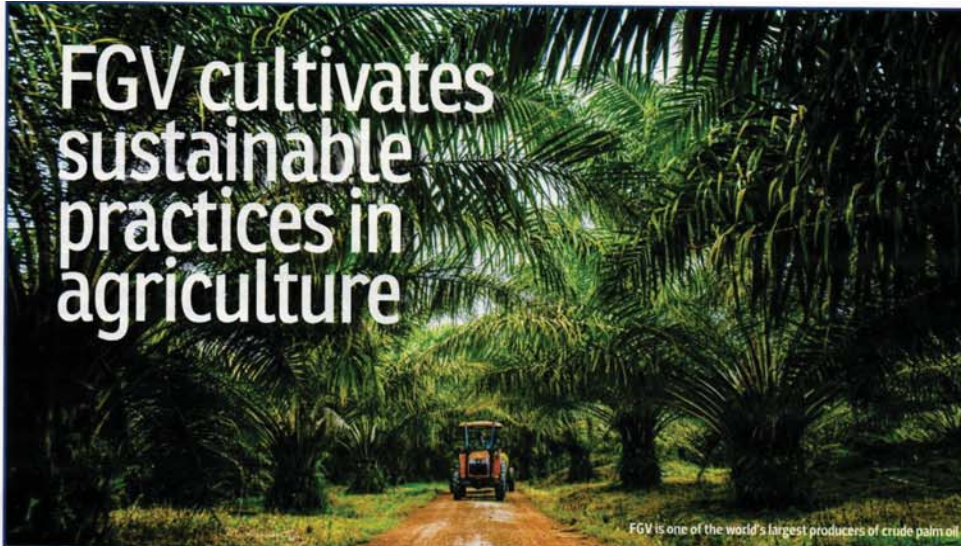


21 AUG, 2023

FGV cultivates sustainable practices in agriculture

The Edge, Malaysia



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FGV is one of the world's largest producers of crude palm oil

As our planet struggles under the weight of climate change and environmental degradation, responsible companies across the globe are doubling down on efforts to reduce their carbon footprint, recognising the urgent need for immediate action.

One such company is FGV Holdings Bhd (FGV), a global and diversified agribusiness focused primarily on three sectors: plantation, sugar and logistics. Based in Malaysia, it is one of the world's largest producers of crude palm oil and a contributor to the country's total annual output of this commodity by up to 15%.

Listed on the Main Market of Bursa Malaysia, FGV has 50 years of industry expertise and operations in nine countries across Asia, the Middle East, North America and Europe. The company is supported by a strong workforce of more than 45,000 people and is committed to delivering sustainable food and agri-products to the world while tapping into new revenue streams from the circular economy.

Commitment to sustainability

To further position itself as a leader in sustainable agriculture, FGV has made a bold commitment to no deforestation, no development on peatland and no exploitation as well as to contribute to the UN's Sustainable Development Goals. The company has a dedicated sustainability programme that addresses environmental, social and governance (ESG) issues and has received several certifications for its sustainable practices, including the Malaysian Palm Oil (MSPPO) certification scheme and the Roundtable on Sustainable Palm Oil certification.

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— Nazrul



utilising land for crops. Under the ESG framework, such companies face greater scrutiny, which is why we work tirelessly to exceed expectations and set industry standards," emphasises Datuk Nazrul Mansor, group CEO of FGV.

"We acknowledge the potential adverse environmental and social impacts linked to any business activities, including deforestation, carbon emissions and labour issues. Therefore, we are collaborating with stakeholders to promote sustainable forest management and develop sustainable production systems that contribute to poverty reduction and economic development while protecting the environment and conserving biodiversity."



FGV recently commissioned a biogas power plant and is exploring alternative sources of energy

Climate action and biodiversity protection

FGV has become the first food and agriculture company in Malaysia to affirm its commitment to addressing climate change by signing the Science-Based Target Initiative's Business Ambition for 1.5°C pledge. Through its Climate Action Plan, the company is taking tangible steps towards becoming a net zero emissions business by 2050.

To reduce energy consumption, FGV employs various energy-saving practices across its operations. These practices include using self-generated biogas, LED lights and digital tools such as the eDO mobile app and smart fuel card to reduce fuel consumption and carbon emissions. The company also invests in Euro 5 emissions-compliant trucks for its logistics sector and recommends retiring fleet vehicles after 10 years.

