



# HARNESSING POTENTIAL

# Our Reporting Approach

## OUR REPORTING SUITE

FGV Holdings Berhad (FGV) 2024 reporting suite comprises the following:

The FGV Annual Integrated Report (AIR) serves as the primary source of information on the Group's financial and non-financial performance, offering a comprehensive view of our business operations across Malaysia and beyond. It reflects our commitment to transparency, accountability, and sustainable growth by integrating key financial results with insights into our environmental, social, and governance (ESG) initiatives, strategic direction, and operational achievements.



ANNUAL INTEGRATED REPORT 2024

The FGV Audited Financial Statements (AFS) provide a detailed and audited account of the Group's financial position and performance for the financial year. It offers stakeholders a clear and accurate understanding of our financial health, corporate governance, and regulatory compliance.



AUDITED FINANCIAL STATEMENTS 2024

## REPORTING PERIOD, SCOPE, AND BOUNDARIES

FGV's AIR is published annually and covers the calendar year from 1 January to 31 December 2024, presenting both financial and non-financial updates. The report encompasses all operations and activities across FGV's businesses, including its subsidiaries and joint ventures.

It outlines our strategic direction, performance outcomes, and future outlook, detailing material matters, risks, and opportunities that influence our ability to create and deliver value. Additionally, it provides insights into our financial and non-financial performance, ensuring transparency and accountability in line with evolving stakeholder expectations.

The Sustainability Review forms part of this report, covering FGV's business operations, subsidiaries, and headquarters in Malaysia. The scope excludes subsidiaries, joint ventures, and associates outside Malaysia.

## REPORTING FRAMEWORKS

This report has been prepared in alignment with the following standards, guidelines, and industry best practices:


- ✓ Main Market Listing Requirements, Bursa Malaysia Securities Berhad (MMLR)
- ✓ Malaysian Code on Corporate Governance (MCCG) 2021, issued by Securities Commission Malaysia
- ✓ Integrated Reporting Framework
- ✓ Malaysian Financial Reporting Standards (MFRS)
- ✓ Companies Act 2016
- ✓ Sustainability Reporting Guide (3<sup>rd</sup> Edition) 2022, Bursa Securities
- ✓ Global Reporting Initiative (GRI) Standards 2021
- ✓ Task Force on Climate-related Financial Disclosures (TCFD)
- ✓ United Nations Sustainable Development Goals (UN SDGs)

## COVER RATIONALE

The 2024 theme, 'Harnessing Potential', reflects the power of agriculture in driving growth, uplifting communities, and safeguarding the environment. It highlights FGV's commitment to innovation, inclusivity, and long-term value creation, empowering people, and supporting national development through a resilient agri-food eco-system.

The cover design emphasises the strength derived from unity and collaboration. It showcases a diverse workforce, whose collective presence highlights the human element behind FGV's success. This also underscores the importance of teamwork in achieving shared goals. The dynamic interplay of visuals, including Plantation, Oils & Fats, Sugar, Logistics & Support, and Consumer Products, seamlessly blends the various facets of FGV's operations. Together, these elements capture the essence of FGV's journey and vision. The design presents a compelling visual narrative of resilience and progress as the Group continues to strive to reach its full potential.

We welcome inquiries, comments, and feedback to help us enhance our reporting. Please contact us via:


 **Tel:** 03-2789 0000

 **Email:** fgv.investors@fgvholdings.com



## MATERIALITY & MATERIAL MATTERS

The materiality reporting is shaped by key matters of interest to our stakeholders, ensuring relevance and transparency. These considerations play a crucial role in driving value creation by addressing both current and emerging risks and opportunities. They are identified through stakeholder engagement and internal assessments, reflecting factors that influence FGV's long-term growth and sustainability.

 Further information can be found in Material Matters on pages 49 to 54.

## REPORTING INTEGRITY & ASSURANCE

We uphold the accuracy, consistency, and transparency of this report through rigorous oversight. The Reporting Committee ensures alignment with the Integrated Reporting Framework, while the Audit Committee and the Board review and approve this report together with the AFS. Our AFS underwent a comprehensive assurance review, and the Statement on Risk Management and Internal Control was subject to a limited assurance review by appointed external auditors.

As part of our ongoing commitment to transparency and accountability, an independent third party conducted a limited assurance on selected sustainability indicators for 2024. This was performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, as detailed on page 252 to 255 of this report.

## FORWARD-LOOKING STATEMENTS

This AIR contains forward-looking statements relating to our plans, strategies, and performance expectations. These statements are subject to risks, uncertainties, and assumptions, and do not guarantee future results. Actual outcomes may differ materially from those projected. FGV makes no representation or warranty regarding the achievement of any targeted results and assumes no obligation to update these statements or any historical information.

## STATEMENT FROM THE BOARD OF DIRECTORS

The Board of Directors of FGV is responsible for ensuring the integrity and accuracy of FGV's AIR 2024. To the best of our knowledge, this report provides a comprehensive overview of the material issues relevant to our business and stakeholders, offering a balanced and fair assessment of FGV's financial and non-financial performance for the reporting period.



**Tan Sri Rastam Mohd Isa**  
Chairman  
FGV Holdings Berhad



**Fakhrunniam Othman**  
Group Chief Executive Officer  
FGV Holdings Berhad

## HOW TO READ THIS REPORT

This report features the following icons to highlight the linkages between key elements of our business.

### CAPITALS







- |  |   |
|--|---|
|  Financial Capital    |  Intellectual Capital          |
|  Natural Capital      |  Human Capital                 |
|  Manufactured Capital |  Social & Relationship Capital |

### STRATEGIC THRUST

- |  |   |
|--|---|
|  Operational Improvement      |  New Growth Areas                |
|  Product & Market Penetration |  Financial & Capability Building |

### MATERIAL MATTERS




#### Economics Growth

- |  |   |
|--|---|
|  Economic Impact  |  Human Rights and Labour Standards |
|  Business Development and Product Quality                       |  Occupational Health and Safety    |
|  Traceability, Responsible Sourcing and Supply Chain Management |  Smallholders                      |

#### Governance

- |   |
|---|
|  Regulatory Compliance and Sustainability Certifications |
|  Data Security and Protection                          |
|  Corporate Governance and Risk Management              |
|  Anti-Corruption and Anti-Bribery                      |

#### Social

- |   |
|---|
|  Community Development                 |
|  Diversity, Equity and Inclusion (DEI) |
|  Talent Development                    |

#### Environment

- |   |
|---|
|  Biodiversity and Land Management    |
|  Climate Action                     |
|  Energy Management                 |
|  Soil, Pest and Disease Management |
|  Waste Management                  |
|  Water Use                         |

#### Innovation & Technology

- |  |
|--|
|  Operational Excellence |
|--|


### KEY RISKS

- |   |   |
|---|---|
|  Trading Risk                |  Sustainability Risk     |
|  Operational Risk            |  Legal & Regulatory Risk |
|  Information Technology Risk |   |

### STAKEHOLDERS

- |  |   |
|--|---|
|  Customers                        |  FELDA Settlers                    |
|  Suppliers                        |  Investors & Capital Providers     |
|  Regulators & Government          |  Joint Venture & Business Partners |
|  Board of Directors and Employees |  Media                             |
|  Field Workers                    |  Non-Governmental Organisations    |
|  FELDA                            |   |

 **In This Report** – This icon directs you to the relevant sections of the report, where you can find more details on the topic.

 **Online Access** – This icon indicates that additional information is available on our website. Please visit the provided link for further details.

# WHAT'S INSIDE



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website.  
[www.fgvholdings.com](http://www.fgvholdings.com)



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# 17<sup>TH</sup> ANNUAL GENERAL MEETING



Thursday, 26 June 2025



11:00 a.m.



Location: Banquet Hall 1,  
Level B2, Menara Felda,  
Platinum Park,  
No.11 Persiaran KLCC,  
50088, Kuala Lumpur,  
Malaysia.



Online Platform:  
<https://investor.boardroomlimited.com>

# Who We Are

## About Us

FGV is an agribusiness based in Malaysia and one of the world’s largest producers of crude palm oil (CPO), contributing approximately 3% of global and 14% of Malaysia’s CPO production. Since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2012, FGV has remained committed to achieving its strategic goals and leveraging synergies to create value for its stakeholders.

As a responsible organisation, we focus on fostering a culture of sustainability, ensuring long-term value creation through environmentally and socially responsible operations and growth.

### OUR PURPOSE

- ➔ To deliver sustainable value to shareholders and stakeholders

### OUR VISION

- ➔ Delivering sustainable foods and agriproducts to the world

### OUR MISSION

- ➔ Developing and producing high-quality products sustainably, that are both good for the people and the environment
- ➔ Practicing a healthy and innovative working environment and culture within the Group, whilst promoting the same to our suppliers
- ➔ Establishing an integrated value chain business ecosystem
- ➔ The embodiment of governance and compliance
- ➔ Cultivating diversification in products and geographies

#### RANKING IN MALAYSIA

**41%**

of the market share for oil palm germinated seeds



**35.4%**

of the market share for SAJI refined cooking oil



**53.5%**

of the market share for Seri Pelangi margarine



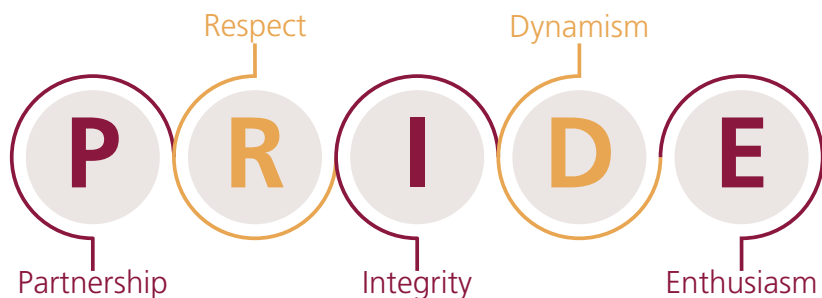
**60%**

of the market share for Gula Prai refined sugar





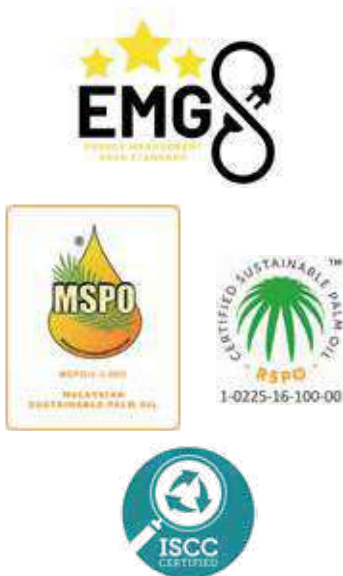
## OUR PRIDE VALUES



### INDICES REPRESENTATION



### CERTIFICATIONS AND CREDIT RATINGS



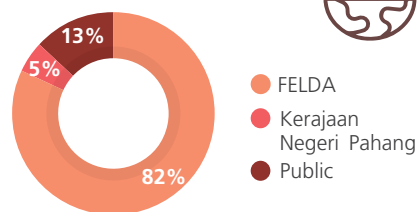
MARC RATING  
(MALAYSIA CORPORATION BERHAD)

# AA-IS



Market Capitalisation  
**RM 4.16 billion**

### Shareholding Structure



FGV Total Workforce\*  
**51,437**

\* As at 31 December 2024, FGV's total workforce comprised FGV employees (including Malaysia, its overseas operations, and MSM) as well as operational labour.

Our Presence  
**7 Countries**



### Business Operations

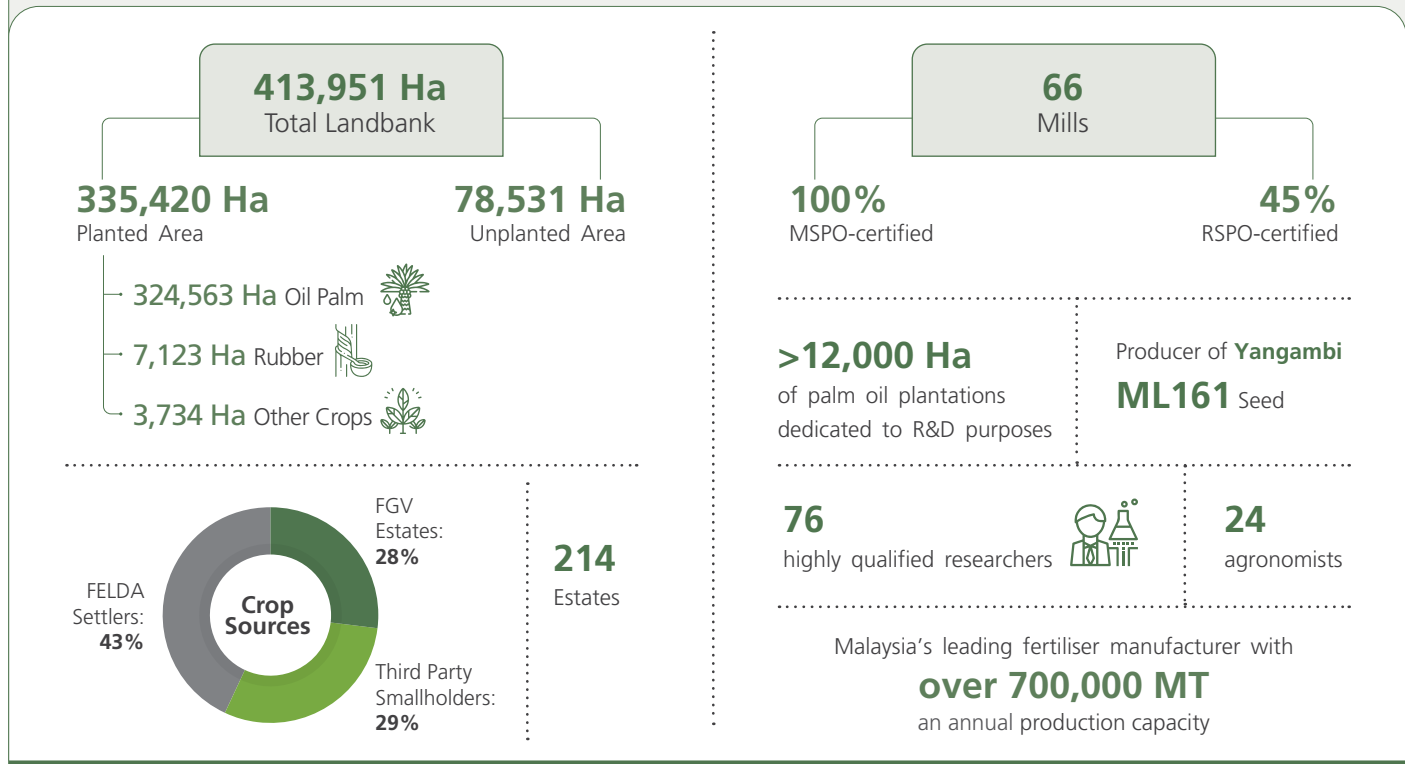


# What We Do

At FGV, we are an agribusiness with an integrated value chain spanning multiple divisions. Our diverse operations include Plantation, Oils & Fats, Sugar, Logistics & Support, and Consumer Products. With a commitment to sustainability, innovation, and operational excellence, we drive value creation across our business and global markets.

