FGV to Achieve 100 Percent Traceability of Fresh Fruit Bunches Supply Chain by Q4 2021



KUALA LUMPUR, 12 November 2020 – Through its robust traceability initiatives, FGV Holdings Berhad (FGV) has achieved 81 percent of Traceability to Plantation (TTP) of its Fresh Fruit Bunches (FFB) to date, on-track of its target to achieve 100 percent TTP milestone by fourth quarter of 2021.

The traceability initiatives within FGV ensure that the FFB sourced are not linked to deforestation, planting on peat and open burning, in line with FGV's Group Sustainability Policy (GSP) and the No Deforestation, No Peat and No Exploitation (NDPE) commitment.



Group Chief Executive Officer, Dato' Haris Fadzilah Hassan said, "While we are 100 percent traceable to the mills, tracing FFB to the plantations of origin presents a unique set of challenges attributed to the complexity of the supply chain in FFB traders' network. This is due to the fact that FGV sources two-thirds of its FFB from external suppliers comprising FELDA settlers, independent smallholders as well as FFB traders, while only one-third of FFB are sourced directly from our own estates."

"Therefore, achieving TTP beyond 80 percent is a huge milestone for us and we are committed to ensure we achieve full traceability by next year," added Haris Fadzilah.

As of October 2020, 28 percent of our FFB supply are sourced internally from our estates, while 72 percent are sourced externally. Of this external supply, 63 percent is supplied directly from FELDA settlers, 2 percent from independent smallholders, 4 percent from private estates, 2 percent from cooperative, and 28 percent is supplied through FFB traders in Malaysia.

As part of FGV's continued commitment to traceability and better assurance of our products, FGV has established a traceability and risk mapping programme. This programme is aimed to identify and verify the sustainability risks, including environmental as well as social and human rights risks, associated with external suppliers based on their specific geographical areas.



Furthermore, in promoting greater compliance by suppliers to our standards, FGV collaborates with the Malaysia Institute for Supply Chain Innovation (MISI) and Malaysia's National Applied Research and Development Centre (MIMOS) to work on the validation of traceability data information, verification of external suppliers' compliance to our Group Sustainability Policy, and development of FGV's suppliers' sustainability status through the Preferred Network Programme (PNP).



In keeping with the commitment of transparency, FGV has also created the Traceability of Product (FGV-ToP), a computerised traceability system that enables our customers to obtain details such as the certification, geolocation and production per month of its mills.

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