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 means its age in the backseat, making way for new solutions to 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). FGV thinks about sustainability, they think first about people and the ways in which communities can be empowered through effective and ethical practices. "(To) define sustainability as a balanced approach among various 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 it is simultaneously accommodating smallholders’ capabilities to embrace sustainability principles," he asserts. FGV has also collaborated with The Human Rights Commission of Malaysia (Dahukam) 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 its workers and head office, a Hotline number has been provided for them to voice out 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.

As 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 by 2020 by exploring Indonesia’s other regions besides Lombok, such as Makassar, 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...
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&BC addresses to assure sustainability issues in its supply chain. Ultimately, the group aims for all its 70 complexes to be 100% RSPO certified under its membership by 2023. 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 mills complexes by end-2021. "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 Peninsular Malaysia. Specifically in Gerik, Perak, three species can be found encircled around Felda Bersia.

Reaching 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 the Department of Wildlife and National Parks (Perhilitan) to establish the Rafflesia Conservation Interpretative Centre (RCIC) at Felda Bersia.

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 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, colloquiahs 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 Java Rhinoceros, 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 orangutans. The project is in fact started 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 ecotourism programme.

Trailblazing the future

"In the past, communities were 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 certainly 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 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 environmentally friendly and socially acceptable and brings prosperity to all in a holistic manner."