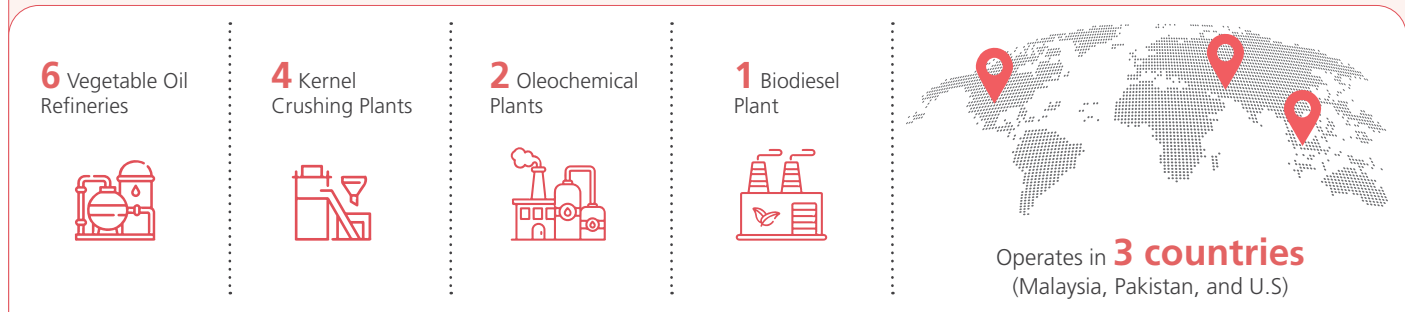
## PLANTATION

As the backbone of our operations, the Plantation Division manages the entire supply chain, from estates and mills to research & development (R&D), rubber, and renewable energy. This division plays a crucial role in driving efficiency and sustainability across our agricultural activities.



## OILS & FATS

The Oils & Fats Division focuses on refining and producing palm-based food ingredients, oleochemicals, and biodiesel. As a key contributor to the Group's supply chain, this division adds value by delivering high-quality bulk commodities, edible oils, and chemical products. With a strong presence in Malaysia, Pakistan, and the United States (U.S), we maintain a robust and sustainable supply network to meet global market demands.





## SUGAR



The Sugar Division, operated through its 51% subsidiary, MSM Malaysia Holdings Berhad (MSM), is the largest refined sugar producer in Malaysia and a significant player in the Asian market. Listed on Bursa Malaysia Securities Berhad since 2011, MSM offers a diverse range of products, including refined sugars and healthier alternatives such as sucralose and stevia mix, catering to both industrial and consumer needs.



**2.05 million MT**  
Sugar Refining Capacity



**2** Refineries



**Gula Prai**  
Flagship Brand



## LOGISTICS & SUPPORT



The Logistics & Support Division ensures seamless business operations through its services including bulking and storage, transport, information technology, and travel services. With Malaysia's largest liquid bulking installation, the division supports core business activities with cutting-edge logistics and digital solutions.

**1.12 million MT**  
Total Storage Capacity  
*(including Malaysia and Pakistan)*

**1 million MT**  
Liquid

**0.12 million MT**  
Dry Cargo



**12**  
Bulking Terminals



**>600 units**  
Mixed Fleet Vehicles

## CONSUMER PRODUCTS



We provide high-quality consumer food products while advancing integrated farming practices. This division supports food security and sustainability, aligning with evolving consumer preferences.

### BRANDS



# Our Competitive Edge





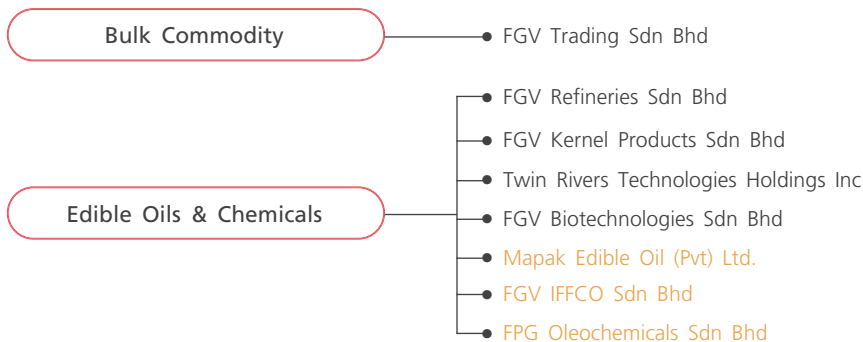
# How We Are Structured



## PLANTATION



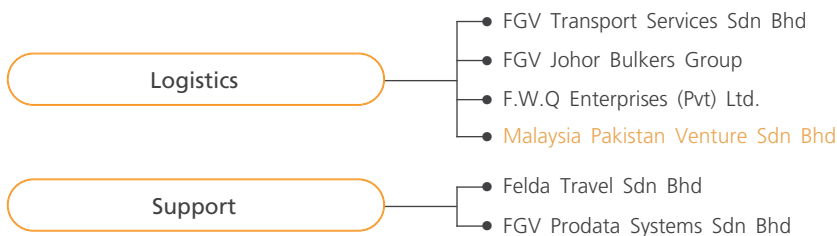
## OILS & FATS



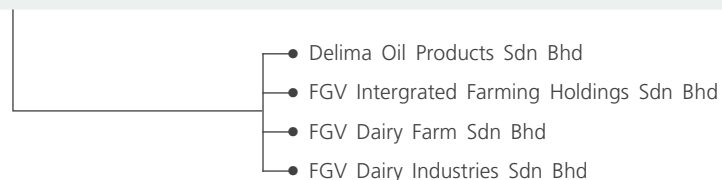
## SUGAR



## LOGISTICS & SUPPORT

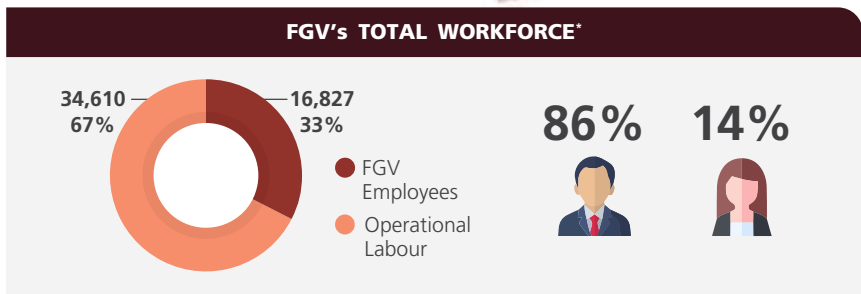


## CONSUMER PRODUCTS



● Subsidiaries      ● Joint Ventures

# Our Global Footprint



\* As at 31 December 2024, FGV's total workforce comprised FGV Employees (including Malaysia, its overseas operations, and MSM) as well as operational labour.

Further details on FGV's assets are available on our website at [www.fgvholdings.com](http://www.fgvholdings.com).



**ASIA**  
Total Sales Revenue  
**RM1.27 billion**



We have operations in **seven countries** across North America, Europe, and Asia.

**LOCATIONS**

**Asia**

**Cambodia**

- 1 Rubber processing facility

**Thailand**

- 1 Rubber processing facility

**Malaysia**

- 214 Estates
- 66 Mills
- 5 Rubber processing facilities (two are located in the same location)
- 3 R&D centres
- 3 Seed production centres
- 3 Fertiliser manufacturing plants
- 5 Vegetable oil refineries (1 is JV)\*
- 4 Kernel crushing plants
- 1 Biodiesel plant
- 1 Oleochemical plant\*
- 2 Sugar refineries
- 1 Refined sugar warehouse
- 10 Bulking terminals
- 10 Transportation hub and spoke
- 12 Warehouses (located in three different locations)

- 4 Transportation depots
- 1 Jetty operation
- 1 Hotel
- 2 Collection, Processing, and Packaging Centres (CPCC)
- 1 Chuping agro food valley
- 6 Paddy farming
- 2 Animal feed plants
- 1 Fresh milk processing facility
- 1 Integrated cattle dairy farm

**Pakistan**

- 1 Vegetable oil refinery\*
- 2 Bulking terminals\*
- 1 Warehouse\*
- 1 Jetty operation\*

**North America**

**United States**

- 1 Oleochemical plant

**Europe**

**France**

- 1 Trading office\*

**Spain**

- 1 Trading office\*

**Business Operations**

- Plantation
- Oils & Fats
- Sugar
- Logistics & Support
- Consumer Products

\* Joint Venture (JV)

# Our Investment Case

## FINANCIAL HIGHLIGHTS

### Revenue

↑ **RM22,158**  
million

(2023: RM19,359 million)

### Profit After Tax and Minority Interest

↑ **RM276**  
million

(2023: RM102 million)

### Earnings per Share

↑ **7.6 sen**

(2023: 2.8 sen)

### Dividend per Share

↑ **5.0 sen**

(2023: 3.0 sen)

## BUSINESS HIGHLIGHTS

### Economic

Completed **89% of the replanting programme**

(Felling: 13,196 Ha / Planting: 18,543 Ha).



Introduced the **electric steer power barrow** to ease workers' workload, while **unmanned weighbridges** at mills streamlined operations and minimised human intervention.



Launched the new **Fract750 Refinery Plant** at Kuantan Port for premium products.



Completed **10 new tanks with a total capacity of 24,000 MT** for renewable feedstocks.



Awarded a project to **develop, implement, and maintain the MyInvois system** for LHDN.



Launched **Yangambi Platinum**, a high-yielding new clonal planting material.



Sold **40,000 MT of Green Gold Label-certified PKS** to Japan.



One of the **first Malaysian plantation companies to produce CPKO** in accordance with EUDR requirements.

Installed **26 units of Automated Tank Gauging systems** at bulking facilities for real-time monitoring.

Granted the rights to **commercialise the enhanced variety of fragrant rice, MRQ111**, developed by MARDI.



Launched **23 new Stock Keeping Units** in the market



- **SAJI Sup Bunjut** with three variations: *Sup Bunjut Ayam*, *Sup Bunjut Tulang*, and *Sup Bunjut*.
- **SAJI Paste** with two variations: *Pes Sup Siam* and *Pes Sup Tomyam*.
- **SAJI Kerisik**.



- **PREMEO Blended Vegetable Oil** in two variations: *Palm & Sunflower Oil* and *Palm & Canola Oil*.



- **Yoghurt Drinks:** *Yuzu*, *Strawberry*, and *Fruit Punch* flavours.
- **UHT Milk:** *Strawberry* and *Chocolate* flavours.
- **Malt Powder** in *Chocolate* flavour.

**Environmental & Social**

Submitted **near-term and long-term GHG reduction targets** to SBTi for validation.



A total of **5,500 trees, including indigenous and wild fruit species**, have been planted at FGV estates in Perak and Kelantan.



Invested **RM126.73 million** in improving infrastructure and sustainability initiatives for migrant workers.



Reimbursed **RM5.54 million** in recruitment fees to 1,164 former migrant workers.



Launched **“Projek Rintis: Plantation Technician (Harvesting Specialist)”**, a structured programme to train 60 local youth.

**Governance**



Established the **Gender Diversity in Top & Key Management Policy**.



Launched the **Enhanced Sustainability Framework**.



Submitted a **petition to the U.S CBP for WRO modification**.

Ranked 20<sup>th</sup> globally and 6<sup>th</sup> among Malaysian plantation companies in the **2024 SPOTT assessment, with a score of 83.4%**.

## Our Investment Case

### AWARDS AND RECOGNITIONS

#### ANNUAL REPORT AWARD

FGV:

- 1 **Gold Award** for AIR 2022 at the Australasian Reporting Awards (ARA).
- 2 **Gold Award** for Best Annual Report in Bahasa Malaysia at the National Annual Corporate Reporting Awards (NACRA) 2024.



- 3 **Bronze Award** for Asia's Best Integrated Report (CEO Message category) at the Asia Integrated Reporting Awards (AIRA) 2023.

MSM:

- 1 **Silver Award** for AIR 2022 at the ARA.
- 2 **Platinum Award** for Best Annual Report in Bahasa Malaysia and **Silver Excellence Award** for Companies with Less than RM2 billion Market Capitalisation at NACRA 2024.

#### HUMAN CAPITAL

FGV:

- 1 **Best Employer Award** from the Human Resource Development Corporation.
- 2 Kincentric **Malaysia's Best Employer Award** 2023.

MSM:

- 1 **Silver Award** for Employer of Choice & Best CSR at the 24<sup>th</sup> Malaysia International Human Resource Awards (MIHRA) 2024.

#### SUSTAINABILITY

FGV:

- 1 **Special Award** in the Energy Management Gold Standard (EMGS) programme.

MSM:

- 2 **Overall Excellence Award (Ranked 19<sup>th</sup>)** at the National Corporate Governance and Sustainability Awards (NACGSA) 2024.

#### CONSUMER PRODUCTS

- 1 **Platinum Award** for SAJ in the Cooking Oil category by Reader's Digest.
- 2 **Kancil Award** SAJ's "Perajurit Dapur" campaign, focusing on consumer appreciation and community building.

#### SAFETY

- 1 **Earned 63 awards** across the Group, with standout achievements at the Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2024.
- 2 **Multiple Awards** for MiSHA Excellence under the following categories:
  - **Gold Award** (Emergency Response).
  - **Gold Award** (Chemical Category OSH Principle of Prevention (OSHPoP)).
  - **Gold Award** (Risk Management in Agriculture/Forestry/Fishing Sector).

#### PLANTATION

- 1 **Multiple Awards** at the Anugerah Industri Sawit Malaysia 2023/2024:
  - FGV Kernel Products Sdn Bhd: Palm Kernel Crushing Plant Category, Own Palm Kernel Supply.
  - FGV Palm Industries Sdn Bhd: Palm Oil Mill Category, External FFB Supply.



