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Prosperity begins with people: FGV's best practices in worker's well-being and sustainability

Once a broad stroke that encompassed ideas of conservation and general environmental well-being, sustainability has come to mean many different things in this day and age. "Reuse, reduce, recycle" now finds its ageing adage in the backseat, making way for new solutions to more contemporary challenges.

Today, the broader societal concern about sustainability has grown from almost nothing in the 1990s to a dominant global discourse, and major corporations worldwide are increasingly facing the challenge of meeting stakeholders' expectations. As a result, sustainability is now an essential ingredient for a company's long-term success.

Take it from Felda Global Ventures (FGV), Malaysia's leading global agribusiness and one of the world's largest producers of crude palm oil (CPO). When FGV thinks about sustainability, they think first about people and the ways in which communities can be empowered through effective and ethical practices.

"[We] define sustainability as a balanced approach among three components — people, planet and prosperity," says Datuk Zakaria Arshad, group president and CEO of FGV. Today, the group's focus covers three core business sectors — plantation, sugar, and logistics and others.

"Our group abides to strong and high sustainability principles, but is simultaneously accommodative to smallholders' capabilities to embrace sustainability principles," he asserts. FGV has also collaborated with The Human Rights Commission of Malaysia (Suhakam) in an effort to enhance greater compliance to international human rights laws.

We speak to Datuk Zakaria on the fundamental practices on sustainability, and how FGV bridges the gap between people, planet and prosperity.

Empowering employees from the ground up

Before good work is created, well-being must be fostered. Therefore, understanding the needs of employees is the building block to generating overall wellness and prosperity for both FGV and the community.

This is why by the end of 2018, FGV aims to set up new living quarters complete with basic amenities and facilities for both its foreign and local employees. Equipped with recreational spaces, places of worship and security systems, these pockets of communities will be able to thrive both in and outside of work.

For FGV, it is important that each worker's living standards remain in strict compliance with the Malaysian Labour Law. This means ramping up efforts to upgrade existing workers' housing to meet the local authority's requirements, by adding infrastructure such as clean water supply,



Datuk Zakaria Arshad

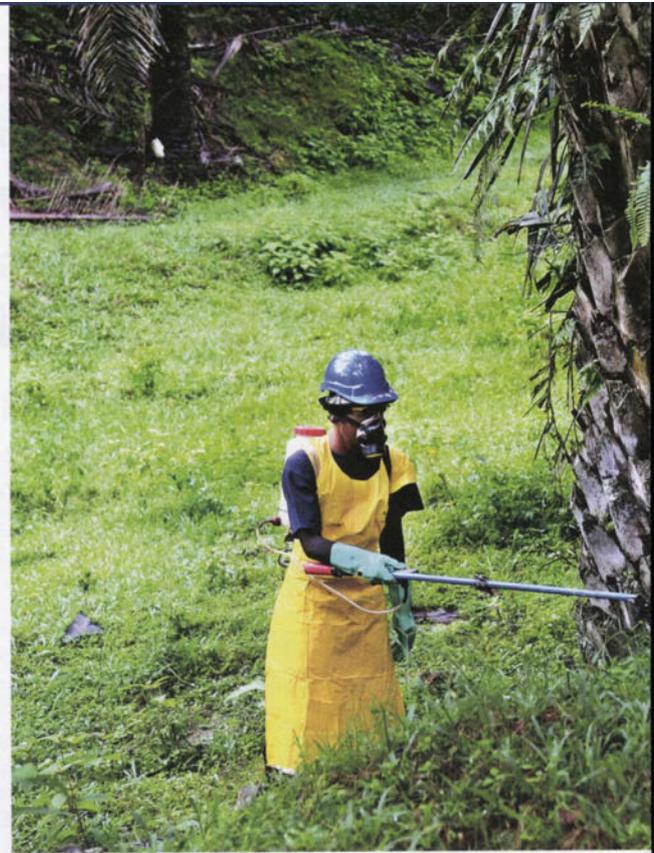
football fields, badminton courts, resting areas and places of worship.

Basic needs covered, Datuk Zakaria stresses the importance of workers' welfare beyond physical amenities. In line with this, the group encourages its workers to engage in their downtime and is committed to providing them with various avenues and activities outside of work, such as sports activities, musical contests, Best Dormitory Contest and religious talks, which also include foreign workers. These are just some of the many initiatives by FGV to improve the workers' quality of life. As for foreign workers, their national holidays are also taken into account, in an effort to truly understand and respect different cultures and practices within the workers' community.

"They are the pulse of FGV. Our plantation workers play the biggest role in determining our productivity," says Datuk Zakaria.



Examples of the latest home designs built on Felda Global Ventures Plantations Malaysia's estate



Emphasising compliance of RSPO standards among plantation workers

Another important aspect of health and safety is workers' benefits. In this light, FGV is committed to providing a comprehensive insurance coverage for its plantation workers, which includes free medical check-ups and hospitalisation allowances. In addition, clinics can be found in many FGV estates to address health concerns among plantation workers. In the absence of a clinic in the estate, the group bears transportation costs to the nearest local clinic or government hospital.

As part of strengthening FGV's compliance of basic human rights, foreign employees under FGV are also able to enjoy the same incentives as their local counterparts. Apart from housing and insurance benefits, Datuk Zakaria stresses the importance of safeguarding employees' passports and identification. To avoid human rights allegations on labour exploitation, passports are kept at the estate's office in individual safe boxes, which workers have keys to.

FGV also hopes to open up more channels of communication so that workers' needs are well understood to further improve their livelihood.

"To bring the gap closer between foreign workers and [our] head office, a Hotline number has been provided for them to voice out their complaints or to give suggestions. As part of a Grievance Mechanism Framework, we provide avenues for them to channel their complaints without fear of repercussions," Datuk Zakaria says.