FGV employs various zero-waste initiatives and responsible waste management practices, including the use of empty fruit bunches as mulch and the introduction of fortified organic fertilisers to reduce costs and carbon emissions. Subsidiaries and business sectors also undertake initiatives to improve energy efficiency, such as installing solar photovoltaic systems.

FGV generates clean energy for internal consumption and sells excess energy to the grid, with some mills relying on renewable energy as their primary power

source. The company recently commissioned a biogas power plant and is exploring alternative sources of energy, such as converting biomass from palm oil production into renewable energy.

FGV also gives priority to the protection of biodiversity and wildlife and has put in place several programmes for the conservation of certain endangered, rare and threatened species, namely Malayan sun bears, pygmy elephants, gibbons and pangolins. Additionally, the company aims to protect prime forest areas by planting 50,000 indigenous trees and wild fruit trees in its plantations.

Digitalisation and traceability

FGV's research and development arm provides innovations and technologies to improve efficiency and productivity, focusing on estate and mill modernisation, high-quality planting materials, crop diversification and sustainable initiatives like using renewable energy and slow-release fertilisers.

The company has formed partnerships with educational institutions to upskill and reskill employees and plans to incorporate advanced technologies and sustainable processes to address labour shortages.

Traceability and transparency are essential components of FGV's sustainable value chain. The company has implemented a robust traceability system, enabling the identification of potential

risks and prompt resolution through continuous improvements. By adopting traceability and responsible sourcing practices, the company can fulfil its obligations to environmental protection and human rights.

Moreover, FGV has launched the Independent Smallholders Consultation Programme in support of government directives for all smallholders to comply with the MSPPO certification scheme. About 70% of FGV's fresh fruit bunch supply is from smallholders. As at 2022, FGV had managed to achieve 100% traceability to mills and 99% traceability to palm oil plantations.

Protecting human rights

FGV respects human rights and is committed to complying with international human rights standards. The company has implemented various programmes to strengthen its labour practices, including aligning its policies and recruitment practices with international labour standards.

FGV workers' rights to freedom of movement, freedom of association, collective bargaining and decent wages are embedded in FGV's Group Sustainability Policy. To improve living conditions, from 2018 to 2022, FGV spent RM412 million on the construction of new accommodation facilities, repairs to housing facilities and equipment upgrades.

One of the main standards adopted by FGV is the no-recruitment-fees policy for the hiring of migrant workers. The company has taken several measures, including setting aside RM112 million to reimburse recruitment fees to current and former FGV migrant workers.

The company is also a participant of the National Pledge against Child Labour Campaign in Malaysia and is committed to preventing and addressing child labour issues.

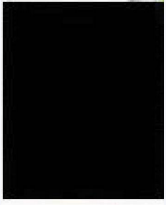
As part of FGV's commitment to diversity, equity and inclusion, the company became a signatory of the Women's Empowerment Principles in April 2022. It is a set of guidelines developed by the UN Global Compact and UN Women to guide businesses in advancing gender equality and women's empowerment in the workplace, marketplace and community. The company also established a Gender Equality and Women's Empowerment Committee in 2021 to operationalise its commitment to gender equality. Furthermore, it introduced the Women in Leadership Programme to nurture female employees into leadership positions.

In addition to its support for human rights, FGV invests in various corporate social responsibility initiatives to assist communities in need. Last year, the company contributed to the National Disaster Assistance Fund and supported vocational courses at colleges. FGV's contributions to society are crucial for community empowerment, reflecting the company's values and commitment to making a positive impact on the world.

These actions position FGV as a leader in sustainable business practices, setting an example for the industry and demonstrating that a commitment to sustainability is not only vital for the environment but also for long-term business success.



FGV's biogas power plant at its palm oil mill in Triang, Pahang



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SUMMARIES

As our planet struggles under the weight of climate change and environmental degradation, responsible companies across the globe are doubling down on efforts to reduce their carbon footprint, recognising the urgent need for immediate action. One such company is FGV Holdings Bhd (FGV), a global and diversified agribusiness focused primarily on three sectors: plantation, sugar and logistics.