business partners to remediate in a timely and preventative manner.				
BENCHMARK 8.1 Participating Company provides regular follow-up and oversight to business partners implementing the corrective actions following assessments.				
KPI a)	Full Implementation	<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</p> <p>7.2.3 FGV will review its repatriation practices to ensure</p>	<p>7.1.1 In Progress</p> <p>7.1.2 Planned</p> <p>7.1.3 In Progress</p> <p>7.1.4 In Progress</p> <p>7.2.3 In Progress</p>	<p>7.1.1 In Progress</p> <p>7.1.2 Planned</p> <p>7.1.3 Implemented</p> <p>7.1.4 In Progress</p> <p>7.2.3 In Progress</p>

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
		compliance with labour standards.		
KPI b)	Full Implementation	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 inform the formulation of FGV's remediation measures concerning recruitment fees. The report and follow-up plans will be made available.	7.2.1 In Progress	In Progress
KPI c)	Full Implementation	7.2.2 FGV will continue engaging in dialogue with other stakeholders, including the Roundtable on Sustainable Palm Oil (RSPO) in addressing systemic issues relating to fair recruitment practices. FGV is also committed to engaging workers' representatives and local organization in these dialogues.	7.2.2 In Progress	7.2.2 Implemented
BENCHMARK 8.2 Participating Company works with the business partners to determine the root causes and take action to reduce future risks.				
KPI a)	In-Progress			
KPI b)	In-Progress			
KPI c)	Full Implementation			
BENCHMARK 8.3 Participating Company records and tracks the progress and effectiveness of remediation.				
KPI a)	Full Implementation			
KPI b)	In-Progress			

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY Participating Company identifies, researches and engages with relevant local and international labor non-governmental organizations, trade unions and other civil society institutions.				
BENCHMARK 9.1 Participating Company develops a civil society organization (CSO) outreach strategy that reflects the risk assessment and salient human rights issues.				
KPI a)	In Progress	9.2.1 FGV will undertake a mapping of relevant local and international stakeholders and frequently update an overview of these stakeholders, including general information, areas of expertise, relevancy to FGV and contact information. FGV is in the process of engaging with 5 local and 5 international CSOs.	9.2.1 Implemented	No further assessment
BENCHMARK 9.2 Participating Company develops and maintains links with relevant CSOs to gain understanding of labor issues.				
KPI a)	Full Implementation	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	9.1.1 Implemented	No further assessment
BENCHMARK 9.3 Participating Company strategizes with CSOs and knowledgeable local sources in the design and implementation of the workplace labor compliance programs.				
KPI a)	Full Implementation	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 conditions of its workers, through assessments and verification exercises.	5.3.1 Implemented	No further assessment
BENCHMARK 9.4 Participating Company consults with business partners' management and legally constituted unions or worker representative structures to gain an understanding of relevant relationships.				
KPI a)	Full Implementation			
KPI b)	Full Implementation			
PRINCIPLE 10: VERIFICATION REQUIREMENTS Participating Company meets FLA verification and program requirements.				
BENCHMARK 10.1 Participating Company maintains standard operating procedures related to FLA affiliation.				

Assessment of FGV's Internal Monitoring System (IMS)		Assessment of the Implementation of FGV Action Plan 2020		
No. of KPI	Assessment Score	FGV Action Plan 2020	Progress Status (Previous Reporting in Mar/Apr 2021)	Progress Status (Current)
KPI a)	Full Implementation	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.	10.1.1 Implemented	No further assessment
		10.2.1 FGV is committed to participate in and provide support to any assessment / due diligence exercises conducted by the FLA, including assessments at owned operations and suppliers' operations.	10.2.1 Implemented	No further assessment
		10.2.2 FGV will support the FLA assessment to verify progress against the action plan starting mid-2020.	10.2.2 Implemented	No further assessment
		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.	10.3.1 Implemented	No further assessment
		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.	10.4.1 Implemented	No further assessment

3.2 Top Management and Sustainability Governance

FGV has a vast and complex supply chain of 219 estates and 67 mills across Malaysia. Two-thirds of the FFBs it processes are sourced from thousands of independent smallholders and organized smallholders (i.e., farmers on small farms registered with the Federal Land Development Authority [FELDA]).⁶ Additionally, FGV buys FFBs from independent intermediaries.

FGV's commitments to labor standards, are governed by a multi-tier top management structure:

- The **Board of Directors** is The Board of Directors is the highest governance body overseeing the management of FGV's impacts on economy, environment and people. The Board provides direction and strategic input into the formulation of the Group Sustainability Policy (GSP) well as the oversight and governance over the GSP's implementation and execution.
- The Board Sustainability Committee established in September 2021 is tasked to assist FGV's Board in fulfilling its oversight responsibilities in relation to FGV Group's sustainability policies, strategies and initiatives. Previously, FGV's sustainability matters were under the purview of its Board Governance and Risk Management Committee (BGRMC)
- The **Group Management Committee (GMC)**, composed of senior management executives and chaired by the Group Chief Executive Officer (GCEO), is tasked with, among others, ensuring implementation of the GSP.
- The sustainability Synergy Committee consists of representatives from various businesses and divisions in the Group, which facilitates the mainstreaming of sustainability principles and practices throughout FGV. The Committee is also entrusted with the effective implementation of FGV's sustainability initiatives. The Head of the Group Sustainability Division (GSD) chairs the Sustainability Synergy Committee.
- The **Group Sustainability Division (GSD)**, is the primary division that executes the group's sustainability commitment in owned operations and the supply chain. The Head of GSD reports directly to the GCEO.

⁶ Further information about FELDA-organized smallholders, see [here](#).

Recently, FGV established a **Sustainability Compliance Working Committee**, chaired by the head of Sustainability Compliance and Certification Department (SCCD) to raise and discuss compliance issues, including addressing systemic issues and root causes of non-compliance, including on labor standards.

3.2.1 FGV's Ongoing Engagement with FLA

FGV set up a dedicated team to manage, coordinate, and fulfil the requirements of its affiliation with FLA. The team consists of staff from several divisions, including plantation operations, group procurement, coordinated by the GSD). Each team member received an appointment letter with detailed terms of reference outlining their expected contributions.

FGV participated in three independent assessments conducted by FLA. Findings were immediately made publicly available. The first public report was published on September 30, 2020⁷, and the second on April 1, 2021⁸.

4. FIELD-LEVEL FINDINGS

4.1 Community Profiling

Community profiling involved separate interview sessions and physical observation in several areas. A majority of the population living in the three locations are smallholder FELDA⁹ settlers, who generate an income through oil palm cultivation, livestock, and vegetable farming. Some second-generation smallholder settlers have moved to nearby towns. The local population is mostly Malay (more than 90%) while the remaining are indigenous people, ethnic Indian, and Chinese. Migrant workers employed by FGV are largely Bangladeshis and Indonesians. Most local community members are literate and have at least attended primary education. The three regions have primary and secondary schools, shops, mosques, and primary health facilities. In areas such as Segamat and Aring, the supply of fresh water is frequently disrupted.

⁷ Findings on the Progress of FGV's Action Plan 2020, available [here](#).

⁸ FLA Assessment Report on the Implementation of FGV's Action Plan to Enhance Labor Practices (2021), available [here](#).

⁹ About 50 percent of FFB supplies comes from FELDA smallholders.

4.2 Summary of Supplier and Contractor Assessments

Assessors performed an IMS assessment on four FFB suppliers and seven contractors providing a range of services to the sampled mills and estates (Table 3). The assessment summarized here was based on a set of IMS Assessment Questions for Suppliers and Contractors (Annex 3).

The assessment found that most suppliers and contractors, except for two, do not have written codes of conduct to monitor and ensure compliance of labor standards (Benchmark 1.1.1). Where written codes or procedures exist, they do not fully conform with the FLA Code (e.g., right to association and collective bargaining, and hours of work).

All suppliers and contractors, except one, have confirmed that they have a written agreement with FGV that stipulates procurement details such as pricing and payment terms and conditions (Benchmark 1.2.3). Although all suppliers must comply with the SCOC, there is no explicit requirement for suppliers and contractors to have a labor standard system or human rights due diligence process in place in ensuring that suppliers and contractors comply with FLA standards.

While some suppliers and contractors confirmed that training was given to relevant staff (e.g., briefing on minimum wage and work safety), training content does not fully conform with FLA standards (e.g., training on the right to association and collective bargaining; effective grievance and remediation; and no abuse and harassment, etc.) (Benchmark 1.3.1). Furthermore, none of the informants have provided similar training to other supply chain partners such as third party estates, smallholders, etc.

All suppliers and contractors confirmed that workers and farmers have access to existing FGV grievance and whistleblowing channels (Benchmark 1.6.1), no specific channel is available to address sensitive cases such as child labor (Benchmark 1.6.3). When asked if they have promoted existing grievance and whistleblowing channels to workers and farmers on a regular basis, only four informants said they had shared grievance channel details with workers and farmers, though no proper briefing and feedback gathering was conducted (Benchmark 1.6.4).

All suppliers and contractors confirmed that they provided the necessary information such as workers' profiles, monthly salary information, business location, and contact

information to FGV's mills and estates on a regular basis (Benchmark 1.7.1). However, when asked if they have shared labor-related information or complaints to FGV, only four contractors had done so and they only shared information related to provision of PPEs, safety, and overtime (Benchmark 1.7.2).

Only one informant confirmed that they had a remediation plan and process in place to follow-up complaints and oversee remediation (Benchmark 1.8.1). One contractor reported having a corrective action process as part of their audit exercise. Only one supplier had engagement with other stakeholders, such as cooperatives, settlers, youth and women representatives and Security Service (Benchmark 1.9.1).

4.3 Workers' Profile

The field assessment survey of 225 workers, included local Malaysian workers (44%) and migrant workers (56%). The migrant workers (126) working in FGV estates included Bangladeshi (26.7%), Indian (15.6%), and Indonesian (13.8%) workers. No migrant workers have been hired in FGV mills across Malaysia. The sample size is estimated to be 22% of the total workforce of 1,023 workers in the sampled sites (Table 5). 09.8% of workers surveyed were male (Table 6). 73.7% of workers surveyed were between 18 and 40 years old. Workers ages 41 to 50 (13.8%) and 51 or older (12.4%) were approximately one-quarter of the workforce. Four out of five respondents had completed primary or secondary education in Malaysia or in their countries of origin (Table 7). This does not mean, however, that workers, particularly migrants, are able to understand and communicate in local or English languages.

4.4 Independent External Monitoring (IEM) Assessment

The Independent External Monitoring (IEM) assessment follows the nine elements of the FLA Workplace Code of Conduct for the Agriculture Sector, complemented with an assessment of COVID-19 measures. Detailed findings of the IEM assessment and its Corrective Action Plan (CAP) are presented in Annex 2.

Below is the summary of the findings of the IEM assessment:

- **Employment terms and lack of understanding:** Two workers hired by contractors had sub-standard employment terms that did not provide benefits such as annual and medical leave and access to social security. Thirty workers (13%) who were

employees of FGV did not understand the terms of their employment contracts. Indian and Bangladeshi workers, in particular, face language and literacy barriers. A check on worker employment contracts provided by management indicated that every worker had signed an employment contract, yet 10% of workers mentioned not signing a contract. This suggests that some workers may lack awareness or understanding of their own employment contract.

- **Expired work permits and passports:** The employment passes (work permits) and passports of 10 migrant workers in FGV estates had expired. FGV had no procedure in place to assist foreign workers in obtaining or renewing their passports during the COVID-19 pandemic.
- **COVID-19 created barriers to conducting trainings:** Some planned trainings went undelivered due to COVID-19 measures. When trainings were conducted, no evaluation was performed to assess their effectiveness. Seventy-six percent of workers mentioned that trainings (mostly health and safety briefings and work-related training) were provided while 24% mentioned that no training was provided.
- **Lack of trust in FGV's grievance mechanisms:** FGV has several grievance channels including a hotline, a mobile app, a supervisor or union and workers/ committee, and complaint box or logbooks. Eighty-four percent of workers surveyed had not used or were reluctant to use FGV grievance channels due to lack of trust, concern about possible repercussions, and language barriers.
- **Lack of awareness about minimum working age:** FLA assessors found no evidence of child labor across all sites. However, more than half of workers surveyed were unaware of the minimum age for work in Malaysia [or responded incorrectly]. Thirteen percent of workers said that their employer or recruiter did not verify their age during the hiring process.
- **Cases of harassment and abuse:** Three workers mentioned incidents involving physical, verbal, and psychological abuse. Further investigation found one recent case of physical abuse and humiliating treatment against a migrant worker committed by estate staff and FGV security officials.

- **Access to basic facilities and sanitation in some estates is poor.** The supply of water is often disrupted, forcing workers to buy clean water from nearby shops. When water is running, it is not clean and is unsafe to drink.
- **Worker representation:** The appointment process of migrant workers' representatives to the Joint Consultative Committee in FGV estates lacks transparency and offers no evidence that the appointed representatives have the support of a majority of workers. Sixty-nine percent of workers are not aware of worker committees or unions at their workplace.
- **Foreign workers' passport management:** Surveyed workers included 126 foreign migrant workers. Fifty-four percent reported that they keep their passport in their possession; 24% reported that they store the passports at FGV-installed lockers and can get them at will; and 16.7% workers reported that their passports were not with them. On further investigation, these passports were with the government for the issuance of work permits.
- **Hours of Work:** Some mill workers worked more than the maximum 60 hours a week (including overtime) prescribed by FLA standards. In estates, 14.7% of workers surveyed reported to work seven days a week without rest during low season, while 25.3% work for seven days a week without rest during peak season. Four workers reported that the overtime was involuntary.

4.5 COVID-19 Measures

The workers' survey provided an opportunity to assess the situation during the COVID-19 pandemic, and gauge efforts undertaken by FGV to engage and/or brief workers on COVID-19 measures. More than half of respondents said they were not impacted by the COVID-19 outbreak, either directly (e.g., COVID-19 infection) or indirectly (e.g., loss of job or income) (Table 33).

One respondent stated that he was previously dismissed by his previous employer (not FGV) due to the pandemic. Ten workers mentioned that they faced a significant reduction of hours of work and working days, which reduced their monthly compensation. Four percent stated that COVID-19 had increased their daily cost of living for items such as food and telecommunication. Another worker said that COVID-

19 affected his mental health. Two respondents complained that PPEs (e.g., mask and hand sanitizer) were not provided consistently by the employer. The risk was particularly acute because many workers, particularly migrant workers, live in dormitories.

Most workers said they were regularly informed or briefed by their employer about COVID-19 SOP and related information (Table 34) during morning rollcalls. Other workers stated that government representatives came to the mills and estates to brief workers about the government's SOPs and vaccination programs. A small portion of respondents (5.3%) said they had not been briefed on COVID-19 measures by the employer, but two reported staying informed through social media and television news.

5. CONCLUSION

FLA's assessment found that FGV is progressing on several benchmarks at HQ, including top management commitment, policy alignment with international and national standards, and engagement with civil society organizations. Ongoing engagement with FLA and a high level of responsiveness to FLA recommendations have resulted in public transparency.

During the assessment, FLA team did not identify non-compliances to the FLA forced labor benchmarks. Nevertheless, some risks of forced labor were observed that need further investigation. FLA notes that progress to improve working conditions at the estate level remains slow, partially due to COVID-19. There is need for estate management and the FGV Plantation division, which is directly responsible for worker well-being to step up the pace and operationalize the policies that FGV has created. FGV's Risk Governance and Management division need to work on a process that will instill trust among workers for FGV-operated grievance mechanisms. This report and the related annexes provide granular details about areas in need of improvement. FGV has submitted a corrective action plan to address identified gaps. FLA will continue to verify FGV progress and publicly report on it.

6. LIST OF ANNEXES

Annex 1: Internal Management System (IMS) assessment

Annex 2: Independent External Monitoring (IEM) assessment

Annex 3: Assessment Methodology and IMS assessment questions for suppliers and contractors

Annex 4: List of tables and photos

Annex 5: Background and Stakeholder Map

FGV Independent External Assessment August 2022

ANNEX 1

INTERNAL MANAGEMENT SYSTEM ASSESSMENT

PRINCIPLE 1A: TOP MANAGEMENT COMMITMENT AND WORKPLACE LABOR STANDARDS

Participating Company leadership formally commits to practices to uphold workplace standards, and to integrate these commitments into company business practices.		
KPIs <i>KPI c) Demonstrated commitment to engagement with civil society organizations which includes organizations representing workers</i>		In Progress
Findings	<u>KPI c)</u> FGV partners with several organizations on high-risk areas and salient human rights issues. <ul style="list-style-type: none">• Its partnership with a local human rights CSO focuses on developing human rights trainings, including learning and awareness raising materials aimed at migrant workers and estate management in selected sites.• With EMBODE, FGV focuses on strengthening workers’ voices and wellbeing.• A partnership with ELEVATE aims to independently assess FGV’s actions addressing the 11 ILO indicators of forced labor, and the development of remedial actions. Evidence suggests that the assessment will take place in November 2021. The site(s) selected for assessment had not yet been decided pending desktop research.• In recent years, FGV had engaged with external organizations to assess and develop remediation in addressing labor standards non-compliance.¹• In 2017, FGV signed a memorandum of understanding with the Human Rights Commission of Malaysia (SUHAKAM) to promote human rights and address non-compliance.² <p>While these partnerships have yet to achieve their goals, they illustrate FGV’s willingness to take steps to improve workers’ treatment and conditions.</p> <p>At time of this assessment, these projects are in the implementation stage. While FGV had previously made efforts to publicly communicated about the projects at the beginning and at the end of the project, it is suggested that public communication should be continues process throughout the implementation of the project.</p>	
Company Action Plan		
Activity	1.1. FGV attaches great importance to engagement with stakeholders including civil society organisations. FGV believes that such engagements will add much value to FGV’s overall effort to respect human rights and to uphold labour standards. 1.2. Engagements include: <ul style="list-style-type: none">i. On March 2022, FGV collaborated with Project Liber8 to conduct workshop involving more than 200 secondary students from FGV’s Community Learning Centres (CLCs) to raise awareness on the issue of human trafficking. Project Liber8 is a non-governmental organisation	

¹ Available [here](#)

² Available [here](#)

	<p>aimed to raise public awareness on human trafficking. The workshop was part of the Project Liber8's Advoc8 on the Road (High School Edition) project. The objective of the workshop was to promote better understanding among the students the issue of human trafficking and the steps they can take to protect themselves and others when they face such situation.</p> <p>ii. On 11 April 2022, FGV together with UN Women and LeadWomen organised a session to raise awareness among FGV's management and staff on the Women Empowerment Principles (WEPs) and how it can support companies to advance gender equality within their own company and across the supply chain. The session was participated by more than 150 participants comprising FGV's Chairman and Board Members, Group Chief Executive Officer (CEO), top and senior management, members of FGV's GEWE Committee and FGV staff. Following the session, FGV applied to become a signatory to the WEPs. FGV was accepted as a signatory in June 2022.</p> <p>iii. On 10 June 2022, FGV, in collaboration with Malaysian Trade Union Congress (MTUC) and International Labour Organization (ILO) Malaysia co-organised an awareness session on forced labour and child labour for the workers at FGV's Krau Complex in Bentong, Pahang. The awareness session, which involved the participation of approximately 60 workers and 30 management personnel from FGV's surrounding plantations, aimed to support the global and national agenda against forced labour and child labour, in line with Malaysia's National Action Plan on Forced Labour (2021-2025) and the National Pledge against Child Labour. See press release.</p> <p>iv. On 16 June 2022, FGV together with Project Liber8 co-organised a workshop in conjunction with World Day Against Child Labour in Lahad Datu, Sabah to raise awareness on the issue of child labour and child trafficking. The workshop was organised with the support of the Sabah State Education Department, and was participated by approximately 117 students and teachers from the public schools and FGV's Community Learning Centres (CLCs) in Lahad Datu. The representative of the Indonesian Consulate in Tawau was also present during the workshop. See press release.</p> <p>1.3. FGV appointed ELEVATE to conduct an independent assessment of FGV's operations against the 11 ILO Indicators of Forced Labour. ELEVATE's first phase of assessment involved a desktop review of FGV's policies and managements systems relating to labour standards as well as interviews with relevant FGV personnel at the headquarters level. This phase of ELEVATE's assessment, was completed in April 2022. The second phase of ELEVATE's assessment involves on-site visits to FGV's mills and estates, which are conducted fully unannounced. ELEVATE's on-site assessments are ongoing.</p> <p>1.4. FGV is committed to continue engaging with relevant stakeholder including civil society organisations as part of its efforts to advance the human rights agenda.</p> <p>1.5. FGV undertakes to continue publicizing these collaborations and engagements through various platforms and channels including, but not limited to the following:</p> <ul style="list-style-type: none"> i. press releases ii. social media postings iii. Annual Integrated Report iv. Sustainability Report v. Quarterly Briefing with Analysts
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	vi. Quarterly Briefing the Media
Output indicators (targeted results)	<p>1.6 Continuous engagement with civil society organisations. [Timeline: continuous, Responsible Unit: GSD]</p> <p>1.7 Continuous public communication of FGV's engagements with civil society organisations. [Timeline: continuous, Responsible Unit: GSD]</p>
Timeline and Deadline Date	<i>Refer to above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to above.</i>

Participating Company establishes and articulates clear, written workplace standards for its upstream supply chain that meet or exceed those embodied in the FLA Workplace Code of Conduct.	
KPIs <i>KPI b) Labor standards meet the FLA Workplace Code of Conduct</i>	In Progress
Findings	<p><u>KPI b)</u></p> <p>FGV's GSP³ (currently in its fourth version), sets the framework of its sustainability agenda and consists of three pillars: promotion of economic growth, respect for human rights including labor standards, and environmental protection. The GSP applies to FGV's owned operations, including listed and non-listed subsidiaries, as well as to suppliers and contractors.</p> <p>Other policies and guidelines supporting the GSP include:</p> <ul style="list-style-type: none"> • Supplier Code of Conduct (SCOC)⁴ and Group FFB Purchasing Policy • Guidelines and Procedures for the Responsible Recruitment of Foreign Workers⁵ • Health and Safety Policy⁶ • Environmental Policy Statement⁷ <p>While most of FGV's labor standards commitments are aligned with the FLA Workplace Code, FGV's commitment on hours of work are still below FLA standards. The FLA Workplace Code requires members' commitment to hours of work – the sum of weekly work hours (i.e., regular work hours plus overtime), which should not exceed 60 hours per week or the legal limit, whichever is lower. The inconsistency between Malaysian legislation, which allows a sum of 104 overtime hours in any month and international standards governing hours of work remains a challenge.</p>
Company Action Plan	

³ See GSP [here](#).

⁴ Available [here](#).

⁵ Available [here](#).

⁶ Available [here](#).

⁷ Available [here](#).

Activity	2.1 At the moment, FGV commits and adheres to Malaysian law on hours of work. Noting that almost all palm oil producers in Malaysia have not adopted 60 hours of work per week, FGV is deliberating internally on the feasibility of complying with this particular FLA standard. [Timeline: October 2022, Responsible Unit: GSD]
Output indicators (targeted results)	
Timeline and Deadline Date	<i>Refer to above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to above.</i>

PRINCIPLE 1B: RISK ASSESSMENT AND TRACEABILITY

Participating Company conducts risk assessment and prioritization that informs the workplace labor compliance program.		
KPIs	<i>KPI a) Evidence that company conducts risk assessments to prioritize key commodities, countries per commodity, and salient labor rights issues</i>	In Progress
Findings	<p><u>KPI a)</u></p> <p>FGV has made a clear commitment to progressively reach full traceability in its supply chain. FGV aims to achieve 100% traceability for Tier 1 suppliers by 2021 and at least 75% traceability for Tier 2 suppliers by 2023. As of end of 2021, FGV had achieved 100% traceability for third-party mills supplying midstream and upstream facilities and achieved 82% traceability of the origin of the FFB at the end of 2020. Internal documents confirmed that the company has been regularly reporting on traceability progress, covering all direct suppliers, including private estates, third-party mills, and independent smallholders.</p> <p>FLA confirmed receipt of the company's sustainability audit SOP, which articulate responsibilities of the auditors, audit methodology, reporting of findings and development of corrective action plan.</p> <p>Review of the internal audit report found labor standards management issues, which were raised during internal audit such as incomplete workers profile, lack of proper reporting of the management-workers consultative meetings and training provisions that are not aligned with the Training Needs Analysis. No critical labor standards issues were found in the internal audit, including hours of work, working days, and other relevant indicators of forced labor such as passport and working pass management, disciplinary measures, etc.</p> <p>FLA also found that the indicators used in internal audit exercise do not fully align with the FLA Workplace Code. For example, no significant questions were asked about physical harassment and abuse; risk of child labor; and workers' awareness and practices on grievance mechanism and access to association / social dialogue mechanism. The internal audit protocol was mostly confined to labor standard management, hence lacking the workers' perspective. Here workers' sampling strategy is pivotal to ensure effective and (un)bias data collection and triangulation strategy.</p>	

Company Action Plan	
Activity	3.1 FGV conducts sustainability-related internal audits on its operations management units namely its mills and estates periodically with the objective of monitoring compliance with environmental, health and safety, and labour standards. While FGV's sustainability-related internal audit criteria was formulated based on requirements under related sustainability certification schemes, FGV notes that FGV's criteria may not be fully aligned with FLA's WCOC for the time being. In relation to this, FGV will review the criteria to align them with FLA's WCOC and to include a worker-centric approach.
Output indicators (targeted results)	3.2 FGV's sustainability-related internal audit criteria reviewed to align with FLA's WCOC and to incorporate a worker-centric approach. [Timeline: June 2022 – December 2022, Responsible Unit: GSD]
Timeline and Deadline Date	<i>Refer to above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to above.</i>

PRINCIPLE 2: RESPONSIBLE SOURCING AND PROCUREMENT

Participating Company has written policies and procedures for sourcing/procurement that facilitate collaboration across the internal departments and with business partners to uphold its workplace labor standards at farms.		
KPIs		In Progress
KPI a) Evidence of a written responsible sourcing/ procurement policy that considers supply chain models and characteristics, risk assessment and traceability.		
Findings	<u>KPI a)</u> FGV requires all business partners, including private recruitment agencies and upstream suppliers and contractors to sign a declaration, adhering to its SCOC and Group FFB Purchasing Policy. Importantly, suppliers, in particular, are required to provide periodic reports that include information pertaining to labor standards to strengthen traceability efforts and create transparency between the company and upstream suppliers.	
	FLA confirmed that the company has undertaken significant efforts to promote labor standards practices, aligned with GSP and SCOC. However, a review of existing documents, including the Group FFB Purchasing Policy showed they do not provide significant motivation or incentive to encourage suppliers and contractors to implement responsible sourcing, particularly on labor standards.	
Company Action Plan		