# Our Strategic Goals and Pillars



**“Delivering Sustainable Foods and Agriproducts to the World”**

Vision

Strategic Thrusts

Strategic Enablers



**Operational Improvement**



**Product & Market Penetration**



**New Growth Areas**



**Financial & Capability Building**



**Human Capital**

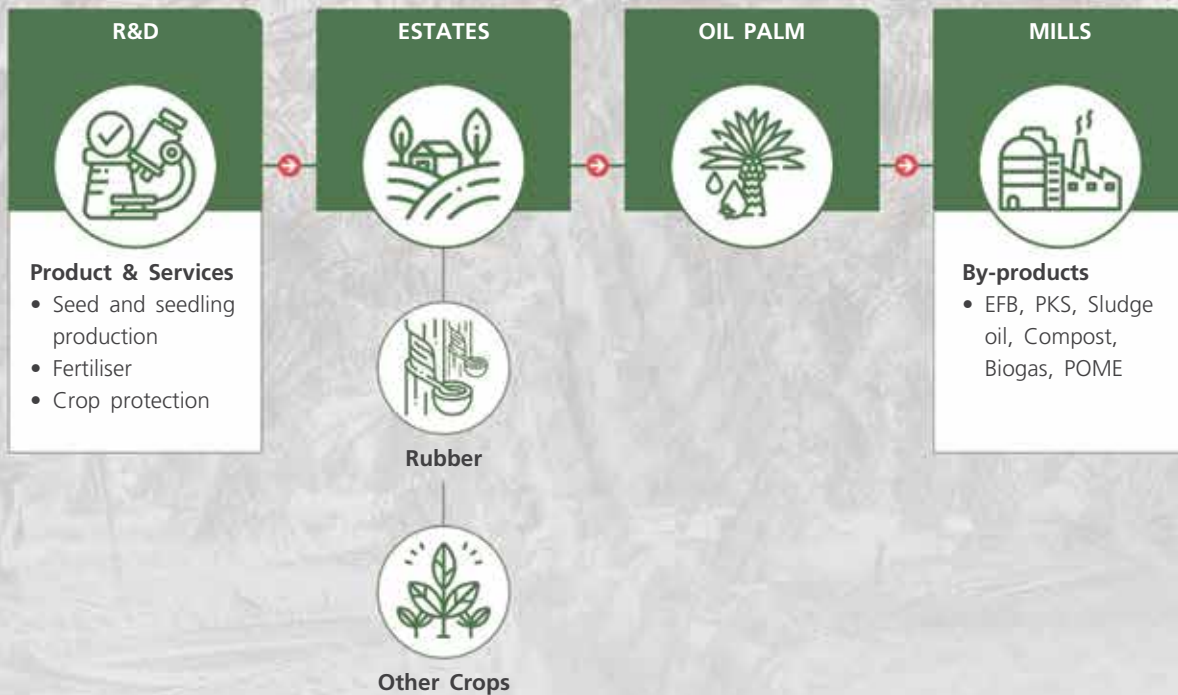


**Financial**

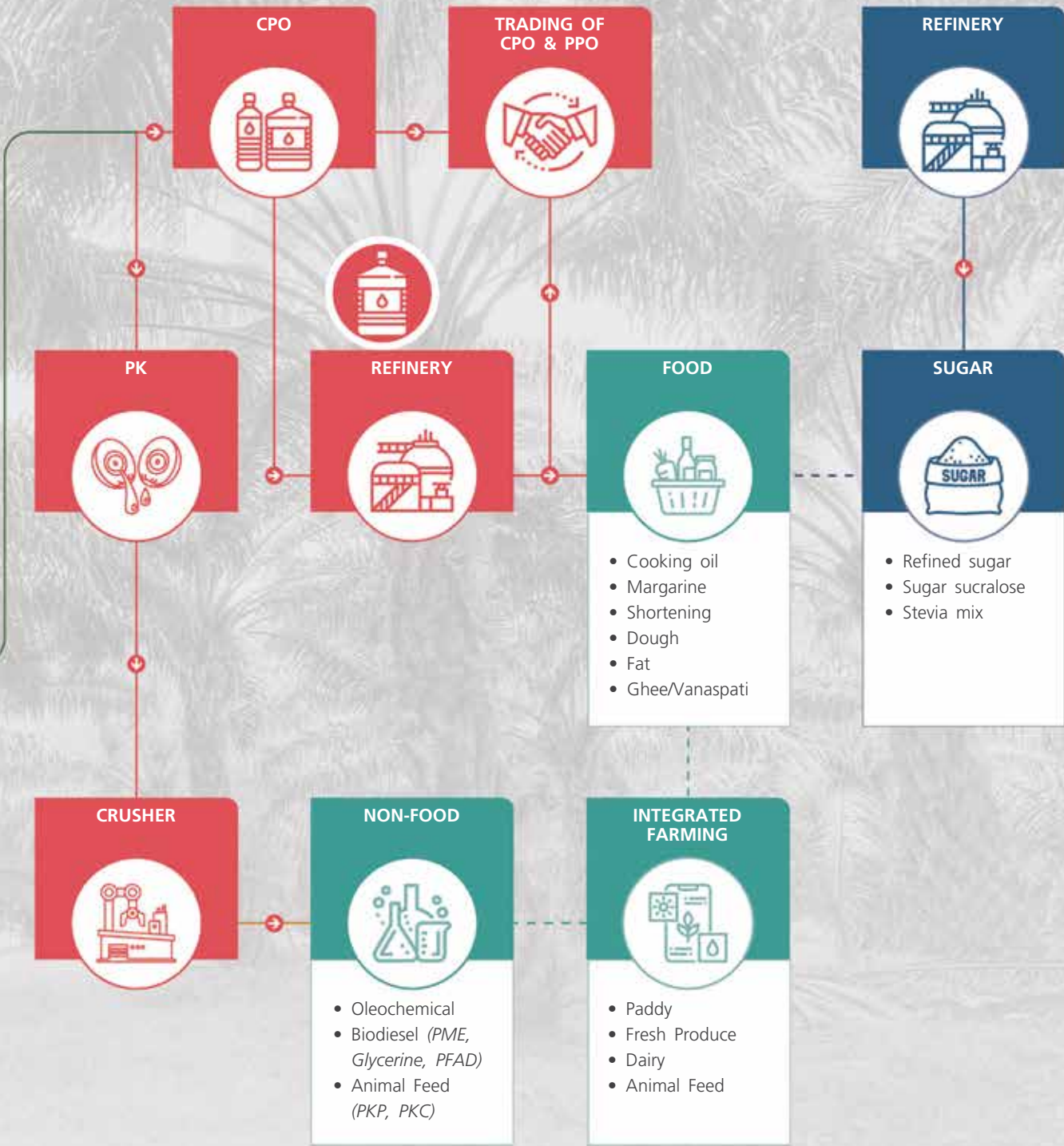


**Sustainability**

# Optimising Our Value Chain



**BULKING**



**TRANSPORT**



**WAREHOUSE**

# Events and Milestones



**Launch of 'FGV Bersedia'** – FGV debuted its official song, symbolising unity, resilience, and its global mission.

22 JAN



26 JAN

**Port Qasim Visit** – Strengthened Pakistan partnership, showcasing FGV's contributions to the edible oil supply chain and sustainability.

**Gulfood Dubai 2024** – Launched SAJI Creamers, expanding into the MENA region with innovative F&B solutions.



19 FEB

4 MAR

**POC 2024** – Participated as a Titanium Sponsor, reinforcing FGV's leadership in the palm oil industry and highlighting inclusivity and sustainability.



18 MAR

**International Women's Day** – Celebrated women employees with talks, health booths, and a leadership forum.

23 APR

**Pesona Raya** – Engaged nearly 100 orphans with performances and donations, reinforcing FGV's commitment to Corporate Social Responsibility (CSR).



**16<sup>th</sup> AGM** – Approved nine resolutions, declared a dividend of RM109.44 million, and shared key updates on sustainability, governance, and operations.

20 JUNE

**Fortune Southeast Asia 500** – Recognised as one of the region's top companies for influence and leadership.

21 JUNE



**Hajj Pilgrim Programme** – Guided pilgrims on rituals and practices through sessions by Felda Travel.

17 MAY

9 MAY

**FELT Leadership Programme** – Focused on environmental and safety initiatives, launching ENR Green Tyre, a wildlife campaign, and Muzium Lori.





**FGV Festival: FELDA Settlers' Day** – Held at MAEPS, this inaugural festival showcased FGV's brands and activities under the theme "Melahirkan Masa Depan Lestari."

**50<sup>th</sup> ASEAN-Japan Business Meeting** – FGV's Group Chief Strategy Officer advocated for climate-resilient crops and global collaboration for food security.

12 NOV



**FGV Johor Bulklers' 50<sup>th</sup> Anniversary** – Celebrated five decades of excellence under 'Storing Sustainably', reaffirming innovation, and responsible operations.

17 OCT



**PPTR's 55<sup>th</sup> Anniversary** – Marked 55 years of palm oil research, featuring eco-friendly practices, and GAP-certified clonal seeds innovations.

13 JUL

**Launch of KedaiFGV.com** – Officiated by the Prime Minister, the platform supports Malaysia's food security agenda.

14 JUL



2 SEP

**Downstream Facilities Visit** – Deputy Minister commended FGV's contributions to Malaysia's palm oil sector during a visit to Pasir Gudang operations.



8 OCT

**Updated Sustainability Framework** – Strengthened five key pillars: Economic Growth, Governance, Social, Environment, and Innovation & Technology.

11 OCT

**#FGVPinkRun** – Over 200 employees participated in a 5km run, Zumba, and lucky draw to support breast cancer awareness.





**TAN SRI RASTAM MOHD ISA**  
Chairman

# Message from the Chairman

# Dear Shareholders,

2024 has been a defining year for FGV, marked by significant progress and transformation. Despite the complexities of the global landscape shaped by economic fluctuations, geopolitical uncertainties, and pressing environmental challenges, we have rebounded from past hurdles and emerged stronger. The results we have achieved this year prove that we are on the right path. Our ability to adapt, innovate, and stay true to our core values has allowed us to deliver meaningful outcomes for our stakeholders.

## REFLECTING ON 2024

The global macroenvironment in 2024 presented a mix of challenges and opportunities that tested the resilience of plantation businesses. Market volatility, driven by trade policy restrictions and geopolitical tensions, continued to put pressure on operational margins. Meanwhile, global demand for agricultural commodities like palm oil and rubber remained robust, supported by population growth and shifting dietary patterns. Competition from alternative oils and fluctuating palm oil prices underscored the need for adaptability.

FGV confronted these headwinds with strategic execution and a focused approach. The Plantation Transformation Plan proved pivotal, driving profitability by optimising plantation practices and capitalising on immediate opportunities. By addressing labour shortages and accelerating mechanisation across estates, we boosted efficiency and productivity, resulting in a 15% increase in fresh fruit bunch (FFB) yield to 15.56 metric tonnes (MT) per hectare (Ha). Favourable weather further supported these gains, mitigating risks associated with climate variability.

Equally critical was our comprehensive response to the United States Customs and Border Protection (U.S CBP) to resolve the Withhold Release Order (WRO). By implementing enhanced labour standards and ethical recruitment practices, we reinforced our commitment to responsible and sustainable operations, strengthening our compliance credentials and global standing. These efforts, alongside advancements in operational strategies, further increased capacity and efficiency across our estates.

These operational enhancements, combined with an improved average crude palm oil (CPO) price of RM4,102 per MT, up from RM3,901 per MT in 2023, drove positive growth. Together, these efforts have translated into a more resilient business, enabling FGV to navigate elevated input costs while seizing growth opportunities and creating sustainable value for all stakeholders.

## Message from the Chairman



*An aerial view of Maokil Estate in Johor, highlighting the oil palm fields that shape the surrounding landscape.*

# Supporting

### DRIVING LEADERSHIP AND STRENGTHENING GOVERNANCE

At FGV, we continuously refine our leadership and decision-making approach to meet the evolving needs of our business and stakeholders. Effective governance starts with an understanding of the realities on the ground. To this end, Board members, including myself, routinely visit our business operations. These engagements allow us to connect with workers, observe operations firsthand, and gain valuable insights into the challenges and opportunities within our value chain.

By gaining a deeper understanding of risks at all levels of the organisation, we have taken deliberate measures to enhance transparency and accountability. A key milestone this year was the launch of the FGV Anti-Corruption Plan 2024–2027, reinforcing our zero-tolerance stance on unethical behaviour. This plan is complemented by targeted training on integrity and anti-corruption, the introduction of an Integrity Guidebook, and the deployment of *e-Latih* modules, which collectively engage the entire FGV workforce.

Governance has been strengthened by enhancing the whistleblowing disclosure procedure, ensuring a transparent and robust system for handling complaints involving Senior Management and Board members. The Board Governance & Risk Management Committee oversees these processes, reinforcing top-level accountability. Additionally, the Audit Committee’s Terms of Reference (TOR) now explicitly include oversight of conflicts of interest. Together, these measures fortify our governance framework, ensuring resilience, adaptability, and alignment with best practices.

To reinforce this commitment, FGV introduced the Gender Diversity in Top and Key Management Policy in November 2024, aimed at increasing women’s participation in leadership, integrating diversity into selection and promotion processes, and fostering an inclusive corporate culture. Reflecting its sustained focus on gender diversity, the Board continues to comprise three women directors out of seven members, surpassing the minimum requirement of 30% female representation.



FGV delegates at the 7th Pakistan Edible Oil Conference 2025, engaging with global industry to support international growth.

# Nation Building



Our role extends beyond profitability, with delivering value for stakeholders being integral to our mission.



## CREATING SHARED VALUE

As a Government-Linked Company (GLC), we remain committed to driving progress that supports both nation-building and sustainable development, while delivering shared value to all stakeholders. In 2024, we declared a final dividend of 5 sen per share, amounting to a total final dividend payout of RM182 million for the year. This aligns with FGV's dividend policy of distributing at least 50% of our annual Profit After Tax and Minority Interest (PATAMI) and reflects our commitment to shareholder value. These results highlight the success of our strategic initiatives, where improved productivity and operational resilience have contributed to consistent value creation.

Beyond financial performance, our mission extends to creating meaningful impact for our stakeholders, particularly the Federal Land Development Authority (FELDA) settlers, independent smallholders, and plantation workers. Recognising the interdependence of our success with theirs, we engaged directly with field workers to develop practical solutions for optimising fruit harvesting methods and minimising emissions by reducing truck idling during loading, enhancing both efficiency and environmental responsibility.

Empowering smallholders and suppliers remain a key focus this year. Through roadshows and awareness programmes, we engaged over 341 participants, including FFB suppliers, to promote sustainability standards, traceability requirements, and regulatory compliance. These initiatives equipped smallholders with the knowledge to align their operations with FGV's sustainability policies and meet market standards such as the Malaysian Sustainable Palm Oil (MSPO) and Roundtable on Sustainable Palm Oil (RSPO) certifications, ensuring their long-term success in an evolving industry.

## Total Dividend

▲ **5.0 sen per share**  
(2023: 3.0 sen per share)

## Message from the Chairman

### SUSTAINABILITY INTEGRATION INTO FGV OPERATIONS

Sustainability has become a business imperative, particularly in agribusiness, where exposure to Environmental, Social, and Governance (ESG) risks is intensifying. Issues like labour shortages, climate variability, and increasing regulatory scrutiny, including the European Union Deforestation Regulation (EUDR), present complex and urgent challenges. However, sustainability goes beyond managing risks. It is central to nation-building and creating shared value. By embedding sustainable practices into our operations, we enhance rural livelihoods, foster innovation, and position Malaysia as a global leader in sustainable agribusiness.

In 2024, FGV introduced an enhanced Sustainability Framework, a comprehensive blueprint structured around five core pillars: Economic Growth, Governance, Social, Environment, and Innovation & Technology. This framework incorporates sustainability-related indicators to measure and track progress, addressing the evolving expectations of stakeholders, customers, and investors while aligning with international requirements. Under the guidance of the Board Sustainability Committee (BSC), we have aligned our operations with market standards, including the MSPO and the RSPO certifications while also addressing critical regulatory requirements like the EUDR. Enhanced ESG reporting mechanisms have further strengthened transparency and accountability by integrating key sustainability metrics into our financial and integrated reports.

### Environment

One of the most pressing threats to agribusiness, and humanity as a whole, is climate change. To mitigate its impacts, we continue to prioritise our climate action agenda, focusing on our Group-wide greenhouse gas (GHG) emission reduction ambition. In addition, we have adopted the Energy Audit Conditional Grant (EACG) programme and trialed B100 biodiesel for our transport fleet. These initiatives align with Malaysia's 12<sup>th</sup> Malaysia Plan and the National Energy Transition Roadmap (NETR), underscoring our commitment to reducing carbon emissions and advancing the nation's energy transition goals.

### Social

Social sustainability has been a key focus, particularly in respecting human rights across our value chain. This year, we rolled out a third party grievance mechanism, *Suara Kami* covering all our estates and mills. In addition, we provided online training for management, on-site training for workers, and distributed educational materials to raise awareness of the *Suara Kami* Helpline, ensuring grievances are addressed effectively and promptly. We continue to enhance worker welfare by reviewing recruitment policies and upgrading housing and facilities. This includes improving internet access in our remote estates to support better connectivity for both work-related needs and personal well-being.

### Governance

Our sustainability efforts have delivered measurable results with a strong emphasis on transparency. An 83.4% score on the Sustainability Policy Transparency Toolkit (SPOTT), up from 76.7% in 2023, reflects our commitment to governance and sustainability practices. By embedding sustainability into every facet of our business, FGV continues to drive meaningful impact for stakeholders while securing long-term resilience and competitiveness.

### LOOKING AHEAD

The road ahead is not without its challenges. Global market uncertainties, climate change, and evolving regulatory landscapes create complexities that demand adaptability and resilience. To ensure long-term growth, FGV must move beyond its traditional reliance on plantations as remaining static is not an option. We are actively exploring innovative opportunities that align with our sustainability framework, positioning our business for the future.

The progress we have made this year gives me confidence that we are moving steadily on our journey towards greater excellence. With stronger performance and a clear focus on sustainability, we are well-prepared to navigate these challenges and capitalise on emerging opportunities.



FGV Chairman officiating the Rancangan Perumahan Tersusun (RPT) for our field workers in Sarawak.



FGV Directors visiting our Sabah estates, reflecting on-ground commitment to FGV's progress.

As we look to the year ahead, our priorities will focus on three key areas:

**Driving Operational Excellence:** We will build on the success of the Plantation Transformation Plan by further optimising operations through Good Agricultural Practices (GAP), adopting and adapting technology, advancing mechanisation, and implementing enhanced efficiency measures. These initiatives will fortify our foundation for sustained growth.

