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**FOR IMMEDIATE RELEASE**

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## **KLK's update on recruitment practices with a focus on worker well-being and remediation actions**

PETALING JAYA, 27 MAY 2024 – Kuala Lumpur Kepong Berhad (“KLK” or “the Group”) wish to provide an update on the allegations of unethical recruitment practice against SOS Manpower Service (SOS) and its sub-agents, following our last statement on 29 April.

### **1. Independent third-party assessment**

An independent third-party assessment team was deployed to Nepal to conduct thorough interviews with all relevant parties, including the affected workers, the management and employees at SOS, as well as the Director General of the Labour Department. Preliminary findings from this assessment revealed that an isolated number of workers paid recruitment fees to sub-agents, which is strictly against the no recruitment fee policy of KL-Kepong Rubber Products (KLKRP).

We wish to confirm that to-date, all recruitment fees have been reimbursed to the affected workers by the sub-agents. Nonetheless, an open channel remains available for workers to come forth with information at any point during their employment period with KLKRP. Upon investigation and verification, appropriate remediation actions will be taken.

### **2. Deployment of Nepalese workers to Malaysia and reimbursement of out-of-pocket expenses incurred**

Ensuring the well-being and protection of these workers is our top priority. Following the preliminary findings and recommendations of the third-party assessment, KLKRP has promptly initiated the process for their employment in Malaysia to prevent any further victimisation and safeguard their livelihoods.

Out-of-pocket expenses incurred by the affected workers, including the cost of transportation, accommodation and meals during the course of the investigation until their day of departure, have been reimbursed by KLKRP based on distance to Kathmandu from their homes for transportation and a fixed daily rate for accommodation and meals.

All workers have safely arrived in Malaysia.

### **3. Goodwill compensation**

As part of the preliminary findings, it was discovered that work visas of a limited number of candidates were involuntarily revoked, upon reporting the collection of recruitment fees by sub-agents. KLKRP was misrepresented on this matter and arrangements have been made for replacement candidates. As a gesture of goodwill, KLK has extended a one-time compensation to these affected individuals. Additionally, KLK will cover the cost of logistics, accommodation and meals incurred by these individuals.



#### **4. Continued investigations**

KLK will continue to complete the investigations, including examining the processes and roles of source country and local agents in this isolated incident.

Kuala Lumpur Kepong Berhad has a zero-tolerance policy towards unethical recruitment practices and does not condone the imposition of recruitment and related fees on workers at any stage during the recruitment process. Based on the final findings, we are prepared to take all necessary and appropriate actions, including possible terminations.

KLK is committed to comply with all international standards and labour laws, both locally and in the source countries, governing recruitment practices, and will take all steps to address any gaps and implement corrective measures. We take all whistleblowing reports seriously and would like to thank the parties who have come forth with this information.

We will continue to provide updates as the investigations progress and remain committed to uphold the highest standard of ethical conduct and protecting the rights of our foreign guest workers.

For more information please visit [www.klk.com.my](http://www.klk.com.my), [www.klkrp.com.my](http://www.klkrp.com.my) and [www.linkedin.com/company/KLKBerhad](https://www.linkedin.com/company/KLKBerhad).

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### **About KL-Kepong Rubber Products Sdn. Bhd. (KLKRP)**

KL-Kepong Rubber Products Sdn Bhd (KLKRP) commenced its operations in 1987 as a rubber glove manufacturer operating under the name of KLK's subsidiary, Masif Latex Products. In 2014, a pivotal move took place as we transitioned to our new factory in Bercham. This relocation presented an opportune moment to integrate cutting-edge technology with increased capacity and enhanced design features, thereby elevating KLKRP's manufacturing capabilities to a higher standard of quality, consistency, and versatility.

Over the years, KLKRP has evolved into one of Malaysia's premier rubber glove manufacturers, specializing in OEM and private label production for reusable gloves. In 2022, KLKRP ventured into examination glove production. With over 30 years of industry experience, we have garnered a reputation for supplying private-label gloves across the globe.

KLKRP benefits from direct access to a dependable and consistent supply of high-quality raw materials through its parent company and affiliated sister companies. This advantageous position allows KLKRP to capitalize on vertical integration by efficiently utilizing resources from its sister companies in the production process. This strategic collaboration enhances the company's operational efficiency, ensuring a seamless and reliable flow of premium-quality materials for manufacturing processes.

### **About Kuala Lumpur Kepong Berhad (KLK)**

KLK started as a plantation company more than 100 years ago and today, the development of oil palm remains the Group's core business. As of September 2022, KLK has about 300,000 hectares of planted area. Its landbank is spread across Malaysia (Peninsular and Sabah), Indonesia (Belitung Island, Sumatra, as well as Central and East Kalimantan) and Liberia.

Since the 1990s, KLK has diversified into resource-based manufacturing (refinery and oleochemical), and vertically integrated its upstream, midstream and downstream businesses. The Group has since expanded its manufacturing operations resulting in an international oleochemicals operations in Malaysia, Indonesia, China, Switzerland, Germany, the Netherlands, Belgium and Italy.

The Group started capitalising on the strategic location of its land bank in Peninsular Malaysia by diversifying into property development in 1990. It is presently focused on Bandar Seri Coalfields, a 1,001-acre township in Sungai Buloh, and Caledonia in Ijok.

For more information, please visit [www.klk.com.my](http://www.klk.com.my).