Activity	<p>4.1. FGV's Group Sustainability Policy (GSP) clearly indicates FGV's commitment to upholding the rights of workers. This commitment also extends to workers under its supply chain. FGV, through its Supplier Code of Conduct (SCOC), requires its contractors to commit and adhere sustainability related standards including labor standards.</p> <p>4.2. While the employment contract between FGV and its own employees is aligned with legal requirements and international labor standards, FGV acknowledges the importance of intensifying efforts towards ensuring that the employment contract between FGV's contractors and their workers does not fall short of such requirements, and that FGV's contractors comply with labor standards.</p> <p>4.3. In relation to this, FGV has put in place a roadmap to strengthen FGV contractors' fulfilment of labor standards through a number of initiatives.</p> <p>4.4. As part of this agenda, FGV organized a FGV Supplier Conference Day on 29 June 2022 with the objective of reiterating to its pool of contractors and suppliers, FGV's commitment to sustainability and human rights, and its expectations on its suppliers to adhere and comply with sustainability standards including those relating to labor rights.</p> <p>4.5. FGV has developed an employment contract template containing the necessary provisions to meet the requirements of the law and the FLA WCOC, for reference and adoption by FGV's contractors. To foster understanding on the provisions necessary in an employment contract to meet legal requirements and FLA WCOC standards, FGV has embarked on a programme to socialize this template internally among the procurement teams of FGV's business units as well as among FGV's contractors.</p> <p>4.6. The socialization programme, which was conducted through 15 virtual sessions between 24 May 2022 and 24 June 2022, also includes a refresher on FGV's SCOC. In addition to the virtual sessions, FGV has also produced a short video on the employment contract template to serve as an additional awareness material for the contractors.</p> <p>4.7. FGV has introduced a pre-sourcing assessment mechanism as part of FGV's due diligence process to assess potential contractors on their commitment and practices on labor standards. The pre-sourcing assessment, which will become a key determining factor in the appointment of contractors, is being implemented as part of FGV's programme to embed labor standards across FGV procurement processes and procedures. This pre-sourcing assessment has already been piloted for the appointment of recruitment agencies. This is also part of FGV's efforts to strengthen its procedures for the recruitment of migrant workers.</p> <p>4.8. FGV has also developed a set of criteria on labor standards to be incorporated in FGV's contractor performance assessments. Once these criteria are adopted, contractors that do not fulfil the criteria will not be reappointed or will have to undergo a probation period to demonstrate adherence to the criteria.</p>
Output indicators (targeted results)	<p>4.9 A session is conducted with FGV's pool of suppliers to reiterate FGV's commitment to human rights and its expectations on its suppliers to adhere to labor standards. [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>4.10 An employment contract template containing necessary provisions to meet the requirements of the law and the FLA WCOC is developed. [Timeline: May 2022, Responsible Unit: GSD]</p> <p>4.11 A socialization programme on the employment contract template involving FGV's procurement personnel and contractors is implemented.</p>

	<p>[Timeline: June 2022, Responsible Unit: Procurement]</p> <p>4.12 A short video is produced as an awareness material to promote understanding of legal requirements [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>4.13 A pre-sourcing assessment mechanism is developed to assess potential suppliers against its practices and commitment to labor standards. [Timeline: July 2022, Responsible Unit: Procurement]</p> <p>4.14 The pre-sourcing assessment is rolled-out and implemented. [Timeline: full implementation by June 2023, Responsible Unit: Procurement]</p> <p>4.15 A set of criteria is developed to assess suppliers' fulfilment of labor standards. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>4.16 A suppliers' labor standards compliance monitoring mechanism is implemented. [Timeline: June 2022 – ongoing. Responsible Unit: Procurement]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Participating Company implements its responsible sourcing/procurement policy and procedures.		
<p>KPIs</p> <p><i>KPI a) Evidence that company staff from relevant departments is periodically trained on the procurement/sourcing policies and procedures</i></p> <p><i>KPI b) Evidence that company staff upholds the responsible sourcing/procurement policies and procedures through all terms and conditions defined in its sourcing/procurement agreements</i></p>		In Progress
Findings	<p><u>KPI a)</u> FLA confirmed receipt of the list of attendees (i.e., contractors) who participated in the responsible sourcing briefing in Krau (Pahang), December 2021. FLA, however, is unable to confirm whether similar efforts have been undertaken in other business operations and places.</p> <p>Review of briefing materials for contractors' briefing confirmed that they include comprehensive labor standards information, including prohibition of forced labor and child labor and passport management, amongst others.</p> <p>FLA is unable to confirm whether all relevant staff both at the headquarters and operational levels were provided with procurement / sourcing policies (and their frequency) prior to the briefing to contractors.</p> <p><u>KPI b)</u> FLA confirmed that the company has a relevant monitoring and enforcement strategy, including mandatory evaluation criteria for compliance, which also include aspects of labor standards. FLA also confirmed receipt of the sample self-assessment of compliance checklist</p>	

	<p>and report. This further strengthens monitoring and enforcement of the company's GSP and SCOC.</p> <p>The assessment in Farm 1 found that the employment contract of workers hired by contractors did not clearly cover and guarantee rights such as the right to association and collective bargaining and work benefits such as annual leave, medical leave etc. This subsequently raises issues related to the effectiveness of the company's existing monitoring and enforcement strategy. Given the limited sampling sites covered during field assessment, FLA is unable to confirm whether similar issues may be found in other business units.</p>
<p style="text-align: center;">Company Action Plan</p>	
<p>Activity</p>	<p>5.1 FGV's Group Sustainability Policy (GSP) clearly indicates FGV's commitment to upholding the rights of workers. This commitment also extends to workers under its supply chain. FGV, through its Supplier Code of Conduct (SCOC), requires its contractors to commit and adhere sustainability related standards including labor standards.</p> <p>5.2 While the employment contract between FGV and its own employees is aligned with legal requirements and international labor standards, FGV acknowledges the importance of intensifying efforts towards ensuring that the employment contract between FGV's contractors and their workers does not fall short of such requirements, and that FGV's contractors comply with labor standards.</p> <p>5.3 In relation to this, FGV has put in place a roadmap to strengthen FGV contractors' fulfilment of labor standards through a number of initiatives.</p> <p>5.4 As part of this agenda, FGV organized a FGV Supplier Conference Day with the objective of reiterating to its pool of contractors and suppliers, FGV's commitment to sustainability and human rights, and its expectations on its suppliers to adhere and comply with sustainability standards including those relating to labor rights.</p> <p>5.5 FGV has developed an employment contract template containing the necessary provisions to meet the requirements of the law and the FLA WCOC, for reference and adoption by FGV's contractors. To foster understanding on the provisions necessary in an employment contract to meet legal requirements and FLA WCOC standards, FGV has embarked on a programme to socialize this template internally among the procurement teams of FGV's business units as well as among FGV's contractors.</p> <p>5.6 The socialization programme, which was conducted through 15 virtual sessions between 24 May 2022 and 24 June 2022, also includes a refresher on FGV's SCOC. In addition to the virtual sessions, FGV has also produced a short video on the employment contract template to serve as an additional awareness material for the contractors.</p> <p>5.7 FGV has introduced a pre-sourcing assessment mechanism as part of FGV's due diligence process to assess potential contractors on their commitment and practices on labor standards. The pre-sourcing assessment, which will become a key determining factor in the appointment of contractors, is being implemented as part of FGV's programme to embed labor standards across FGV procurement processes and procedures. This pre-sourcing assessment has already been piloted for the appointment of recruitment agencies. This is also part of FGV's efforts to strengthen its procedures for the recruitment of migrant workers.</p> <p>5.8 FGV has also developed a set of criteria on labor standards to be incorporated in FGV's contractor performance assessments. Once these criteria are adopted,</p>

	contractors that do not fulfil the criteria will not be reappointed or will have to undergo a probation period to demonstrate adherence to the criteria.
Output indicators (targeted results)	5.9 Refer to paras 4.9 - 4.16 above.
Timeline and Deadline Date	Refer to paras 4.9 – 4.16 above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to paras 4.9 – 4.16 above.

Participating Company holds relevant staff and its suppliers accountable for the implementation of the responsible sourcing/procurement policies and procedures.		
KPIs <i>KPI a) Written records that senior management reviews and assesses the impacts of its sourcing/procurement practices and the performance of staff responsible for implementing responsible sourcing / procurement practices.</i> <i>KPI b) Evidence that company periodically seeks feedback through supplier dialogues, without fear of retaliation, to understand the impact (positive or negative) of its sourcing/ procurement practices on the farmers and workers</i> <i>KPI c) Evidence of improvements in the sourcing/procurement practices based on senior management review of internal, cross-discipline dialogue, impact on the ground, and dialogue and engagement with suppliers</i>		In Progress
Findings	<p><u>KPI a)</u> FLA received the list of attendees (i.e., contractors) who participated in the FLA, which confirmed that the company has conducted an impact assessment of its suppliers and contractors, specifically for replanting. However, no similar impact assessment was conducted on labor standards. The internal audit exercise does not explicitly measure the impact of its sourcing policies.</p> <p><u>KPI b)</u> FLA confirmed that the company has a relevant monitoring and enforcement strategy. FLA also confirmed that the company conducted briefing for contractors and suppliers through the empanelment initiative and promoted the whistleblowing channel to suppliers. The promotion of the whistleblowing channel to suppliers further strengthens workers’ and farmers’ access to grievance mechanism, without fear of retaliation.</p> <p>Review of evidence supplied by the company confirmed that contractors have provided their feedback to the company. However, workers’ feedback (including contractor-hired workers) is not included in the existing exercise. There wasn’t feedback gathering with workers, including workers hired through labor contractors and that there is a clear expression of non-retaliation in any of those processes.</p> <p><u>KPI c)</u> The company has made significant efforts to improve and promote policies and guidelines governing responsible practices among its contractors and suppliers. For example, the company recently introduced the Group FFB Purchasing Policy, linked to GSP and SCOC. FLA did not receive any evidence that the company has improved the sourcing/ procurement</p>	

	practices pertaining to labor standards based on its existing engagement/ initiatives with contractors and suppliers. This is expected to help FGV hold FFB suppliers accountable for labor standards practices.
Company Action Plan	
Activity	6.1 Please see Paras 4.1 – 4.8 above.
Output indicators (targeted results)	6.2 Refer to paras 4.9 – 4.16 above.
Timeline and Deadline Date	Refer to paras 4.9 – 4.16 above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to paras 4.9 – 4.16 above.

Participating Company selects its business partner based on a pre-sourcing evaluation and has a supplier evaluation system.	
KPIs <i>KPI a) Evidence of a pre-sourcing and ongoing supplier evaluation system, which includes assessment of a business partner's commitment to workplace labor standards and cascading the requirements upstream</i> <i>KPI b) Evidence of steps taken by the company to motivate its business partners to implement responsible sourcing/procurement practices</i>	In Progress
Findings	<p><u>KPI a)</u> FLA confirmed that SCOC encompasses critical elements of labor standards (with the exception of hours of work commitment aligned with the FLA Code, and that all contractors and suppliers are accountable for the implementation of labor standards on sites.</p> <p>FLA also received a sample company's Supplier Performance Management Assessment report and found that it lacks labor standards components in the performance assessment. FLA received evidence of briefing sessions conducted for contractors and FFB suppliers but did not receive any evidence to confirm that the company has a pre-sourcing evaluation system that includes labor standard evaluation of the suppliers.</p> <p><u>KPI b)</u> FLA confirmed that the company has undertaken significant efforts to promote labor standards practices, aligned with GSP and SCOC. However, a review of existing documents, including the Group FFB Purchasing Policy showed they do not provide significant motivation or incentive to encourage suppliers and contractors to implement responsible sourcing, particularly on labor standards.</p>
Company Action Plan	
Activity	7.1 Refer to Paras 4.1 – 4.8 above.

Output indicators (targeted results)	7.2 Refer to paras 4.9 – 4.16 above.
Timeline and Deadline Date	Refer to paras 4.9 – 4.16 above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to paras 4.9 – 4.16 above.

PRINCIPLE 3: COMPANY STAFF TRAINING

Participating Company identifies the person(s) responsible for administering and implementing its workplace labor compliance program.	
KPIs KPI c) Evidence of a process in place to determine the ongoing personnel needs of the labor compliance program	In Progress
Findings	<p><u>KPI c)</u></p> <p>FGV has collaborated with a local human rights CSO to develop a training program for its estate management and workers on labor and human rights. A virtual training session was conducted with selected estate managers in November 2021, while another is expected in 2022. FGV has collaborated with external stakeholders to develop video learning tools to raise awareness among company employees on issues such as respect for human rights and labor rights.</p> <p>At the operational level, the company has delivered practical training and briefing sessions to its management employees on forced labor indicators. As of the end of 2021, 11 sessions were conducted, involving 581 estate management participants, including regional controllers, senior managers, supervisors, and other support staff. A series of briefing sessions for estate workers, including migrant workers, was conducted on topics such as the prohibition of forced labor and child labor, gender empowerment, access to grievance channels, payment of wages, and the right of workers to keep their passports.</p> <p>FLA did not receive any credible evidence to confirm that there is a process in place to determine on-going personal needs of the labor compliance programs.</p>
Company Action Plan	
Activity	8.1 FGV undertakes to introduce a process to assess training needs for its staff working on labor issues.
Output indicators (targeted results)	8.2 Labor standards training needs form. [Timeline: September 2022, Responsible Unit: GSD]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-

Responsible staff (title/department)	<i>Refer to the above.</i>
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Participating Company ensures training of all staff managing responsible sourcing/procurement and implementation of labor standards.	
<p>KPIs</p> <p><i>KPI a) Evidence for providing appropriate training or other professional development covering all areas of the FLA workplace Code of Conduct and Principles, the integration of standards into business practices, and awareness on the consequences of planning and sourcing/procurement practices on working conditions</i></p> <p><i>KPI b) Evidence for company's training program encompassing the training evaluation, feedback incorporation and training improvements</i></p> <p><i>KPI c) Evidence that company measures awareness and knowledge gained</i></p>	
In Progress	
Findings	<p><u>KPI a)</u> FLA confirmed that the company is currently collaborating with a local NGO to develop labor rights and human rights training materials that are aligned with the FLA Code. FLA also confirmed that a virtual training session was conducted involving estate managers in November 2021. FLA also noted that follow-up training sessions, with the participation of the local NGO, are expected to resume in 2022.</p> <p>Apart from its training collaboration with the local NGO, the company has made efforts to develop learning tools (i.e., video) and conducted knowledge sharing sessions on the prohibition of forced labor with relevant staff at the operational level.</p> <p><u>KPI b)</u> Review of evidence (i.e., training evaluation for gender empowerment training) confirmed that the company has conducted post-training evaluation that demonstrates workers' (or participants') awareness and knowledge on the subject. FLA however did not receive other evidence to confirm that it has conducted similar evaluation for other labor standards training (e.g., training on the prohibition of forced labor, passport management, etc.).</p> <p>Besides, no further evidence was available to confirm that the company has leveraged the post-training evaluation results for further training improvement.</p> <p><u>KPI c)</u> FLA confirmed that the company has conducted a post-training evaluation that measure participants' awareness and knowledge for its gender empowerment training programs. However, FLA did not receive any other evidence to confirm that FGV has measured workers' (or participants') awareness and knowledge gained for other labor standards training programs.</p>
Company Action Plan	
Activity	9.1 FGV has introduced post-training evaluation for sessions it has conducted on labour standards. FGV will continue to include post-training evaluation for all its training and capacity-building sessions on human rights and labour standards.
Output indicators (targeted results)	9.2 Post-training evaluation implemented for all labor-related training. [Timeline: May 2022, Responsible Unit: GSD]

Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 4: BUSINESS PARTNER TRAINING AND IMPLEMENTATION

Participating Company conditions future business with business partners upon continuous improvement of labor conditions at farms.	
KPIs <i>KPI a) Policy on the use of labor conditions information (at farms) in the evaluation of business partners.</i> <i>KPI b) Demonstrated examples of using labor condition information in its business partner evaluations</i>	In Progress
Findings	<p>In recent years, FGV has been actively raising awareness of its GSP and SCOC, and labor-related standards under the Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) standards, through group and one-on-one briefings with business partners, including private recruitment agencies, suppliers, and on-site contractors. Similar awareness-raising briefings have been conducted with suppliers and workers employed by contractors. The SCOC, previously only available in English, has been translated into the local language to ensure it reaches the majority of suppliers and contractors on site. In 2021, FGV conducted virtual sessions with private recruitment agencies to promote its revised GSP and strengthened labor standards.</p> <p><u>KPI a)</u> FLA received evidence of the company's Supplier Performance Management assessment that indicates efforts to evaluate its suppliers' responsible sourcing. However, the performance assessment framework lacks rigorous labor standards evaluation.</p> <p><u>KPI b)</u> FLA confirmed the presence of a pre-sourcing assessment document and a copy of actual pre-sourcing assessment results. The assessment notes that a pre-sourcing assessment enables FGV to make an informed decision when it comes to appointing recruitment agencies who are committed to uphold FGV's labor standards. FLA, however, did not receive any evidence confirming that FGV has leveraged the Suppliers Performance Management assessment and pre-sourcing assessment results to further improve its business partners' labor compliance practices.</p>
Company Action Plan	
Activity	10.1 Refer to paras 4.1 – 4.8 above.
Output indicators (targeted results)	10.2 Refer to para 4.9 – 4.16 above.

Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Participating Company ensures that labor standards are accessible in the upstream supply chain, in written or illustrative format and relevant languages.		
KPIs <i>KPI a) Evidence that company verifies that labor standards are available in appropriate written or illustrative forms and relevant languages to ensure the access for intermediaries, farmers and workers</i>		In Progress
Findings	<u>KPI a)</u> FLA did not receive any credible evidence confirming that FGV verifies labor standards materials and information available on the business model of its business partners, including recruitment agencies, suppliers and contractors. However, field level assessment in Aring, Selanchar and Serting found that information on key labor standards, such as prohibition of forced labor, child labor and access to grievance channels, is posted in strategic locations. Some labor standards materials are produced in illustrative format (e.g., occupational safety and health information). However, materials for other labor standards such as right to association, hours of work, non-harassment and physical intimidation were not posted on sites. Moreover, the vast majority of labor standards materials were written in English and in the local language. Language barriers prevent migrant workers from fully understanding and being aware of their rights and responsibilities on site.	
Company Action Plan		
Activity	11.1 FGV is committed to intensifying efforts to provide continuous awareness sessions to promote greater awareness and understanding on labor standards and on FGV’s affiliation to the FLA, among its employees including its migrant workers. 11.2 FGV is building on its existing awareness programmes to develop and roll out more awareness materials on labor standards (including but not limited to minimum wage, minimum age of employment, hours of work, rights to association and collective bargaining) and on the FLA affiliation, including short videos in the native language of the workers. 11.3 In addition, FGV is expanding it E-Wallet system to include an E-Learning function. Once functional, all awareness materials including on labor standards will be accessible to workers through the E-wallet application.	
Output indicators (targeted results)	11.4 Awareness materials including short videos in workers’ language developed on labour rights such as minimum wage, minimum age of employment, right to association and collective bargaining, as well as on FGV’s affiliation to the FLA. [Timeline: November 2022, Responsible Unit: GSD] 11.5 Awareness videos disseminated to workers.	

	<p>[Timeline: December 2022, Responsible Unit: FGVPM]</p> <p>11.6 E-learning function under FGV's E-Wallet system developed, and labour standards awareness materials uploaded for access by workers through the E-Wallet app. [Timeline: December 2022, Responsible Unit: JTK]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Participating Company ensures that farmers and workers are trained on labor standards at appropriate intervals	
<p>KPIs</p> <p><i>KPI a) Evidence that company verifies that labor standards are available in appropriate written or Evidence that labor standards awareness-building activities and trainings are taking place for farmers, workers and family members (where applicable).</i></p> <p><i>KPI b) Training feedback demonstrating effectiveness and that participants gained knowledge</i></p>	In Progress
Findings	<p><u>KPI a)</u> FLA confirmed that the company has provided labor standards training and awareness raising activities to its own staff and workers, FFB suppliers and contractors, and workers of its suppliers and contractors. This also includes the on-going training collaboration with the local NGO.</p> <p>Field assessment in Aring, Selanchar and Serting found that some trainings were planned in years 2020 and 2021, but not implemented due to strict COVID-19 measures.</p> <p><u>KPI b)</u> Review of evidence (i.e., training evaluation for gender empowerment training) confirmed that the company has conducted post-training evaluation that demonstrates workers' (or participants') awareness and knowledge on the subject. However, FLA did not receive any evidence to confirm that the company has conducted similar evaluation for other labor training programs (e.g., training on prohibition of forced labor, child labor or effective grievance mechanism).</p>
Company Action Plan	
Activity	<p>12.1 FGV has introduced post-training evaluation for sessions it has conducted on labour standards. FGV will continue to include post-training evaluation for all its training and capacity-building sessions on human rights and labour standards.</p>
Output indicators (targeted results)	<p>12.2 Training evaluation form</p> <p>[Timeline: May 2022, Responsible Unit: GSD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>

Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 5: MONITORING

Participating Company ensures that the monitoring program in scope is aligned with FLA workplace labor standards	
KPIs <i>KPI a) Evidence that company's monitoring protocols and tools include all FLA workplace standards</i> <i>KPI c) Evidence that company collects information which includes but is not limited to:</i> <i>(a) awareness of farmers and workers on labor standards,</i> <i>(b) quality and comprehensiveness of labor standards trainings, and remediation,</i> <i>(c) functionality of grievance mechanisms,</i> <i>(d) recognition and effectiveness of the Collective Bargaining Agreement (where applicable),</i> <i>(e) root cause analysis of violations and gaps ,and</i> <i>(f) traceability status and progress</i>	In Progress
Findings	<p><u>KPI a)</u></p> <p>FGV conducts regular internal audits and engages external certification bodies to assess compliance against sustainability certification standards such as the RSPO and MSPO. The Sustainability Certification and Compliance Department (SCCD) executes internal audits, covering palm oil mills and estates, with input from relevant stakeholders such as local community members, workers' representatives, and management bodies.</p> <p>Review of the internal audit framework, however, found that it is yet to fully align with the FLA Code. For example, no significant questions were asked about physical harassment and abuse; risk of child labor; removal and rehabilitation of child labor; and workers' awareness and practices on grievance mechanisms and access to association/social dialogue mechanisms. The internal audit protocol is confined to labor standard management, hence lacking the workers' perspective. A workers' sampling strategy is pivotal to ensure effective and unbiased data collection and triangulation strategy.</p> <p><u>KPI c)</u></p> <p>Review of the company's internal audit SOP and a sample internal audit report found that these documents do not contain assessment information related to workers' awareness of labor standards; functionality of grievance mechanism; effectiveness of collective bargaining agreement; while root cause analysis is included in each internal audit report for a business unit under assessment, there is no comprehensive analysis that provides overall root causes of non-compliance and ways of addressing it to prevent repeating incidence.</p>
Company Action Plan	
Activity	<p>13.1 FGV conducts sustainability-related internal audits on its operations management units namely its mills and estates periodically with the objective of monitoring compliance with environmental, health and safety, and labour standards. While FGV's sustainability-related internal audit criteria was formulated based on requirements under related sustainability certification schemes, FGV notes that</p>

	<p>FGV's criteria may not be fully aligned with FLA's WCOC for the time being. In relation to this, FGV will review the criteria to align them with FLA's WCOC and to include a more in-depth root-cause analysis exercise.</p> <p>13.2 FGV has established a new committee called the Sustainability Compliance Working Committee, which is a multi-department committee responsible to deliberate on systemic issues and address any non-compliance. The Committee will also investigate root causes and establish improvement measures including the formation of teams for carrying out necessary remedial action plans.</p>
Output indicators (targeted results)	<p>13.3 FGV's sustainability-related internal audit criteria is aligned to FLA's WCOC and incorporates a more in-depth root-cause analysis exercise. [Timeline: December 2022, Responsible Unit: GSD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 6: FUNCTIONING GRIEVANCE MECHANISM

Participating Company ensures functioning grievance mechanism in the supply chain	
<p>KPIs</p> <p><i>KPI b) In countries where child labor is a systemic issue, evidence that company facilitates a child-friendly grievance mechanism, that is safe, effective, child-sensitive, and easily accessible to all child laborers</i></p> <p><i>KPI c) Evidence that company measures the effectiveness of the grievance mechanism(s) in its supply chain</i></p>	In Progress
Findings	<p>FGV has established multiple grievance and complaint mechanisms, including a whistleblowing channel and worker hotline coordinated at HQ level that is independent of on-site business units. Both channels allow workers and other stakeholders (e.g., contractors and suppliers) to raise grievances related to bribery, abuse of power, fraud, misconduct, or other related issues involving FGV employees or on-site management bodies. A complaint box and grievance log are also available on site.</p> <p>FGV established a standard operating procedure (SOP) to assist estate management in receiving and acting upon complaints received through operational grievance mechanisms. The grievance channel was further strengthened through the introduction of a function within the FGV app that allows workers to raise grievances through the app. Initially, the function of the FGV app is for workers to receive and monitor their salary and make online transactions, including remittances to their country of origin.</p> <p><u>KPI b)</u> Current grievance and complaint mechanisms, including the whistleblowing channel and worker hotline do not have appropriate procedures addressing potential or actual child labor incidence. FLA received the company's draft Policy and Guidelines on Respecting and Protecting the Rights of the Child, and that the draft includes adequate protocols and guides</p>

	<p>to address potential child labor incidence. However, the draft is yet to be approved by the top management and rolled out.</p> <p><u>KPI c)</u> Review of evidence confirmed that the company has conducted internal and external assessment to measure staff's and business partners' awareness and knowledge on the use of its whistleblowing channel. However, no evidence was received confirming that the company has conducted similar assessment to gauge the effectiveness of its other grievance and complaints mechanisms, particularly the workers careline, grievance log and complaint box.</p>
Company Action Plan	
Activity	<p>14.1 FGV acknowledges that an effective and robust grievance mechanism is key in safeguarding the rights and welfare of those under its duty of care including its workers. FGV's Group Sustainability Policy (GSP) clearly indicates FGV's commitment to providing accessible, transparent, predictable, equitable, means for all employees and external stakeholders including human rights defenders to express their grievances without fear of reprisal, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). To this end, FGV is strengthening its grievance mechanism by implementing the following key measures:</p> <p>14.2 FGV has established a new Grievance Management Unit (GMU) under FGV's Group Governance and Risk Management Division (GGRM), with a view to ensuring greater independence and to building higher confidence in FGV's grievance mechanism among its workers.</p> <p>14.3 FGV is strengthening its SOP on grievance handling to incorporate, among other things, industry good practices and procedures for addressing child-related grievances.</p> <p>14.4 FGV is rolling out its E-Grievance application, an additional function under the FGV E-Wallet system, which allows FGV's workers to submit any grievance through their mobile phones to FGV's Grievance Management Unit (GMU) either using text or voice recording. Workers have the option to submit the grievance anonymously in their native language.</p> <p>14.5 To promote greater awareness and understanding of the grievance mechanism, FGV is carrying out an awareness campaign on its grievance mechanism, which includes awareness-raising on the available grievance channels as well as on the grievance procedures.</p> <p>14.6 FGV has issued a memo to all its mill and estate management to place the complaint logbooks and complaint boxes at the workers' accommodation and other locations that are easily accessible such as places of worship instead of at the management office.</p>
Output indicators (targeted results)	<p>14.7 New Grievance Management Unit (GMU) established under FGV's Group Governance and Risk Management Division (GGRMD) [Timeline: June 2022, Responsible Unit: GGRM]</p> <p>14.8 SOP on grievance handling revised and adopted. [Timeline: September 2022, Responsible Unit: GMU]</p> <p>14.9 FGV's E-Grievance application rolled out throughout FGV's estates. [Timeline: October 2022, Responsible Unit: JTK]</p> <p>14.10 Awareness campaign on grievance mechanism implemented. [Timeline: December 2022, Responsible Unit: GMU]</p>

	14.11 Memo issued to instruct placement of complaints logbooks and complaints boxes at suitable locations other than at the management office. [Timeline: June 2022, Responsible Unit: FGVPM]
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 7: COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

Participating Company analyzes systemic issues and trends in noncompliance findings.	
KPIs <i>KPI a) Documented analysis of systemic issues and trends</i> <i>KPI b) Evidence that data analysis identifies and tracks repeating forms of noncompliance as well as those that most negatively impact workers and performs gender disaggregated analysis.</i> <i>KPI c) Evidence that data analysis informs improvements to company labor compliance program to mitigate negative impacts</i>	In Progress
Findings	<p><u>KPI a)</u></p> <p>FGV, in collaboration with partners, established a virtual platform known as the FGV-Top system to identify sustainability risks associated with specific geographic areas. The computerized traceability system includes an Audit Integrated System (FGV-AIMS) to track and identify issues for immediate remediation, including labor compliance and sustainability progress.</p> <p>FLA confirmed that the internal audit report captures information related to labor standards non-compliance such as improper payment of wages, incomplete workers profiles and incomplete documentation on management-workers dialogue. Review of the internal audit report also found root cause explanations but it does not explain whether non-compliance issues identified are systemic and recurring. Besides, there is no solid evidence to confirm that the company conducts overall systematic analysis of root causes and has redress mechanisms to ensure such non-compliance issues do not recur in the future in the same business unit or other business units, as a whole.</p> <p><u>KPI b)</u></p> <p>While the company continuously conducts internal audits which include root cause explanations and mitigation efforts, these are conducted at individual business unit level. Review of evidence found no systematic data analysis done by the company that identifies recurring forms of non-compliance, as well as the negative impacts to workers.</p> <p><u>KPI c)</u></p> <p>Apart from the internal audit, review of evidence found that the company has drawn lessons learned from information received through its whistleblowing channel. For example, based on grievance received, the company warned its operational staff to respect the employment terms of their migrant workers, including not allowing the workers to perform activities or tasks beyond their contract terms.</p>

	However, as a whole, no solid evidence is available to confirm that the company has leveraged existing information, including information derived from the internal audit, to improve labor compliance programs.
Company Action Plan	
Activity	<p>15.1 FGV conducts sustainability-related internal audits on its operations management units namely its mills and estates periodically with the objective of monitoring compliance with environmental, health and safety, and labour standards. While FGV's sustainability-related internal audit criteria was formulated based on requirements under related sustainability certification schemes, FGV notes that FGV's criteria may not be fully aligned with FLA's WCOC for the time being. In relation to this, FGV will review the criteria to align them with FLA's WCOC and to include a more in-depth root-cause analysis exercise.</p> <p>15.2 FGV has established a new committee called the Sustainability Compliance Working Committee, which is a multi-department committee responsible to deliberate on systemic issues and address any non-compliance. The Committee will also investigate root causes and establish improvement measures including the formation of teams for carrying out necessary remedial action plans.</p>
Output indicators (targeted results)	<p>15.3 FGV's sustainability-related internal audit criteria is aligned to FLA's WCOC and incorporates a more in-depth root-cause analysis exercise.</p> <p>[Timeline: June 2022 to September 2022, Responsible Unit: GSD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 8: TIMELY AND PREVENTIVE REMEDIATION

Participating Company works with the business partners to determine the root causes and take action to reduce future risks.	
KPIs <i>KPI a) Documented collaborative process of root cause analysis.</i> <i>KPI b) Evidence of root-cause analysis and implementation of actions to address the root causes to prevent future risks</i>	In Progress
Findings	<u>KPI a) & KPI b)</u> FGV's corrective action plan, mostly linked to the internal audit, is produced, monitored, and followed up at the top (e.g., Sustainability Synergy Committee), middle (e.g., Sustainability Compliance Working Committee), and operational levels on site. The department in charge (i.e., Sustainability Compliance and Certification) is tasked with monitoring the implementation of corrective actions. The sample internal audit report included root cause

	<p>analysis, person/department in charge of undertaking corrective actions and the period of implementation for on-site remediation.</p> <p>Review of evidence confirmed that FGV is collaborating with an international NGO, which independently assesses company operations against the 11 ILO indicators of forced labor and its remedial actions.⁸</p>
Company Action Plan	
Activity	16.1 FGV will continue to engage with Embode and ELEVATE until the conclusion of the projects and to implement corrective action to address any gaps identified.
Output indicators (targeted results)	16.2 Strengthened labor standards compliance based on the two engagements [Timeline: June 2022 to December 2022, Responsible Unit: GSD]
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY

Participating Company develops a civil society organization (CSO) outreach strategy that reflects the risk assessment and salient human rights issues.		
KPIs		In Progress
KPI a) A mapping of stakeholders and a strategic plan for local and international CSO outreach engagement, taking into account the high-risk areas and salient human rights issues. This will include trade unions active in the supply chains (at the farm level) where the companies are operating.		
Findings	<u>KPI a)</u> FGV has established a multistakeholder database for future engagement. The database includes regulators, civil society organizations, international organizations, academic institutions, financial institutions, and audit firms. FGV also engages on a regular basis with subject matter experts, including NGOs and academia, leveraging expertise to improve labor and human rights compliance in its business operations and supply chains. The stakeholders’ database is, however, not updated. .	
Company Action Plan		
Activity	17.1 FGV has updated its stakeholders’ database.	
Output indicators (targeted results)	17.2 Updated stakeholders list [Timeline: June 2022, Responsible Unit: GSD]	

⁸ Further information is available [here](#).

Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Business Unit/Acronym:

1. GSD – Group Sustainability Division
2. JTK – Field Workforce Department
3. Procurement – Group Procurement Division
4. GGRM – Group Governance and Risk Management Division
5. GMU – Grievance Management Unit

ANNEX 2

Company: FGV Holdings Berhad (FGVHB)

Country: Malaysia

Crop: Oil Palm

Production Process: Mills (e.g., sterilizing and boiling, threshing, pulp pressing, drying, general maintenance, and general work such as cleaning and gardening).

Estates (e.g., harvesting, weeding, spraying, collecting loose fruits, loading, transportation, and general work such as cleaning and gardening).

Assessment Location: Gua Musang (Kelantan), Selanchar (Johor/Pahang) and Serting (Pahang)

Monitor: Andika Ab.Wahab

Assessment Dates: November 22, 2021 - December 8, 2021

Number of assessed farms: 9

Total area covered: 11,833.68 ha

Number of farmers interviewed: 3

Total number of workers: 1,023

Number of workers interviewed: 225

To learn more about the FLA's work with FGV, please visit the FLA website [here](#).

To access the FLA Agriculture Monitoring Benchmarks, please visit [this page](#).

Employment Relationship

Compliance Status

Section	Benchmark	Compliance status	Farms
Human Resource Management System	ER.1.1	Noncompliance	Farm 1
	ER.1.2 (PR)	In compliance	0
	ER.1.3 (PR)	In compliance	0
	ER.2.1	In compliance	0
	ER.2.1.1	In compliance	0
Recruitment and Hiring	ER.3.1	In compliance	0
	ER.3.1.1	In compliance	0
	ER.3.1.2	In compliance	0
	ER.4	In compliance	0
	ER.5.1	Risk of noncompliance	Farm 1
	ER.5.2	Noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	ER.5.3	In compliance	0
	ER.6 (PR)	In compliance	0
	ER.7.1	In compliance	0
	ER.7.2	In compliance	0
	ER.7.3	In compliance	0
	ER.7.4	Not Applicable	0
	ER.7.5	Not Applicable	0
	ER.7.6	Risk of noncompliance	Farm 1
	ER.7.7	In compliance	0
	ER.7.8	In compliance	0
	ER.8.1	Risk of noncompliance	Farm 1
	ER.8.2	Risk of noncompliance	Farm 1
	ER.8.3	In compliance	0
Terms and Conditions	ER.9.1	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	ER.9.2	In compliance	0
	ER.9.2.1	In compliance	0
	ER.9.2.2	In compliance	0
	ER.9.2.3	Noncompliance	All Farms
	ER.9.3	In compliance	0
	ER.9.3.1	In compliance	0
	ER.9.3.2	In compliance	0
	ER.9.3.3	In compliance	0
	ER.10	In compliance	0
	ER.11	Noncompliance	Farm 1
	ER.12.1	Risk of noncompliance	Farm 6
	ER.12.1.1	In compliance	0
	ER.12.2	In compliance	0
	ER.13.1	Risk of noncompliance	Farm 1; Farm 2; Farm 3; Farm 4; Farm 5; Farm 6; Farm 9
	ER.13.2	Risk of noncompliance	All Farms
	ER.13.3	In compliance	0

	ER.13.4 (PR)	In compliance	0
Administration	ER.14.1	In compliance	0
	ER.14.2	In compliance	0
	ER.15.1	In compliance	0
	ER.15.2	In compliance	0
	ER.15.2.1	In compliance	0
	ER.16.1	In compliance	0
	ER.16.2	In compliance	0
	ER.17.1	Risk of noncompliance	Farm 5; Farm 6; Farm 8; Farm 9
	ER.17.2	In compliance	0
	ER.17.3	In compliance	0
	ER.17.4	In compliance	0
Worker Involvement	ER.18.1	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	ER.18.2	In compliance	0
	ER.18.3 (PR)	In progress	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
Right to Organize and Bargain	ER.19	In compliance	0
Work Rules and Discipline	ER.20.1	In compliance	0
	ER.20.2	In compliance	0
	ER.20.3	In compliance	0
	ER.20.4	In compliance	0
	ER.20.5 (PR)	In compliance	0
	ER.20.6	In compliance	0
	ER.20.7	In compliance	0
	ER.20.8	In compliance	0
	ER.20.9	In compliance	0
	ER.20.10 (PR)	In compliance	0
Training	ER.20.11	Risk of noncompliance	All farms
	ER.21	Not Applicable	0
	ER.22.1 (PR)	In compliance	0
	ER.22.1.1 (PR)	In compliance	0
	ER.22.2 (PR)	In compliance	0
	ER.23.1 (PR)	In compliance	0
	ER.23.2 (PR)	In compliance	0
HSE Management System	ER.24.1.	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	ER.24.2	In compliance	0
	ER.24.3	In compliance	0
	ER.24.4	In compliance	0
	ER.24.4.1	In compliance	0
	ER.24.4.2	In compliance	0
	ER.24.4.3	In compliance	0
	ER.24.4.4	In compliance	0
	ER.24.4.5	In compliance	0
	ER.24.4.6	In compliance	0
Grievance Procedures	ER.24.5 (PR)	In compliance	0
	ER.25.1	In compliance	0
	ER.25.2	Risk of noncompliance	All Farms
	ER.25.3	In compliance	0
	ER.25.4	In compliance	0

Notable Feature

Estate management in Farm 8 has taken an additional initiative on site by posting the FLA Code on the notice board. This effort helps the company disseminate information on FLA labor standards that the estate management must adhere to, and raise workers' awareness of their rights under internationally-recognized labor standards.

Employment Relationship Assessment Summary

Human Resource Management System	
Benchmarks: <i>ER.1.1: Employer shall have written terms and conditions of employment, job descriptions, rules of compensation, and working hours for all positions. In the case of workplaces with informal labor structures, employers should be able to describe verbally all of the above terms and conditions and clearly communicate them to workers.</i>	
Noncompliance in Farm 1	
Findings/Noncompliance Explanation:	<p><u>ER.1.1</u></p> <p>While 95.6% of workers surveyed are hired directly by FGV mills and estates, the other 4.4% are hired by contractors who provide services such as general cleaning (in mills and estates) and transportation services (mostly in estates). The FLA Code requires the affiliate to hire direct or permanent workers unless the nature of work (e.g., seasonality) does not permit it to do so. In the case of general workers (e.g., cleaners) and transportation workers in mills and estates, it makes more sense for the company to directly recruit and hire such workers, instead of relying on contractors, which limits the ability to ensure full compliance with the code. The assessment found that workers hired by contractors are among the most vulnerable. For example, in Farm 1, the employment contracts of two workers hired by contractors did not clearly cover and guarantee rights such as the right to association and collective bargaining and work benefits such as annual leave, medical leave etc.</p> <p>The workers’ survey results identified several workers, including those directly hired by FGV and some hired by contractors, who indicated that they had not signed any employment contract throughout their employment (Table 9). Thirty FGV employees (13%) did not understand the terms of their employment contracts. Additional 10% of migrant workers mentioned not signing an employment contract. Mill and estate management claimed that all workers are required to sign an employment contract prior to starting work at the company and that a copy of each employment contract is kept at the management office. Random checks of workers' contract produced by management showed that all workers had signed employment contracts. The discrepancy suggests that many workers lack awareness and understanding of their own employment contract. This may be due to employers failing to emphasize the importance of employment contracts with workers. Thirteen percent of workers who signed an employment contract reported not understanding it. Language is a likely an obstacle, particularly for migrant workers from Bangladesh and India.</p> <p>Source: Interview with managers and relevant staff; documentation review</p>
Company Action Plan	
Activity	<p>1.1. FGV’s Group Sustainability Policy (GSP) clearly indicates FGV’s commitment to upholding the rights of workers. This commitment also extends to workers under its supply chain. FGV, through its Supplier Code of Conduct (SCOC), requires its contractors to commit and adhere sustainability related standards including labor standards.</p> <p>1.2. While the employment contract between FGV and its own employees is aligned with legal requirements and international labor standards, FGV acknowledges the importance of intensifying efforts towards ensuring that the employment contract</p>

	<p>between FGV's contractors and their workers does not fall short of such requirements, and that FGV's contractors comply with labor standards.</p> <p>1.3. In relation to this, FGV has put in place a roadmap to strengthen FGV contractors' fulfilment of labor standards through several initiatives.</p> <p>1.4. As part of this agenda, FGV organized a FGV Supplier Conference Day on 29 June 2022 with the objective of reiterating to its pool of contractors and suppliers, FGV's commitment to sustainability and human rights, and its expectations on its suppliers to adhere and comply with sustainability standards including those relating to labor rights.</p> <p>1.5. FGV has developed an employment contract template containing the necessary provisions to meet the requirements of the law and the FLA WCOC, for reference and adoption by FGV's contractors. To foster understanding on the provisions necessary in an employment contract to meet legal requirements and FLA WCOC standards, FGV has embarked on a programme to socialize this template internally among the procurement teams of FGV's business units as well as among FGV's contractors.</p> <p>1.6. The socialization programme, which was conducted through 15 virtual sessions between 24 May 2022 and 24 June 2022, also includes a refresher on FGV's SCOC. In addition to the virtual sessions, FGV has also produced a short video on the employment contract template to serve as an additional awareness material for the contractors.</p> <p>1.7. FGV has introduced a pre-sourcing assessment mechanism as part of FGV's due diligence process to assess potential contractors on their commitment and practices on labor standards. The pre-sourcing assessment, which will become a key determining factor in the appointment of contractors, is being implemented as part of FGV's programme to embed labor standards across FGV procurement processes and procedures. This pre-sourcing assessment has already been piloted for the appointment of recruitment agencies. This is also part of FGV's efforts to strengthen its procedures for the recruitment of migrant workers.</p> <p>1.8. FGV has also developed a set of criteria on labor standards to be incorporated in FGV's contractor performance assessments. Once these criteria are adopted, contractors that do not fulfil the criteria will not be reappointed or will have to undergo a probation period to demonstrate adherence to the criteria.</p>
Output indicators (targeted results)	<p>1.9 A session is conducted with FGV's pool of suppliers to reiterate FGV's commitment to human rights and its expectations on its suppliers to adhere to labor standards. [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>1.10 An employment contract template containing necessary provisions to meet the requirements of the law and the FLA WCOC is developed. [Timeline: May 2022, Responsible Unit: GSD]</p> <p>1.11 A socialization programme on the employment contract template involving FGV's procurement personnel and contractors is implemented. [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>1.12 A short video is produced as an awareness material to promote understanding of legal requirements [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>1.13 A pre-sourcing assessment mechanism is developed to assess potential suppliers against its practices and commitment to labor standards.</p>

	<p>[Timeline: July 2022, Responsible Unit: Procurement]</p> <p>1.14 The pre-sourcing assessment is rolled-out and implemented. [Timeline: full implementation by June 2023, Responsible Unit: Procurement]</p> <p>1.15 A set of criteria is developed to assess suppliers' fulfilment of labor standards. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>1.16 A suppliers' labor standards compliance monitoring mechanism is implemented. [Timeline: June 2022 – ongoing. Responsible Unit: Procurement]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Recruitment and Hiring		
Findings/Noncompliance Explanation:	<p>Benchmarks:</p> <p>ER.8: Employers shall not:</p> <p>ER.8.1: use contract, temporary, casual, daily, seasonal or migrant workers on a regular basis for the long-term or multiple short-terms;</p> <p>ER.8.3: make excessive use of fixed-term contracts or schemes where there is no real intent to impart skills or provide regular employment.</p>	Risk of Noncompliance in Farm 1
	<p>ER.5.1: No worker hired by an employment agency or a labor contractor shall be compensated below the legal minimum wage. The same rights as provided for directly hired contract workers apply for workers hired via an employment agency or labor intermediary.</p> <p>ER.7.6: contract, temporary, casual, daily, seasonal or migrant workers receive at least the minimum wage or the prevailing industry wage whichever is higher, and all legally mandated benefits such as social security, other forms of insurance, annual leave and holiday pay;</p>	Risk of Noncompliance in Farm 1
	ER.5.2: Fees associated with the employment of workers shall be the sole responsibility of employers. No worker hired via an employment agency or a labor contractor shall pay a fee or get a reduction by applying a fee over his salary.	Noncompliance in Farm 2, 3, 5, 6, 8, 9
	<p>ER.8.1 and ER.8.3</p> <p>Related to ER.1.1, in Farm 1, the hiring of two local workers (as general workers) by a contractor raised several issues, including the use of an employment contract that does not conform with the FLA Code. General workers are essential workers - they are multi-taskers and their services are needed on a daily, continuous and long-term basis. Hiring these workers through a contractor for a long, continuous period without prospective skill enhancement raises concerns.</p> <p><u>ER.5.1 & ER.7.6</u></p> <p>A review of the employment terms signed by individuals employed as general workers hired by a contractor found non-conformance with the FLA Code. For example, there was any mention of work benefits and entitlement to annual leave, medical leave, etc. nor no explicit assurance of workers' right to association and collective bargaining.</p> <p>Workers hired directly by FGV and workers hired by a contractor receive different work benefits and entitlements, despite both categories of workers receiving instructions from the same management and working at the same workplace on a daily basis.</p> <p>Related to ER.1.1 above, in Farm 1, the assessment found two local workers hired by a contractor as general workers. It is important to note that apart from Farm 1, other FGV mills</p>	

	<p>and estates are outsourcing tasks such as cleaning, gardening, and transportation services to contractors.</p> <p>A review of the workers' salaries in September and October 2021 confirmed that the two workers received a monthly salary of about RM600 (on average). The mill management clarified that the two workers worked half a day (on a daily basis) for personal reasons, and that this work arrangement was agreed by both parties (workers and contractor), as reflected in their contract.</p> <p><u>ER.5.2</u></p> <p>During 2021-2022, FGV aligned its Responsible Recruitment Policy with the ILO General Principles and Operational Guidelines for Fair Recruitment and definition of recruitment fees and related costs. The company has committed to cover all recruitment related costs for workers, including passport renewals, work permits, transportation and repatriation fees, and service fees of the recruitment agencies. FGV has introduced a pre-sourcing assessment for the recruitment agencies and third-party service providers to ensure that they work with third parties who have HRDD systems in place and are committed to FGV policies. FGV is in the process of instituting a pre-departure and post-arrival worker survey where detailed information about any costs incurred by the worker will be captured. This will assist FGV to understand if workers incur any costs even before they are introduced to FGV's recruitment agencies in the countries of origin. Furthermore, FGV has a pre-departure and post-arrival worker training program to onboard workers. FLA has made recommendations to include introduction to grievance mechanism in those trainings so that workers are aware about who to contact if they face issues before departure, during transit, and upon arrival.</p> <p>At the time of the assessment, no new worker recruitment had happened for 18 months due to COVID-19. In the subsequent assessment, FLA will survey newly recruited workers about their recruitment experiences and any costs they incurred during the process, pre-departure, and post-arrival engagement with FGV.</p> <p>By law FGV is not required to cover the cost of passport renewal, unlike the renewal of work passes. As part of its commitment to FLA standards, FGV's top management has committed as part of ethical recruitment practices to covering the cost of passport renewal.¹ Consequently, at operational level, there is no clear pathway for estate management to assist workers with passport renewals. As a common practice, estate management transports workers to their respective country embassy to renew their passports, but FGV bore no financial commitment. However during the COVID-19 pandemic, the normal procedures for passport and work permit renewals were affected and changed, , and some embassies (e.g., Bangladeshi) conducted the passport renewal process entirely virtually, rather than face-to-face. Due to digital illiteracy and a lack of awareness of the renewal process, some Bangladeshi workers relied on 'informal support' from estate management staff.</p> <p>The assessment found in the absence of proper process or guidance for exceptional circumstances such as the pandemic, on supporting migrant workers' passport renewal efforts, that in one case management provided 'informal support' to workers seeking to renew their passport. The support involved financial transactions without proper documentation or receipt. Workers provided evidence indicating that management staff requested cash amounts in excess of passport renewal fees.</p> <p>In another estate, management offered 'informal support' by providing contact details for a Bangladeshi agent who provided passport renewal services to workers, especially during COVID-19. Assessors contacted the agent and found that he was not a registered entity and charged workers more than double the actual passport renewal fee. These two cases show that lack of proper guidance on matters concerning workers' passport renewal may result in improper actions by on-site management staff and a financial burden borne by the workers. FLA raised this as a red-flag issue to FGV's top management, to revisit their commitment and</p>
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¹ See FGV's Guidelines and Procedures for Responsible Recruitment of Foreign Workers, available here.

	<p>put in place written procedures to ensure that workers do not pay for passport renewal and are not exposed to exploitation.</p> <p>Source: Interview with managers and relevant staff, Documentation review</p>
Company Action Plan	
Activity	<p>2.1 Refer 1.1-1.8.</p> <p>2.2 On the finding that two workers hired by FGV's contractors received (on average) a monthly salary of RM600 per month, it should be noted that the workers were hired by the contractor on a part-time basis (daily work) – an arrangement agreed to by both the contractor and the two workers, and that the hourly rate paid by the contractor would commensurate the amount stipulated under the Minimum Wage Order, should the workers work full time.</p> <p>2.3 All of FGV's contractors are required to commit and adhere to FGV's Supplier Code of Conduct (SCOC), which also emphasizes the need for the contractors to comply with the national law and labor standards. However, FGV is not in a position to dictate to its contractors to accord the same benefits to their workers as FGV provides to its workers, so long as FGV's contractors fulfil the minimum labor standards.</p> <p>2.4 FGV undertakes to hire directly long-term contract workers (Sorters & Unstripped Bunch Pickers) working at FGV mills as daily wage workers.</p> <p>2.5 FGV views very seriously the allegation that informal support was provided by FGV's estate management staff to workers for passport renewal. FGV conducted an investigation on the matter but did not find hard evidence to establish that the allegation was true. FGV's investigation concluded that based on proof of transaction, there was no misappropriation of monies or bribery involved.</p> <p>2.6 To align its practices with international standards relating to ethical recruitment and to eliminate the risk of allegation on misappropriation of monies for passport renewals, FGV has taken a position to cover passport costs for its migrant workers. This includes the cost for new passports at the recruitment stage as well as passport renewals for the duration of the workers' employment with FGV. This position is reflected in FGV's revised Guidelines and Procedures for the Responsible Recruitment and Employment of Migrant Workers (GRRMW), which was adopted in May 2022.</p> <p>2.7 FGV is developing a set of Standard Operating Procedures (SOP) on the Management of Passport for Migrant Workers, which will underline, among other things, the passport renewal process, which will be facilitated by FGV. The SOP will also include provisions on managing passport renewals during extraordinary situations such as the COVID-19 pandemic.</p>
Output indicators (targeted results)	<p>2.8 Direct hiring of long-term contract workers (Sorters & Unstripped Bunch Pickers) [Timeline: July 2022, Responsible Unit: FGVPI]</p> <p>2.9 Investigation on 'informal support' for passport renewals during the COVID-19 pandemic. [Timeline: June 2022, Responsible Unit: FGVPM]</p> <p>2.10 Cost for new passports (for new recruits) and for passport renewal covered by FGV.</p>

	<p>[Timeline: June 2022, Responsible Unit: JTK]</p> <p>2.11 SOP developed on passport renewal for migrant workers. [Timeline: August 2022, Responsible Unit: JTK]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Terms and Conditions	
<p>Benchmarks:</p> <p>ER.9.1: Workers should be made aware of the employment terms under which they are engaged.</p>	<p>Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9</p>
<p>ER.12.1: Employers shall regularly inform workers about workplace rules, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas or in the surrounding community. In the case of workplaces with informal labor structures, these communication and awareness raising activities could be done with support from supply chain intermediaries such as cooperatives, organizers, tier one suppliers or the participating company.</p>	<p>Risk of Noncompliance in Farm 6</p>
<p>ER.13.1: Farmer, sharecropper or any kind of supervisor who is leading workers shall have knowledge of the local labor laws and the FLA Code.</p>	<p>Risk of Noncompliance in Farm 1, 2, 3, 4, 5, 6, 9</p>
<p>ER.13.2: Employers shall ensure that all supervisors are trained in national laws, regulations, and the FLA Code, and the appropriate practices to ensure compliance.</p>	<p>Risk of Noncompliance in all farms</p>
<p>ER.9.2.3: Employment terms shall be those to which the worker has voluntarily agreed, provided those terms do not fall below: the FLA Workplace Code.</p>	<p>Noncompliance in all farms</p>
<p>Findings/Noncompliance Explanation:</p>	<p><u>ER.9.1</u> The workers' survey found that 51.1% of workers could not provide correct answer or unaware of the minimum age of employment, while 25.8 % of the workers are unaware of the minimum wage rate. The lack of awareness of these two labor standards is a concern as the average period of employment in all estates (including mills) is three years and above. Estate managers clarified that workers were previously briefed about minimum wage and minimum age for employment, including through morning call / briefing. The workers' survey findings therefore raise concerns about the effectiveness of previous briefings / communication process undertaken by the company.</p> <p><u>ER.9.2.3</u> The company's employment terms do not fully align with the FLA Workplace Code of Conduct, particularly the hours of work. In addition, two local workers hired by a contractor have employment terms that lack of protection on a range of legal requirements, including entitlement to work benefits (e.g., annual and sick leave).</p> <p><u>ER.12.1</u> The assessment found that in Farm 6, a signboard placed at the workers' dormitory indicated restrictions on owning property (i.e., motorcycle) imposed on migrant workers, particularly Indonesian workers. Workers must be able to own property. The company, however, stated that through FGV had already clarified in a letter from top management dated January 1,</p>

	<p>2016 – seen by FLA – that workers have the right to own property, including a motorcycle and to ride it, provided that they have the necessary documents (e.g., valid driving license).</p> <p><u>ER.13.1</u></p> <p>Managers in all farms, except for one, lacked awareness on a range of labor and human rights issues. Managers could identify one or two indicators of forced labor and there is a need to further strengthen their knowledge on forced labor. The most common response was that workers can keep their own passport and move freely outside working hours. In contrast, the manager at Farm 7 demonstrated awareness of and understanding about labor and human rights issues and the conditions workers face on a daily basis, (e.g., hours of work that do not comply with international standards).</p> <p>When asked about awareness on the FGV GSP, managers at all estates and mills said they had been briefed by FGV headquarters. When asked if the briefing was cascaded to operational staff and workers, the managers stated that they briefed workers during rollcall but never tested their understanding after the briefing.</p> <p>There is a lack of awareness of aspects of labor standards stipulated under the SCOC among suppliers and contractors. It is a formal requirement that all suppliers and contractors sign the SCOC prior to delivering services to FGV mills and estates. Suppliers and contractors' common response was the requirement to pay workers the minimum wage, but there was no mention of other labor standards. Some suppliers and contractors confirmed that they had previously been briefed about the SCOC, typically upon first signing the contract agreement. No refresher briefing or training was provided to suppliers and contractors.</p> <p><u>ER.13.2</u></p> <p>All mills and estates had a training plan for 2020 and 2021. The plans encompassed social and labor standards such as FGV's grievance mechanisms, insurance and compensation, first aid and occupational safety, sexual harassment, prohibition of child labor and forced labor. However, due to COVID-19 and stringent physical distancing SOPs, some of the trainings were not implemented. Existing training records did not include training evaluation reports, leaving in question whether or not they were effectiveness. The assessment found that estates tend to consider briefing workers on selected issues during morning rollcall as a training exercise.</p> <p>Seventy-six percent of workers reported that briefings about social and labor rights were provided during 2021, but nearly a quarter of workers said no such trainings or briefings were conducted (Table 10). When asked about the type of briefings or trainings provided, more than half of respondents said that they were given work-related and safety briefings (Table 11). One respondent in Farm 8 stated that he was provided with a specific labor standard briefing on the prohibition of forced labor and workers' passport management.</p> <p>Source: Interview with workers; workers' survey; interview with relevant staff at HQ level</p>
Company Action Plan	
Activity	<p>3.1 FGV is committed to intensifying efforts to provide continuous awareness sessions to promote greater awareness and understanding on labor standards and on FGV's affiliation to the FLA, among its employees including its migrant workers.</p> <p>3.2 FGV is building on its existing awareness programmes to develop and roll out more awareness materials on labor standards (including but not limited to minimum wage, minimum age of employment, hours of work, rights to association and collective bargaining) and on the FLA affiliation, including short videos in the native language of the workers.</p>