**Expanding into High-Value Products and Diversification:** We will explore opportunities in downstream products, agricultural technology, and renewable energy, including biofuel production and solar integration. These ventures aim to reduce reliance on commodity cycles and establish a more balanced, resilient business model.

**Strengthening Stakeholder Partnerships:** We are committed to fostering shared prosperity by engaging FELDA settlers, smallholders, and local communities. Addressing the WRO and upholding ethical labour practices remain central to our approach. We will also incorporate climate-resilient strategies and sustainable business models to ensure inclusive progress.

FGV remains steadfast in its commitment to a future defined by adaptability and ambition. By prioritising and embracing innovation and sustainability, we are strategically positioned to address challenges, deliver meaningful value for our stakeholders, and reinforce our leadership in the agribusiness sector.

### APPRECIATION

On behalf of the Board of FGV, I extend my heartfelt gratitude to everyone who contributed to FGV's progress in 2024. I wish to thank my fellow Board members, for their commitment, active involvement, and interest in the company's performance and well-being.

We welcome Datuk Abdul Halim Hamzah as Non-Independent Non-Executive Director and Rozainah Awang as Independent Non-Executive Director. Their leadership and insights will strengthen FGV's governance and drive sustainable growth.

We bid farewell to our esteemed departing Board members – Dato' Mohd Rafik Shah Mohamad, Nik Fazila Nik Mohamed Shihabuddin, and Datuk Dr. Yatimah Sarjiman – for their contributions, and we wish them the best in their future endeavours. We would also like to thank former Group Chief Executive Officer, Dato' Mohd Nazrul Izam Mansor (August 2021–September 2024), for his inspiring leadership and commitment during his tenure.

The Board wishes to thank the Management team and employees at all levels for their hard work and commitment, which have helped drive our achievements.

We also extend our gratitude to FELDA, our key stakeholder for their unwavering trust and partnership, which have supported our growth and progress. Similarly, we are grateful to our collaborators, including FELDA settlers, independent smallholders, and business partners.

Finally, we owe gratitude to our shareholders, customers, and other stakeholders whose confidence and trust have energised us to uphold the highest standards of accountability and innovation.


**Tan Sri Rastam Mohd Isa**  
Chairman

# Group Chief Executive Officer's Review

## Dear Shareholders,

I am pleased to present my first assessment as Group Chief Executive Officer, a role I embrace with great responsibility. With a long history at FGV, stepping into this position prompted me to ask: *Why do we exist?* Reflecting on our purpose has reinforced the clarity of our mission as a contributor to nation-building: to deliver sustainable value to all stakeholders. This includes creating economic value for our largest shareholder, FELDA, while also driving value for *Warga FGV*, smallholders, communities, and the natural ecosystems that sustain us, recognising the planet as a vital stakeholder.

The strong foundation built over the years, marked by progress, resilience, and a focus on embedding sustainability throughout our business, demonstrate the dedication of our team. Together, we are moving forward with purpose, progress, and meaningful impact.

A professional portrait of Fakhrunniam Othman, Group Chief Executive Officer. He is a middle-aged man with short dark hair, wearing glasses, a dark blue suit jacket, a white shirt, and a blue patterned tie. He is smiling and has his hands clasped in front of him. The background is a blurred office setting with bookshelves and a window with curtains.

**FAKHRUNNIAM OTHMAN**  
Group Chief Executive Officer

## Group Chief Executive Officer's Review



Our efforts in 2024 led to significant improvements in profitability, underscoring our resilience and adaptability.



### Revenue

**RM22,158**  
 million  
 (2023: RM19,359 million)

### Profit After Tax and Minority Interest

**RM276**  
 million  
 (2023: RM102 million)

### Profit Before Zakat and Taxation

**RM566**  
 million  
 (2023: RM336 million)

### RESILIENCE IN A DYNAMIC LANDSCAPE

The year 2024 marked a turning point for FGV as we navigated a dynamic and challenging operating environment, determined to enhance performance and long-term stability. The lingering effects of the COVID-19 pandemic, particularly on labour availability, posed significant challenges. Through enhanced recruitment efforts and closer engagement with recruitment agencies in source countries, we reduced labour shortages from 16% in 2023 to 12% in 2024.

This progress allowed us to realign our operational fundamentals. Enhanced estate management, driven by meticulous plantation practices and a focus on addressing immediate opportunities, alongside strict adherence to GAP, further strengthened our operations. These efforts were reinforced by corrective actions and continuous improvements through mechanisation, manuring, and replanting, which are integral components of our medium and long-term strategies that solidify our industry position.

In addition, we successfully navigated the volatility of CPO prices, which fluctuated between RM3,600 and RM5,300 per MT in 2024. These fluctuations required us to optimise operations, manage costs, and enhance value chain integration. Despite these challenges, our efforts in 2024 led to significant improvements in profitability, underscoring our strength and adaptability.

### A YEAR OF GROWTH AND IMPACT

FGV delivered a solid performance in 2024, driven by enhanced efficiency and productivity, cost optimisation, market expansion, and a strong commitment to sustainability. Revenue climbed to RM22,158 million, supported by higher FFB yields, a broader product range, and higher average CPO prices of RM4,102 per MT. The Group recorded a PATAMI of RM276 million this year, in comparison to RM102 million in 2023, reflecting a year-on-year increase of over 100%.



GCEO officiated the Plantation Division Managers' Seminar, reinforcing strategic alignment and performance focus across the division.



*FGV Chairman and GCEO engaging with Malaysia's Minister of Plantation and Commodities during their visit to Pakistan.*

# Building Stronger Performance and Resilience

As part of its long-term strategy under the Business Plan 2024-2026 (BP26), FGV has prioritised operational excellence, capital efficiency, and renewable energy to foster sustainable growth. Return on Capital Employed (ROCE) rose to 5.5% in 2024 from 3.7% in 2023, reflecting more effective resource allocation and a disciplined approach to investment. With a target of achieving double-digit ROCE within three years, the company remains focused on optimising cost structures, managing profitability fluctuations, and supporting smallholders while channelling investments into high-margin growth areas.

FFB yield per Ha increased by 15% supported by enhanced harvesting practices, including loose fruit collection,

unharvested bunch elimination, crop security, and better accessibility. With FFB processed reaching 14.13 million MT, CPO production also grew by 11% during the year.

The Sugar Division also saw notable progress, with improved performance driven by a 6% increase in average selling prices, an 8% rise in sales volume, an 11% reduction in refining costs, and better capacity utilisation. This growth highlights the division's continued emphasis on streamlining operations and optimising margins.

Beyond business performance, FGV made significant strides in sustainability and governance, including submitting a petition

on 30 June 2024 to the United States Customs and Border Protection (U.S CBP) to modify the Withhold Release Order (WRO). In response, the company invested RM455.1 million in strengthening labour practices, enhancing infrastructure, and reinforcing grievance mechanisms in line with global standards. These efforts reinforce financial sustainability, investor confidence, and long-term regulatory compliance.

## STRATEGIC PROGRESS: BP26

FGV's success in 2024 was anchored in the strategic execution of its BP26, a comprehensive framework designed to navigate an increasingly dynamic and disruptive market. This strategy focuses on short, medium, and long-term objectives, enabling the company to respond proactively to market changes while ensuring agility, adaptability, and sustainable growth. Central to BP26 are its four strategic thrusts; Operational Improvement, Product & Market Penetration, New Growth Areas, and Financial & Capability Building. These thrusts provide a robust foundation for aligning operational priorities with the broader goal of delivering long-term stakeholder value.

BP26 ensures effective execution through a dual approach that balances strategic ambitions with operational excellence. The 35 identified Key Initiatives comprise Key Strategic Initiatives (KSIs), which focus on driving growth through high-level strategies and long-term planning and Key Operational Initiatives (KOIs), which aim to enhance daily efficiencies. These initiatives are designed to drive group-wide profitability and deliver measurable results. By aligning immediate operational priorities with future-focused objectives, BP26 positions us for sustained growth and market leadership.

## Group Chief Executive Officer's Review

Below is the progress across **BP26's strategic thrusts**:

### **Strategic Thrust 1: Operational Improvement**

Guided by the principle that “not a single fruit should go to waste”, we adopted the “FootPrint” initiative to optimise resources, modernise operations, and tackle key challenges across estates and mills.

Estate management focused on optimising plantation practices, including improved loose fruit collection, minimising unharvested bunches, and strengthening crop security. Regular weeding and infrastructure maintenance enhanced accessibility, while strict adherence to GAP ensured nearly full coverage of targeted fertiliser applications across mature areas. Meanwhile, mechanisation, optimised manuring, and replanting efforts boosted FFB yields, reduced reliance on manual labour, and improved overall productivity.

Cost efficiencies were achieved through an optimised man-to-land ratio, reduced administrative costs, and stronger alignment between financial metrics and operational KPIs. These measures reinforced profitability and long-term financial strength, ensuring sustainable value creation.

In logistics, we streamlined operations by installing Automated Tank Gauging (ATG) systems at bulking facilities, enhancing storage accuracy and cutting supply chain inefficiencies. While the implementation of SAP S/4HANA is in the sourcing stage, we have completed phases one and two of migrating operational data to cloud platforms and are progressing with the final stage to further strengthen real-time decision-making and operational visibility.

Leveraging AI-powered monitoring systems, we sharpened yield predictability, positioning FGV with agility, responsiveness, and operational strength needed for long-term industry leadership.

### **Strategic Thrust 2: Product & Market Penetration**

Strengthening market presence and penetration remains a key priority in FGV's BP26 strategy, ensuring competitiveness in an increasingly dynamic global landscape. In 2024, we intensified our efforts to align with shifting consumer preferences by expanding our portfolio of certified sustainable products and enhancing traceability systems. These initiatives reinforce our commitment to sustainability while meeting the evolving demands of global markets.

Building on this foundation, we further advanced our Downstream production capabilities with the launch of the Fract750 Refinery Plant at Kuantan Port. This state-of-the-art facility enables us to better serve high-value markets with specialty products, including high IV Olein (IV60-IV65) and hard stearin, thus strengthening FGV's competitive position in premium product offerings.

Expanding our premium product portfolio requires continuous innovation and diversification. To cater to evolving consumer demands, we introduced high-margin products such as liquid sugar and European Union Deforestation Regulation (EUDR)-compliant

palm oil derivatives. These strategic additions reinforce FGV's standing in the global Fast-Moving Consumer Goods (FMCG) market while ensuring compliance with international sustainability standards.

Ensuring operational stability is fundamental to sustaining our market leadership. To support this, we expanded our storage capacity by adding 13 new stainless steel tanks, providing an additional 24,900 MT of capacity for renewable energy oils and biomass feedstock. This enhanced infrastructure not only improves efficiency but also enables us to meet the rising demand for sustainable energy solutions.

Beyond physical infrastructure, digital transformation plays a crucial role in enhancing efficiency and transparency across our operations. As part of this initiative, we secured a tender from Lembaga Hasil Dalam Negeri (LHDN) to develop, implement, and maintain the MyInvois System and Software Development Kit (SDK) beta release. This initiative strengthens compliance, improves traceability, and further reinforces the integrity of our value chain.

### **Strategic Thrust 3: New Growth Areas**

In line with BP26's long-term strategy, the company continues to strengthen its role in responsible agribusiness while pursuing new opportunities for value creation. Its performance in 2024 highlights not only financial and operational resilience but also a strong commitment to sustainability, innovation, and long-term industry growth.

In 2024, FGV became the first Malaysian plantation company to attain GLOBALG.A.P V5.4-1 GFS certification for pineapple cultivation. This achievement enhances the company's export potential while reaffirming its commitment to internationally recognised sustainability practices.

Further advancing its sustainability efforts, FGV expanded its footprint in the biomass market by exporting 10,000 MT of Green Gold Label (GGL)-certified Palm Kernel Shells (PKS) to Japan. By converting palm biomass into bioenergy, the company supports the circular economy, aligning with BP26's focus on resource monetisation and renewable energy development.

### **Strategic Thrust 4: Financial & Capability Building**

Sustainability is not just our license to operate; it embodies our responsibility to contribute to nation-building and defines the legacy we aim to leave for future generations. Our efforts in 2024 underscore our determination to address ESG challenges while delivering measurable progress.

On the environmental front, FGV continues to advance renewable energy adoption, reducing reliance on fossil fuels. In 2024,



we continued optimising oil palm by-products to generate electricity for the national grid. We also began integrating solar energy into our operations and aim to expand renewable energy contributions in our business.

Recognising the role of sustainable logistics in decarbonisation, FGV transitioned its logistics operations to cleaner fuels, improving fuel efficiency and reducing emissions. Several initiatives are in place to further strengthen our commitment to sustainable transport solutions.

Building on this progress, in December 2024, we set near-term and long-term GHG reduction targets and submitted them to the Science Based Targets initiative (SBTi) for acknowledgment and validation. This milestone reflects our dedication to aligning with global climate goals, providing a clear framework for reducing emissions across our operations and supply chain. Additionally, we completed data collection for Scope 1, 2, and 3 emissions across all operations, establishing a baseline for targeted reductions and supporting our commitment to net-zero emissions by 2050.

Strong governance remains the foundation of our sustainability strategy, ensuring transparency, accountability, and ethical business practices. Our compliance with the EUDR and the ongoing work of our Palm Traceability Task Force (PTTF) reinforce our commitment to ethical supply chain management. As one of the first Malaysian plantation companies to produce CPKO in accordance with EUDR requirements, we continue to strengthen our position in sustainable practices while building trust with stakeholders, investors, and international markets.

### BUILDING FUTURE LEADERS

FGV's achievements in 2024 stem from the dedication, perseverance, and commitment of *Warga FGV*, whose collaborative efforts drive the company forward. We foster a culture where challenges are embraced as opportunities, encouraging our workforce to act decisively and innovate with purpose. These principles are deeply rooted in our PRIDE values—Partnership, Respect, Integrity, Dynamism, and Enthusiasm, which guide our actions and decisions in shaping a sustainable and high-performing organisation.

In 2024, we introduced key initiatives to future-proof our workforce by enhancing leadership development, prioritising upskilling, and integrating digital tools for knowledge transfer. This included specialised training for emerging leaders, mentorship programmes, and partnerships with educational institutions to equip *Warga FGV* with industry-relevant skills. By fostering a solution-driven mindset, adaptability, and accountability, we are equipping our people to meet challenges head-on and deliver meaningful contributions that drive organisational success.

### OUTLOOK

As we look to the future, I am confident in FGV's ability to navigate the evolving landscape with clarity and determination. While the global market faces fluctuations in commodity prices, regulatory scrutiny, and shifting consumer preferences, our strategic approach ensures we are prepared to address these complexities and deliver meaningful value.

Climate unpredictability, trade restrictions, and rising sustainability expectations reinforce the need for operational efficiency and sustainable growth. In the short-term, we will focus on enhancing productivity and operational efficiency through mechanisation, while actively increasing market penetration and capturing a larger share of the domestic market. In the long-term, we aim to diversify our portfolio with high-value FMCG products and expand into international markets to drive sustainable growth.

Our strategy remains both focused and agile, leveraging advanced technologies like AI and the Internet of Things (IoT) to optimise operations and anticipate market shifts. Strategic partnerships will strengthen market access and align with global sustainability standards. Beyond business priorities, we remain committed to uplifting communities, empowering smallholders, and supporting nation-building.

### A NOTE OF APPRECIATION

Success is never achieved in isolation; it is the result of collaboration and dedication from all involved. I extend my deepest gratitude to my predecessor, Dato' Mohd Nazrul Izam Mansor, for his transformative leadership and vision during a pivotal period for FGV.

My heartfelt thanks also go to the Board of Directors for entrusting me with this responsibility and inspiring me to work towards our shared vision for the company.