He also stresses the importance of empowering workers through training and education, believing they are imperative components for sustaining a proactive, innovative and environmentally conscious workforce.

In line with this, FGV provides for its key stakeholders such as plantation workers, Felda settlers (smallholders), third-party suppliers and contractors across the group to take part in customised training programmes.

Before being deployed to the field, each worker is required to undergo health and safety training on general health and safety, hazards at the workplace, personal protective equipment (PPE) and other training specific to their role to ensure better productivity as well as safety of the workers themselves.

"In an increasingly competitive market, these incentives will help FGV in attracting, retaining, motivating and rewarding more workers," asserts Datuk Zakaria, adding the company targets to have sufficient workers in 2018 by exploring Indonesia's other regions besides Lombok, such as Maluku, Sulawesi, East Java and West Java.

"We will continue to strive to increase the involvement of locals in the plantation sector by improving their career development packages and benefits," says Datuk Zakaria.

Upholding principled practices

As part of FGV's commitment to sustainability and the strict criteria imposed by the market to curb deforestation, habitat destruction and labour exploitation, it becomes imperative that the group engages with its key stakeholders in the palm oil value chain to keep them abreast with

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Organised infrastructure development at Felda Sahabat 9, Sabah

sustainability issues, while striving for long-term growth for the industry and community.

Since 2004, FGV has been a member of the Roundtable on Sustainable Palm Oil (RSPO) under a joint membership with Felda and were among the first few to test its "Principles and Criteria" for sustainable palm oil. In a gist, the RSPO develops, implements, verifies and assures credible global standards for the entire supply chain of sustainable palm oil.

In 2010, the Felda Group became the first smallholder organisation in the world to achieve RSPO certification, and has in return certified 60,000 smallholders under Felda's RSPO membership—almost one-third of the total certified smallholders, globally.

However, in May 2016, FGV voluntarily withdrew from RSPO P&C certificates to address sustainability issues in its supply chain. Ultimately, the group aims for all its 70 complexes to be 100% RSPO-certified under its own membership by 2021. Through this effort, more than 7,000 settlers have attended the RSPO and the Malaysian Sustainable Palm Oil (MSPO) awareness programmes.

At present, Datuk Zakaria hopes to secure FGV's first RSPO certification for eight palm oil mill complexes by end-2017. "This will be a symbol of FGV's commitment towards sustainability, as we continue to collaborate with smallholders by helping them to be certified for RSPO," he says.

Making peace with the planet

There are at least 10 different species of *Rafflesia* in the world, two of which are endemic to Peninsula Malaysia. Specifically in Gerik, Perak, three species can be found enclosed around Felda Bersia.

Realising its significance, FGV is cautious and adamant in taking steps to ensure that land is not cultivated at the expense of local communities or the environment. As an effort to uphold the longevity of Malaysia's prized *Rafflesia*, FGV collaborated with Felda and Forest Research Institute of Malaysia (FRIM) to establish the *Rafflesia* Conservation and Interpretive Centre (RCIC).

The first in Peninsula Malaysia, RCIC will be purpose-built in Gerik, Perak on 223ha of land for research and conservation of the *Rafflesia* species. It is scheduled to be completed in 2018.

This collaborative project is intended to serve as a one-stop centre for research, education and conservation of the endangered species. Once completed, RCIC may also serve as a venue for international symposiums, workshops, colloquiums and environmental awareness programmes for both the public and the scientific fraternity. Apart from that, FGV has also collaborated

with the Department of Wildlife and National Parks (Perhilitan) in their efforts to establish the Sun Bear Conservation Programme (SBCP).

"Naturally, [we have to] take accountability to initiate conservation efforts," Datuk Zakaria affirms. "We realise that little has been done to understand these two species and, coupled with the lack of awareness among the general public, they may face the same fate as the Javan Rhino, Green Peafowl and few other species."

The collaboration with Perhilitan will encompass research efforts, rehabilitation of injured and orphaned bears, education and the establishment of Citizen Action Groups (CAGs), which will act as the eyes and ears of enforcement agencies in controlling illegal hunting and poaching.

FGV has also engaged with the Borneo Conservation Trust (BCT) to collaborate on a five-year project to facilitate wildlife movement along the Kinabatangan corridor, with a focus on Bornean elephants and orangutan.

The project is a first of its kind with the aim of supporting the re-establishment, restoration and protection of key migratory routes for wildlife to safely migrate within the lower Kinabatangan basin. Ultimately, the collaboration also serves to provide a sustainable alternative livelihood for the local communities living along the Kinabatangan River through a sustainable community eco-tourism programme.

Trailblazing the future

"In the past, communities went about their own business when working their plantations. However, the same methods used before by my parents are no longer sustainable," Datuk Zakaria expresses.

For him, change is merely constant, and for FGV, sustainability is an ongoing challenge to purposefully think about. When a corporation cares about its people and treats the environment with the utmost respect, prosperity is merely an open door away. All it takes is to keep the good work going.

Ramping up 2018, Datuk Zakaria aims to focus on enhancing various social and human rights elements within the group's own third-party supply chain. This move will also involve FGV's contractors and those who employ foreign workers.

"As a listed company, FGV is always focusing on maximising returns to shareholders that will directly impact the community," says Datuk Zakaria. "Now, with RSPO and many other sustainable standards, many old methods need to be replaced by new and better plantation management practices that are friendlier to the environment, socially acceptable and brings prosperity to all in a holistic manner."



Daily roll call and briefing for plantation workers



Integrated housing concept in Seriting Hillir, Negeri Sembilan

FGV is a global agribusiness leader that takes pride in driving sustainability awareness throughout its palm oil value chain. To find out more about who we are and what we do, visit www.feldaglobal.com.

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