	<p>3.3 In addition, FGV is expanding its E-Wallet system to include an E-Learning function. Once functional, all awareness materials including on labor standards will be accessible to workers through the E-wallet application.</p> <p>3.4 On 10 June 2022, FGV, in collaboration with Malaysian Trade Union Congress (MTUC) and International Labour Organization (ILO) Malaysia co-organised an awareness session on forced labour and child labour for the workers at FGV's Krau Complex in Bentong, Pahang. The awareness session, which involved the participation of approximately 60 workers and 30 management personnel from FGV's surrounding plantations, aimed to support the global and national agenda against forced labour and child labour, in line with Malaysia's National Action Plan on Forced Labour (2021-2025) and the National Pledge against Child Labour. See press release.</p> <p>3.5 At the moment, FGV commits and adheres to Malaysian law on hours of work. Noting that almost all palm oil producers in Malaysia have not adopted FLA's standard on hours of work, FGV is deliberating internally on the feasibility of complying with this particular FLA standard.</p> <p>3.6 In line with national law, FGV does not prohibit its workers including migrant workers to own property such as motorcycles, provided such ownership fulfils the national rules and regulations. The posters referred to by the FLA were old posters and have since been removed. FGV has also issued a memo to reiterate FGV's position that all workers have the right to own property including motorcycles, and that in enjoying such right, the applicable national regulations have to be followed.</p>
Output indicators (targeted results)	<p>3.7 Awareness materials including short videos in workers' language developed on labor rights such as minimum wage, minimum age of employment, right to association and collective bargaining, as well as on FGV's affiliation to the FLA. [Timeline: November 2022, Responsible Unit: GSD]</p> <p>3.8 Awareness videos disseminated to workers. [Timeline: December 2022, Responsible Unit: FGVPD]</p> <p>3.9 E-learning function under FGV's E-Wallet system developed, and labor standards awareness materials uploaded for access by workers through the E-Wallet app. [Timeline: December 2022, Responsible Unit: JTK]</p> <p>3.10 Awareness-raising programme forced labour and child labour jointly organized with MTUC and ILO Malaysia involving FGV's plantation workers and management personnel. [Timeline: June 2022, Responsible Unit: GSD, FGVPD]</p> <p>3.11 Memo issued to reiterate and reinforce FGV's position to respect the right to own property such as motorcycles among workers. [Timeline: June 2022, Responsible Unit: FGVPD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Administration	
Benchmarks: ER.17.1: Employers shall have in place policies for managing all working hours, overtime, and leave records in normal and exceptional circumstances.	
Risk of Noncompliance in Farm 5, 6, 8, 9	
Findings/Noncompliance Explanation:	<p>ER.17.1 In Farm 5, Farm 6 and Farm 9, the migrant workers' employment card (also known as 'Kad Pekerja') was found to be written and kept by supervisors or <i>mandor</i>, instead of the workers. Supervisors and workers confirmed that <i>Kad Pekerja</i> are written by supervisors and signed by the workers. Reasons mentioned included workers' inability to perform basic writing, which makes them unable to record their daily activities and productivity on their own. The estate management claimed that some workers' handwriting is unreadable and that most migrant workers fail to keep the <i>Kad Pekerja</i> properly, making it difficult for management to calculate their monthly income.</p> <p>The estate management confirmed that, according to FGV standards, the <i>Kad Pekerja</i> needs to be written and kept by the workers, and that the supervisor should only approve it. However, workers in Farm 5, Farm 6 and Farm 9, reported that the <i>Kad Pekerja</i> was written by their supervisor raising concerns about the authenticity and accuracy of information recorded in <i>Kad Pekerja</i>. Given that some migrant workers are illiterate, there is a risk that the information is not accurately recorded or being manipulated by the supervisors.</p> <p>Source: Interview with managers and relevant staff; Documentation review; Interview with workers</p>
Company Action Plan	
Activity	4.1 Considering the reliance of many workers on their supervisors to record their productivity figures due to the workers' inability to perform basic writing, which may give rise to concerns around possible abuse by supervisors, FGV undertakes to address this matter by developing a digital automated mechanism to input and calculate workers' productivity through the enhancement of its E-wallet system to include an E-Productivity function. With the new feature of the E-wallet application, workers are able to input and calculate their productivity through the system.
Output indicators (targeted results)	4.2 E-productivity function under FGV's E-Wallet system is developed. [Timeline: December 2022, Responsible Unit: JTK]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Worker Involvement	
Benchmarks: ER.18.1: Employers shall have a clear and transparent system of worker and employer communication that enables workers to consult with and provide input to the employer or the company management. This might include regular conversation between workers and employer, suggestion boxes, workers committees, designated spaces for worker meetings, and meetings between	
Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9	

employer and workers' representatives. For small farms with informal labor structures, this means that the workers can openly reach and communicate with the producer/farmer.	
Findings/Noncompliance Explanation:	<p>ER.18.1</p> <p>A Joint Consultative Committee (<i>Jawatankuasa Perundingan Bersama</i>) has been established in all the assessed estates. The committee serves as a worker-management dialogue mechanism, allowing migrant workers' representatives to raise issues with the estate management. Each nationality is usually represented by two worker representatives: two for Indonesian workers, two representatives from India, two from Bangladesh. In some estates where few workers of a specific nationality are employed (e.g., fewer than three workers), only one representative is appointed to represent these migrant workers' nationality. The estate management claimed that migrant workers' representatives are nominated by the workers, but no documented evidence confirmed that the appointed workers' representatives had received support from a majority of workers.</p> <p>The committee provides a platform for management and workers to discuss matters of common concern once every three months and enables worker representatives to raise issues, which are captured in the meeting minutes kept by the estate management. During COVID-19, physical meetings of the committee rarely took place. Workers relied on verbal complaints made to assistant managers, <i>mandors</i> and workers' representatives. In several estates, no new workers' representatives were appointed to the committee in 2020 and 2021 and no in-person meetings were held. In Farm 8, the organizational chart of the committee was not updated, no appointment letter was issued by the management, and the selection of workers' representatives was not transparent (e.g., there was no evidence to prove that the appointed leaders had gained support from a majority of workers). Workers in Farm 2, Farm 3, Farm 5, Farm 6 and Farm 9 expressed dissatisfaction with the appointed representatives, claiming that they were chosen by the company.</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
Company Action Plan	
Activity	<p>5.1 FGV recognizes and respects the rights of workers to freedom of association and to collective bargaining. This position is clearly stated in FGV's Group Sustainability Policy (GSP). In line with this, FGV has established in-house unions which are open to all its workers including migrant workers. FGV's workers are also free to join other relevant external unions.</p> <p>5.2 FGV has established a Joint Consultative Committee – JCC (<i>Jawatankuasa Perundingan Bersama</i>) to further facilitate the enjoyment of the right to association and collective bargaining among its workers. The Committee comprise worker representatives representing the different worker nationalities from each estate and is presided over by Operational Managers from FGV's Field Workforce Department. The JCC provides a venue for workers to raise any issue relating to workers rights and welfare, which will be addressed either at the estate level or headquarters level, depending on the nature of the issue.</p> <p>5.3 FGV is revising the SOP relating to the JCC to strengthen, among other things, the selection for the worker representatives, which will now be based on election by the workers.</p> <p>5.4 Entering into the COVID-19 endemic phase, FGV undertakes to resume the convening of the JCC, which was disrupted during the COVID-19 pandemic.</p>
Output indicators (targeted results)	<p>5.5 SOP for the JCC revised and strengthened to address, among other things, the election of worker representatives and frequency of its meetings. [Timeline: September 2022, Responsible Unit: JTK]</p>

	5.6 JCC meets on a periodic basis. [Timeline: continuous, Responsible Unit: JTK]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Work Rules and Discipline	
Benchmarks: <i>ER.20.11: The disciplinary system shall include a third party witness during imposition, and an appeal process. In case of smallholder settings, existing appeal mechanism at community level is acceptable.</i>	
Risk of Noncompliance in all farms	
Findings/Noncompliance Explanation:	<u>ER.20.11</u> All mills and estates have a workplace rule and disciplinary procedure in place, guiding the necessary actions to be undertaken by each management unit handling workers' disciplines. However, a review of the procedure found that it does not clearly require the inclusion of a third-party witness during the disciplinary procedure and the appeal process. Source: Interview with relevant staff; Documentation review
Company Action Plan	
Activity	6.1 In keeping with its commitment to the principle of natural justice, FGV undertakes to review its disciplinary and appeals procedures to include the involvement of a third party witness.
Output indicators (targeted results)	6.2 FGV's disciplinary and appeals procedures revised to include the involvement of a third party witness. [Timeline: September 2022, Responsible Unit: JTK]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

HSE Management System	
Benchmarks: <i>ER.24.1: Health, safety and environmental rules shall be communicated to all workers in the local language or language spoken by workers if different from the local language.</i>	
Risk of noncompliance in farms 2, 3, 5, 6, 8, 9	

Findings/Noncompliance Explanation:	<p><u>ER.24.1</u></p> <p>In all estates (Farms, 2, 3, 5, 6, 8 and 9), the health, safety and environmental rules are socialized and communicated verbally to migrant workers in the local language (Malay language). Estate management stated that some senior migrant workers serve as translators during the briefing session and morning rollcall, but it was unclear whether the translation was done accurately. This raises concerns about the effectiveness of such socialization and/or communication process to migrant workers.</p> <p>Eighty-six percent of workers were satisfied with the provision of PPEs, such as safety shoes and gloves (Table 19), according to the worker survey. However, 13.3% expressed dissatisfaction with the quality of PPEs, claiming that estate management provided safety shoes (i.e., rubber shoes) unsuitable for their work, especially during rainy season. Other workers aid that their gloves were of low quality, making their hands sweaty.</p> <p>Source: Interview with managers and relevant staff; workers' survey, interview with workers, Documentation review; Site observation</p>
Company Action Plan	
Activity	7.1 Enforcing health, safety and environmental (HSE) rules is a priority for FGV. To strengthen socialization and communication of these rules, FGV undertakes to engage with the Malaysian Institute for Translation and Books (ITBM) to translate these rules into the native languages of the workers.
Output indicators (targeted results)	7.2 HSE rules and communication materials translated into native language of workers. [Timeline: October 2022, Responsible Unit: HSE]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Grievance Procedures		
Benchmarks: ER.25.2: Employer shall ensure that grievance procedures and applicable rules are known to workers and that the grievance channel is easily accessible.		Risk of noncompliance in all farms
Findings/Noncompliance Explanation:	<p><u>ER.25.2</u></p> <p>While all farms made available complaint logbooks and complaint boxes for workers to submit grievances, the logbooks mostly recorded matters concerning worker accommodation issues and water and electricity shortages. Most complaint logbooks and boxes were placed in the management office, which discouraged workers from using them to submit confidential complaints and grievances on topics such as wages, mistreatment, and harassment for fear of retribution. A site observation found that most complaint boxes were empty.</p> <p>Eighty-four percent of workers had never raised a complaint or grievance with management or superiors through any channel (Table 12). Of the 36 respondents who had previously raised a complaint or grievance with management or superiors, the majority (26) had done</p>	

	<p>so verbally (Table 13). Two workers reported using complaint or grievance channels such as a complaint box, grievance log, or worker hotline.</p> <p>When asked about the worker hotline, some workers mentioned that they didn't feel comfortable speaking to people they didn't know and did not trust it. Workers said that while the estate management had briefed them about the hotline, no detailed explanation and/or training on how to use it were provided. Some workers mentioned language barriers as the hotline operator spoke only English or Malay.</p> <p>Source: Interview with managers and relevant staff; workers' survey; Interview with workers</p>
Company Action Plan	
Activity	<p>8.1 FGV acknowledges that an effective and robust grievance mechanism is key in safeguarding the rights and welfare of those under its duty of care including its workers. FGV's Group Sustainability Policy (GSP) clearly indicates FGV's commitment to providing accessible, transparent, predictable, equitable, means for all employees and external stakeholders including human rights defenders to express their grievances without fear of reprisal, in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). To this end, FGV is strengthening its grievance mechanism by implementing the following key measures:</p> <p>8.2 FGV has established a new Grievance Management Unit (GMU) under FGV's Group Governance and Risk Management Division (GGRM), with a view to ensuring greater independence and to building higher confidence in FGV's grievance mechanism among its workers.</p> <p>8.3 FGV is strengthening its SOP on grievance handling to incorporate, among other things, industry good practices and procedures for addressing child-related grievances.</p> <p>8.4 FGV is rolling out its E-Grievance application, an additional function under the FGV E-Wallet system, which allows FGV's workers to submit any grievance through their mobile phones to FGV's Grievance Management Unit (GMU) either using text or voice recording. Workers have the option to submit the grievance anonymously in their native language.</p> <p>8.5 To promote greater awareness and understanding of the grievance mechanism, FGV is carrying out an awareness campaign on its grievance mechanism, which includes awareness-raising on the available grievance channels as well as on the grievance procedures.</p> <p>8.6 FGV has issued a memo to all its mill and estate management to place the complaint logbooks and complaint boxes at the workers' accommodation and other locations that are easily accessible such as places of worship instead of at the management office.</p>
Output indicators (targeted results)	<p>8.7 New Grievance Management Unit (GMU) established under FGV's Group Governance and Risk Management Division (GGRMD) [Timeline: June 2022, Responsible Unit: GGRM]</p> <p>8.8 SOP on grievance handling revised and adopted. [Timeline: September 2022, Responsible Unit: GMU]</p> <p>8.9 FGV's E-Grievance application rolled out throughout FGV's estates. [Timeline: October 2022, Responsible Unit: JTK]</p> <p>8.10 Awareness campaign on grievance mechanism implemented. [Timeline: December 2022, Responsible Unit: GMU]</p>

	8.11 Memo issued to instruct placement of complaints logbooks and complaints boxes at suitable locations other than at the management office. [Timeline: June 2022, Responsible Unit: FGVPD]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Progress Benchmarks Evaluation (this section will be removed from the public report but the company remains accountable for implementing corrective measures in order to be compliant in the future)

Worker Involvement		
Benchmarks: <i>ER.18.3: In the absence of a union, employers shall be open to having a committee with worker representation freely chosen by workers that regularly meets and treats concerns and suggestions of workers.</i>		In progress in Farm 2, 3, 5, 6, 8, 9
Progress Benchmarks Evaluation:	Findings are same as in ER 18.1.	
Progress Benchmarks Action Plan:		
Possible timeline:		

Non-discrimination

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	ND.1	In compliance	0
Recruitment and Employment Practices	ND.2.1	In compliance	0
	ND.2.2	In compliance	0
	ND.2.3	In compliance	0
Compensation Discrimination	ND. 3	In compliance	0
Discrimination in Training and Communication	ND. 4	In compliance	0
Marital or Pregnancy-Related Discrimination	ND.5.1	In compliance	0
	ND.5.2	In compliance	0
	ND.5.3	In compliance	0
Protection and Accommodation of Pregnant Workers and New Mothers	ND.6.1	In compliance	0
	ND.6.1.1	In compliance	0
	ND.6.2 (PR)	In compliance	0
Health-Related Discrimination	ND. 7	In compliance	0
	ND.8	In compliance	0
	ND. 9	In compliance	0
	ND. 10	In compliance	0
Respect of Culture and Religion	ND.11	In compliance	0

Notable Feature
<p>1. Provision of workers' accommodations is based on workers' nationality and religion. This was arranged by the management in all farms to prevent cultural misunderstandings and other unintended consequences.</p> <p>2. Workers' accommodations (in all farms) have a religious place of worship (e.g., mosque or mini mosque). Non-Muslims are free to pray at their respective accommodation and the management provides transportation to the nearest place of worship (e.g., temple) when needed.</p> <p>3. In all mills, a gender committee has been established at each business unit level, representing women workers in mills and supplier estates. One of the gender committee's objectives is to receive complaints and manage cases of sexual harassment and discrimination against women. The gender committee provides women workers and their family members with a complaint channel to raise matters affecting them. In all mills a recording and tracking system was set up to monitor the progress and achievements of the gender committee. However, documentation found during the assessment was not complete (e.g., the organizational chart was not updated; no appointment letter was documented, etc.)</p>

Harassment or Abuse

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	H/A.1.1	In compliance	0
	H/A.1.2	Noncompliance	Farm 5
Discipline	H/A.2	In compliance	0
	H/A.3	In compliance	0
	H/A.4	Noncompliance	Farm 5
	H/A.5	Noncompliance	Farm 5
	H/A.6	In compliance	0
	H/A.7	In compliance	0
	H/A.12	In compliance	0
	H/A.13	In compliance	0
Violence	H/A.8.1	Noncompliance	Farm 5
	H/A.8.2	Noncompliance	Farm 5
	H/A.8.3	In compliance	0
Sexual Harassment	H/A.9.1	In compliance	0
	H/A.9.2	In compliance	0
	H/A.9.3	In compliance	0
	H/A.9.4	In compliance	0
	H/A.9.5 (PR)	In compliance	0
Security Practices	H/A.10	In compliance	0
	H/A.10.1	In compliance	0
	H/A.10.2	In compliance	0
	H/A.11	Risk of noncompliance	All Farms

Harassment or Abuse Assessment Summary

General Compliance	
<p>Benchmarks:</p> <p><i>H/A.1.2: Workers at the farm shall not be subject to any corporal punishment, sexual harassment, oppression, coercion or any other kind of mental or physical abuse or intimidation, disregarding whether they are family members without a formal contract or hired staff.</i></p>	Noncompliance in Farm 5

Findings/Noncompliance Explanation:	<p><u>H/A.1.2</u></p> <p>The assessment found practices that amount to physical, verbal, and psychological abuse against migrant workers. The FLA Code, Benchmark H/A.4, requires the company not use any form of threat, physical violence, including slaps, pushes or other forms of physical contact as a means to maintain discipline of workers, while Benchmark H/A.5 requires affiliate to avoid using verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain discipline. In one estate, three workers complained about a recent case of physical abuse and humiliating treatment by estate staff and a FGV Security Service official against a migrant worker. The incident, witnessed by estate staff and apparently committed under their instruction, involved physical violence, including ‘slapping,’ a migrant worker by the FGV Security Service official. In addition, the FGV Security Service official forced the worker to perform squats with hands on his ears, a humiliating punishment known as <i>ketuk ketampi</i>. This act of violence in addition to going against the FLA Code, is also an offense under domestic legislation (see Panel Code Section 352 on physical assaults).</p> <p>Source: Interview with estate managers and relevant staff; Documentation review</p>
<p style="text-align: center;">Company Action Plan</p>	
Activity	<p>9.1 FGV does not tolerate any form of violence, harassment or abuse, be it sexual, physical, verbal or psychological. Every person should be treated with respect and dignity. Such position is reflected clearly in our Group Sustainability Policy.</p> <p>9.2 FGV’s Grievance Management Unit (GMU) and Industrial Relations Unit (IRU) have conducted an investigation into the allegation of physical abuse but did not find hard evidence to establish the allegation was true. In the absence of such evidence, FGV is not in a position to take disciplinary action against the alleged perpetrator.</p> <p>9.3 FGV wishes to reiterate that should there be sufficient evidence that abuse was committed by FGV’s personnel, FGV will not hesitate to take stern against the perpetrator without fear or favour in line with its Code of Business Conduct & Ethics (COBCE) and Disciplinary Policy. This has been demonstrated in a separate case that took place in one of FGV’s estates in Sabah, where an estate manager was suspended for allegations of committing physical abuse against a worker.</p> <p>9.4 FGV fully respects the workers’ right to lodge a report to the police on any allegation of physical abuse as such act is a criminal offence under Malaysian law.</p> <p>9.5 Given FGV’s strict policy against any form of abuse, FGV has also embarked on a training programme for FGV’s security personnel on the prohibition of abuse. The programme, which was comprised of 48 sessions involving more than 1276 security personnel from 24 regions, was completed in July 2022. The training programme comprise, among others, sessions on FGV’s Group Sustainability Policy (GSP) and FGV’s zero-tolerance for any form of abuse.</p>
Output indicators (targeted results)	<p>9.6 Investigation on the allegation of physical abuse concluded. [Timeline: June 2022, Responsible Unit: GMU and IRU]</p> <p>9.7 Training programme on the prohibition of all forms of abuse involving FGV’s security force (over 2000 personnel) conducted. [Timeline: August 2022, Responsible Unit: GSD]</p>

Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Discipline	
Benchmarks: <i>H/A.4: Employers shall not use any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain discipline of workers, disregarding whether they are family members without a formal contract or hired staff.</i> <i>H/A.5: Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain discipline, disregarding whether they are family members without a formal contract or hired staff.</i>	
	Noncompliance in Farm 5
Findings/Noncompliance Explanation:	<u>H/A.4 and H/A.5</u> Similar to H/A.1.2
Company Action Plan	
Activity	10.1 Refer to 9.1 - 9.4
Output indicators (targeted results)	10.2 Refer to 9.5 - 9.6
Timeline and Deadline Date	Refer to 9.1 - 9.4
Input (budget/resources)	-
Responsible staff (title/department)	Refer to 9.1 - 9.4

Violence	
Benchmarks: <i>H/A.8.1: Employers shall ensure that the workplace is free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise. This also applies to workers who are brought to the farm by employers, labor contractors or service providers.</i> <i>H/A.8.2: Employers shall refrain from any action and shall take all appropriate action to ensure that all workers refrain from any action, that would result in an intimidating, hostile or offensive work environment for workers.</i>	
	Noncompliance in Farm 5
Findings/Noncompliance Explanation:	<u>H/A.8.1 and H/A.8.2</u> The workers' survey found that 95.6% of respondents reported having a good relationship with management, including their respective superior (Table 18). Most workers stated, for instance, that "we are treated well," "we are treated like a family," "the <i>mandor</i> or supervisor is respectful to workers," "we work as a team," "management is very kind," and

	<p>“we have a good salary.” However, 4.4% of respondents said that they were not on good terms with the management or their superior, stating for example that “the <i>mandor</i> does not respect Bangladeshi workers because we are outsiders,” “we are treated like animals,” and “some Indian workers are discriminated against because they can’t speak the language well.”</p> <p>In addition to the incident described above (H/A 1.2), three workers testified that they were treated inhumanely throughout their employment at one FGV estate. When asked about details, they said they were treated like “animals” (<i>‘binatang’</i>). The three workers’ testimonies are captured below:</p> <ul style="list-style-type: none"> • “We were treated like animals. Superiors (no specific individual mentioned) have very bad habits and brutal ways of handling workers. They went to workers’ dormitories, kicking the doors and shouting at us every morning just to make sure we were all going to work”. <p>An informant, Bangladeshi worker (1).</p> <ul style="list-style-type: none"> • “Sometime management called upon the security officer(s) to go to our dormitories and force workers to appear for morning rollcall”. <p>An informant, Bangladeshi worker (2).</p> <ul style="list-style-type: none"> • “Some of us cannot speak basic Malay language. So, when we speak, the mandors don’t usually listen to us and simply ridicule us. Mandors are very rude.” <p>An informant, Indian worker (1).</p> <p>Source: Interview with workers</p>
<p style="text-align: center;">Company Action Plan</p>	
<p>Activity</p>	<p>11.1 FGV does not tolerate any form of violence, harassment or abuse, be it sexual, physical, verbal or psychological. Every person should be treated with respect and dignity. Such position is reflected clearly in our Group Sustainability Policy.</p> <p>11.2 FGV’s Grievance Management Unit (GMU) and Industrial Relations Unit (IRU) have conducted an investigation into the allegation of physical abuse but did not find hard evidence to establish that the allegation was true. In the absence of such evidence, FGV is not in a position to take disciplinary action against the alleged perpetrator.</p> <p>11.3 FGV is also strengthening its awareness programme on human rights and labor standards including on the prohibition of all forms of abuse and harassment which will also emphasize on the employer’s responsibility to treat workers with respect and dignity.</p> <p>11.4 Given FGV’s strict policy against discrimination and any form of abuse, FGV has also embarked on a training programme on the prohibition of such abuse involving over 2000 of FGV’s security personnel. The training programme comprise, among others, sessions on FGV’s Group Sustainability Policy (GSP), non-discrimination and FGV’s zero-tolerance for any form of abuse.</p>
<p>Output indicators (targeted results)</p>	<p>11.5 Investigation conducted on the alleged inhumane treatment. [Timeline: June 2022, Responsible Unit: GMU and IRU]</p> <p>11.6 Awareness material developed on the prohibition of abuse and harassment. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>11.7 Training on the GSP, non-discrimination and FGV’s zero-tolerance for any form of abuse conducted involving FGV’s security force.</p>

	[Timeline: August 2022, Responsible Unit: GSD]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Security Practices	
Benchmarks: <i>H/A.11: Employers shall provide training to security staff on the issues of non-harassment and non-discrimination.</i>	
	Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	<p><u>H/A.11</u></p> <p>An interview with relevant officials of FGV Security Service was unable to confirm whether the company had provided dedicated training on non-harassment and non-discrimination. On site, an interview with security officials found a lack of awareness of human rights, including the principles of non-discrimination and non-harassment. The involvement of FGV Security Service officials in the alleged physical abuse and humiliating case(s) in Farm 5 indicate a lack of awareness and decent practices as expected under this Benchmark (H/A/11).</p> <p>Source: Interview with FGV Security Service officials; Interview with workers</p>
Company Action Plan	
Activity	<p>12.1 FGV has firm policy against discrimination and harassment, which is clearly stated in FGV's Group Sustainability Policy (GSP).</p> <p>12.2 Given FGV's strict policy against discrimination and any form of abuse, FGV has also embarked on a training programme on the prohibition of such abuse involving over 2000 of FGV's security personnel. The training programme comprise, among others, sessions on FGV's Group Sustainability Policy (GSP), non-discrimination and FGV's zero-tolerance for any form of abuse.</p>
Output indicators (targeted results)	<p>12.3 Awareness material developed on the prohibition of abuse and harassment. [Timeline: November 2022, Responsible Unit: GSD]</p> <p>12.4 Training on the GSP, non-discrimination and FGV's zero-tolerance for any form of abuse conducted involving FGV's security force. [Timeline: August 2022, Responsible Unit: GSD]</p>
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Forced Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	F.1	In compliance	0
Freedom in Employment and Movement	F.2	In compliance	0
	F.3	In compliance	0
	F.4.1	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	F.4.2	In compliance	0
	F.5.1	In compliance	0
	F.5.2	In compliance	0
	F.5.3	In compliance	0
	F.7.1	In compliance	0
	F.7.2	In compliance	0
	F.7.3	In compliance	0
	F.7.4	In compliance	0
	F.7.5	In compliance	0
	F.7.6	In compliance	0
	F.7.7	In compliance	0
	F.8	In compliance	0
Work of Family Members	F.6.1	In compliance	0
	F.6.2	In compliance	0
	F.6.4	Not Applicable	0
	F.6.4	Not Applicable	0
Personal Workers Identification and Other Documents	F.9	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	F.10	In compliance	0

Notable Feature

1. During the assessment, FLA team did not identify non-compliances to the FLA forced labor benchmarks. Nevertheless, some risks of forced labor were observed that need further investigation.
2. All estate managements updated and disseminated information on the status of workers' working pass and passport renewal process through a document known as "Kedudukan Pasport". The "Kedudukan Pasport" document captures information such as the expiry dates of each worker's working pass and passport as well as the status of their renewal application. The "Kedudukan Pasport" document is updated on a regular basis, and placed/posted in strategic places, including at the management office, mosques and workers' accommodations and dormitories.

Forced Labor Assessment Summary

Freedom in Employment and Movement

Benchmarks:

F.4.1: If workplace entrances are locked or guarded to prevent non-employee access to the premises for security reasons, workers shall have free egress at all times, subject to work rules.

Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9

Findings/Noncompliance Explanation:	<p>F.4.1</p> <p>The assessment found that a logbook locally known as '<i>rekod keluar masuk pekerja</i>' is used in all estates to keep track of workers leaving the site. The exit logbook is a record system that enables migrant workers to inform the management if they wish to go outside the estate. Management clarified that the exit logbook is not intended to restrict workers' movements after working hours but helps ascertain workers' whereabouts in case of unintended events. Filling in the exit logbook is voluntary, but management strongly encourages workers to provide information about outings so that actions can be undertaken, if needed.</p> <p>In most estates, assessors found that the exit logbook was placed in the management office, requiring workers to walk from their accommodation to the management office to fill in the logbook. When the management office is closed, workers are unable to provide exit information. In one estate, the exit logbook is entitled 'outing approval logbook' (<i>buku rekod kebenaran keluar ladang</i>), which indicates that outings require approval. This contradicts explanations given by estate managers stating that workers are free after working hours and do not require approval to leave the estate.</p> <p>Interviews with migrant workers found that some were not aware of the need to fill in the exit logbook, while others found providing information in the logbook irrelevant. Those who saw no value in filling in the logbook claimed that they had the contact details of their superior or supervisor. In practice, workers prefer to inform their respective superior or supervisor directly over the phone instead of going to the management office to fill in the logbook. Nearly half of the 126 migrant workers surveyed stated that management requires them to fill in the exit logbook. One-third said that they are required to both fill in the form and verbally inform their respective supervisor. Another 20% of respondents said management had not informed them of the need to fill in an exit logbook and they commonly inform their superior verbally.</p> <p>Source: Interview with managers and relevant staff; Interview with workers; Documentation review</p>
<p style="text-align: center;">Company Action Plan</p>	
Activity	<p>13.1 FGV recognizes and respects the right of its employees and workers to freedom of movement, as clearly stated in FGV's GSP.</p> <p>13.2 FGV wishes to reiterate that the exit logbooks are merely for the workers to notify the estate management and not for purposes of obtaining permission for their outing. Filling in the logbooks is not a requirement.</p> <p>13.3 FGV would also like to clarify that the exit logbook in Farm entitled 'exit approval logbook' is an old version of the logbook and has since been updated with the title 'exit notification logbook'.</p> <p>13.4 FGV is developing an extended application of its E-Wallet system to facilitate workers outing notification. The outing notification, which will be recorded through the E-Wallet system will be captured by scanning a QR code that will be made available at estate exit points.</p>
Output indicators (targeted results)	<p>13.5 Extended application of FGV's E-Wallet system developed to record workers outing notification via QR code.</p> <p>[Timeline: October 2022, Responsible Unit: JTK]</p>

Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Personal Workers Identification and Other Documents		
Benchmarks: <i>F.9: Workers shall retain possession or control of their passports, identity papers, travel documents, and other personal legal documents. Employers may obtain copies of original documents for record-keeping purposes, or as ID substitute.</i>		Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9
Findings/Noncompliance Explanation:	<u>F.9</u> All estates were found to have migrant workers with expired work permits and passports. In some estates, migrant workers’ passes had expired in March 2021, eight months before the assessment. The workers’ survey confirmed that at least one worker per estate had an expired permit when the assessment was conducted (Table 8). Ten workers had expired passports or permits. Four workers in one estate were found to have enrolled in the regularization or recalibration program (i.e., regularization and rehiring of undocumented migrant workers’ program). 16.7% of workers said that management kept their passports (Table 17). On further investigation, these passports were with the government for the issuance of work permits. Fifty-four percent of workers stated that they kept their passports, nearly one-quarter said they kept control of their work passes. Estate management stated that renewal applications for working passes were severely disrupted due to the pandemic, and that most applications were “stuck” in the MyEG e-government service that processes renewals. The application for renewal process is managed by FGV’s Regional Office, thus estates were unable to provide evidence to confirm that they had undertaken the necessary actions to address the delayed renewals. All estates took the initiative of updating workers about the status of their working pass renewal through distribution of a document known as ‘ <i>Kedudukan Pasport</i> ’ (status of their renewal). Source: Interview with estate managers and relevant staff; Documentation review; Site observation	
Company Action Plan		
Activity	14.1 FGV notes that the Movement Control Order (MCO) imposed by the Government during the COVID-19 pandemic has resulted in disruption and delays in the renewal process by the authorities for passports and work permits. 14.2 To address concerns around the delays, FGV is reviewing its SOP for the renewal of its workers’ passport and work permit, with a view to providing greater clarity on steps taken when faced with such delays by the authorities especially in situations of extraordinary circumstances.	
Output indicators (targeted results)	14.3 SOP revised and adopted on passport and work permit renewal. [Timeline: August 2022, Responsible Unit: JTK]	

Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Child Labor

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	CL.1	In compliance	0
Minimum Age	CL.2	In compliance	0
Immediate Family Members	CL.3	Not Applicable	0
Right to Education	CL.4.1 (PR)	In compliance	0
	CL.4.2 (PR)	In compliance	0
Young Workers	CL.5	Not Applicable	0
	CL.6.1	In compliance	0
	CL.6.2	Not Applicable	0
	CL.7	In compliance	0
Children on Premises	CL.9	In compliance	0
Apprenticeships and Vocational Training	CL.8.1	Not Applicable	0
	CL.8.2	Not Applicable	0
Removal and Rehabilitation of Child Laborers	CL.10.1	Risk of noncompliance	All Farms
	CL.10.2 (PR)	In progress	All Farms

Child Labor Assessment Summary

Removal and Rehabilitation of Child Laborers		
Benchmarks CL.10.1: <i>If a child laborer is found working on a farm, all relevant downstream suppliers, including the participating company, shall immediately assess the situation at the child's household level and shall engage with relevant stakeholders to find a sustainable remediation solution that is in the best interest of the child.</i>		Risk of Noncompliance in all farms
Findings/Noncompliance Explanation:	<p><u>CL.10.1</u></p> <p>The assessment found no child labor incidence in mills and estates. Internal documents, including workers' profiles, did not show workers under the minimum age for employment. No migrant workers had family members, including children, living on site. Yet, the workers' survey found a lack of awareness among respondents about the minimum age for work in Malaysia, with just under half of respondents answering correctly (Table 14). Twenty-five percent of respondents provided incorrect answers while 26.2% stated that they were not aware of any minimum age for work.</p> <p>When asked about age verification, 86.7% of workers said their age was checked either during recruitment or, for migrant workers, upon arrival in Malaysia (Table 15). Some respondents shared that employers and recruiters checked their identity card, passport, and birth certificate (for local workers), and sometimes triangulated the information with medical files. However, 13.3% of workers said that their age was not verified either during recruitment or upon arrival in Malaysia.</p> <p>The FLA Code - Benchmark CL.10.1- requires the company to have a system and procedure in place to monitor, assess, and remedy child labor cases, should they occur. The mill and</p>	

	<p>estate management claimed they were fully aware of the company's strict policy against child labor, including a prohibition on hiring workers under the minimum age. However, no specific procedure and/or guide were found on site to assist management with performing an immediate assessment if a child labor case occurs. There was no case-management procedure to engage with relevant stakeholders, including upstream suppliers, to address root causes and seek a durable solution, including community-based.</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
Company Action Plan	
Activity	<p>15.1 Adopting a firm position against child labor, FGV, through its Group Sustainability Policy (GSP) is committed to employing only persons of the age of 18 and above.</p> <p>15.2 To strengthen efforts, ensure that child labor does not exist in its operations, FGV is formulating a set of guidelines and procedures on the protection of child rights, which will cover the following areas:</p> <ul style="list-style-type: none"> i. Equal Treatment for Children ii. Child Protection iii. Access to Education iv. Prevention of child labor
Output indicators (targeted results)	<p>15.3 Guidelines and procedure on the protection of child rights developed and adopted. [Timeline: September 2022, Responsible Unit: GSD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Progress Benchmarks Evaluation (this section will be removed from the public report, but the company remains accountable for implementing corrective measures in order to be compliant in the future)

Removal and Rehabilitation of Child Laborers	
<p>Benchmarks</p> <p>CL.10.2: If child labor is found to be a systemic issue in a particular supply chain, the participating company shall in consultation with upstream suppliers, employers and other stakeholders devise an action plan for its remediation, if possible, through an area- and community based approach.</p>	In progress in all farms
<p>Progress Benchmarks Evaluation:</p>	<p><u>CL.10.2</u></p> <p>The assessment found no specific guideline / procedure / plan to assist the company in engaging and conducting dialogue with upstream suppliers, employers and other stakeholders. Additionally, there was no plan for remediation in case of child labor, including no community-based approach remediation plan to address such occurrence.</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
<p>Progress Benchmarks Action Plan:</p>	<p>16.1 Refer to 15.1.-15.2.</p>

Possible timeline:	16.2 Refer to 15.3
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Freedom of Association and Collective Bargaining

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	FOA.1	In compliance	0
Right to Freely Associate	FOA.2	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	FOA.3	In compliance	0
	FOA.8	In compliance	0
	FOA.20	In compliance	0
Anti-Union Behavior	FOA.4	In compliance	0
	FOA.5.1	In compliance	0
	FOA.5.1.1	In compliance	0
	FOA.6	In compliance	0
Union/Worker Representatives	FOA.7	In compliance	0
	FOA.11	In compliance	0
Employer Interference	FOA.9.1	In compliance	0
	FOA.9.2	In compliance	0
	FOA.9.3	In compliance	0
	FOA.9.4	In compliance	0
	FOA.10	In compliance	0
Collective Bargaining	FOA.12.1	In compliance	0
	FOA.12.2	In compliance	0
	FOA.13.1	In compliance	0
	FOA.14	In compliance	0
	FOA.15	In compliance	0
	FOA.16.1	In compliance	0
	FOA.16.2	In compliance	0
Rights of Minority Unions and their Members	FOA.17	Not Applicable	0
Right to Strike	FOA.18	In compliance	0
	FOA.19	In compliance	0

Freedom of Association and Collective Bargaining Assessment Summary

Right to Freely Associate		
Benchmarks FOA.2: Workers and smallholders, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that workers seeks employment and continues through the course of employment, including eventual termination of employment and is applicable as well to unemployed and retired workers.		Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9
Findings/Noncompliance Explanation:	FOA.2 Under Malaysia's national regulations, foreign migrant workers are allowed to join a union established by Malaysians, but they are not allowed to form their own union (Section 28 of the Malaysia's Trade Union Act). Migrant workers' rights to establish an organization of their own choosing are therefore severely restricted. Although migrant workers are allowed to join unions established by Malaysians, the field assessment found that no migrant workers in the sampled estates were members of any such union or association, including the company's in-house union.	

	<p>The workers' survey revealed that 27.6% of local respondents were actively involved in either the workers' committee or in-house union (especially for local workers) in both mills and estates (Table 25). Seven workers said they were actively involved in informal workers' groups. A majority of respondents (68.9%) were not aware of any active workers' committee or union in mills and estates.</p> <p>At the estate level, a <i>Jawatankuasa Perundingan Bersama</i> (Joint Consultative Committee) was established to serve as a worker-management dialogue mechanism. In this Joint Consultative Committee, migrant workers are represented by committee members from their respective country. Usually, each country has two representatives. For example, Indonesia has two Indonesian representatives; India two representatives from India; Bangladesh two representatives from Bangladesh. In estates where only a few migrant from a specific nationality are employed (e.g., less than 3 workers by nationality), only one representative is appointed to represent the migrant workers' from that particular country. The estate management claimed that migrant workers' representatives are nominated by the workers themselves, but no documentary evidence confirmed how the workers' representatives appointed to the committee had received support from most workers.</p> <p>For the record, the Committee provides a platform for both parties (i.e., management and workers) to discuss matters of common concern once every three months. Workers' representatives leverage this dialogue mechanism to raise issues of concern, as the management can take the necessary action to address them and issues discussed in the Committee are documented in the meeting minutes.</p> <p>The assessment found that during the COVID-19 period, physical meetings of the Committee rarely took place. Hence, workers relied heavily on verbal complaints made to assistant managers, <i>mandors</i> or workers' representatives. In some farms (e.g., Farm 9), the Committee did appointment new workers' representatives in 2020 and 2021, and no physical meeting was held during these years. In Farm 8, the organizational chart of the Committee was not updated, no appointment letter was issued by the management, and the selection of workers' representatives was not transparent (e.g., there is no evidence to prove that the appointed leaders gained support from the majority support of workers). Workers' dissatisfaction over the appointed representatives was expressed in all estates (Farms 2, 3, 5, 6, 8, and 9) and workers claimed that the appointed representatives were chosen by the company.</p> <p>Source: Interview with managers and relevant staff; Interview with workers' Representatives; Documentation review</p>
Company Action Plan	
Activity	17.1 Refer to 5.1 – 5.4
Output indicators (targeted results)	<p>17.2 SOP for the JCC revised and strengthened to address, among other things, the election of worker representatives. [Timeline: June 2022, Responsible Unit: JTK]</p> <p>17.3 JCC meets on a periodic basis per its SOP (every three months) [Timeline: continuous, Responsible Unit: JTK]</p>
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Health, Safety and Environment

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HSE.1	In compliance	0
Document Maintenance, Permits and Certificates	HSE.2	In compliance	0
	HSE.3.1	In compliance	0
	HSE.3.2	In compliance	0
	HSE.4	In compliance	0
	HSE.5.1	In compliance	0
Evacuation Requirements and Procedure	HSE.5.2	In compliance	0
	HSE.6.1	In compliance	0
Safety Equipment and First Aid	HSE.6.2	In compliance	0
	HSE.16.3	In compliance	0
	HSE.7	In compliance	0
Personal Protective Equipment	HSE.8	In compliance	0
	HSE.9.1	In compliance	0
Chemical Management	HSE.9.2	In compliance	0
	HSE.9.2.1	In compliance	0
	HSE.10	In compliance	0
	HSE.11.1	Not Applicable	0
	HSE.11.2	Not Applicable	0
	HSE.12.1	In compliance	0
Protection Reproductive Health	HSE.12.2	In compliance	0
	HSE.13	In compliance	0
Infrastructure	HSE.17.1	Risk of noncompliance	Farm 6
	HSE.17.2	In compliance	0
	HSE.18	Not Applicable	0
	HSE.19	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	HSE.20	In compliance	0
	HSE.21	In compliance	0
	HSE.22	In compliance	0
	HSE.14.1	In compliance	0
Machinery Safety	HSE.14.2	In compliance	0
	HSE.14.3	In compliance	0
	HSE.14.4	In compliance	0
	HSE.15.1 (PR)	In progress	Farm 2; Farm 3
Ergonomics and Medical Facilities	HSE.15.2	Risk of noncompliance	Farm 2; Farm 3
	HSE.16.1	In compliance	0
	HSE.16.2	In compliance	0

Health, Safety, and Environment Assessment Summary

Infrastructure		
Benchmarks: HSE.17.1: Safe and clean potable water for drinking shall be freely available at all times, within reasonable distance of the workplace. For farm settings in water-stressed regions where access to potable water is not always guaranteed, employers shall work with local authorities and other partners to provide clean water in sufficient volume and quality to guarantee the wellbeing of hired and family workers.		Risk of Noncompliance in Farm 6
HSE.19: In case the workers reside on the premises of the farms, the employer shall ensure that living quarters provided to the workers are safe, meet health, safety, and environment standards, including fire safety, sanitation, electrical, mechanical, and structural safety and do not pose any risk to the workers or their families. Workers residing in temporary accommodations, such as tents, must reside in facilities that do not put their health and lives at risk.		Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9

<p>Findings/Noncompliance Explanation:</p>	<p><u>HSE.17.1</u></p> <p>The assessment found a chronic and frequent disruption of access to clean water in Farm 5. Workers are often forced to buy clean water from nearby grocery stores. When access to water resumes, the workers claim that the water is not clean and not safe for drinking (Photo 1). Workers stated that they have to buy clean mineral water from nearby groceries at significant cost. They raised concerns about the risk of infectious diseases (e.g., cholera) due to a lack of clean water and sanitation facilities.</p> <p>Farm 6 managers claimed that a government agency known as PAIP (<i>Pengurusan Air Pahang Berhad</i>) oversees distributing water and maintaining pipes. Disruptions in water distribution have long affected the estate and nearby locations. In case of water cuts, estate management usually gets water assistance from the nearby mill. Assessors were unable, however, to verify if a sufficient volume of good quality water was supplied from the mill to the estate. Workers' testimonies did not indicate that water supply was sufficient and of good quality (i.e., potable). In several estates, respondents found their level of access to clean water unacceptable (Table 21).</p> <p><u>HSE.19</u></p> <p>Eighty-seven percent of workers surveyed stated that their employer provides free accommodation near their workplace (Table 20). Some local workers reported staying in their own homes, although the employer had offered free accommodation.</p> <p>The assessment found 6.2% of workers dissatisfied about living standards in accommodations provided by the employer. Issues raised by workers include:</p> <ol style="list-style-type: none"> 1. Lack of space, which left workers unable to practice physical distancing during COVID-19 (especially in estates where migrant workers live in dormitories) and caused tension among workers, who expressed their concerns about overcrowded living conditions and poor maintenance. (Photo 2 and Table 22). 2. Assessors observed that doors, lamps, and fans were not properly maintained. This was particularly acute in Farm 2, Farm 3, Farm 5, Farm 6 and Farm 8. Review of the grievance logbook also indicated repeated complaints from workers who, in some cases, said that they had to buy tabletop fans because management took too long to conduct repairs. Workers also complained of the risk of potential injury due to electrical short circuits. 3. 4.9% of the workers feel unsatisfied with the safety of the accommodation. Among the safety issues raised by the workers are break-ins, theft, and loss of personal belongings, allegedly involving local community members (i.e. Farm 8 and 9) and potential attacks by venomous snakes (i.e Farm 2 and 5). 4. Several respondents expressed dissatisfaction over poor access to electricity in workers' accommodation (Table 24). Some 19.2% of migrant workers in Farm 5 found the electricity supply unacceptable and 4.5% of surveyed workers in Farm 2, 6.9% in Farm 3 and 3.7% respondents in Farm 9, expressed the same view. <p>Source: Interview with managers and relevant staff; Interview with workers; Documentation review; Site observation</p>
<p style="text-align: center;">Company Action Plan</p>	
<p>Activity</p>	<p>18.1 FGV recognizes that access to water is a human right. Access to water is instrumental to the enjoyment of the right to an adequate standard of living. Any disruption to access to water by our workers is viewed by FGV as a serious concern.</p> <p>18.2 As the water supply at the estate concerned is managed and administered by the Pahang Water Management (<i>Pengurusan Air Pahang Berhad – PAIP</i>) which is an agency of the Pahang State Government, FGV has raised the matter and lodged a complaint with the said agency several times to highlight the water supply disruptions and to request that the agency take the necessary immediate action to rectify the situation.</p>

	<p>18.3 In addition to lodging complaints to the responsible agency, FGV has also transported water from its nearby mill to supply to its workers at the affected estate during the water disruptions.</p> <p>18.4 Taking into account intermittent disruptions to the State-provided water supply, affecting the estate concerned, FGV has constructed a 60,000 gallon water tank for purposes of storing and supplying water to nearby estates to mitigate disruptions to the State-provided water supply.</p> <p>18.5 As a measure to ensure access to clean water to all its workers, FGV has also issued memo to remind all its estate managements to take the following actions to mitigate any disruptions to State-provided water in other areas:</p> <ol style="list-style-type: none"> to provide water tanks at the workers' housing areas to transport water to workers' housing areas from nearby water sources to ensure water treatment facilities are maintained accordingly (for estates that have water treatment facilities) <p>18.6 FGV is committed to ensuring that the living conditions and accommodation provided to its workers are in line with the requirements under the Malaysia law, namely Act 446 – Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. To strengthen its monitoring of compliance to Act 446, FGV has revised its accommodation and facilities checklist to enable the estate management to address any gaps more efficiently. A socialization programme to raise awareness on the revised checklist is being carried out involving FGV's Workers' Affairs personnel throughout FGV's estates.</p>
Output indicators (targeted results)	<p>18.7 Water tank constructed to store and supply water to affected estate and nearby estates [Timeline: June 2022, Responsible Unit: FGVPMP]</p> <p>18.8 Water transported to affected workers accommodation from nearby water sources. [Timeline: June 2022, Responsible Unit: FGVPMP]</p> <p>18.9 Where water source comes from State-provided water supply, complaint lodged to relevant authorities. [Timeline: June 2022, Responsible Unit: FGVPMP]</p> <p>18.10 Memo issued to all estate management on actions to be taken in cases of water supply disruption. [Timeline: June 2022, Responsible Unit: FGVPMP]</p> <p>18.11 Checklist to monitor the condition of workers accommodation and facilities revised. [Timeline: June 2022, Responsible Unit: FGVPMP]</p> <p>18.12 Briefing and awareness sessions conducted on revised checklist for workers accommodation and facilities. [Timeline: June 2022, Responsible Unit: FGVPMP]</p>
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Ergonomics and Medical Facilities	
Benchmarks: HSE.15.2: Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.	
Risk of Noncompliance in Farm 2, 3	
Findings/Noncompliance Explanation:	<p>HSE.15.2</p> <p>The assessment received complaints from several migrant workers in Farms 2 and 3 who have suffered frequent occupational injuries (mostly minor injuries) and long-term health implications due to a heavy workload and non-ergonomic working practices. Some other workers claimed that they worked every day consecutively for 2 to 3 weeks a month. This indicates that these workers did not have a weekly rest day for 2 to 3 weeks, which caused several problems such as work fatigue, sleep problems and minor injuries at the workplace, according to the workers.</p> <p>In Farms 2 and 3, the assessor visited a company-operated clinic located in a nearby estate (Aring 6) and met with several workers (patients) who were, at time of assessment, getting medical treatment from the company's clinic. One Bangladeshi worker (who works as a harvester) complained about a neck problem; another worker (involved in spraying) complained about an eye problem while another worker complained that he had been suffering from back pain for nearly 2 years.</p> <p>Estate managements claimed that necessary trainings, including on proper lifting and harvesting skills, and other ergonomic trainings have been provided to all workers in the first three months after the workers arrived at the estate. It was not specifically mentioned whether workers were given refresher or follow-up trainings during their employment period. The estate management, however, claimed that the issue related to ergonomics is due the "work culture", particularly among the migrant workers. For example, workers prefer to perform the work in a way that was convenient to them rather than following the proper technique. Workers will only practice ergonomic moves if they feel comfortable with them. This also illustrates the need for stronger enforcement of safe working practices among the workers on site, and for continuously providing ergonomic training to workers that should aim to change workers' behavior and work culture.</p> <p>Source: Interview with managers and relevant staff; Interview with worker patients at the estate's Clinic; Interview with workers in estate</p>
Company Action Plan	
Activity	<p>19.1 FGV attaches utmost importance to the health and safety of its workers. While FGV has conducted training for its workers on ergonomics and proper lifting and harvesting methods, FGV will continue to provide refresher training to inculcate a culture of proper working techniques among its workers.</p> <p>19.2 FGV is committed to upholding labor standards including respecting the right of workers to rest day and allowing its employees and workers at least 24 consecutive hours of rest in every seven-day period, as stated in FGV's GSP. To reiterate and reinforce this position, a memo was issued to all heads of FGV's plantation operations on the need to comply with this standard. Another memo was also issued to all heads of FGV's plantation operations, providing a strong reminder that should there be any breach of such standard, stern action will be taken against those responsible.</p>
Output indicators (targeted results)	<p>19.3 Refresher training conducted on ergonomics and proper lifting and harvesting techniques. [Timeline: July 2022, Responsible Unit: HSE]</p>

	19.4 Memo issued to reiterate FGV's policy of allowing workers at least 1 full rest day in every seven-day period, and to provide a reminder that non-compliance to this standard will result in stern action against those responsible. [Timeline: June 2022, Responsible Unit: FGVPD]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Progress Benchmarks Evaluation (this section will be removed from the public report, but the company remains accountable for implementing corrective measures in order to be compliant in the future)

Ergonomics and Medical Facilities	
Benchmarks: HSE.15.1: Employer shall provide an ergonomic evaluation of all workplaces and offer ergonomic trainings if appropriate to worker groups in field and processing work.	In progress in Farm 2, 3
Progress Benchmarks Evaluation:	See findings in Benchmark HSE.15.2 above.
Progress Benchmarks Action Plan:	
Possible timeline:	

Hours of Work

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	HOW.1.1	Noncompliance	All Farms
	HOW.1.2	In compliance	0
	HOW.1.3	Noncompliance	Farm 1; Farm 4; Farm 7
	HOW.1.4	In compliance	0
	HOW.17.1	In compliance	0
	HOW.17.2	In compliance	0
Rest Day	HOW.2	Noncompliance	All Farms
Meal and Rest Breaks	HOW.3	In compliance	0
Protected Workers	HOW.4.1	In compliance	0
	HOW.4.2	Not Applicable	0
	HOW.4.3	Not Applicable	0
Overtime	HOW.5.1	In compliance	0
	HOW.5.2	In compliance	0
	HOW.6.1	In compliance	0
	HOW.6.2	In compliance	0
	HOW.6.3	Risk of noncompliance	Farm 2; Farm 3; Farm 5; Farm 6; Farm 8; Farm 9
	HOW.7	In compliance	0
Public Holidays and Leave	HOW.8.1	In compliance	0
	HOW.8.2	In compliance	0

HOW.8.3	In compliance	0
HOW.9	In compliance	0
HOW.10.1	In compliance	0
HOW.10.2 (PR)	In compliance	0
HOW.11	In compliance	0
HOW.12.1	In compliance	0
HOW.12.2	In compliance	0
HOW.13	In compliance	0
HOW.14	In compliance	0
HOW.15	In compliance	0
HOW.16	In compliance	0

Notable Feature

The mill management (i.e., Farm 7) has conducted an in-house study in its efforts to comply with the legally-required hours of work, including overtime hours in mill operations. The study was conducted and submitted by the mill management (in Farm 7) to the headquarters due to the increased mill production capacity. The mill, amongst others, proposed to introduce a 3-shift work model, which aims to ensure minimum standard on hours of work in mill operations. As of December 2021, this mill (Farm 7) has the highest production capacity for FGV mills. The assessment was however unable to view the study and verify that it was submitted to the headquarters.