We also appreciate FELDA's invaluable guidance and steadfast partnership, which strengthen our efforts to drive progress, create shared value, and achieve sustainable growth.

Finally, I thank other stakeholders including *Warga FGV*, FELDA settlers, independent smallholders, customers, suppliers, government agencies, and regulators for their trust and collaboration. I look forward to another year of progress as we build a stronger, more sustainable FGV together.

**Fakhruddin Othman**

Group Chief Executive Officer

# Our Integrated Approach to Value Creation

Our approach to value creation sets out the structured process through which we generate sustainable value for all stakeholders. Various factors that may influence our ability to achieve stakeholder objectives are carefully evaluated. Through a materiality assessment of our operating environment and stakeholder expectations, we recognise key risks and opportunities, enabling us to focus on the most vital factors that drive FGV's value creation across the short, medium, and long-term. These priorities serve as strategic reference points, ensuring our reporting focuses on material issues that impact our ability to deliver sustained stakeholder value.

1

## Assessing Our Context

### Assess And Evaluate Our Operating Context

Refer to pages 55-57

We assess global trends, market conditions, and regulatory changes that impact our operations. By understanding economic shifts, commodity price fluctuations, and geopolitical developments, we adapt our strategies to strengthen operational resilience and market competitiveness.

### Stakeholder Engagement Relationship

Refer to pages 36-47

With effective engagement strategies, we are able to prioritise what each of our key stakeholders, as well as the value FGV strives to achieve from each relationship in return.

#### FGV Key Stakeholders

- Customers
- Field Workers
- Joint Venture & Business Partners
- Suppliers
- FELDA
- Media
- Regulators & Government
- FELDA Settlers
- Non-Governmental Organisations
- Board of Directors & Employees
- Investors & Capital Providers

### Identify Risks and Opportunities

Refer to pages 227-229

Effective risk management is critical to sustaining long-term value. We proactively identify risks and opportunities, to ensure business continuity, supply chain efficiency, and sustainable growth while delivering value to stakeholders.

- Trading Risk
- Operational Risk
- Information Technology Risk
- Sustainability Risk
- Legal & Regulatory Risk

2

## Identify and Prioritise Our Material Issues

### Evaluate the Impact of Material Matters

Refer to pages 49-54

Material matters are key issues that may impact our ability to create value and execute our strategy over the short, medium, and long-term. We have identified 20 material issues, which play a critical role in shaping our strategy, enabling us to mitigate risks, and capitalise on emerging opportunities.

#### Economic Growth

- Economic Impact
- Talent Development
- Business Development and Product Quality
- Human Rights and Labour Standards
- Traceability, Responsible Sourcing and Supply Chain Management
- Occupational Health and Safety
- Smallholders

#### Environment

- Regulatory Compliance and Sustainability Certifications
- Biodiversity and Land Management
- Data Security and Protection
- Climate Action
- Corporate Governance and Risk Management
- Energy Management
- Soil, Pest and Disease Management
- Waste Management
- Anti-Corruption and Anti-Bribery
- Water Use

#### Social

- Community Development
- Diversity, Equity and Inclusion (DEI)
- Operational Excellence

#### Innovation & Technology

### EMBEDDING ETHICAL ENVIRONMENTAL, SOCIAL, AND GOVERNANCE PRACTICES

Sustainability is embedded in our operations, from responsible plantation management to renewable energy development and environmentally-friendly logistics solutions.



3

### Integrate Our Strategy To Allocate Our Resources Into Our Business Model

#### Formulate Business Strategy

Refer to pages 30-31

Our strategy is driven by four thrusts:

- Operational Improvement
- Product & Market Penetration
- New Growth Areas
- Financial & Capability Building

These thrusts guide our efforts to enhance efficiency, expand markets, develop high-value products, and strengthen our financial and human capital.

#### Our Capitals

Refer to page 34

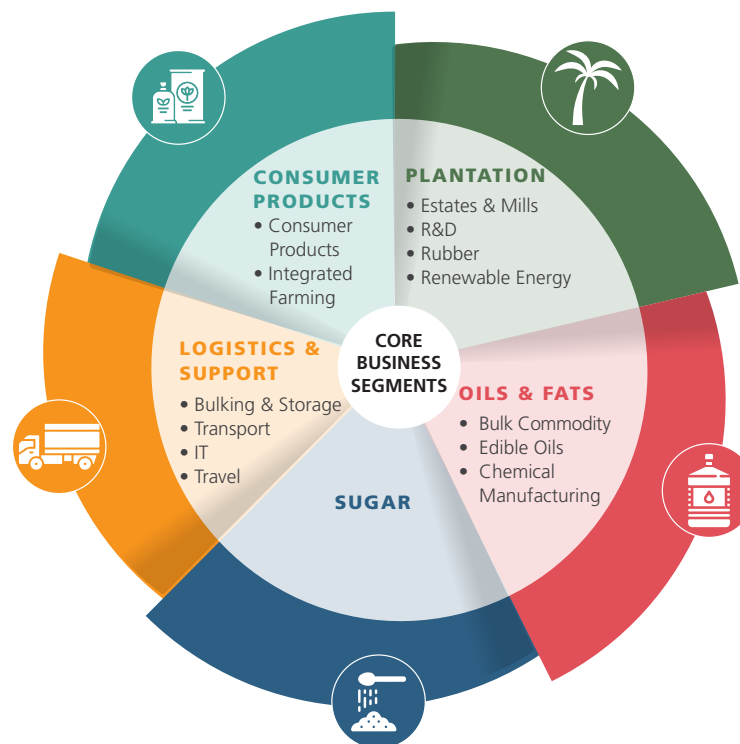
We optimise financial, natural, and human resources to maximise returns while maintaining sustainability. Capital is strategically allocated across our Plantation, Oils & Fats, Sugar, Logistics & Support, and Consumer Products businesses to drive innovation, operational efficiency, and long-term growth.

- |                      |                               |
|----------------------|-------------------------------|
| Financial Capital    | Intellectual Capital          |
| Natural Capital      | Human Capital                 |
| Manufactured Capital | Social & Relationship Capital |

#### Business Model

Refer to pages 34-35

We actively manage our activities and their impacts to enhance positive outcomes and minimise negative effects, thereby generating and sustaining value for all our stakeholders



Further information can be found in the Business Review on pages 81 - 117 of this report.

# Our Value Creation Model

Our value creation model illustrates the manner in which capital inputs are used in our business activities to create value for our stakeholders.

The model also describes the ways in which these inputs are replenished through these activities in a sustainable life cycle. We use the International Integrated Reporting Council's definition of value creation, which defines value as the outcome of an organisation's business activity that transforms capital inputs into value outputs and outcomes. These outputs, over the short, medium and long-term, create or destroy value for our stakeholders.

4

### Creating Value

Our success is measured by sustainable financial performance, quality products, strong partnerships, and positive social impact. Through continuous innovation and strategic execution, we deliver lasting value for our stakeholders.

**Vision**

Delivering Sustainable Foods and Agriproducts to the World

**Mission**

- Developing and producing high-quality products sustainably that are both good for the people and the environment
- Practicing a healthy and innovative working environment and culture within the Group whilst promoting the same to our suppliers
- Establishing an integrated value chain business ecosystem
- The embodiment of governance and compliance
- Cultivating diversification in products and geographies

**OUR CAPITALS...**

**FINANCIAL**

- Total Assets: **RM18,615 million**
- Deposits, Cash, and Bank Balance: **RM1,728 million**
- Total Equity: **RM7,616 million**

**NATURAL**

- Total Landbank: **413,951 Ha**
- Planted Area: **335,420 Ha**
  - Oil Palm: **324,563 Ha**
  - Rubber: **7,123 Ha**
  - Other Crops: **3,734 Ha**
- Total Replanted Area:
  - Felling: **13,196 Ha**
  - Planting: **18,543 Ha**

**MANUFACTURED**

- No of Mills: **66**
- Bulking Terminals: **12**
- Vegetable Oil Refineries: **6**
- Storage Capacity: **1.12 million MT**
- Fleet Vehicles: **More than 600 units**
- Sugar Refineries: **2**
- Warehouse: **13**

**INTELLECTUAL**

- No of Agronomists: **24**

**HUMAN**

- FGV Total Workforce\*: **51,437**  
(Male: **86%**, Female: **14%**)
- No. of New Hires: **11,644**

\* FGV Total workforce as at 31 December 2024 comprised FGV Employees (including Malaysia, its overseas operations, and MSM) as well as operational labour.

**SOCIAL & RELATIONSHIP**

- Partnering with **112,638** FELDA settlers and supporting communities
- **100%** MSPO-certified mills
- **45%** RSPO-certified mills

**...ENABLE VALUE-ADDING ACTIVITIES THAT CREATE**

**Our Strategic Thrusts**

- Operational Improvement**
- Product & Market Penetration**
- New Growth Areas**
- Financial & Capacity Building**

**Strategic Enablers**

- Human Capital**
- Financial**
- Sustainability**



**UNDERPINNED BY STRONG GOVERNANCE AND EFFECTIVE BOARD LEADERSHIP**



# Partnership Respect Integrity Dynamism Enthusiasm

## ...VALUE FOR OUR STAKEHOLDERS...

### SUSTAINABILITY PILLARS

#### Economic Growth

- Economic Impact
- Business Development and Product Quality
- Traceability, Responsible Sourcing and Supply Chain

#### Governance

- Regulatory Compliance and Sustainability Certifications
- Data Security and Protection
- Corporate Governance and Risk Management
- Anti-Corruption and Anti-Bribery

#### Social

- Community Development
- Diversity, Equity and Inclusion (DEI)
- Talent Development
- Human Rights and Labour Standards
- Occupational Health and Safety
- Smallholders

#### Environment

- Biodiversity and Land Management
- Climate Action
- Energy Management
- Soil, Pest, and Disease Management
- Waste Management
- Water Use

#### Innovation & Technology

- Operational Excellence

### OUTCOMES

#### FINANCIAL

- Revenue: **RM22,157.53 million**
- PATAMI: **RM276.25 million**
- Dividend per Share: **5.0 sen**

#### NATURAL

- FFB Production: **3.97 million MT**
- FFB Yield: **15.56 MT per Ha**
- Average Oil Palm Age Profile: **12.73 years**

#### MANUFACTURED

- FFB Processed: **14.18 million MT**
- CPO Production: **2.92 million MT**
- Oil Extraction Rate: **20.61%**
- Edible Oils Sales Volume: **0.42 million MT**
- Biodiesel Sales Volume: **84,000 MT**
- Oleochemical Sales Volume: **311 million lbs**
- Total Sugar Sales Volume: **1.09 million MT**
- FGV launched a total of **23 SKU**

#### INTELLECTUAL

- Awarded a project to develop, implement, and maintain MyInvois system for LHDN
- Implemented SAP S/4HANA and migrated operational data to cloud platforms, enhancing real-time decision-making, and improving operational visibility

#### HUMAN

- Training Hours\*: **224,389 hours**
- Number of Workers Trained on Health, and Safety Standards\*: **45,310 workers**

\* This data excludes FGV's overseas employees.

#### SOCIAL & RELATIONSHIP

- Invested **RM126.73 million** in improving infrastructure and sustainability initiatives for migrant workers
- Reimbursed **RM5.54 million** in recruitment fees to **1,164 former** migrant workers
- Launched 'Projek Rintis: Plantation Technician (Harvesting Specialist)', a structured programme to train **60 local** youth

### ACTIONS TO ENHANCE OUTCOMES

- Deliver sustainable returns while ensuring strong financial stewardship to support long-term growth

- Optimise resources, integrate sustainability, and drive responsible growth

- Maximise value chain synergies to enhance operational performance and investment returns

- Strengthen market position through advanced agriculture, innovation, and sustainability efforts

- Develop a skilled, resilient workforce by fostering continuous learning and well-being

- Commit to responsible labour practices and drive socioeconomic progress in our communities

### STAKEHOLDERS



### UN SDGs



### TRADE-OFFS

Allocating financial resources to strategic investments ensures effective utilisation of other capitals, though this may limit immediate liquidity.

Investing in sustainability initiatives, such as optimising resource use, normalising palm tree age distribution, and implementing responsible land management, strengthens long-term operational resilience.

Investing in manufacturing improvements, such as upgrading mills and refineries, enhances operational performance and enables business expansion. However, this requires reallocation of intellectual and financial capital, which may impact other strategic initiatives and necessitate careful financial planning to manage business cycle fluctuations.

Investing in intellectual capital enhances agricultural efficiency, product innovation, and sustainability. These improvements drive long-term competitiveness but may require significant financial resources, affecting short-term profitability.

Developing a highly skilled and resilient workforce through training, well-being initiatives, and continuous learning strengthens long-term business sustainability.

Building strong relationships with stakeholders, including employees, suppliers, regulators, and local communities, fosters a supportive ecosystem for sustainable growth. This engagement requires financial and human resource investments, which may impact short-term profitability but are crucial for long-term stability and trust-building.














# Stakeholder Engagement & Value Creation

## Stakeholder Engagement & Value Creation

We actively engage with a diverse range of stakeholders, from our internal workforce to external parties, to understand their perceptions, expectations, and market trends. These insights help refine our practices and enhance business resilience, ensuring alignment with stakeholder needs and sustainable value creation.

By prioritising what matters most to our stakeholders, we strengthen FGV's ability to achieve its strategic objectives. Meaningful engagement allows us to address concerns, build strong relationships, and create shared value for our business and the communities we serve.

### Customers

<b>Why We Engage</b>	<b>Channel &amp; Frequency of Engagement</b>				
We engage with customers as the driving force behind demand for our products and services. Their preferences and purchasing decisions generate revenue for FGV and shape our market positioning, innovation, and business growth.	<ul style="list-style-type: none"> <li>Company website and social media updates </li> <li>Meetings, engagements, and dialogues </li> <li>Company events and activities such as roundtables and gatherings </li> <li>External surveys and feedback </li> </ul>				
<b>Key Concerns Raised</b>	<b>Responses</b>				
<ul style="list-style-type: none"> <li>Risk of inconsistent product quality, safety issues, and unreliable delivery.</li> <li>Limited traceability and lack of assurance on responsible sourcing.</li> <li>Challenges in meeting global sustainability standards and regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen quality control measures, enhance safety protocols, and optimise delivery systems to ensure consistent product excellence.</li> <li>Implement a robust traceability system with full supply chain visibility covering certification, geolocation, and production details.</li> <li>Strengthen collaboration with customers, enhance compliance frameworks, and drive resource optimisation to meet global sustainability benchmarks.</li> </ul>				
<b>Opportunities</b>	<b>Value Created for Stakeholders</b>	<b>Value for FGV</b>			
<ul style="list-style-type: none"> <li>Innovate products and services to meet evolving customer needs, fostering customer loyalty and satisfaction.</li> <li>Differentiate the company's brand and products to create a competitive advantage in the market.</li> <li>Build trust through transparent engagement and communication, enhancing brand reputation and customer retention.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent supply of high-quality products tailored to meet diverse customer needs.</li> <li>Enhanced customer experience through digital platforms for seamless communication and transactions.</li> <li>Customised solutions to address specific market demands.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened brand loyalty and customer retention, fostering long-term relationships.</li> <li>Increased revenue through higher customer satisfaction and repeat business.</li> <li>Improved market positioning as a sustainable and customer-centric organisation.</li> </ul>			
<b>Risks</b>					
<ul style="list-style-type: none"> <li>Shift in customer preferences, leading to declining demand for current products and services if not adapted to market trends.</li> <li>Reputational damage from negative feedback or complaints, which could erode customer trust and brand value.</li> <li>Market competition affecting brand differentiation and customer retention.</li> </ul>					
<table border="0"> <tr> <td style="text-align: center;"> <b>Capitals:</b>   </td> <td style="text-align: center;"> <b>Material Matters:</b>   </td> <td style="text-align: center;"> <b>SDGs:</b>   </td> </tr> </table>			<b>Capitals:</b> 	<b>Material Matters:</b> 	<b>SDGs:</b> 
<b>Capitals:</b> 	<b>Material Matters:</b> 	<b>SDGs:</b> 			



**Frequency**

**Y** Yearly

**T** Twice Yearly

**Q** Quarterly

**M** Monthly

**E** Every Two Months

**W** Weekly

**AR** As Required

# Suppliers

## Why We Engage

We engage with suppliers as key contributors to our value chain, providing the feedstock and materials essential for producing goods and services. Their reliability and sustainability practices directly impact our operational efficiency and product quality.

