

FGV and MPOB Forge Strategic Partnership to Enhance Traceability and Empower Smallholders

Kuala Lumpur, 7 January 2025 - FGV Holdings Berhad (FGV) and the Malaysian Palm Oil Board (MPOB) today signed a Memorandum of Collaboration (MoC) witnessed by YB Datuk Seri Johari Abdul Ghani, Minister of Plantation and Commodities of Malaysia.

The MoC today marks another pivotal moment in the relationship between corporate and government, underscoring the critical importance of such partnerships in advancing national progress. This is not merely a symbolic gesture; it represents a robust collaboration between FGV and MPOB, bringing together the strengths of both corporate and government entities to create a lasting impact for the nation.



From left : Datuk Dr. Ahmad Parveez Ghulam Kadir, Director General of MPOB; Dato' Sri Ahmad Shabery Cheek, Chairman of FELDA; Datuk Mohamad Helmy Othman Basha, Chairman of MPOB; YB Datuk Seri Johari Abdul Ghani, Minister of Plantation and Commodities of Malaysia; Tan Sri Rastam Mohd Isa, Chairman of FGV; Dato' Dr. Suzana Idayu Wati Osman, Director General of FELDA; and Fakhrunniam Othman, Group Chief Executive Officer of FGV.

The MoC is structured around three key pillars that will drive this transformation: first, empowering smallholders, whose success is fundamental to the growth and stability of the industry; second, ensuring full compliance with sustainability standards, securing a greener and more responsible future for palm oil production; and third, revolutionising the palm oil industry through the adoption of cutting-edge technologies that will enhance productivity and efficiency.

The document was signed by Tan Sri Rastam Mohd Isa, Chairman of FGV, Datuk Mohamad Helmy Othman Basha, Chairman of MPOB, Fakhrunniam Othman, Group Chief Executive Officer of FGV and Datuk Dr. Ahmad Parveez Ghulam Kadir, Director General of MPOB. The event was witnessed by YB Datuk Seri Johari Abdul Ghani, alongside Dato' Sri Ahmad Shabery Cheek, Chairman of FELDA and Dato' Dr. Suzana Idayu Wati Osman, Director General of FELDA.

Under this collaboration, FGV and MPOB will explore on the potential whereby FGV through its subsidiary will assist MPOB to enhance the effectiveness and usability of existing MPOB platforms, such as GeoPALM and the Sawit Intelligent Management System (SIMS). This will involve integrating advanced technologies, including geolocation mapping, data verification, block chain for traceability, and tools for data analysis and decision-making.

By eliminating discrepancies and enhancing transparency, this initiative will strengthen traceability across the palm oil supply chain, ensuring compliance with increasingly stringent global regulations, including the European Union Deforestation Regulation (EUDR).

Another key focus of the MoC is empowering smallholders to actively participate in sustainable palm oil production. Through joint initiatives, FGV and MPOB aim to raise awareness and support smallholders in complying with the Malaysian Sustainable Palm Oil (MSPO) standards and EUDR requirements, which will enhance smallholders' competitiveness and facilitate their access to the palm oil premium markets.

Additionally, the partnership will introduce the 'Kebun Angkat' initiative, a programme designed to provide a selected group of smallholders with appropriate technical assistance and guidance on good agricultural practices. While this initiative highlights the partnerships' commitment in supporting smallholders, its greater significance lies in the opportunities it offers for them to improve their productivity, thereby enhancing their standard of living and livelihoods.

"Through this partnership and its' strategic objectives, we will continue to reshape the future of Malaysia's palm oil sector, strengthening both the economy and global standing.

This is a significant step in our journey towards a sustainable and transparent palm oil industry in Malaysia. Aligned with FGV's Sustainability Framework, we are deeply committed to uplifting the livelihoods of smallholders, who form the backbone of our nation's palm oil industry. By collaborating with MPOB, we are not only advancing traceability systems to meet global standards but also equipping smallholders with the tools and knowledge needed to thrive in an increasingly competitive market. Together, we are forging a more inclusive, sustainable, and resilient palm oil sector," said Tan Sri Rastam.



During the signing event, Tan Sri Rastam Mohd Isa, Chairman of FGV delivered the opening speech.

"The strategic collaboration between MPOB and FGV will primarily focus on enhancing transparency of data and polygon mapping information through the GeoPALM portal, compliance with international standards, improving operational efficiency through more accurate data analysis, boosting the competitiveness of independent smallholders, mitigating environmental pollution risks, and increasing crop yields to further strengthening the position of Malaysian palm oil in the international market," said Datuk Mohamad Helmy.

Through geospatial data integration, smallholders, industry players, and policymakers will

gain access to relevant information to ensure compliance with established standards. This will directly enhance the global credibility of Malaysian palm oil.

This partnership between FGV and MPOB reflects a shared commitment to driving innovation and addressing critical challenges in the palm oil industry. By fostering collaboration among government agencies, industry players, and smallholders, this initiative paves the way for a more sustainable and transparent future for Malaysian palm oil.

FGV also reaffirmed its support for the government's efforts to address global challenges, including anti-palm oil campaigns, to ensure that Malaysia's palm oil industry continues to grow and remains competitive on the global stage.

"With the right policy support, advanced technologies, and strong collaboration, we are confident that this sector will thrive and uplift the livelihoods of smallholders. FGV remains committed to working closely with the government to position Malaysia as a leader in sustainable and resilient palm oil production," Tan Sri Rastam added.

FGV's unique business model blends commercial objectives with social responsibility. As Malaysia's largest off-taker of smallholders' Fresh Fruit Bunches (FFB), FGV sourced nearly two-thirds of its FFB supply, approximately 4.5 million metric tonnes from FELDA settlers and independent smallholders at market prices. This, emphasising the Group's continued commitment to supporting smallholders' communities.

In 2024, FGV has engaged over 1,500 smallholders in 2024 through sustainability programmes focusing on raising awareness of compliance and certification standards while addressing land management challenges. Building on this momentum, FGV aims to further expand these efforts in 2025.

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