Hours of Work Assessment Summary

General Compliance		
Benchmarks:		Noncompliance in all farms
HOW.1.1: Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.		
How.1.3: Other than in exceptional circumstances or during short-term seasonal work as described under HOW.2, the total weekly work hours (regular work hours plus overtime) shall not exceed 60 hours per week or the legal limit, whichever is lower. The upper limit during a working day shall not exceed 12 hours.		Noncompliance in Farm 1, 4, 7
Findings/Noncompliance Explanation:	<u>HOW.1.1</u> Eight of the workers surveyed stated that they worked between 11 and 12 hours per day on average during low crop season (Table 26). During peak season, the number of respondents who worked 11 to 12 hours per day increased to 14.7%. Five workers stated that they worked more than 12 hours per day during peak season.	
	Estate management clarified that workers requested to work during their day of rest and had given their consent. A review of consent forms confirmed that workers had agreed to work during their day of rest. In mills, especially during peak season, some workers were found to have worked 14 days consecutively, in contradiction with FLA standards, which require 24 hours of rest in every seven-day period. Some workers worked seven days a week during low crop season, and the number of workers working without a weekly rest nearly doubled during peak season (Table 27).	
	Four workers claimed that they had previously been asked to work extra hours to meet daily productivity targets, without prior notice. The workers said that the supervisors did not ask if they were willing to work overtime or extra hours and made the additional hours compulsory. This practice is common during peak season. When asked whether they had signed a letter consenting to work overtime, the workers claimed that no such process is in place since they are working on a piece-rate basis. However, the workers stated that they were properly compensated based on their productivity by the management when they worked under these circumstances. FLA Code, Benchmark F.1, requires the company to prohibit practices that may amount to forced labor, including forced overtime.	
	<u>HOW.1.3</u> It is important to note that Malaysian law allow for weekly hours of work (i.e., cumulative of regular and overtime hours) of up to 72 hours per worker, but monthly overtime work hours	

	<p>should not exceed 104 hours. The employer can seek approval from the Labor Department, Ministry of Human Resources (MOHR) to work overtime beyond the maximum monthly overtime hour. This provision in the national law, however, is not aligned with international standards, particularly on 60 hours of work per week.</p> <p>In all mills, 16.9% of workers were found to be working longer hours than the FLA standard on hours of work, (i.e., the sum of regular and overtime hours in a week not exceeding 60 hours). This was confirmed through a review of mill records that captured workers' punch-card information, including workdays and hours of work. Mill management claimed that no particular type of occupation incurs longer working hours than others. The risk of working long hours therefore applies across different types of occupations. Mill management stated that semi-skilled workers like boiler technicians and electricians cannot easily be replaced by others without proper training and expertise. They confirmed that the chronic labor shortage is a factor that caused long hours of work among mill workers.</p> <p>The mill management also clarified that workers work longer hours during peak season (e.g., from May to November), and the review of internal record documents confirmed it. For example, in Farm 4, there were workers with cumulative overtime between 100 to 109.5 hours (between June and October 2021) in one month. Another example in Farm 7, in October 2021 alone, 4 workers were found to have between 100 to 106 hours of cumulative overtime hours in a month. This indicates that the workers are working beyond the FLA standard on hours of work (i.e., sum of 60 hours, inclusive of overtime and regular work hours).</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
Company Action Plan	
Activity	<p>20.1 FGV is committed to upholding labor standards including respecting the right of workers to rest day and allowing its employees and workers at least 24 consecutive hours of rest in every seven-day period, as stated in FGV's GSP. To reiterate and reinforce this position, a memo was issued to all heads of FGV's plantation operations on the need to comply with this standard. Another memo was also issued to all heads of FGV's plantation operations, providing a strong reminder that should there be any breach of such standard, stern action will be taken against those responsible.</p> <p>20.2 At the moment, FGV commits to Malaysian law on hours of work. FGV's operations adheres and complies with the standard on hours of work as stipulated under the Malaysian law. Noting that almost all palm oil producers in Malaysia have not adopted FLA's standard on hours of work, FGV is deliberating internally on the feasibility of complying with this particular FLA standard.</p>
Output indicators (targeted results)	<p>20.3 Memo issued to reiterate FGV's policy of allowing workers at least 1 full rest day in every seven-day period, and to provide a reminder that non-compliance to this standard will result in stern action against those responsible. [Timeline: June 2022, Responsible Unit: FGVPD]</p> <p>20.4 Workers enjoy at least a full rest day in every seven-day period. [Timeline: June 2022, Responsible Unit: FGVPD]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-

Responsible staff (title/department)	Refer to the above.
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Rest Day	
Benchmarks: How.2: Pursuant to any permanent or temporary contract, workers shall be entitled to at least 24 consecutive hours of rest in every seven-day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following. For short-term seasonal work during peak activities (2-3 weeks), workers have the option to work more than seven days without a day off if they voluntarily agree with it, unless local law prohibits it. When the peak activity period exceeds 3 weeks, and the employer has control over the workers' schedule, the rest day provision must apply.	
Findings/Noncompliance Explanation: See findings in Benchmark HOW.1.1 above.	
Company Action Plan	
Activity	21.1 FGV is committed to upholding labor standards including respecting the right of workers to rest day and allowing its employees and workers at least 24 consecutive hours of rest in every seven-day period, as stated in FGV's GSP. To reiterate and reinforce this position, a memo was issued to all heads of FGV's plantation operations on the need to comply with this standard. Another memo was also issued to all heads of FGV's plantation operations, providing a strong reminder that should there be any breach of such standard, stern action will be taken against those responsible.
Output indicators (targeted results)	21.2 Memo issued to reiterate the legal requirement and FGV's policy of allowing workers at least one full rest day in every seven-day period, and to provide a reminder that non-compliance to this standard will result in stern action against those responsible. [Timeline: June 2022, Responsible Unit: FGVPM] 21.3 Workers enjoy at least a full rest day in every seven-day period. [Timeline: June 2022, Responsible Unit: FGVPM]
Timeline and Deadline Date	Refer to the above.
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Overtime	
Benchmarks: HOW.6.3: Regular working hours and overtime is duly recorded in whatever means that are locally available and validated by the workers. For farms with informal labor structures, basic recording system shall be introduced to record workers' name, working days and payment and progressively work toward more detailed hours of work recording system.	
Findings/Noncompliance Explanation: <u>HOW.6.3</u> The assessment found no systematic record and documentation that keeps a record of hours of work (both regular and overtime hours) among workers, including migrants in estates. The	

Noncompliance in all farms

Risk of Noncompliance in Farm 2, 3, 5, 6, 8, 9

	<p>workers' card or <i>Kad Pekerja</i> only records information on "start of work " (or clock-in time), while "end of work" (or clock-out time) is not consistently recorded.</p> <p>The estate management clarified that most migrant workers are paid based on productivity. In practice, workers usually clock-in but they do not need to clock-out as they work independently or with minimal supervision. Furthermore, a proper record of hours of work does not help the financial department calculate their compensation.</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
Company Action Plan	
Activity	22.1 To further strengthen its record keeping processes through digitalization, FGV has expanded its E-Wallet system to include an E-Attendance function, which allows the workers to record their clock-in and clock-out times by scanning a QR code. The workers' hours of work will be captured in the E-Wallet system through the E-Attendance function and will be linked to the E-Productivity application, which is currently being developed.
Output indicators (targeted results)	22.2 E-Attendance function of FGV's E-Wallet system rolled out throughout FGV's estates. [Timeline: August 2022, Responsible Unit: JTK]
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	Refer to the above.

Compensation

Compliance Status

Section	Benchmark	Compliance status	Farms
General Compliance	C.1.1	In compliance	0
	C.1.2	In compliance	0
	C.1.3	In compliance	0
	C.1.4	In compliance	0
Minimum Wage/Fair Compensation	C.2.1	In compliance	0
	C.2.2	Noncompliance	Farm 1
	C.2.3	In compliance	0
	C.2.4 (PR)	In compliance	0
	C.2.5 (PR)	In compliance	0
	C.2.6 (PR)	In compliance	0
	C.3	In compliance	0
	C.5	In compliance	0
Farmer/Producer Income	C.4	Not Applicable	0
Wage Payment and Calculation	C.6	In compliance	0
	C.7.1	In compliance	0
	C.7.2	Not Applicable	0
	C.7.3	Risk of noncompliance	Farm 5; Farm 6; Farm 9

	C.7.4	In compliance	0
	C.7.5	In compliance	0
	C.8.1	In compliance	0
	C.8.2	In compliance	0
	C.8.3	In compliance	0
	C.8.4	In compliance	0
	C.9	In compliance	0
	C.10.1	In compliance	0
	C.10.1.1	In compliance	0
	C.10.2	In compliance	0
	C.10.3	In compliance	0
Workers Awareness	C.11.1.1	Risk of noncompliance	Farm 2
	C.11.1.2	In compliance	0
	C.11.1.3	In compliance	0
	C.11.1.4	In compliance	0
	C.11.1.5	In compliance	0
	C.13	In compliance	0
Fringe Benefits	C.12.1	In compliance	0
	C.12.2	In compliance	0
	C.12.3	In compliance	0
	C.12.4	In compliance	0
	C.12.5	In compliance	0

Compensation Assessment Summary

Minimum Wage/Fair Compensation		
Benchmarks: C.2.2: Employers shall provide all legally required benefits to all workers.		Noncompliance in Farm 1
Findings/Noncompliance Explanation:	<u>C.2.2</u> The assessment found that the employment terms for two local workers hired by the contractor in Farm 1 do not provide and/or contain legally required workers’ benefits, including leave, compensation, etc. The workers’ survey found that the majority of workers were aware of their pay rate (Table 28). However, fewer workers (73.8%) were aware of the minimum wage in Malaysia (Table 29). The remaining respondents provided incorrect answers when asked about the minimum wage or said they didn’t know the minimum wage in Malaysia. This indicates the need to disseminate more information on the minimum wage. While 95% of workers stated that they were paid at least the minimum wage, and beyond, during the low season, 10 workers said they were paid below the minimum wage (Table 30). The number of workers who claimed to have been paid below minimum wage dropped to four during peak season. Source: Documentation review	
	Company Action Plan	
Activity	23.1 FGV’s Group Sustainability Policy (GSP) clearly indicates FGV’s commitment to upholding the rights of workers. This commitment also extends to workers under its supply chain. FGV, through its Supplier Code of Conduct (SCOC), requires its contractors to commit and adhere sustainability related standards including labor standards. 23.2 While the employment contract between FGV and its own employees is aligned with legal requirements and international labor standards, FGV acknowledges the importance of intensifying efforts towards ensuring that the employment contract	

	<p>between FGV's contractors and their workers does not fall short of such requirements, and that FGV's contractors comply with labor standards.</p> <p>23.3 In relation to this, FGV has put in place a roadmap to strengthen FGV contractors' fulfilment of labor standards through a number of initiatives.</p> <p>23.4 As part of this agenda, FGV organized a FGV Supplier Conference Day with the objective of reiterating to its pool of contractors and suppliers, FGV's commitment to sustainability and human rights, and its expectations on its suppliers to adhere and comply with sustainability standards including those relating to labor rights.</p> <p>23.5 FGV has developed an employment contract template containing the necessary provisions to meet the requirements of the law and the FLA WCOC, for reference and adoption by FGV's contractors. To foster understanding on the provisions necessary in an employment contract to meet legal requirements and FLA WCOC standards, FGV has embarked on a programme to socialize this template internally among the procurement teams of FGV's business units as well as among FGV's contractors.</p> <p>23.6 The socialization programme, which was conducted through 15 virtual sessions between 24 May 2022 and 24 June 2022, also includes a refresher on FGV's SCOC. In addition to the virtual sessions, FGV has also produced a short video on the employment contract template to serve as an additional awareness material for the contractors.</p> <p>23.7 FGV has introduced a pre-sourcing assessment mechanism as part of FGV's due diligence process to assess potential contractors on their commitment and practices on labor standards. The pre-sourcing assessment, which will become a key determining factor in the appointment of contractors, is being implemented as part of FGV's programme to embed labor standards across FGV procurement processes and procedures. This pre-sourcing assessment has already been piloted for the appointment of recruitment agencies. This is also part of FGV's efforts to strengthen its procedures for the recruitment of migrant workers.</p> <p>23.8 FGV has also developed a set of criteria on labor standards to be incorporated in FGV's contractor performance assessments. Once these criteria are adopted, contractors that do not fulfil the criteria will not be reappointed or will have to undergo a probation period to demonstrate adherence to the criteria.</p>
Output indicators (targeted results)	<p>23.9 A session is conducted with FGV's pool of suppliers to reiterate FGV's commitment to human rights and its expectations on its suppliers to adhere to labor standards. [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>23.10 An employment contract template containing necessary provisions to meet the requirements of the law and the FLA WCOC is developed. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>23.11 A socialization programme on the employment contract template involving FGV's procurement personnel and contractors is implemented. [Timeline: June 2022, Responsible Unit: Procurement]</p> <p>23.12 A short video is produced as an awareness material to promote understanding of legal requirements [Timeline: June 2022, Responsible Unit: Procurement]</p>

	<p>23.13 A pre-sourcing assessment mechanism is developed to assess potential suppliers against its practices and commitment to labor standards. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>23.14 The pre-sourcing assessment is rolled-out and implemented. [Timeline: full implementation by June 2023]</p> <p>23.15 A set of criteria is developed to assess suppliers' fulfilment of labor standards. [Timeline: June 2022, Responsible Unit: GSD]</p> <p>23.16 A suppliers' labor standards compliance monitoring mechanism is implemented. [Timeline: June 2022, Responsible Unit: Procurement]</p>
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Wage Payment and Calculation	
<p>Benchmarks:</p> <p>C.7.3: Wage records should be authentic and accurate and should clearly demonstrate how wages, deductions, benefits, overtime and bonuses are calculated.</p>	Risk of Noncompliance in Farm 5, 6, 9
<p>Findings/Noncompliance Explanation:</p>	<p>Refer to findings ER.17.1</p> <p>The workers' survey found that 76.9% of respondents are paid a monthly rate (Table 31), a situation particularly common among mill workers. About one-fifth of workers are paid on a piece-rate basis, which is common among migrant workers in estates. When asked how they are paid, most respondents said their salary or compensation was paid through a bank transaction to their personal account (Table 32). Migrant workers employed in estates can access and monitor their salaries through the <i>e-Wallet</i> system developed by FGV. Migrant workers said they also used the <i>e-Wallet</i> application (which can be installed on the workers' smartphones) to remit money to their country of origin.</p> <p>Source: Interview with managers and relevant staff; Documentation review</p>
Company Action Plan	
Activity	<p>24.1 Considering the reliance of many workers on their supervisors to record their productivity figures due to the workers' inability to perform basic writing, which may give rise to concerns around possible abuse by supervisors, FGV undertakes to address this matter by developing a digital automated mechanism to input and calculate workers' productivity through the enhancement of its E-wallet system to include an E-Productivity function. With the new feature of the E-wallet application, workers are able to input and calculate their productivity through the system.</p>
Output indicators (targeted results)	<p>24.2 E-productivity function under FGV's E-Wallet system is developed. [Timeline: December 2022, Responsible Unit: JTK]</p>

Timeline and Deadline Date	<i>Refer to above</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Workers Awareness	
Benchmarks: <i>C.11.1.1: Employers shall make every reasonable effort to ensure workers understand their compensation, including: the calculation of wages,</i>	
Risk of Noncompliance in Farm 2	
Findings/Noncompliance Explanation:	<u>C.11.1.1</u> Assessors learned about two workers' protests that happened in 2018 and 2019 in Farm 2 in response to worker dissatisfaction with their monthly income. Management clarified that in 2018 and 2019, the estate experienced an unusual phenomenon (locally known as "Melawas") that affected the volume of palm oil fruit and, indirectly, the monthly income of some groups of workers. However, estate management stated that they had briefed the workers about the problem and the workers had acknowledged it. Despite this explanation, the assessors received complaints from several workers in Farm 2 who expressed continued dissatisfaction over their compensation. The workers made claims of unfair work distribution and wage calculation by the estate management; the workers' dissatisfaction about wage calculation is yet to be resolved. Source: Interview with managers and relevant staff; Documentation review
Company Action Plan	
Activity	25.1 In addition to the development of the E-Productivity function under FGV’s E-Wallet system, which will automate wage calculation based on productivity, FGV undertakes to intensify efforts to promote greater understanding among its workers on the wage calculation rate and formula by introducing more awareness materials and briefing on the topic.
Output indicators (targeted results)	25.2 Awareness materials on wage calculation rate and formula developed. [Timeline: September 2022, Responsible Unit: FGVP] 25.3 Additional briefing conducted on wage calculation rate and formula. [Timeline: October 2022, Responsible Unit: FGVP]
Timeline and Deadline Date	<i>Refer to the above.</i>
Input (budget/resources)	-
Responsible staff (title/department)	<i>Refer to the above.</i>

Overview - Farms vs. Non-compliances
Total Farms: 9

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective Bargaining	Health, Safety and Environment	Hours of Work	Compensation	Total
% of farms with non-compliances or risk of non-compliances	100%	0%	11.1%	0%	0%	0%	0%	100%	11.1%	
Farm No. 1	3	0	0	0	0	0	0	3	1	7
Farm No. 2	2	0	0	0	0	0	0	2	0	7
Farm No. 3	2	0	0	0	0	0	0	2	0	7
Farm No. 4	1	0	0	0	0	0	0	3	0	4
Farm No. 5	2	0	5	0	0	0	0	2	0	12
Farm No. 6	2	0	0	0	0	0	0	2	0	7
Farm No. 7	1	0	0	0	0	0	0	3	0	4
Farm No. 8	2	0	0	0	0	0	0	2	0	7
Farm No. 9	2	0	0	0	0	0	0	2	0	7
TOTAL	17	0	5	0	0	0	0	21	1	44

Overview - Farms vs. Risk of non-compliances

Total Farms: 9

	Employment Relationship	Non-discrimination	Harassment or Abuse	Forced Labor	Child Labor	Freedom of Association and Collective Bargaining	Health, Safety and Environment	Hours of Work	Compensation	Total
% of farms with non-compliances or risk of non-compliances	100%	0%	100%	66.7%	100%	66.7%	66.7%	100%	44.5%	
Farm No. 1	7	0	1	0	1	0	0	0	0	9
Farm No. 2	7	0	1	2	1	1	3	1	1	17
Farm No. 3	7	0	1	2	1	1	3	1	0	16
Farm No. 4	4	0	1	0	1	0	0	0	0	6
Farm No. 5	8	0	1	2	1	1	1	1	1	16
Farm No. 6	9	0	1	2	1	1	2	1	1	18
Farm No. 7	3	0	1	0	1	0	0	0	0	5
Farm No. 8	7	0	1	2	1	1	1	1	0	14
Farm No. 9	8	0	1	2	1	1	1	1	1	16
TOTAL	60	0	9	12	9	6	11	6	4	117

Business Unit/Acronym:

1. GSD – Group Sustainability Division
2. FGVPM – FGV Plantations Malaysia (M) Sdn. Bhd.
3. FGVPI – FGV Palm Industries Sdn. Bhd.
4. JTK – Field Workforce Department
5. Procurement – Group Procurement
6. HSE – Group Health, Safety and Environment
7. GGRM – Group Governance and Risk Management
8. GMU – Grievance Management Unit
9. IRU – Industrial Relations Unit

ANNEX 3

ASSESSMENT METHODOLOGY

This assessment combined two common tools from the FLA Independent External Assessment (IEA)¹, the Baseline Assessment and the Independent External Monitoring (IEM). The assessment followed the steps shown in Figure 3.1.

The assessment began with desktop research to review the overall palm oil sector, the stakeholders involved and known labor risks. The research was conducted from November 1 to November 19, 2021. During the same period, existing assessment tools (e.g., suppliers' Internal Management System – IMS) and field instruments (e.g., workers' survey and community profiling tool) were adjusted to suit the context of assessment, sample sites were selected, and workers' sampling was completed.

Prior to the field assessment, five team members were trained on November 22, 2021. The team was comprised of one lead assessor, two local assessors (i.e., both of them were females), and three interpreters (one female and two male). The training covered the native languages of the Bangladeshi, Indian and Indonesian workers. Assessor responsibilities included (i) a workers' survey; (ii) interviews with workers' representatives; (iii) interviews with members of local community; and (iv) conducting IMS evaluation of selected suppliers. Including one FLA staff there a team of seven persons conducted this assessment.

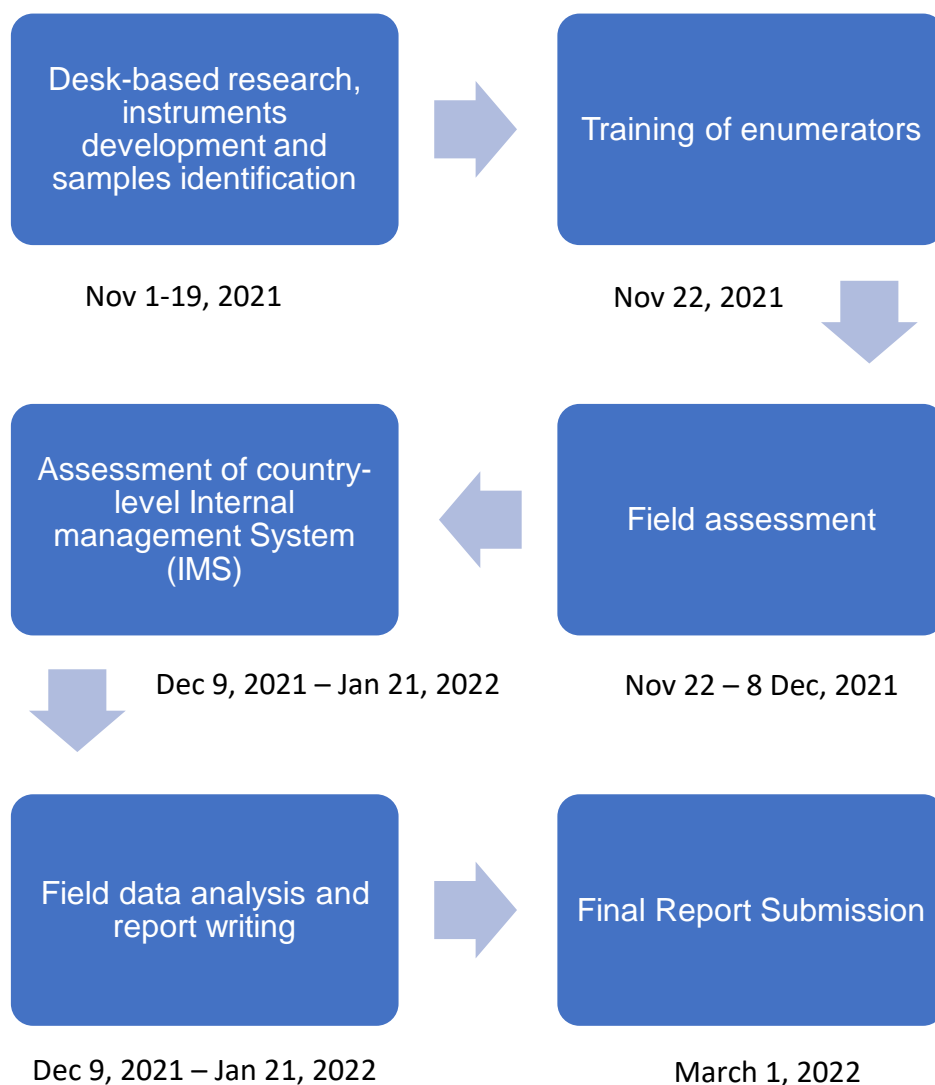
The field assessment began on November 23, 2021, in Aring, Gua musang, involving one mill (Mill Aring) and two supplying estates (Estate Aring 2 and Aring 5). The next assessment in Selanchar, involved one mill (Mill Selanchar 2b) and two supplying estates (Estates Selanchar 8 and Selanchar 9), taking place from November 30 to December 3, 2021. The assessment continued

¹ FLA conducts five types of assessments in the agriculture sector depending on the maturity of a company's social compliance program in a given country and commodity. These include 1) Baseline Mapping; 2) Independent External Monitoring (IEM); 3) Independent External Verification (IEV); 4) Focused Assessment; and 5) Social Impact Assessment (SIA). More information available [here](#).

to cover operations in Serting, involving one mill (Mill Serting Hilir), and two supplying estates (Estates Tembangau and Tembangau 8) from December 4 to December 8, 2021.

FLA interviewed 225 workers. Interviews included 99 local Malaysian workers (64 at the mill level and 35 at the estate level) and 126 migrant workers. (See Annex 4 – Tables 3-34 for details on sample size, worker demographics, and their survey responses.)

Figure 3.1 Overall Assessment Steps, 2020-2021



Upon completion of the field assessment, the review of the Management System (IMS) was conducted, which involved divisions at the company's headquarters. At headquarters, assessors interviewed management staff from Group Sustainability, Group Governance and Risk Management, Plantation Sector, and Field Workforce Department. FLA conducted a detailed review of key documents at the headquarter, mill, and estate levels.

Data analysis and report writing was conducted from December 9, 2021 to January 21, 2022. A draft report was submitted FGV on January 24, 2022. The company has two weeks to seek clarification. FLA submitted the final report to FGV on March 1, 2022 with the expectation that FGV develop a Corrective Action Plan (CAP) within 60 days. FGV submitted the CAP to FLA on May 18, 2022.

IMS ASSESSMENT QUESTIONS FOR SUPPLIERS AND CONTRACTORS

No.	IMS BENCHMARKS
1.1	TOP MANAGEMENT COMMITMENT AND WORKPLACE LABOR STANDARDS
1.1.1	Does the supplier have a written Code of Conduct (COC) for farm workers that covers all FLA standards?
1.2	TRACEABILITY AND RESPONSIBLE PROCUREMENT
1.2.1	Does the supplier have a full traceability to all growers/producers?
1.2.2	If a full traceability is not achieved, what is your agreement/ understanding with the buyer(s) to improve traceability (FLA affiliated companies are working toward 100% traceability)?
1.2.3	Does the supplier have a written contract with growers/ producers covering the procurement such as pricing, payment terms and conditions, incentive payments?
1.3	COMPANY STAFF TRAINING
1.3.1	Has the supplier's internal staff been trained on the labor standards?
1.3.2	Has the supplier's internal staff integrated the labor standards into their business practices?
1.3.3	Has the supplier's internal staff built awareness on consequences of their procurement planning and practices on working conditions at farms?
1.4	FARMER/ WORKER TRAINING
1.4.1	Does the procurement contract also specify the requirements and/ or expectations related to the labor standards program (e.g., labor standards, audit access, fair compensation, cascading)?
1.4.2	If the labor standards are not part of the contracts, does the supplier convey its requirements for its producers/growers to facilitate assessments? Please describe.
1.4.3	If the labor standards are not part of the contracts, does the supplier receive documented acknowledgment and commitment from growers/ producers? Please describe.
1.4.4	Does the supplier delegate training to implementation partners? If yes, please describe.
1.4.5	Has the supplier translated the labor standards in the local language(s) and posted at relevant places in the farms/ villages?
1.4.6	Are trainings provided to farmers and workers regularly? <ul style="list-style-type: none"> • For farmers engaged for long term, once every two years • For workers engaged for long term, once every year • For farmers and workers engaged in seasonal work, every season
1.4.7	Please provide the details of farmer training in the current year, if any: <ul style="list-style-type: none"> - a list of farmer training (dates)

No.**IMS BENCHMARKS**

OR

- Any intermediaries training
- percentage of farmers trained on the labor standards and/or geographical areas that the training was provided (e.g., a list of villages)
- percentage of farmworkers trained on the labor standards, geographical areas that the training was provided, and/or types of workers that the training was provided (e.g., permanent workers)

1.5 MONITORING

- 1.5.1 Does the supplier have a farm monitoring plan? Please describe (e.g., how many farms/ % of farms assessed each year; how the farms are selected, if not all farms are covered).
- 1.5.2 Does the monitoring include the following activities? Please describe.
- worker interviews,
 - management/ farmer interviews,
 - records review,
 - visual inspection,
 - occupational health and safety review, and
 - consultation with unions/worker representative structures (if applicable) and relevant CSOs
- 1.5.3 Does the supplier's monitoring collect information on the following? Please describe.
- (a) awareness of farmers and workers on labor standards
 - (b) quality and comprehensiveness of labor standards trainings, and remediation,
 - (c) functionality of grievance mechanisms,
 - (d) recognition and effectiveness of the Collective Bargaining Agreement (where applicable),
 - (e) root cause analysis of violations and gaps, and
 - (f) traceability status and progress

1.6 FUNCTIONING GRIEVANCE MECHANISMS

- 1.6.1 Is there a local grievance mechanism for farmers and workers?
- 1.6.2 Is there a grievance mechanism that allows escalation to suppliers and/or buyers? (e.g., the escalation process embedded to the local grievance system; alternative grievance channel)
- 1.6.3 In countries where child labor is a systemic issue, is there a child-friendly grievance mechanism?
- 1.6.4 Has the supplier facilitated awareness building for farmers and workers on available grievance mechanisms and grievance redressal process?
- For farmers engaged for long term, once every two years

No.**IMS BENCHMARKS**

- For workers engaged for long term, once every year
- For farmers and workers engaged in seasonal work, every season

Was the feedback collected from the awareness building?

1.7 COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION

- 1.7.1 Does the supplier make the farm lists, including location and contact information, available to its buyers?
- 1.7.2 Has the monitoring results (e.g., worker information, known representative structures if any, previously known disputes, accidents, non-compliances, root causes and remedial actions taken) maintained and shared with buyers?
- 1.7.3 Does the supplier analyze the systemic issues and trends of the monitoring results?