## Channel & Frequency of Engagement

- Company website and social media updates **AR**
- Meetings, engagements, and dialogues **AR**
- Company events and activities such as roundtables and gatherings **Q**
- Site visits and inspections **Y**
- External surveys and feedback **Y**

## Key Concerns Raised

- Difficulties in achieving product traceability and responsible resource sourcing.
- Risks of supply chain disruption and market volatility.
- Challenges in meeting global and regulatory sustainability requirements.

## Responses

- Improve procurement processes to uphold responsible and sustainable business practices.
- Implement robust supplier management and support systems for pre-and post-engagement.
- Provide supplier development programmes focused on sustainability compliance.

## Opportunities

- Establish long-term partnerships with key suppliers to strengthen supply chains and ensure consistent product delivery.
- Enhance supplier training and capacity-building programmes to improve compliance and supply chain resilience.
- Implement strict quality assurance measures to ensure product consistency and enhance customer trust.

## Value Created for Stakeholders

- Fair and transparent procurement practices ensuring timely payments and equitable treatment.
- Capacity-building programmes aimed at strengthening supplier skills, enhancing productivity, and ensuring compliance with sustainability standards.
- Long-term partnerships providing consistent business opportunities and fostering growth.

## Value for FGV

- Strengthened supply chain reliability through collaborative, trust-based relationships.
- Increased cost savings through improved supplier efficiency and streamlined operations.
- Secured access to high-quality materials and services, ensuring superior end products.

## Risks

- Supply chain disruptions leading to delays, increased costs, and loss of customer confidence.
- Regulatory changes potentially resulting in non-compliance, legal penalties, and operational adjustments.
- Quality control failures affecting product consistency, customer satisfaction, and brand reputation.

### Capitals:



### Material Matters:



### SDGs:



# Stakeholder Engagement & Value Creation

## Regulators & Government

### Why We Engage

We engage with regulators and government agencies to ensure adherence to industry rules and regulations, maintaining compliance across our operations. Their oversight helps protect stakeholder interests and fosters a stable and transparent business environment.

### Channel & Frequency of Engagement

- Company website updates
- Meetings, engagements, and dialogues
- Site visits, audits, and inspections
- External surveys and feedback



### Key Concerns Raised

- Challenges in meeting global and regulatory sustainability requirements.
- Increase support for national sustainability goals.
- Demand for transparent and timely updates on FGV's financial, operational, and sustainability practices.

### Responses

- Ensure business units comply with all regulatory requirements while pursuing business objectives.
- Align sustainability initiatives with national priorities to support government sustainability goals.
- Engage regularly with regulators to provide updates on FGV's sustainability initiatives and business developments.

### Opportunities

- Strengthen compliance frameworks and collaborate with regulators to ensure adherence to policies.
- Engage with policymakers to align business strategies with evolving regulations.
- Diversify operations and establish contingency plans to mitigate risks.

### Value Created for Stakeholders

- Compliance with legal and regulatory requirements to ensure smooth operations and strong governance.
- Support for government sustainability and environmental initiatives to drive positive impact.
- Collaboration on policies and industry guidelines to strengthen sectoral development.

### Value for FGV

- Strengthened license to operate through regulatory compliance and goodwill.
- Increased influence in shaping industry standards and frameworks.
- Reduced risk of legal or regulatory penalties, ensuring business continuity.

### Risks

- Non-compliance with regulatory requirements leading to legal penalties, reputational damage, and operational disruptions.
- Policy changes introducing new compliance burdens, requiring operational or financial adjustments.
- Political instability creating uncertainty in business environments, affecting investment, and growth.

#### Capitals:



#### Material Matters:



#### SDGs:





## Board of Directors and Employees

### Why We Engage







#### Board of Directors

We engage with the Board of Directors to ensure strategic oversight, effective business management, and risk mitigation. They guide the organisation’s long-term direction and ensure the implementation of a robust internal control framework.

#### Employees

We engage with employees as the backbone of our operations. Their knowledge and technical expertise drive business success, facilitate customer, and supplier interactions, and ensure the seamless execution of daily operations.

### Channel & Frequency of Engagement

- Company website and social media updates 
- Meetings, engagements, and dialogues 
- Company intranet and newsletter 
- Annual appraisal 
- Company events and activities such as town halls, mentoring, roundtables, and gatherings 
- Internal surveys and feedback 

### Key Concerns Raised

#### Board of Directors

- Uncertainty in FGV’s financial performance and ability to meet operational targets.
- Challenges in ensuring compliance with global and regulatory sustainability requirements.
- Need for stronger corporate governance and risk management across the value chain.

#### Employees

- Gaps in fair employment practices, gender diversity, and leadership opportunities.
- Risks of exploitation and discrimination in the workplace.

### Responses

#### Board of Directors

- Enhance financial oversight and risk management to strengthen business performance.
- Ensure adherence to global sustainability and regulatory compliance across operations.
- Reinforce corporate governance and risk management frameworks.

#### Employees

- Benchmark welfare and salary competitiveness to promote fair employment and leadership diversity.
- Conduct Employee Engagement Surveys to improve workplace engagement.
- Strengthen grievance mechanisms to ensure accessible, transparent, and effective resolution of workplace concerns.



# Stakeholder Engagement & Value Creation

## Board of Directors and Employees

Opportunities	Value Created for Stakeholders	Value for FGV
<p><b>Board of Directors</b></p> <ul style="list-style-type: none"> <li>Strengthen governance frameworks to improve transparency and corporate accountability.</li> <li>Enhance board policies and ethical guidelines to ensure responsible leadership.</li> <li>Enhance board recruitment strategies to attract experienced and diverse directors.</li> </ul> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Strengthen employee relations and conflict resolution mechanisms.</li> <li>Invest in upskilling and career advancement programmes to enhance workforce capabilities.</li> <li>Implement structured talent development and internal mobility programmes.</li> </ul>	<p><b>Board of Directors</b></p> <ul style="list-style-type: none"> <li>Access to comprehensive, transparent, and accurate information for informed decision-making.</li> <li>Assurance of robust governance practices and compliance with regulations.</li> <li>Enhanced reputation through successful delivery of corporate goals and sustainability initiatives.</li> </ul> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Career growth opportunities through training, upskilling, and development programmes.</li> <li>Competitive remuneration and benefits fostering financial security and job satisfaction.</li> <li>A safe, inclusive, and supportive workplace promoting well-being.</li> </ul>	<p><b>Board of Directors</b></p> <ul style="list-style-type: none"> <li>Strong leadership driving strategic and operational excellence.</li> <li>Enhanced governance ensuring compliance and risk management and transparent business practices led by the Board.</li> <li>Improved decision-making through diverse expertise and insights.</li> </ul> <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Higher productivity driven by motivated and skilled employees.</li> <li>Reduced turnover rates through strong employee engagement and satisfaction.</li> <li>Improved organisational culture fostering innovation and collaboration.</li> </ul>

### Risks

- Board of Directors**
- Weak corporate governance structures leading to financial mismanagement, regulatory breaches, and loss of investor confidence.
  - Conflicts of interest and lack of transparency reducing board effectiveness and decision-making credibility.
  - Challenges in attracting and retaining skilled board members, limiting board effectiveness.
- Employees**
- Labour disputes, strikes, or conflicts affecting business continuity and operational efficiency.
  - Insufficient skills development limiting employee capability and career progression.
  - Lack of career advancement opportunities leading to high employee turnover and loss of talent.

<p><b>Capitals:</b></p> 	<p><b>Material Matters:</b></p> <p>DS AC HL</p>	<p><b>SDGs:</b></p> 
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# Field Workers

## Why We Engage

We engage with field workers who play a crucial role in our estates, directly impacting FGV's productivity and operational efficiency. Their well-being, training, and fair treatment are essential to maintaining a stable and motivated workforce.

## Channel & Frequency of Engagement

- Company website and social media updates 
- Meetings, engagements, and briefings 
- Company events and activities such as town halls and roundtables 
- Site visits, audits, and inspections 
- Internal surveys and feedback 

## Key Concerns Raised

- Risks to employee well-being due to unsafe working conditions and inadequate safety measures.
- Gaps in reporting channels and support systems, leading to unresolved grievances.
- Need for stronger enforcement of ethical business practices and fair labour standards.

## Responses

- Conduct onboarding and awareness sessions on worker rights.
- Strengthen welfare measures and ensure compliance with labour standards.
- Enhance recruitment guidelines to align with international standards.

## Opportunities

- Expand safety training and implement strict occupational health and safety protocols.
- Enhance compliance measures and supplier monitoring to uphold fair labour practices.
- Strengthen compensation, welfare, and benefits policies to enhance employee satisfaction.

## Value Created for Stakeholders

- Fair wages and timely payments to support financial security.
- Access to housing, healthcare, and essential benefits to enhance quality of life.
- Training and skill development to boost efficiency, productivity, and career growth.

## Value for FGV

- Increased productivity and quality of output through a skilled and motivated workforce.
- Strengthened employee loyalty, leading to lower turnover and recruitment costs.
- Improved compliance with labour laws and international standards, reducing legal and reputational risks.

## Risks

- Inadequate safety measures can lead to workplace accidents.
- Failure to meet safety regulations may result in fines and reputational damage.
- Accidents and injuries can cause downtime and increase cost.

### Capitals:



### Material Matters:



### SDGs:



# Stakeholder Engagement & Value Creation

## FELDA

### Why We Engage

We engage with FELDA as a key stakeholder in FGV’s ecosystem, ensuring alignment with national agricultural policies and sustainable plantation management. FELDA’s role in land ownership and governance directly impacts our operations and long-term strategic direction.

### Channel & Frequency of Engagement

- Meetings, engagements, and dialogues
- Annual General Meetings
- Company events and activities such as roundtables, briefings, and gatherings



### Key Concerns Raised

- Uncertainty over FGV’s strategic direction and long-term business growth.
- Lack of clarity on FGV’s financial performance and progress toward operational targets.
- Challenges in maximising shareholder value and delivering strong returns.

### Responses

- Hold regular sessions to align on industry developments and regulatory priorities.
- Provide reports and updates on business performance and progress.

### Opportunities

- Partner with FELDA on social and environmental initiatives to drive long-term impact.
- Enhance agricultural productivity through collaborative land development projects.
- Develop targeted social responsibility programmes to support community growth.

### Value Created for Stakeholders

- Support for FELDA’s mission of uplifting settlers’ livelihoods through sustainable economic opportunities.
- Consistent demand for smallholders’ produce, ensuring stable income for settlers.
- Contributions to community development initiatives, including infrastructure, education, and healthcare.

### Value for FGV

- Strengthened partnership with a key stakeholder, ensuring operational stability.
- Enhanced reputation as a socially responsible company supporting smallholders.
- Increased productivity and efficiency through collaboration on best agricultural practices.

### Risks

- Environmental risks from agricultural practices leading to regulatory scrutiny and sustainability challenges.
- Economic dependency of settlers on FGV’s operations creating financial vulnerabilities.
- Complexity in managing business and community interests affecting long-term sustainability.

#### Capitals:



#### Material Matters:



#### SDGs:









## FELDA Settlers

### Why We Engage

We engage with settlers surrounding FGV estates and mills, who contribute to our Fresh Fruit Bunch (FFB) supply and benefit from plantation income. Their participation in sustainable agricultural practices supports both their livelihoods and FGV's operational sustainability.

### Channel & Frequency of Engagement

- Meetings, engagements, and dialogues 
- Company events and activities such as roundtables 
- Annual General Meetings 
- Internal feedback 

### Key Concerns Raised

- Challenges in ensuring fair pricing of FFB for smallholders, impacting their financial stability.
- Need for stricter adherence to responsible growing and production practices to meet sustainability standards.
- Gaps in welfare programmes, affecting efforts to uplift local communities.

### Responses

- Engage with smallholders to establish fair pricing mechanisms that support their financial well-being.
- Strengthen responsible practices through training, monitoring, and sustainability initiatives.
- Expand welfare initiatives through corporate social responsibility and education investments.

### Opportunities

- Provide technical training and certification programmes to improve agricultural practices.
- Incentivise sustainable practices through certification and government support programmes.
- Implement enhanced safety measures and training for smallholders and plantation workers.

### Value Created for Stakeholders

- Stable and reliable income through the consistent purchase of their produce.
- Access to training and development programmes to promote Good Agriculture Practices (GAP) and increase productivity.
- Assistance in adopting sustainable practices, enhancing long-term land viability and crop yields.

### Value for FGV

- Maintained steady supply of raw materials critical to business operations.
- Strengthened community relationships ensuring smoother operations in FELDA areas.
- Improved supply chain resilience through collaboration with FELDA settlers.

### Risks

- Limited access to modern farming techniques and training restricting productivity and certification compliance.
- Resistance to adopting sustainable farming practices limiting long-term agricultural resilience.
- Health and safety risks on plantations increasing exposure to workplace hazards.

#### Capitals:



#### Material Matters:



#### SDGs:




# Stakeholder Engagement & Value Creation

## Investors & Capital Providers

### Why We Engage

We engage with investors and capital providers to secure funding for business expansion and long-term growth. Their confidence and perceptions influence market stability, contribute to a stronger brand reputation, and shape FGV’s strategic direction.

### Channel & Frequency of Engagement

- Meetings, engagements, and dialogues 
- Company website and social media updates 
- Company briefings, roadshows, and site visits 
- Annual General Meetings 
- External surveys and feedback 

### Key Concerns Raised

- Uncertainty in strategic planning and business growth, affecting long-term sustainability.
- Challenges in maximising shareholder value and delivering strong returns.
- Demand for transparent and timely updates on FGV’s operations and industry trends.

### Responses

- Embed a sustainable approach across the value chain to ensure long-term business continuity.
- Strengthen internal controls and monitoring systems to prevent non-compliance.
- Provide timely and accurate information to investors for informed decision-making.

### Opportunities

- Enhance investor engagement and financial transparency to build confidence.
- Align business strategies with sustainability goals to attract responsible investors.
- Adapt corporate policies to meet evolving regulatory requirements.

### Value Created for Stakeholders

- Consistent financial returns through dividends and capital appreciation.
- Regular engagement sessions and transparent reporting and disclosures ensuring informed decision-making.
- Assurance of sound governance and risk management practices, safeguarding investments.

### Value for FGV

- Improved access to funding for operational and strategic initiatives, supporting business growth.
- Enhanced market confidence and positive reputation through strong investor relationships and trust.
- Increased resilience through a diversified pool of capital providers and investors.

### Risks

- Market volatility affecting revenue stability and financial planning.
- Reputation risks from financial decisions, business performance, or external scrutiny.
- Regulatory changes increasing compliance obligations and legal exposure.

#### Capitals:



#### Material Matters:



#### SDGs:





## Joint Venture & Business Partners

### Why We Engage

We engage with joint venture (JV) and business partners to gain access to additional financial resources, technology, and expertise that may not be available internally. These collaborations enhance our capabilities, drive innovation, and expand our market reach.

### Channel & Frequency of Engagement

- Company website and social media updates 
- Meetings, engagements, and briefings 
- Company intranet and newsletter 
- Site visits, audits, and inspections 
- Company events and activities such as mentoring and roundtables 
- External surveys and feedback 

### Key Concerns Raised

- Uncertainty in strategic planning and business growth, impacting long-term sustainability.
- Concerns over FGV's financial performance and ability to meet operational targets.
- Need for a collaborative approach to leverage expertise and skills for business success.

### Responses

- Conduct strategic workshops and knowledge-sharing to enhance capabilities, drive innovation, and improve performance.
- Implement robust monitoring and evaluation to track joint venture businesses and operational progress.
- Foster collaboration with industry experts and stakeholders to optimise skills, share best practices, and drive business outcomes.

### Opportunities

- Develop collaborative innovation initiatives to align with market needs.
- Leverage partnerships to share operational costs and drive efficiency.
- Strengthen financial assessment and risk mitigation measures for joint ventures.

### Value Created for Stakeholders

- Mutual growth opportunities through collaborative ventures and resource sharing.
- Enhanced profitability through synergies and cost efficiencies.
- Co-development of innovative products and services, access to new markets and customer segments, and expanded business reach.

### Value for FGV

- Expansion into new markets and diversification of revenue streams through strategic partnerships.
- Shared risks and costs, especially for large-scale projects.
- Access to partners' specialised expertise, technology, and networks.

### Risks

- Cultural or strategic misalignment in partnerships reducing joint venture effectiveness.
- Market risks affecting joint venture success and financial performance.
- Financial instability among business partners creating uncertainty and operational risks.

#### Capitals:



#### Material Matters:



#### SDGs:



# Stakeholder Engagement & Value Creation

## Media

### Why We Engage

We engage with the media to enhance FGV’s presence and market awareness, reaching a broader audience and strengthening brand recognition. The media also serves as a key channel for disseminating important information, particularly in crisis management, allowing us to address concerns, clarify issues, and protect the company’s reputation.

### Channel & Frequency of Engagement

- Company website and social media updates 
- Meetings, engagements, and media briefings 
- Company events and activities such as gatherings 
- Media press releases 
- External surveys and feedback 

### Key Concerns Raised

- Lack of transparent and timely updates on operations and industry trends, impacting stakeholder trust.
- Challenges in meeting global and regulatory compliance across sustainability pillars.
- Risk of misinformation leading to public misperception and reputational damage.

### Responses

- Provide transparent and timely updates on operations and industry trends to strengthen stakeholder trust.
- Ensure proactive compliance with global and regulatory requirements across sustainability pillars.
- Monitor and address misinformation to prevent public misperception and reputational damage.

### Opportunities

- Collaborate on media initiatives to shape positive narratives and industry leadership.
- Strengthen crisis communication strategies to maintain public trust.
- Enhance proactive engagement with media to promote corporate transparency and credibility.

### Value Created for Stakeholders

- Access to timely and accurate information on FGV’s operations, achievements, and initiatives.
- Opportunities for exclusive interviews and coverage to enhance media content.
- Regular updates on corporate social responsibility (CSR) initiatives, sustainability efforts, and community engagement.
- Collaboration on special events, including product launches and corporate announcements.

### Value for FGV

- Increased brand visibility and public awareness through strategic media coverage.
- Strengthened reputation through the promotion of achievements, sustainability efforts, and thought leadership.
- Improved media relationships through favourable press coverage and industry recognition.
- Enhanced credibility and trust through transparent and consistent communication with stakeholders.

### Risks

- Reputation risks arising from media misinterpretation of FGV’s actions.
- Crisis management challenges in handling negative publicity and stakeholder concerns.
- Regulatory scrutiny and potential investigations triggered by media attention.

#### Capitals:



#### Material Matters:



#### SDGs:






## Non-Governmental Organisations

### Why We Engage

We engage with Non-Governmental Organisations (NGOs) to support social initiatives, foster civic participation, and stay informed on socioeconomic developments affecting our business.

### Channel & Frequency of Engagement

- Company website and social media updates 
- Collaborations and project partnerships 
- Meetings, engagements, and dialogues 
- External surveys and feedback 

### Key Concerns Raised

- Need for stronger environmental protection and social justice efforts.
- Demand for greater transparency on FGV's operations and industry trends.
- Expectation for stricter compliance with global and regulatory sustainability standards.

### Responses

- Engage in dialogues with NGOs to understand their concerns and perspectives.
- Address specific issues raised by NGOs and provide feasible solutions.
- Build partnerships with like-minded NGOs to foster collaboration and mutual support.

### Opportunities

- Collaborate on community development projects to enhance the company's reputation.
- Develop innovative solutions through collaboration to address social, environmental, and economic challenges.
- Leverage NGOs' expertise and stakeholder networks to maximise impact and resource efficiency.

### Value Created for Stakeholders

- Partnership opportunities to advance shared goals in sustainability, community development, and environmental conservation.
- Collaboration on advocacy efforts for pressing social and environmental issues, amplifying impact.
- Support through funding, in-kind contributions, and volunteer engagement to help NGOs achieve their mission.
- Platforms to engage with FGV's leadership and contribute to the company's social responsibility strategy.

### Value for FGV

- Positive public image through collaboration on meaningful social, environmental, and community initiatives.
- Alignment with global standards and incorporation of insights from NGO partners to enhance reputation and social responsibility.
- Opportunities to address and mitigate environmental and social risks through proactive partnerships with NGOs.
- Contribution to industry dialogues on sustainable agriculture and responsible business practices.

### Risks

- Public perception risks from disclosing sensitive business information, potentially leading to reputational damage.
- Misalignment in collaborations causing inefficiencies and failure to achieve expected outcomes.
- Funding and resource constraints limiting the execution of social impact projects.

#### Capitals:



#### Material Matters:

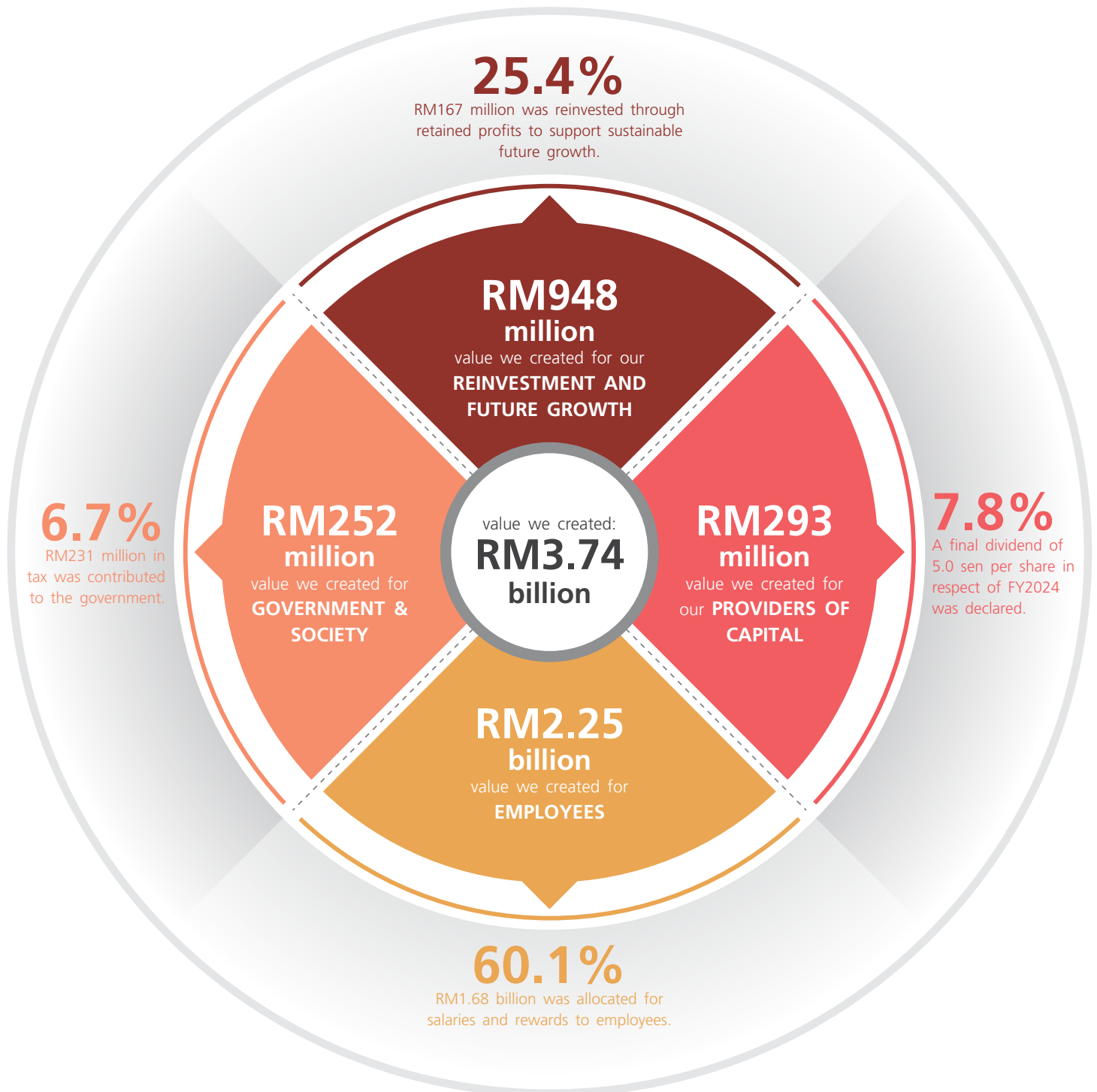


#### SDGs:



# Distribution of Value Created

In fulfilling our promise to our stakeholders, FGV distributes value created in relevant and meaningful ways, and for some stakeholder groups, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse community initiatives, in our effort to enable a more sustainable future. Value created in 2024 was distributed as follows:





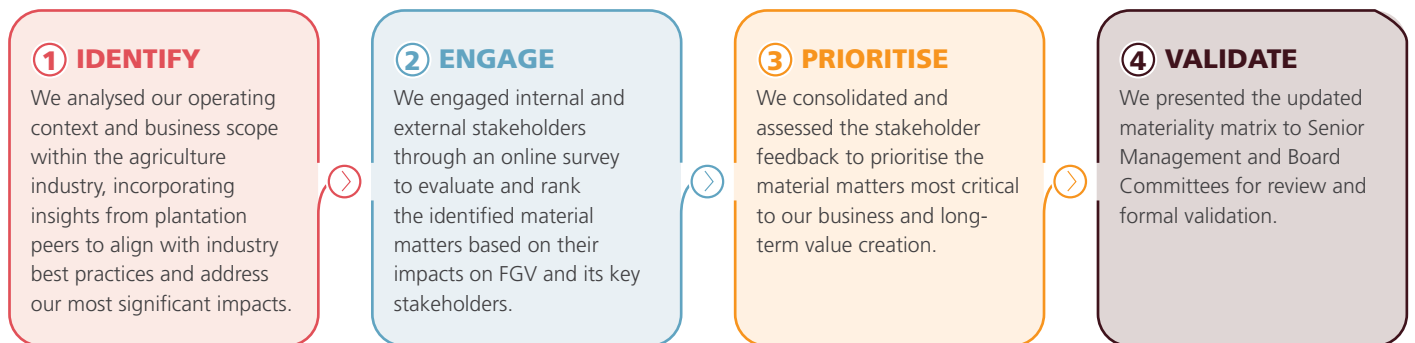
# Material Matters

Material matters are fundamental in understanding FGV’s ability to create value across the short, medium, and long-term. As an agribusiness company based in Malaysia, with operations in seven countries, addressing these key material matters is vital in sustaining our resilience and capabilities. The 2024 material matters reflect insights from the 2023 materiality assessment, conducted biennially to balance timely responsiveness with sufficient time to implement and respond to key findings.

## MATERIALITY PROCESS

In 2023, we conducted a thorough materiality assessment guided by our Enterprise Risk Management framework and aligned with leading global standards, including Sustainability Reporting Guide (3<sup>rd</sup> Edition) 2022 by Bursa Malaysia Securities Berhad (Bursa Securities), the Global Reporting Initiative (GRI) Standards 2021, and the Sustainability Accounting Standards Board (SASB).

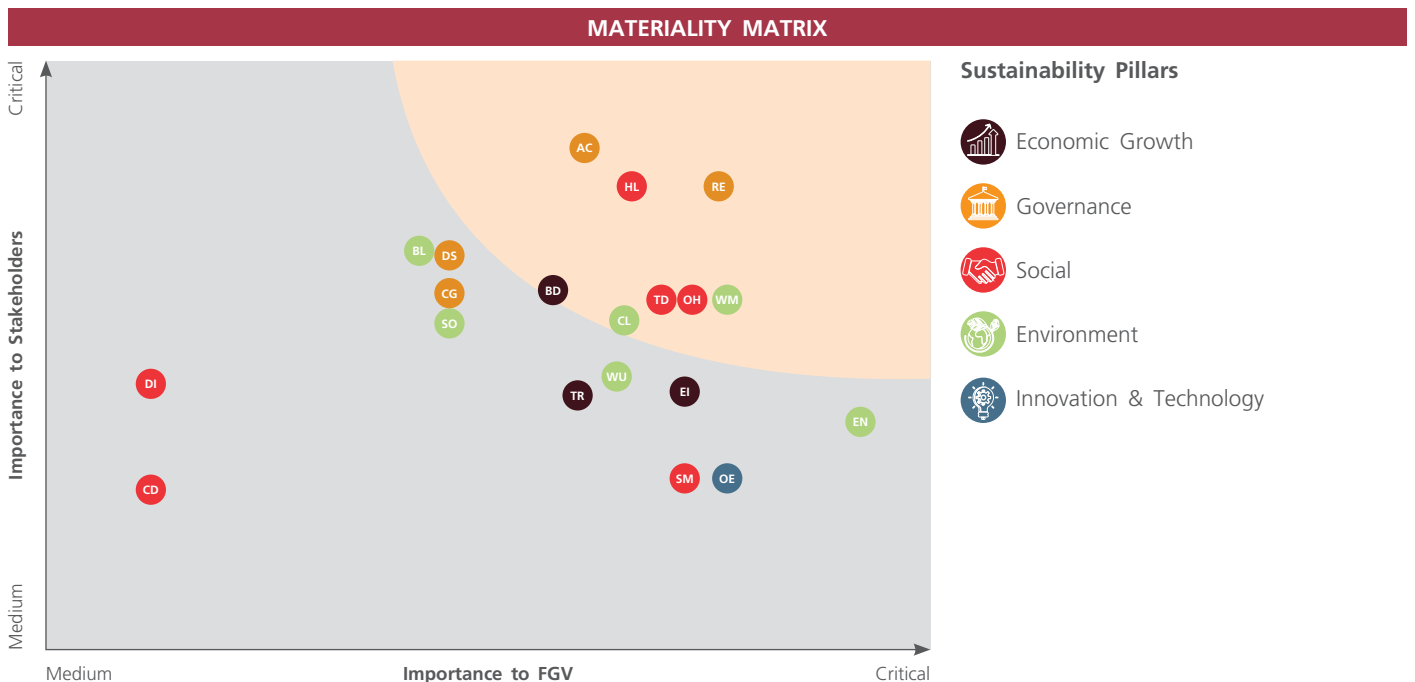
This assessment, conducted with the support of an independent consultant, engaged stakeholders across our value chain to evaluate and prioritise issues most critical to our business. Through this exercise, we identified 20 material matters that reflect evolving stakeholder expectations and industry dynamics, ensuring FGV remains responsive to emerging risks and opportunities.



## MATERIALITY MATRIX

The results of our materiality assessment are presented in the Materiality Matrix below, which ranks issues based on their significance to both stakeholders and FGV. The matrix ranks these matters on a scale from Moderate to Critical Importance, with matters marked in the orange-shaded area representing the most significant matters, aligned with current sustainability challenges and opportunities.

By focusing on these material matters, FGV strengthens its ability to address stakeholder concerns, mitigate risks, and seize opportunities to drive sustainable growth.