1.8 TIMELY AND PREVENTATIVE REMEDIATION

- 1.8.1 Does the supplier delegate the remediation follow-up to an implementation partner? Please describe.
- 1.8.2 Does the supplier have a process to follow-up and oversee till completion and determine the effectiveness of the remediation activities?
- 1.8.3 Does the supplier or the implementation partner conduct root cause analyses of the noncompliance/ systemic issues?
- 1.8.4 Does the supplier or the implementation partner engage with local stakeholders to address issues?

1.9 CONSULTATION WITH CIVIL SOCIETY

- 1.9.1 Does the supplier or implementation partner consult with relevant local parties? It may be regarding specific, existing relationships between business partners' management (e.g., suppliers, cooperatives, farmers) and any legally constituted unions or worker representative structures (where they are present) or regarding a collective action plan to remediate the issues (e.g., child labor or other labor issues such as minimum wage payment) in a sustainable manner.

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ANNEX 4

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Table 3: Sampling Sites, Suppliers Engaged and Services Provided

Project Site	Suppliers Engaged and Services Provided	Location
Mill Aring	Supplier 1 – supplying FFB to mill	Aring, Gua Musang, Kelantan
	Supplier 2 – third party estate supplying to mill	
Estate Aring 2	Contractor 1 – providing transportation services	
	Contractor 2 – providing transportation services	
Estate Aring 5	Contractor 3 – providing transportation services	
Mill Selanchar 2b	Supplier 3 – supplying FFB to mill	Selanchar, Segamat, Johor
	Contractor 4 -providing general services (e.g., cleaning)	
Estate Selanchar 9	Contractor 5 – providing transportation services	
Mill Serting Hilir	Supplier 4 – supplying FFB to mill	Serting, Negeri Sembilan
Estate Tembangau 5	Contractor 6 – providing transportation services	
Estate Tembangau 8	Contractor 7 – providing transportation services	

Note: No supplier or contractor exists in Estate Selanchar 8.

Table 4: Overall Respondents (Local and Migrant Workers)

Workers' Nationality / Operations	Local-Malaysian	Migrant Workers	Total (%)
Mill	64 respondents	0	64 (28%)
Estate	35 respondents	126 respondents	161 (72%)
Total	99 (44%) respondents	126 (56%) respondents	225 (100%)

Table 5: Respondents (Local and Migrant Workers) by Sampling Sites

Sampling Sites		Surveyed Workers (local and migrant workers by origin country)				Total Surveyed Respondents	Total Workforce
		Malaysian	Bangladeshi	Indian	Indonesian		
Mill Aring	No.	24	0	0	0	24	83
	%	100.0%	0.0%	0.0%	0.0%	28.9%	
Estate Aring 2	No.	2	14	3	3	22	131
	%	9.1%	63.6%	13.6%	13.6%	16.8%	
Estate Aring 5	No.	0	19	1	9	29	100
	%	0.0%	65.5%	3.4%	31.0%	29%	
Mill Selanchar 2b	No.	18	0	0	0	18	78
	%	100.0%	0.0%	0.0%	0.0%	23.1%	
Estate Selanchar 9	No.	10	3	6	8	27	200
	%	37.0%	11.1%	22.2%	29.6%	13.5%	
Estate Selanchar 8	No.	7	8	9	2	26	96
	%	26.9%	30.8%	34.6%	7.7%	27.1%	
Mill Seriting Hilir	No.	22	0	0	0	22	91
	%	100.0%	0.0%	0.0%	0.0%	24.2%	
Estate Tembangau 5	No.	9	12	5	4	30	134
	%	30.0%	40.0%	16.7%	13.3%	22.4%	
Estate Tembangau 8	No.	7	4	11	5	27	110
	%	25.9%	14.8%	40.7%	18.5%	24.5%	
Total Respondents (%)	No.	99	60	35	31	225	1,023
	%	44.0%	26.7%	15.6%	13.8%	22%	

Table 6: Respondents' Gender and Age Group

Sampling Sites		Workers by Gender		Workers by Age Group				Total (%)
		Male	Female	18 - 30	31 - 40	41 - 50	51 and above	
Mill Aring	No.	24	0	6	6	4	8	24
	%	100.0%	0.0%	25.0%	25.0%	16.7%	33.3%	100.0%
Estate Aring 2	No.	22	0	10	10	2	0	22
	%	100.0%	0.0%	45.5%	45.5%	9.1%	0.0%	100.0%
Estate Aring 5	No.	29	0	9	14	6	0	29
	%	100.0%	0.0%	31.0%	48.3%	20.7%	0.0%	100.0%
Mill Selanchar 2b	No.	16	2	3	8	5	2	18
	%	88.9%	11.1%	16.7%	44.4%	27.8%	11.1%	100.0%
Estate Selanchar 9	No.	24	3	11	11	2	3	27
	%	88.9%	11.1%	40.7%	40.7%	7.4%	11.1%	100.0%
Estate Selanchar 8	No.	19	7	13	6	0	7	26
	%	73.1%	26.9%	50.0%	23.1%	0.0%	26.9%	100.0%
Mill Serting Hilir	No.	20	2	6	7	4	5	22
	%	90.9%	9.1%	27.3%	31.8%	18.2%	22.7%	100.0%
Estate Tembangau 5	No.	24	6	10	12	6	2	30
	%	80.0%	20.0%	33.3%	40.0%	20.0%	6.7%	100.0%
Estate Tembangau 8	No.	24	3	14	10	2	1	27
	%	88.9%	11.1%	51.9%	37.0%	7.4%	3.7%	100.0%
Total Respondents (%)	No.	202	23	82	84	31	28	225
	%	89.8%	10.2%	36.4%	37.3%	13.8%	12.4%	100.0%

Table 7: Respondents' Educational Background

Sampling Sites		Educational Background							Total (%)
		Never went to school and illiterate	Never went to school but literate	Primary school	Secondary school	Technical or vocational school	Diploma or similar level	Bachelor degree or similar level	
Mill Aring	No.	0	0	3	17	2	2	0	24
	%	0.0%	0.0%	12.5%	70.8%	8.3%	8.3%	0.0%	100.0%
Estate Aring 2	No.	3	0	14	5	0	0	0	22
	%	13.6%	0.0%	63.6%	22.7%	0.0%	0.0%	0.0%	100.0%
Estate Aring 5	No.	7	4	11	7	0	0	0	29
	%	24.1%	13.8%	37.9%	24.1%	0.0%	0.0%	0.0%	100.0%
Mill Selanchar 2b	No.	0	0	0	14	3	1	0	18
	%	0.0%	0.0%	0.0%	77.8%	16.7%	5.6%	0.0%	100.0%
Estate Selanchar 9	No.	2	1	6	15	0	2	1	27
	%	7.4%	3.7%	22.2%	55.6%	0.0%	7.4%	3.7%	100.0%
Estate Selanchar 8	No.	3	0	14	9	0	0	0	26
	%	11.5%	0.0%	53.8%	34.6%	0.0%	0.0%	0.0%	100.0%
Mill Serting Hilir	No.	0	1	3	15	1	2	0	22
	%	0.0%	4.5%	13.6%	68.2%	4.5%	9.1%	0.0%	100.0%
Estate Tembangau 5	No.	2	2	9	15	2	0	0	30
	%	6.7%	6.7%	30.0%	50.0%	6.7%	0.0%	0.0%	100.0%
Estate Tembangau 8	No.	1	0	12	13	0	1	0	27
	%	3.7%	0.0%	44.4%	48.1%	0.0%	3.7%	0.0%	100.0%
Total Respondents (%)	No.	18	8	72	110	8	8	1	225
	%	8.0%	3.6%	32.0%	48.9%	3.6%	3.6%	0.4%	100.0%

Table 8: Respondents' Passport and Working Pass

Sampling Sites		Workers' Legal Documentation					Total (%)
		Worker has a valid passport and work permit	Worker has a valid passport, but work permit is expired	Worker's passport and work permit are expired	Worker is currently enrolled in rehiring or recalibration program	Malaysian workers	
Mill Aring	No.	0	0	0	0	24	24
	%	0.0	0.0	0.0	0.0	100.0	100.0
Estate Aring 2	No.	18	1	1	0	2	22
	%	81.8	4.5	4.5	0.0	9.1	100.0
Estate Aring 5	No.	28	1	0	0	0	29
	%	96.6	3.4	0.0	0.0	0.0	100.0
Mill Selanchar 2b	No.	0	0	0	0	18	18
	%	0.0	0.0	0.0	0.0	100.0	100.0
Estate Selanchar 9	No.	16	1	0	0	10	27
	%	59.3	3.7	0.0	0.0	37.0	100.0
Estate Selanchar 8	No.	16	2	1	0	7	26
	%	61.5	7.7	3.8	0.0	26.9	100.0
Mill Serting Hilir	No.	0	0	0	0	22	22
	%	0.0	0.0	0.0	0.0	100.0	100.0
Estate Tembangau 5	No.	16	1	0	4	9	30
	%	53.3	3.3	0.0	13.3	30.0	100.0
Estate Tembangau 8	No.	18	2	0	0	7	27
	%	66.7	7.4	0.0	0.0	25.9	100.0
Total Respondents	No.	112	8	2	4	99	225
	%	49.8	3.6	0.9	1.8	44.0	100.0

Table 9: Workers' Responses on their Contract of Employment

Sampling Sites		Workers' response on their contract of employment					Total (%)
		Worker was briefed before signing the contract, and understood the general terms of the contract	Worker was briefed before signing the contract but did not understand it	Worker was briefed before signing the contract, and understood the general terms and has a copy of the contract	Worker indicates that they did not sign a contract of employment	No response from the worker	
Mill Aring	No.	0	0	11	9	4	24
	%	0.0	0.0	45.8	37.5	16.7	100.0
Estate Aring 2	No.	2	1	15	1	3	22
	%	9.1	4.5	68.2	4.5	13.6	100.0
Estate Aring 5	No.	1	6	21	0	1	29
	%	3.4	20.7	72.4	0.0	3.4	100.0
Mill Selanchar 2b	No.	2	1	11	3	1	18
	%	11.1	5.6	61.1	16.7	5.6	100.0
Estate Selanchar 9	No.	0	4	21	1	1	27
	%	0.0	14.8	77.8	3.7	3.7	100.0
Estate Selanchar 8	No.	1	2	20	2	1	26
	%	3.8	7.7	76.9	7.7	3.8	100.0
Mill Seriting Hilir	No.	0	2	13	4	3	22
	%	0.0	9.1	59.1	18.2	13.6	100.0
Estate Tembangau 5	No.	0	7	18	4	1	30
	%	0.0	23.3	60.0	13.3	3.3	100.0
Estate Tembangau 8	No.	0	7	20	0	0	27
	%	0.0	25.9	74.1	0.0	0.0	100.0
Total Respondents	No.	6	30	150	24	15	225
	%	2.7	13.3	66.7	10.7	6.7	100.0

Table 10: Workers' Responses on Training Provided from Jan-Dec 2021

Sampling Sites		Workers' responses			Total (%)
		Yes, training was provided	No training was provided	No response / invalid	
Mill Aring	No.	24	0	0	24
	%	100.0%	0.0%	0.0%	100.0%
Estate Aring 2	No.	11	11	0	22
	%	50.0%	50.0%	0.0%	100.0%
Estate Aring 5	No.	17	12	0	29
	%	58.6%	41.4%	0.0%	100.0%
Mill Selanchar 2b	No.	15	2	1	18
	%	83.3%	11.1%	5.6%	100.0%
Estate Selanchar 9	No.	23	4	0	27
	%	85.2%	14.8%	0.0%	100.0%
Estate Selanchar 8	No.	18	8	0	26
	%	69.2%	30.8%	0.0%	100.0%
Mill Serting Hilir	No.	22	0	0	22
	%	100.0%	0.0%	0.0%	100.0%
Estate Tembangau 5	No.	22	8	0	30
	%	73.3%	26.7%	0.0%	100.0%
Estate Tembangau 8	No.	19	8	0	27
	%	70.4%	29.6%	0.0%	100.0%
Total Respondents	No.	171	53	1	225
	%	76.0%	23.6%	0.4%	100.0%

Table 11: Types of Training Provided to Workers

Sampling Sites		Workers' responses									Total (%)
		Health and safety briefing	Briefing COVID SOPs	Work-related training	Discipline, rules & regulation	Disciplinary & Work Procedure	Morning briefing about employment matters	Labour standard programs (e.g., forced labor)	Equipment Risk Management	No response	
Mill Aring	No.	4	6	8	1	3	0	0	0	2	24
	%	16.7%	25.0%	33.3%	4.2%	12.5%	0.0%	0.0%	0.0%	8.3%	100.0%
Estate Aring 2	No.	2	0	7	0	0	0	0	0	13	22
	%	9.1%	0.0%	31.8%	0.0%	0.0%	0.0%	0.0%	0.0%	59.1%	100.0%
Estate Aring 5	No.	5	0	9	0	0	0	0	0	15	29
	%	17.2%	0.0%	31.0%	0.0%	0.0%	0.0%	0.0%	0.0%	51.7%	100.0%
Mill Selanchar 2b	No.	5	0	9	0	1	0	0	0	3	18
	%	27.8%	0.0%	50.0%	0.0%	5.6%	0.0%	0.0%	0.0%	16.7%	100.0%
Estate Selanchar 9	No.	4	0	11	0	0	8	0	0	4	27
	%	14.8%	0.0%	40.7%	0.0%	0.0%	29.6%	0.0%	0.0%	14.8%	100.0%
Estate Selanchar 8	No.	6	0	3	0	1	9	0	0	7	26
	%	23.1%	0.0%	11.5%	0.0%	3.8%	34.6%	0.0%	0.0%	26.9%	100.0%
Mill Serting Hilir	No.	0	0	16	0	0	2	0	4	0	22
	%	0.0%	0.0%	72.7%	0.0%	0.0%	9.1%	0.0%	18.2%	0.0%	100.0%
Estate Tembangau 5	No.	1	0	18	0	0	2	1	0	8	30
	%	3.3%	0.0%	60.0%	0.0%	0.0%	6.7%	3.3%	0.0%	26.7%	100.0%
Estate Tembangau 8	No.	0	1	16	0	0	5	0	0	5	27
	%	0.0%	3.7%	59.3%	0.0%	0.0%	18.5%	0.0%	0.0%	18.5%	100.0%
Total Respondents	No.	27	7	97	1	5	26	1	4	57	225
	%	12.0%	3.1%	43.1%	0.4%	2.2%	11.6%	0.4%	1.8%	25.3%	100.0%

Table 12: Workers' Responses in Making Complaint or Grievance

Sampling Sites		Workers' responses if they have previously raised a complaint or grievance		
		Yes	No	Total (%)
Mill Aring	No.	0	24	24
	%	0.0%	100.0%	100.0%
Estate Aring 2	No.	4	18	22
	%	18.2%	81.8%	100.0%
Estate Aring 5	No.	0	29	29
	%	0.0%	100.0%	100.0%
Mill Selanchar 2b	No.	2	16	18
	%	11.1%	88.9%	100.0%
Estate Selanchar 9	No.	4	23	27
	%	14.8%	85.2%	100.0%
Estate Selanchar 8	No.	14	12	26
	%	53.8%	46.2%	100.0%
Mill Serting Hilir	No.	3	19	22
	%	13.6%	86.4%	100.0%
Estate Tembangau 5	No.	7	23	30
	%	23.3%	76.7%	100.0%
Estate Tembangau 8	No.	2	25	27
	%	7.4%	92.6%	100.0%
Total Respondents	No.	36	189	225
	%	16.0%	84.0%	100.0%

Table 13: Workers' Responses on How They Previously Raised their Complaint or Grievance

Sampling Sites		Workers' responses					Total (%)
		Raise it to manager / assistant manager / supervisor verbally	Raise it in logbook or complaint box provided by employer	Worker does not trust the existing grievance channel	Raise it to union and workers' committee	Previously not making any complaint or grievance	
Mill Aring	No.	0	0	0	0	24	24
	%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Estate Aring 2	No.	4	0	0	0	18	22
	%	18.20%	0.00%	0.00%	0.00%	81.80%	100.00%
Estate Aring 5	No.	0	0	0	0	29	29
	%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%
Mill Selanchar 2b	No.	0	1	0	0	17	18
	%	0.00%	5.60%	0.00%	0.00%	94.40%	100.00%
Estate Selanchar 9	No.	3	0	0	2	22	27
	%	11.10%	0.00%	0.00%	7.40%	81.50%	100.00%
Estate Selanchar 8	No.	10	1	1	0	11	23
	%	43.5%	4.3%	4.3%	0.0%	47.8%	100.0%
Mill Serting Hilir	No.	1	0	0	2	19	22
	%	4.50%	0.00%	0.00%	9.10%	86.40%	100.00%
Estate Tembangau 5	No.	7	0	0	0	23	30
	%	23.30%	0.00%	0.00%	0.00%	76.70%	100.00%
Estate Tembangau 8	No.	1	0	2	1	23	27
	%	3.70%	0.00%	7.40%	3.70%	85.20%	100.00%
Total Respondents	No.	26	2	3	5	189	225
	%	11.6%	0.9%	1.3%	2.2%	84.0%	100.0%

Table 14: Respondents' Responses on the Minimum Age for Work in Malaysia

Sampling Sites		Workers' responses on the minimum age for employment in Malaysia			Total (%)
		Workers provided correct response	Workers provided incorrect answer	Workers indicated unaware of the minimum age for employment	
Mill Aring	No.	19	5	0	24
	%	79.2	20.8	0.0	100.0
Estate Aring 2	No.	4	6	12	22
	%	18.2	27.3	54.5	100.0
Estate Aring 5	No.	7	12	10	29
	%	24.1	41.4	34.5	100.0
Mill Selanchar 2b	No.	13	4	1	18
	%	72.2	22.2	5.6	100.0
Estate Selanchar 9	No.	14	6	7	27
	%	51.9	22.2	25.9	100.0
Estate Selanchar 8	No.	14	1	11	26
	%	53.8	3.8	42.3	100.0
Mill Seriting Hilir	No.	15	7	0	22
	%	68.2	31.8	0.0	100.0
Estate Tembangau 5	No.	15	4	11	30
	%	50.0	13.3	36.7	100.0
Estate Tembangau 8	No.	9	11	7	27
	%	33.3	40.7	25.9	100.0
Total Respondents	No.	110	56	59	225
	%	48.9	24.9	26.2	100.0

Table 15: Respondents' Responses on Age Verification Process during Recruitment or Upon Arrival in Malaysia

Sampling Sites		Workers' responses		Total (%)
		YES, employer / recruiter checked and verified workers' age during recruitment	NO, employer / recruiter did not check and verify workers' age during recruitment	
Mill Aring	No.	24	0	24
	%	100.0	0.0	100.0
Estate Aring 2	No.	19	3	22
	%	86.4	13.6	100.0
Estate Aring 5	No.	23	6	29
	%	79.3	20.7	100.0
Mill Selanchar 2b	No.	18	0	18
	%	100.0	0.0	100.0
Estate Selanchar 9	No.	23	4	27
	%	85.2	14.8	100.0
Estate Selanchar 8	No.	20	6	26
	%	76.9	23.1	100.0
Mill Serting Hilir	No.	21	1	22
	%	95.5	4.5	100.0
Estate Tembangau 5	No.	26	4	30
	%	86.7	13.3	100.0
Estate Tembangau 8	No.	21	6	27
	%	77.8	22.2	100.0
Total Respondents	No.	195	30	225
	%	86.7	13.3	100.0

Table 16: Workers' Responses on Incidents Linked to Forced Labor

Sampling Sites		Incidents Linked to Forced Labor										Total (%)
		1	2	3	4	5	6	7	8	9	10	
Mill Aring	No.	0	0	0	0	0	0	0	0	0	24	24
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	10.70%
Estate Aring 2	No.	0	1	0	0	0	0	0	0	0	21	22
	%	0%	4.5%	0%	0%	0%	0%	0%	0%	0%	95.5%	100.00%
Estate Aring 5	No.	0	2	0	0	0	0	0	0	0	27	29
	%	0%	6.9%	0%	0%	0%	0%	0%	0%	0%	93.1%	12.90%
Mill Selanchar 2b	No.	0	0	0	0	0	0	0	0	0	18	18
	%	0%	0.00%	0%	0%	0%	0%	0%	0%	0%	100%	8.00%
Estate Selanchar 9	No.	0	0	0	0	0	0	0	0	0	27	27
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	12.00%
Estate Selanchar 8	No.	0	1	0	0	0	0	0	0	0	25	26
	%	0%	3.8%	0%	0%	0%	0%	0%	0%	0%	96.2%	11.60%
Mill Serting Hilir	No.	0	0	0	0	0	0	0	0	0	22	22
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	9.80%
Estate Tembangau 5	No.	0	0	0	0	0	0	0	0	0	30	30
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	13.30%
Estate Tembangau 8	No.	0	0	0	0	0	0	0	0	0	27	27
	%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	12.00%
Total Respondents	No.	0	4	0	0	0	0	0	0	0	221	225
	%	0%	1.8%	0%	0%	0%	0%	0%	0%	0%	98.2%	100.00%

Indicators:

- | | |
|---|--|
| (1) The job itself | (6) Provided with sub-standard working and/or living conditions |
| (2) Involuntary overtime (compensated / paid) | (7) Work without wages / compensation |
| (3) Involuntary overtime (not compensated / unpaid) | (8) Work for another employer or party which was not agreed before (or stated in written contract) |
| (4) Involuntary work in hazardous conditions without protection | (9) Prohibited to terminate work contract |
| (5) Asked to perform illicit and/or illegal activities | (10) None of the above |

Table 17: Workers' Responses on Passport Management

Sampling Sites		Workers' responses on their passport management				Total (%)
		Worker keeps his own passport	Worker places his passport at the employer-installed lockers	Employer keeps the worker's passport	No response / invalid response	
Mill Aring	No.	0	0	0	0	0
	%	0%	0%	0%	0%	0%
Estate Aring 2	No.	16	2	2	0	20
	%	80.0%	10.0%	10.0%	0.0%	100.0%
Estate Aring 5	No.	23	2	1	3	29
	%	79.3%	6.9%	3.4%	10.3%	100.0%
Mill Selanchar 2b	No.	0	0	0	0	0
	%	0.0%	0.0%	0.0%	0.0%	0.0%
Estate Selanchar 9	No.	6	9	1	1	17
	%	35.3%	52.9%	5.9%	5.9%	100.0%
Estate Selanchar 8	No.	13	3	3	0	19
	%	68.4%	15.8%	15.8%	0.0%	100.0%
Mill Seriting Hilir	No.	0	0	0	0	0
	%	0.0%	0.0%	0.0%	0.0%	0.0%
Estate Tembangau 5	No.	7	7	5	2	21
	%	33.3%	33.3%	23.8%	9.5%	100.0%
Estate Tembangau 8	No.	3	7	9	1	20
	%	15.0%	35.0%	45.0%	5.0%	100.0%
Total Respondents	No.	68	30	21	7	126
	%	54.0%	23.8%	16.7%	5.6%	100.0%

* 126 is the total number of surveyed migrant workers hired in all estates. It is about 56% of the total sample size (i.e., 225 respondents)

Table 18: Respondents' Responses on their Employment Relationship with Mandor / Supervisor / Superior / Management on Site

Sampling Sites		Workers' responses		Total (%)
		Workers have a good relationship with mandor / supervisor / superior / management	Workers do not have so good relationship mandor / supervisor / superior	
Mill Aring	No.	24	0	24
	%	100.0%	0.0%	100.0%
Estate Aring 2	No.	22	0	22
	%	100.0%	0.0%	100.0%
Estate Aring 5	No.	29	0	29
	%	100.0%	0.0%	100.0%
Mill Selanchar 2b	No.	18	0	18
	%	100.0%	0.0%	100.0%
Estate Selanchar 9	No.	27	0	27
	%	100.0%	0.0%	100.0%
Estate Selanchar 8	No.	19	7	26
	%	73.1%	26.9%	100.0%
Mill Seriting Hilir	No.	20	2	22
	%	90.9%	9.1%	100.0%
Estate Tembangau 5	No.	30	0	30
	%	100.0%	0.0%	100.0%
Estate Tembangau 8	No.	26	1	27
	%	96.3%	3.7%	100.0%
Total Respondents	No.	215	10	225
	%	95.6%	4.4%	100.0%

Table 19: Workers' Satisfaction over the Provision of Work PPEs

Sampling Sites		Workers' response			Total (%)
		Workers satisfied with the PPEs provided	Workers not satisfied with the PPEs provided	No response	
Mill Aring	No.	23	1	0	24
	%	95.8%	4.2%	0.0%	100.0%
Estate Aring 2	No.	18	4	0	22
	%	81.8%	18.2%	0.0%	100.0%
Estate Aring 5	No.	26	3	0	29
	%	89.7%	10.3%	0.0%	100.0%
Mill Selanchar 2b	No.	16	2	0	18
	%	88.9%	11.1%	0.0%	100.0%
Estate Selanchar 9	No.	26	1	0	27
	%	96.3%	3.7%	0.0%	100.0%
Estate Selanchar 8	No.	15	11	0	26
	%	57.7%	42.3%	0.0%	100.0%
Mill Seriting Hilir	No.	16	6	0	22
	%	72.7%	27.3%	0.0%	100.0%
Estate Tembangau 5	No.	29	0	1	30
	%	96.7%	0.0%	3.3%	100.0%
Estate Tembangau 8	No.	25	2	0	27
	%	92.6%	7.4%	0.0%	100.0%
Total Respondents	No.	194	30	1	225
	%	86.2%	13.3%	0.4%	100.0%

Table 20: Workers' Responses on Accommodation Provided by the Company

Sampling Sites		Workers' responses			Total (%)
		Yes, accommodation provided by the employer	Stay own or rented house	No response	
Mill Aring	No.	21	3	0	24
	%	87.5%	12.5%	0.0%	100.0%
Estate Aring 2	No.	22	0	0	22
	%	100.0%	0.0%	0.0%	100.0%
Estate Aring 5	No.	28	0	1	29
	%	96.6%	0.0%	3.4%	100.0%
Mill Selanchar 2b	No.	15	3	0	18
	%	83.3%	16.7%	0.0%	100.0%
Estate Selanchar 9	No.	24	3	0	27
	%	88.9%	11.1%	0.0%	100.0%
Estate Selanchar 8	No.	19	7	0	26
	%	73.1%	26.9%	0.0%	100.0%
Mill Seriting Hilir	No.	13	7	2	22
	%	59.1%	31.8%	9.1%	100.0%
Estate Tembangau 5	No.	28	2	0	30
	%	93.3%	6.7%	0.0%	100.0%
Estate Tembangau 8	No.	26	1	0	27
	%	96.3%	3.7%	0.0%	100.0%
Total Respondents	No.	196	26	3	225
	%	87.1%	11.6%	1.3%	100.0%

Table 21: Workers' Satisfaction on Access to Clean Water in the Employer-Provided Accommodation

Sampling Sites		Workers' satisfaction in (%)					Total respondents and (%)
		Strongly unacceptable	Unacceptable	Acceptable	Strongly acceptable	No response / Stay in own house / rented	
Mill Aring	%	0.0%	0.0%	4.2%	91.7%	4.2%	21 (100.0%)
Estate Aring 2	%	0.0%	13.6%	22.7%	63.6%	0.0%	22 (100.0%)
Estate Aring 5	%	0.0%	3.4%	3.4%	93.1%	0.0%	28 (100.0%)
Mill Selanchar 2b	%	11.1%	11.1%	11.1%	50.0%	16.7%	15 (100.0%)
Estate Selanchar 9	%	0.0%	7.4%	11.1%	74.1%	7.4%	24 (100.0%)
Estate Selanchar 8	%	7.7%	0.0%	3.8%	61.5%	26.9%	19 (100.0%)
Mill Serting Hilir	%	0.0%	0.0%	0.0%	68.2%	31.8%	13 (100.0%)
Estate Tembangau 5	%	0.0%	0.0%	3.3%	96.7%	0.0%	28 (100.0%)
Estate Tembangau 8	%	0.0%	0.0%	11.1%	85.2%	3.7%	26 (100.0%)
Total Respondents and (%)		4 (1.8%)	7 (3.6%)	15 (7.6%)	152 (77.8%)	18 (9.3%)	196 (100.0%)

Note: Total worker respondents who are living at the employer-provided accommodation is #196 (87.1%)

Table 22: Workers' Satisfaction on the Space of the Accommodation (e.g., how many workers stay in one room or house unit)

Sampling Sites		Workers' satisfaction in (%)					Total respondents and (%)
		Strongly unacceptable	Unacceptable	Acceptable	Strongly acceptable	No response / Stay in own house / rented	
Mill Aring	%	0.0%	0.0%	0.0%	95.8%	4.2%	21 (100.0%)
Estate Aring 2	%	0.0%	9.1%	4.5%	86.4%	0.0%	22 (100.0%)
Estate Aring 5	%	0.0%	0.0%	6.9%	93.1%	0.0%	28 (100.0%)
Mill Selanchar 2b	%	0.0%	0.0%	0.0%	83.3%	16.7%	15 (100.0%)
Estate Selanchar 9	%	0.0%	18.5%	11.1%	63.0%	7.4%	24 (100.0%)
Estate Selanchar 8	%	11.5%	15.4%	3.8%	42.3%	26.9%	19 (100.0%)
Mill Serting Hilir	%	0.0%	0.0%	0.0%	68.2%	31.8%	13 (100.0%)
Estate Tembangau 5	%	0.0%	0.0%	3.3%	96.7%	0.0%	28 (100.0%)
Estate Tembangau 8	%	0.0%	0.0%	3.7%	88.9%	7.4%	26 (100.0%)
Total Respondents and (%)		3 (1.3%)	10 (4.9%)	8 (4.0%)	157 (80.0%)	19 (9.8%)	196 (100.0%)

Note: Total worker respondents who are living at the employer-provided accommodation is #196 (87.1%)

Table 23: Workers' Satisfaction on the Safety of the Accommodation (e.g., building structure)

Sampling Sites		Workers' satisfaction in (%)					Total respondents and (%)
		Strongly unacceptable	Unacceptable	Acceptable	Strongly acceptable	No response / Stay in own house / rented	
Mill Aring	%	0.0%	0.0%	0.0%	95.8%	4.2%	21 (100.0%)
Estate Aring 2	%	0.0%	4.5%	31.8%	63.6%	0.0%	22 (100.0%)
Estate Aring 5	%	0.0%	0.0%	6.9%	93.1%	0.0%	28 (100.0%)
Mill Selanchar 2b	%	0.0%	0.0%	0.0%	83.3%	16.7%	15 (100.0%)
Estate Selanchar 9	%	0.0%	3.7%	3.7%	85.2%	7.4%	24 (100.0%)
Estate Selanchar 8	%	15.4%	7.7%	15.4%	34.6%	26.9%	19 (100.0%)
Mill Serting Hilir	%	0.0%	4.5%	13.6%	50.0%	31.8%	13 (100.0%)
Estate Tembangau 5	%	6.7%	0.0%	6.7%	86.7%	0.0%	28 (100.0%)
Estate Tembangau 8	%	0.0%	0.0%	7.4%	88.9%	3.7%	26 (100.0%)
Total Respondents and (%)		5 (2.7%)	4 (2.2%)	18 (9.3%)	150 (76.4%)	18 (9.3%)	196 (100.0%)

Note: Total worker respondents who are living at the employer-provided accommodation is #196 (87.1%)

Table 24: Workers' Satisfaction on Access to Electricity Supply in the Employer-Provided Accommodation

Sampling Sites		Workers' satisfaction in (%)					Total respondents and (%)
		Strongly unacceptable	Unacceptable	Acceptable	Strongly acceptable	No response / Stay in own house / rented	
Mill Aring	%	0.0%	0.0%	0.0%	95.8%	4.2%	21 (100.0%)
Estate Aring 2	%	0.0%	4.5%	9.1%	86.4%	0.0%	22 (100.0%)
Estate Aring 5	%	0.0%	6.9%	6.9%	86.2%	0.0%	28 (100.0%)
Mill Selanchar 2b	%	0.0%	0.0%	16.7%	66.7%	16.7%	15 (100.0%)
Estate Selanchar 9	%	0.0%	0.0%	0.0%	92.6%	7.4%	24 (100.0%)
Estate Selanchar 8	%	19.2%	0.0%	0.0%	53.8%	26.9%	19 (100.0%)
Mill Serting Hilir	%	0.0%	0.0%	4.5%	63.6%	31.8%	13 (100.0%)
Estate Tembangau 5	%	0.0%	0.0%	3.3%	96.7%	0.0%	28 (100.0%)
Estate Tembangau 8	%	0.0%	3.7%	3.7%	88.9%	3.7%	26 (100.0%)
Total Respondents and (%)		4 (2.2%)	4 (2.0%)	9 (4.4%)	161 (82.2%)	18 (9.3%)	196 (100.0%)

Note: Total worker respondents who are living at the employer-provided accommodation is #196 (87.1%)

Table 25: Workers' Awareness and Participation in Union / Workers' Committee / Informal Grouping

Sampling Sites		Workers' responses				Total (%)
		I am an active member of the workers' committee or union (in-house)	I am an active member of or belong to informal workers' group	I know about workers' committee or union but not involved	I don't know about workers' committee or union	
Mill Aring	No.	12	2	0	10	24
	%	50.0%	8.3%	0.0%	41.7%	100.0%
Estate Aring 2	No.	7	1	0	14	22
	%	31.8%	4.5%	0.0%	63.6%	100.0%
Estate Aring 5	No.	4	1	1	23	29
	%	13.8%	3.4%	3.4%	79.3%	100.0%
Mill Selanchar 2b	No.	13	0	0	5	18
	%	72.2%	0.0%	0.0%	27.8%	100.0%
Estate Selanchar 9	No.	4	1	0	22	27
	%	14.8%	3.7%	0.0%	81.5%	100.0%
Estate Selanchar 8	No.	4	0	0	22	26
	%	15.4%	0.0%	0.0%	84.6%	100.0%
Mill Seriting Hilir	No.	8	0	0	14	22
	%	36.4%	0.0%	0.0%	63.6%	100.0%
Estate Tembangau 5	No.	7	2	0	21	30
	%	23.3%	6.7%	0.0%	70.0%	100.0%
Estate Tembangau 8	No.	3	0	0	24	27
	%	11.1%	0.0%	0.0%	88.9%	100.0%
Total Respondents	No.	62	7	1	155	225
	%	27.6%	3.1%	0.4%	68.9%	100.0%

Table 26: Respondents' Daily Hours of Work during Low and Peak Seasons

Sampling Sites		Workers' responses during low season				Workers' responses during peak season				
		Less than 8 hours	Between 8 and 10 hours	Between 11 and 12 hours	Total (%)	Less than 8 hours	Between 8 and 10 hours	Between 11 and 12 hours	More than 12 hours	Total (%)
Mill Aring	No.	1	20	3	24	0	18	6	0	24
	%	4.2%	83.3%	12.5%	100.0%	0.0%	75.0%	25.0%	0.0%	100.0%
Estate Aring 2	No.	5	15	2	22	0	17	5	0	22
	%	22.7%	68.2%	9.1%	100.0%	0.0%	77.3%	22.7%	0.0%	100.0%
Estate Aring 5	No.	6	23	0	29	0	21	8	0	29
	%	20.7%	79.3%	0.0%	100.0%	0.0%	72.4%	27.6%	0.0%	100.0%
Mill Selanchar 2b	No.	5	13	0	18	5	11	2	0	18
	%	27.8%	72.2%	0.0%	100.0%	27.8%	61.1%	11.1%	0.0%	100.0%
Estate Selanchar 9	No.	10	17	0	27	5	20	2	0	27
	%	37.0%	63.0%	0.0%	100.0%	18.5%	74.1%	7.4%	0.0%	100.0%
Estate Selanchar 8	No.	9	16	1	26	7	18	1	0	26
	%	34.6%	61.5%	3.8%	100.0%	26.9%	69.2%	3.8%	0.0%	100.0%
Mill Seriting Hilir	No.	12	10	0	22	5	11	1	5	22
	%	54.5%	45.5%	0.0%	100.0%	22.7%	50.0%	4.5%	22.7%	100.0%
Estate Tembangau 5	No.	14	16	0	30	8	21	1	0	30
	%	46.7%	53.3%	0.0%	100.0%	26.7%	70.0%	3.3%	0.0%	100.0%
Estate Tembangau 8	No.	9	16	2	27	6	14	7	0	27
	%	33.3%	59.3%	7.4%	100.0%	22.2%	51.9%	25.9%	0.0%	100.0%
Total Respondents	No.	71	146	8	225	36	151	33	5	225
	%	31.6%	64.9%	3.6%	100.0%	16.0%	67.1%	14.7%	2.2%	100.0%

Table 27: Respondents' Working Day(s) in a Week during Low and Peak Seasons

Sampling Sites		Workers' responses during low season					Workers' responses during peak season				
		5 days / week	6 days / week	7 days / week	No response	Total (%)	5 days / week	6 days / week	7 days / week	No response	Total (%)
Mill Aring	No.	2	21	0	1	24	2	21	0	1	24
	%	8.3%	87.5%	0.0%	4.2%	100.0%	8.3%	87.5%	0.0%	4.2%	100.0%
Estate Aring 2	No.	0	11	11	0	22	0	8	14	0	22
	%	0.0%	50.0%	50.0%	0.0%	100.0%	0.0%	36.4%	63.6%	0.0%	100.0%
Estate Aring 5	No.	0	22	7	0	29	0	19	10	0	29
	%	0.0%	75.9%	24.1%	0.0%	100.0%	0.0%	65.5%	34.5%	0.0%	100.0%
Mill Selanchar 2b	No.	0	18	0	0	18	0	16	2	0	18
	%	0.0%	100.0 %	0.0%	0.0%	100.0%	0.0%	88.9%	11.1%	0.0%	100.0%
Estate Selanchar 9	No.	0	26	1	0	27	0	22	5	0	27
	%	0.0%	96.3%	3.7%	0.0%	100.0%	0.0%	81.5%	18.5%	0.0%	100.0%
Estate Selanchar 8	No.	0	18	8	0	26	0	17	9	0	26
	%	0.0%	69.2%	30.8%	0.0%	100.0%	0.0%	65.4%	34.6%	0.0%	100.0%
Mill Serting Hilir	No.	0	22	0	0	22	0	21	1	0	22
	%	0.0%	100.0 %	0.0%	0.0%	100.0%	0.0%	95.5%	4.5%	0.0%	100.0%
Estate Tembangau 5	No.	0	29	1	0	30	0	25	5	0	30
	%	0.0%	96.7%	3.3%	0.0%	100.0%	0.0%	83.3%	16.7%	0.0%	100.0%
Estate Tembangau 8	No.	0	22	5	0	27	0	16	11	0	27
	%	0.0%	81.5%	18.5%	0.0%	100.0%	0.0%	59.3%	40.7%	0.0%	100.0%
Total Respondents	No.	2	189	33	1	225	2	165	57	1	225
	%	0.9%	84.0%	14.7%	0.4%	100.0%	0.9%	73.3%	25.3%	0.4%	100.0%

Table 28: Respondents' Awareness of their Pay Rate

Sampling Sites		Workers' Responses			Total (%)
		Yes, workers are aware of their pay rate	No, workers are not aware of their pay rate	No response / invalid	
Mill Aring	No.	23	0	1	24
	%	95.8%	0.0%	4.2%	100.0%
Estate Aring 2	No.	21	1	0	22
	%	95.5%	4.5%	0.0%	100.0%
Estate Aring 5	No.	28	1	0	29
	%	96.6%	3.4%	0.0%	100.0%
Mill Selanchar 2b	No.	18	0	0	18
	%	100.0%	0.0%	0.0%	100.0%
Estate Selanchar 9	No.	27	0	0	27
	%	100.0%	0.0%	0.0%	100.0%
Estate Selanchar 8	No.	25	1	0	26
	%	96.2%	3.8%	0.0%	100.0%
Mill Serting Hilir	No.	22	0	0	22
	%	100.0%	0.0%	0.0%	100.0%
Estate Tembangau 5	No.	28	1	1	30
	%	93.3%	3.3%	3.3%	100.0%
Estate Tembangau 8	No.	27	0	0	27
	%	100.0%	0.0%	0.0%	100.0%
Total Respondents	No.	219	4	2	225
	%	97.3%	1.8%	0.9%	100.0%

Table 29: Respondents' Awareness on Minimum Wage Rate in Malaysia

Sampling Sites		Workers' responses when asked about the minimum wage rate in Malaysia				Total (%)
		Workers provided correct response	Workers provided incorrect response	Workers did not know minimum wage	No response / invalid	
Mill Aring	No.	22	2	0	0	24
	%	91.7%	8.3%	0.0%	0.0%	100.0%
Estate Aring 2	No.	15	5	2	0	22
	%	68.2%	22.7%	9.1%	0.0%	100.0%
Estate Aring 5	No.	23	2	4	0	29
	%	79.3%	6.9%	13.8%	0.0%	100.0%
Mill Selanchar 2b	No.	17	1	0	0	18
	%	94.4%	5.6%	0.0%	0.0%	100.0%
Estate Selanchar 9	No.	22	4	1	0	27
	%	81.5%	14.8%	3.7%	0.0%	100.0%
Estate Selanchar 8	No.	15	1	10	0	26
	%	57.7%	3.8%	38.5%	0.0%	100.0%
Mill Seriting Hilir	No.	17	0	5	0	22
	%	77.3%	0.0%	22.7%	0.0%	100.0%
Estate Tembangau 5	No.	14	2	13	1	30
	%	46.7%	6.7%	43.3%	3.3%	100.0%
Estate Tembangau 8	No.	21	3	3	0	27
	%	77.8%	11.1%	11.1%	0.0%	100.0%
Total Respondents	No.	166	20	38	1	225
	%	73.8%	8.9%	16.9%	0.4%	100.0%

Table 30: Respondents' Income During Low and Peak Seasons

Sampling Sites		Worker's income during low season					Worker's income during peak season				
		Below minimum wage	At minimum wage	Beyond minimum wage	No response	Total (%)	Below minimum wage	At minimum wage	Beyond minimum wage	No response	Total (%)
Mill Aring	No.	0	4	19	1	24	0	0	23	1	24
	%	0.0%	16.7%	79.2%	4.2%	100.0%	0.0%	0.0%	95.8%	4.2%	100.0%
Estate Aring 2	No.	0	6	16	0	22	0	0	21	1	22
	%	0.0%	27.3%	72.7%	0.0%	100.0%	0.0%	0.0%	95.5%	4.5%	100.0%
Estate Aring 5	No.	0	18	11	0	29	0	1	28	0	29
	%	0.0%	62.1%	37.9%	0.0%	100.0%	0.0%	3.4%	96.6%	0.0%	100.0%
Mill Selanchar 2b	No.	0	5	13	0	18	0	1	17	0	18
	%	0.0%	27.8%	72.2%	0.0%	100.0%	0.0%	5.6%	94.4%	0.0%	100.0%
Estate Selanchar 9	No.	0	8	19	0	27	0	3	24	0	27
	%	0.0%	29.6%	70.4%	0.0%	100.0%	0.0%	11.1%	88.9%	0.0%	100.0%
Estate Selanchar 8	No.	9	10	7	0	26	4	3	19	0	26
	%	34.6%	38.5%	26.9%	0.0%	100.0%	15.4%	11.5%	73.1%	0.0%	100.0%
Mill Seriting Hilir	No.	0	8	14	0	22	0	0	22	0	22
	%	0.0%	36.4%	63.6%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Estate Tembangau 5	No.	1	7	22	0	30	0	3	27	0	30
	%	3.3%	23.3%	73.3%	0.0%	100.0%	0.0%	10.0%	90.0%	0.0%	100.0%
Estate Tembangau 8	No.	0	16	11	0	27	0	1	25	1	27
	%	0.0%	59.3%	40.7%	0.0%	100.0%	0.0%	3.7%	92.6%	3.7%	100.0%
Total Respondents	No.	10	82	132	1	225	4	12	206	3	225
	%	4.4%	36.4%	58.7%	0.4%	100.0%	1.8%	5.3%	91.6%	1.3%	100.0%

Table 31: Workers' Payment of Salary or Compensation

Sampling Sites		Workers' responses				Total (%)
		Daily or weekly rate	Monthly rate	Based on productivity / piece-rate	No response	
Mill Aring	No.	0	22	1	1	24
	%	0.0%	91.7%	4.2%	4.2%	100.0%
Estate Aring 2	No.	0	9	13	0	22
	%	0.0%	40.9%	59.1%	0.0%	100.0%
Estate Aring 5	No.	0	19	10	0	29
	%	0.0%	65.5%	34.5%	0.0%	100.0%
Mill Selanchar 2b	No.	0	18	0	0	18
	%	0.0%	100.0%	0.0%	0.0%	100.0%
Estate Selanchar 9	No.	0	23	4	0	27
	%	0.0%	85.2%	14.8%	0.0%	100.0%
Estate Selanchar 8	No.	0	15	11	0	26
	%	0.0%	57.7%	42.3%	0.0%	100.0%
Mill Seriting Hilir	No.	1	21	0	0	22
	%	4.5%	95.5%	0.0%	0.0%	100.0%
Estate Tembangau 5	No.	2	23	5	0	30
	%	6.7%	76.7%	16.7%	0.0%	100.0%
Estate Tembangau 8	No.	0	23	4	0	27
	%	0.0%	85.2%	14.8%	0.0%	100.0%
Total Respondents	No.	3	173	48	1	225
	%	1.3%	76.9%	21.3%	0.4%	100.0%

Table 32: Workers' Salary or Payment Transaction

Sampling Sites		Workers' responses on how their salary being paid				Total (%)
		By bank transfer / through e-Wallet	By cash	By voucher	No response / invalid	
Mill Aring	No.	24	0	0	0	24
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Estate Aring 2	No.	21	1	0	0	22
	%	95.5%	4.5%	0.0%	0.0%	100.0%
Estate Aring 5	No.	29	0	0	0	29
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Mill Selanchar 2b	No.	18	0	0	0	18
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Estate Selanchar 9	No.	26	0	0	1	27
	%	96.3%	0.0%	0.0%	3.7%	100.0%
Estate Selanchar 8	No.	26	0	0	0	26
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Mill Seriting Hilir	No.	17	5	0	0	22
	%	77.3%	22.7%	0.0%	0.0%	100.0%
Estate Tembangau 5	No.	30	0	0	0	30
	%	100.0%	0.0%	0.0%	0.0%	100.0%
Estate Tembangau 8	No.	25	0	2	0	27
	%	92.6%	0.0%	7.4%	0.0%	100.0%
Total Respondents	No.	216	6	2	1	225
	%	96.0%	2.7%	0.9%	0.4%	100.0%

Table 33: Respondents' Responses on How They Are Impacted by COVID-19

Sampling Sites		Workers' responses							Total (%)
		Not impacted directly	Exposed risk of COVID-19 infection due to lack of PPEs provided by employer	Reduced hours / days of work	Increased costs of living (e.g., increased food prices and telecommunication costs)	Emotional effect and psychology	Loss of employment / being retrenched	No response / invalid	
Mill Aring	No.	13	0	2	0	0	0	9	24
	%	54.2%	0.0%	8.3%	0.0%	0.0%	0.0%	37.50%	100.0%
Estate Aring 2	No.	10	2	1	3	0	0	6	22
	%	45.5%	9.1%	4.5%	13.6%	0.0%	0.0%	27.30%	100.0%
Estate Aring 5	No.	17	0	0	0	0	0	12	29
	%	58.6%	0.0%	0.0%	0.0%	0.0%	0.0%	41.40%	100.0%
Mill Selanchar 2b	No.	12	0	3	2	0	0	1	18
	%	66.7%	0.0%	16.7%	11.1%	0.0%	0.0%	5.60%	100.0%
Estate Selanchar 9	No.	15	0	0	0	0	0	12	27
	%	55.6%	0.0%	0.0%	0.0%	0.0%	0.0%	44.40%	100.0%
Estate Selanchar 8	No.	18	0	0	1	0	1	6	26
	%	69.2%	0.0%	0.0%	3.8%	0.0%	3.8%	23.10%	100.0%
Mill Serting Hilir	No.	11	0	3	0	0	0	8	22
	%	50.0%	0.0%	13.6%	0.0%	0.0%	0.0%	36.40%	100.0%
Estate Tembangau 5	No.	16	0	0	2	0	0	12	30
	%	53.3%	0.0%	0.0%	6.7%	0.0%	0.0%	40.00%	100.0%
Estate Tembangau 8	No.	12	0	1	1	1	0	12	27
	%	44.4%	0.0%	3.7%	3.7%	3.7%	0.0%	44.40%	100.0%
Total Respondents	No.	124	2	10	9	1	1	78	225
	%	55.1%	0.9%	4.4%	4.0%	0.4%	0.4%	34.70%	100.0%

Table 34: Workers' Responses If They Have Been Briefed or Trained related to COVID-19 Measures

Sampling Sites		Workers' responses		
		Yes, I have been informed / briefed about SOPs and related COVID-19 info	No training or briefing	Total (%)
Mill Aring	No.	21	3	24
	%	87.5%	12.5%	100.0%
Estate Aring 2	No.	20	2	22
	%	90.9%	9.1%	100.0%
Estate Aring 5	No.	28	1	29
	%	96.6%	3.4%	100.0%
Mill Selanchar 2b	No.	18	0	18
	%	100.0%	0.0%	100.0%
Estate Selanchar 9	No.	26	1	27
	%	96.3%	3.7%	100.0%
Estate Selanchar 8	No.	23	3	26
	%	88.5%	11.5%	100.0%
Mill Serting Hilir	No.	21	1	22
	%	95.5%	4.5%	100.0%
Estate Tembangau 5	No.	30	0	30
	%	100.0%	0.0%	100.0%
Estate Tembangau 8	No.	26	1	27
	%	96.3%	3.7%	100.0%
Total Respondents	No.	213	12	225
	%	94.7%	5.3%	100.0%

Photo 1



Photo 1: Workers claimed that water sources are not clean for drinking and general cleaning (including cloth and dishwashing). For drinking, workers bought mineral water from the nearby grocery shops (Selanchar 8)

Photo 2



Photo 2: Workers' dormitories in Estate Aring 2

Photo 3



New workers' housing

ANNEX 5

BACKGROUND AND STAKEHOLDERS

Malaysia is the world's second largest of palm oil producer after Indonesia. In 2020, palm oil from Malaysia accounted for 25.8% of the world's palm oil production and exports. Indonesia palm oil exports accounted for 34.3%. Palm oil export was valued at approximately US\$16.7 billion making it a significant contributor to Malaysia's annual gross domestic product (GDP)¹. The palm oil sector in Malaysia encompasses a range of direct and indirect operations, including palm kernel crushing, oleochemicals plants, bulking facilities, oil palm laboratory, palm oil mill, nursery, seeds producing, refineries, smallholding, transportation, and trading.

Stakeholder mapping

- **Governmental Bodies and Regulators:** The palm oil sector is governed by the Ministry of Plantation Industries and Commodities (MPIC)², supported by several governmental agencies, including the Malaysian Palm Oil Board (MPOB)³, Malaysian Palm Oil Council (MPOC)⁴; and Malaysian Palm Oil Certification Council (MPOCC)⁵, whose mandate is to develop, promote and safeguard the industry's interests.
- **Trade Associations, Unions and Certification Body:** The Malaysian Palm Oil Association (MPOA)⁶ is a non-profit organization that represents oil palm growers and millers in Malaysia. The Malaysian Agricultural Producers Association (MAPA)⁷ is the largest and oldest employers' union in Malaysia. The National Union of Plantation Workers (NUPW)⁸ is a trade union that represents skilled, semi-skilled, and manual plantation workers in Peninsular Malaysia; the Malaysian Trades Union Congress (MTUC)⁹, a federation of trade unions recognized by the Malaysian Government, represents workers across all major economic industries in the country. The Roundtable on Sustainable Palm Oil (RSPO)¹⁰ is a global multi-stakeholder certification initiative with more than 4,000 members worldwide.
- **Civil Society:** non-governmental organizations are instrumental in the palm oil sector. They support the welfare and livelihood of small farmers, workers, and the community.

¹ See Ministry of Plantation Industries and Commodities (MPIC), available [here](#).

² Further information about MPIC, see [here](#).

³ Further information about MPOB, see [here](#).

⁴ Further information about MPOC, see [here](#).

⁵ Further information about MPOCC, see [here](#).

⁶ For further information about MPOA, see [here](#).

⁷ For more information about MAPA, see [here](#).

⁸ For more information about NUPW, see [here](#).

⁹ Further information about MTUC, see [here](#).

¹⁰ For further information about RSPO, see [here](#).

Labor Standards and Risks in Malaysia

The Ministry of Human Resources (MOHR)¹¹ is responsible for labor standards, social security and matters related to trade unions as well as skills development. The Foreign Worker Management Division of the Ministry of Home Affairs (MOHA)¹² handles applications for the intake of migrant workers in government-approved sectors. The Employment Act 1955, which defines a 'foreign employee' (i.e., migrant worker) as 'an employee who is not a citizen' (Article 2. (1) of the Employment Act 1955) is the primary legislation, among a myriad of legal and administrative requirements, governing the recruitment of workers, including migrant workers. The Act gives priority to local workers in case of redundancies.

The Immigration Act 1959/63 (Act 155) is another important law governing the recruitment of migrant workers. The act penalizes foreigners for 'unauthorized entry and overstay' and set fines, prison terms, or whipping for any person (including Malaysians) who employs irregular migrants.

Employers who have been granted a certificate to hire migrant workers are required by the MOHR to sign an 'Employer Undertaking', which demands that employers adhere to certain conditions when hiring of migrant workers, including not withholding the workers' passports and paying the full levy cost for all migrant workers hired.

Malaysia attracts large numbers of international migrant workers from the region. Estimates range from 2 million up to 5.5 million migrant workers, documented and undocumented,¹³ mainly from Indonesia, Bangladesh, and Nepal.

Allegations of labor rights violations in the palm oil sector have emerged in recent years, including cases of forced labor and child labor. Violations include the alleged widespread practice of withholding migrant workers' passports and other identity documents, non-payment of wages and other practices that restrict workers' freedom of movement and their right to association and collective bargaining.¹⁴

A body of fact-finding reports have exposed unethical recruitment practices of migrant workers, which are exacerbated by a complex recruitment process in the country of origin involving layers of labor agents, brokers, intermediaries, and social networks.¹⁵ This complex process multiplies the costs borne by workers and puts them at greater risk of labor exploitation, including debt bondage.

Before the COVID-19 outbreak, migrant workers in Malaysia were already living in unsanitary conditions in cramped workers' accommodations with poor access to healthcare. Prolonged phases of lockdown during the pandemic have had a significant

¹¹ For further information about MOHR, see [here](#).

¹² For further information about MOHA, see [here](#).

¹³ See Hwok Aun, L and Yu Leng, K (2018) Counting migrant workers in Malaysia: A needlessly persisting conundrum. ISEAS-Yusof Ishak Institute, Issue Brief No. 25. Available [here](#).

¹⁴ See Fair Labor Association and Consumer Group Forum (2018) Assessing forced labor risks in the palm oil sector in Indonesia and Malaysia. Available [here](#). Also see Earthworm Foundation (2019) Supporting A Palm Oil Mill in Malaysia to Return Passports to Migrant Workers. Available [here](#).

¹⁵ See Kanapathy, V (2008) Controlling Irregular Migration: The Malaysian Experience. Published by Regional Office for Asia and the Pacific, International Labour Organization (ILO) (July 2008). Available [here](#).

negative impact on workers, particularly migrant workers, already facing precarious living and working conditions.¹⁶ Many migrant workers tested positive for COVID-19 in 2020 and 2021.

¹⁶ See Wahab, A (2020) The outbreak of Covid-19 in Malaysia: Pushing migrant workers at the margin. Social Sciences and Humanities Open 2(1): 1-19. Available [here](#).