# Material Matters

## PROGRESS IN 2024

We have established an Enhanced Sustainability Framework in 2024, comprising five pillars: Economic Growth, Governance, Social, Environment, and Innovation & Technology.

These pillars serve as the foundation for integrating sustainability into our business strategies, ensuring a structured and holistic approach in managing material matters. Each material matter is mapped to the relevant pillar, aligning our initiatives with global standards, stakeholder expectations, and industry best practices. This framework strengthens our commitment to responsible business practices, driving long-term value creation while addressing environmental, social, and governance (ESG) considerations across our operations.

The following is a list of material matters that are relevant to FGV's operations and stakeholders based on the five sustainability pillars:

 <b>Economic Growth</b>	 <b>Governance</b>	 <b>Social</b>	 <b>Environment</b>	 <b>Innovation &amp; Technology</b>
<ul style="list-style-type: none"> <li>Economic Impact</li> <li>Business Development and Product Quality</li> <li>Traceability, Responsible Sourcing and Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance and Sustainability Certifications</li> <li>Data Security and Protection</li> <li>Corporate Governance and Risk Management</li> <li>Anti-Corruption and Anti-Bribery</li> </ul>	<ul style="list-style-type: none"> <li>Community Development</li> <li>Diversity, Equity and Inclusion (DEI)</li> <li>Talent Development</li> <li>Human Rights and Labour Standards</li> <li>Occupational Health and Safety</li> <li>Smallholders</li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity and Land Management</li> <li>Climate Action</li> <li>Energy Management</li> <li>Soil, Pest and Disease Management</li> <li>Waste Management</li> <li>Water Use</li> </ul>	<ul style="list-style-type: none"> <li>Operational Excellence</li> </ul>

 Further information can be found in Sustainability Review on pages 118 - 158 of this report.

## EI ECONOMIC IMPACT

### DESCRIPTION

Enhancing the impact of FGV's operations to the local economy and overall contribution to the plantation industry through strong market presence and support for local community through employment opportunities.

### LINK TO:

<b>SDGs:</b> 	<b>Risks:</b> 
<b>Capitals:</b> 	<b>Strategic Thrusts:</b> 
<b>Stakeholders:</b> 	

## BD BUSINESS DEVELOPMENT AND PRODUCT QUALITY

### DESCRIPTION

Broadening and embedding market presence and penetrating new markets to diversify revenue streams and reinforce market positioning.

### LINK TO:

<b>SDGs:</b> 	<b>Risks:</b> 
<b>Capitals:</b> 	<b>Strategic Thrusts:</b> 
<b>Stakeholders:</b> 	



## TR TRACEABILITY, RESPONSIBLE SOURCING AND SUPPLY CHAIN MANAGEMENT

### DESCRIPTION

Establishing a traceability system and procurement process to ensure responsible and sustainable practices in the palm oil value chain.

### LINK TO:

SDGs:

Risks: **SC** **GE** **RC**

Capitals:

Strategic Thrusts:

Stakeholders:

## RC REGULATORY COMPLIANCE AND SUSTAINABILITY CERTIFICATIONS

### DESCRIPTION

Ensuring adherence to local and international laws governing environmental protection, labour practices, land use, and other aspects to operate legally and demonstrate a commitment to ethical and responsible business practices.

### LINK TO:

SDGs:

Risks: **SR** **RC**

Capitals:

Strategic Thrusts:

Stakeholders:

## DS DATA SECURITY AND PROTECTION

### DESCRIPTION

Protecting personal information, establish trust, comply with regulations, and ensuring data retained by the organisation are well protected.

### LINK TO:

SDGs:

Risks: **CS**

Capitals:

Strategic Thrusts:

Stakeholders:

## CG CORPORATE GOVERNANCE AND RISK MANAGEMENT

### DESCRIPTION

Facilitating transparent decision-making, accountability, and adherence to ethical standards through strong corporate governance across FGV's overall value chain which includes a robust risk management approach to facilitate management in strategic planning and decision making.

### LINK TO:

SDGs:

Risks: **GE** **RC**

Capitals:

Strategic Thrusts:

Stakeholders:

## AC ANTI-CORRUPTION AND ANTI-BRIBERY

### DESCRIPTION

Promoting anti-corruption and anti-bribery culture within the organisation to manage and uphold operational integrity through stringent anti-corruption policies, training initiatives and established reporting channels.

### LINK TO:

SDGs:

Risks: **GE**

Capitals:

Strategic Thrusts:

Stakeholders:

# Material Matters

## TR COMMUNITY DEVELOPMENT

### DESCRIPTION

Leveraging FGV's capacity to contribute to the betterment of our communities and society at large through initiatives like education, healthcare, and infrastructure development.

### LINK TO:

SDGs:  Risks: **LR** **HR**

Capitals:  Strategic Thrusts: 

Stakeholders: 

## DI DIVERSITY, EQUITY AND INCLUSION (DEI)

### DESCRIPTION

Embracing Diversity, Equity and Inclusion (DEI) in the workforce to facilitate a positive and equitable work environment while also giving employees a voice and soliciting their views to promote closer and tighter collaboration in the workplace

### LINK TO:

SDGs:  Risks: **LR** **HR**

Capitals:  Strategic Thrusts: 

Stakeholders: 

## TD TALENT DEVELOPMENT

### DESCRIPTION

Investing in the continuous development of employees' skills and knowledge to enhance overall productivity and efficiency, while keeping pace with changing workplace demands.

### LINK TO:

SDGs:  Risks: **HR**

Capitals:  Strategic Thrusts: 

Stakeholders: 

## HL HUMAN RIGHTS AND LABOUR STANDARDS

### DESCRIPTION

Respecting and protecting the rights of our workforce by upholding established international labour standards which include treating workers ethically and providing fair wages and working conditions to ensure a socially responsible and sustainable business.

### LINK TO:

SDGs:  Risks: **LR** **SR** **RC** **HR**

Capitals:  Strategic Thrusts: 

Stakeholders: 

## OH OCCUPATIONAL HEALTH AND SAFETY

### DESCRIPTION

Ensuring a safe and healthy working environment for our workforce and external stakeholders such as suppliers, vendors, and service providers.

### LINK TO:

SDGs:  Risks: **LR** **SH**

Capitals:  Strategic Thrusts: 

Stakeholders: 



## SM SMALLHOLDERS

### DESCRIPTION

Establishing a strong and supportive relationship between FGV and smallholders as a means to achieve traceability while promoting good agricultural practices among small businesses.

### LINK TO:

<b>SDGs:</b>    	<b>Risks:</b> <span style="background-color: #800040; color: white; padding: 2px;">SR</span>
<b>Capitals:</b>   	<b>Strategic Thrusts:</b>  
<b>Stakeholders:</b>  	

## BL BIODIVERSITY AND LAND MANAGEMENT

### DESCRIPTION

Operating consciously and responsibly to preserve the sustainability of including active conservation of biodiversity and preservation of the natural habitat.

### LINK TO:

<b>SDGs:</b>  	<b>Risks:</b> <span style="background-color: #800040; color: white; padding: 2px;">SR</span> <span style="background-color: #800040; color: white; padding: 2px;">SC</span> <span style="background-color: #800040; color: white; padding: 2px;">RC</span>
<b>Capitals:</b>   	<b>Strategic Thrusts:</b> 
<b>Stakeholders:</b>  	

## CL CLIMATE ACTION

### DESCRIPTION

Mitigating and adapting to the adverse impacts of climate change to business operations, and implementing best climate governance measures to ensure business continuity.

### LINK TO:

<b>SDGs:</b>     	<b>Risks:</b> <span style="background-color: #800040; color: white; padding: 2px;">CR</span> <span style="background-color: #800040; color: white; padding: 2px;">SR</span> <span style="background-color: #800040; color: white; padding: 2px;">RC</span> <span style="background-color: #800040; color: white; padding: 2px;">SH</span>
<b>Capitals:</b>  	<b>Strategic Thrusts:</b>  
<b>Stakeholders:</b>           	

## EN ENERGY MANAGEMENT

### DESCRIPTION

Consuming and managing energy usage with specific attention to leveraging opportunities to generate and use clean energy.

### LINK TO:

<b>SDGs:</b> 	<b>Risks:</b> <span style="background-color: #800040; color: white; padding: 2px;">SH</span> <span style="background-color: #800040; color: white; padding: 2px;">CR</span> <span style="background-color: #800040; color: white; padding: 2px;">SR</span>
<b>Capitals:</b>  	<b>Strategic Thrusts:</b>   
<b>Stakeholders:</b> 	

## SO SOIL, PEST, AND DISEASE MANAGEMENT

### DESCRIPTION

Managing soil, pest, and disease control sustainably to minimise negative impacts on the environment.

### LINK TO:

<b>SDGs:</b>    	<b>Risks:</b> <span style="background-color: #800040; color: white; padding: 2px;">CR</span> <span style="background-color: #800040; color: white; padding: 2px;">SH</span> <span style="background-color: #800040; color: white; padding: 2px;">MR</span> <span style="background-color: #800040; color: white; padding: 2px;">PR</span>
<b>Capitals:</b>  	<b>Strategic Thrusts:</b> 
<b>Stakeholders:</b>   	

# Material Matters

## WM WASTE MANAGEMENT

### DESCRIPTION

Managing waste generated from operations and repurposing waste materials for alternative effective uses which includes systematic handling, recycling, and disposal of waste materials in an environmentally responsible manner.

### LINK TO:

SDGs:    

Risks: **SR** **SH** **PG**

Capitals:  

Strategic Thrusts:  

Stakeholders:         

## WU WATER USE

### DESCRIPTION

Responsibly consuming and preserving water resources by promoting efficient usage and minimising pollution.

### LINK TO:

SDGs:     

Risks: **SR** **SH**

Capitals:  

Strategic Thrusts:  

Stakeholders:         

## OE OPERATIONAL EXCELLENCE

### DESCRIPTION

Improving production yield and enhancing operations by leveraging innovation and research and development to prioritise environmental sustainability and climate-conscious practices without compromising human rights and labour standards.

### LINK TO:

SDGs:  

Risks: **PG** **SR** **SH** **LR**

Capitals:  

Strategic Thrusts:  

Stakeholders:   



# Operating Landscape

In 2024, FGV operated in a dynamic global environment shaped by geopolitical tensions, environmental challenges, rapid technological advancements and shifting economic conditions. These factors influenced global trade, market stability, and supply chains, requiring businesses to remain agile in their strategic planning. For FGV, this meant balancing growth ambitions with risk management while ensuring long-term resilience.

The global economy grew at a moderate 2.7%, with inflationary pressures, supply chain disruptions and monetary tightening shaping market conditions. However, the United Nations revised its 2025 forecast to 2.8%, reflecting improved prospects in key markets such as the United States (U.S) and China<sup>1</sup>. Despite this optimism, geopolitical instability, trade restrictions, and commodity price volatility remained key challenges, driven by supply and demand imbalances, climate-related disruptions, and policy shifts.

Malaysia’s economy expanded by 5.1%, supported by strong domestic demand, a stable labour market and growth in agriculture and manufacturing<sup>2</sup>. Bank Negara Malaysia projected continued expansion of between 4.5% and 5.5% in 2025, driven by structural reforms, increased investments and digital transformation. However, inflation, currency fluctuations, and external trade uncertainties remained considerations for businesses<sup>3</sup>.

Amidst these conditions, FGV focused on operational efficiency, sustainability, and innovation to enhance competitiveness. Through sustainable agricultural practices, supply chain optimisation and digital adoption, the company navigated uncertainties while seizing opportunities. Aligning its strategies with global trends and Malaysia’s economic trajectory, FGV reinforced its position for long-term value creation.

<sup>1</sup> Reuters. (2025, 9 January). UN predicts world economic growth to remain at 2.8% in 2025. <https://www.reuters.com/markets/un-predicts-world-economic-growth-remain-28-2025-01-09/>

<sup>2</sup> The Straits Times. (2024, 16 February). Malaysian economy slows in last quarter of 2024, showing risks ahead. <https://www.straitstimes.com/business/economy/malaysian-economy-slows-in-last-quarter-of-2024-showing-risks-ahead>

<sup>3</sup> Bank Negara Malaysia. (2025). Economic and Monetary Review 2024. [https://www.bnm.gov.my/documents/20124/17523401/emr2024\\_en\\_book.pdf](https://www.bnm.gov.my/documents/20124/17523401/emr2024_en_book.pdf)

## GEOPOLITICAL CONFLICTS

### What Happened

Ongoing trade restrictions, shifting global alliances, and rising economic nationalism continue to disrupt commodity markets and supply chains. Trade protectionism has increased raw material, freight, and energy costs while causing procurement delays. Global trade realignments have also created bottlenecks in key agricultural inputs, such as fertilisers, adding to price volatility. While higher palm oil prices offer revenue opportunities, affordability concerns remain for key buyers amid inflationary pressures and evolving regulatory requirements.

### Potential Impact

- Supply chain disruptions affecting the availability and cost of key inputs, including fertilisers and raw materials.
- Higher operational costs due to increased shipping expenses and energy price fluctuations.
- Market access challenges as regulatory changes impact exports and customer purchasing power.

### How We Responded

- Secured alternative raw material sources to reduce supply chain risks.
- Adjusted logistics strategies to manage rising shipping costs from Red Sea trade disruptions.
- Aligned operational strategies with Malaysia’s New Industrial Master Plan 2030 to strengthen supply chain resilience and industrial growth.

### Outlook

Trade restrictions and shifting global alliances may disrupt supply chains, increasing costs for raw materials, freight, and energy while causing procurement delays. As trade policies stabilise, market access and efficiency should improve, easing bottlenecks in key agricultural inputs like fertilisers. Strengthening supply chain resilience and adapting trade strategies will help businesses stay competitive and sustainable despite regulatory changes and inflation.

#### Capitals:



#### Stakeholders:



#### Risks:



#### Material Matters:



#### Strategic Thrusts:



# Operating Landscape

## CLIMATE CHANGE

### What Happened

Extreme weather events, shifting climate patterns and rising global temperatures continue to impact food security and agricultural productivity. Climate-related disruptions have intensified supply chain volatility, with floods and droughts reducing crop yields and increasing production costs. Regulatory pressure is also mounting, with Malaysia aiming to cut carbon intensity by 45% against Gross Domestic Product (GDP) by 2030, driving industries towards stricter sustainability practices and climate adaptation measures.

### Potential Impact

- More frequent and severe weather events, including floods and droughts, are affecting global agricultural supply chains.
- Rising commodity prices due to supply constraints and increasing demand for climate-resilient agricultural practices.
- Stricter climate policies and carbon reduction targets shaping industry regulations and sustainability commitments.

### How We Responded

- Enhanced our sustainability framework to align with global commitments and regulatory requirements.
- Strengthened GAP and increased crop diversity to improve resilience against climate shocks.

### Outlook

Extreme weather, floods, and droughts continue to disrupt agricultural supply chains, lowering crop yields and raising costs. Strengthening GAP, diversifying crops, and investing in renewable energy will help stabilise costs and improve climate resilience. As regulations tighten, proactive climate strategies will reinforce our position in sustainable agriculture while ensuring compliance with Malaysia’s carbon reduction targets.

<b>Capitals:</b> 	<b>Material Matters:</b> <span>RE</span> <span>BL</span> <span>CL</span> <span>SO</span> <span>WU</span>
<b>Stakeholders:</b> 	<b>Strategic Thrusts:</b> 
<b>Risks:</b> <span>OR</span> <span>CR</span> <span>SR</span>	

## DIGITAL TRANSFORMATION

### What Happened

The rapid advancement of digital technologies, artificial intelligence (AI), and automation is transforming industries, including agriculture. AI-driven analytics, precision farming, and automated processes are improving efficiency and sustainability. However, increased digital adoption also brings cybersecurity risks and regulatory scrutiny, particularly with Malaysia’s Cyber Security Act 2024 enforcing stricter compliance measures.

### Potential Impact

- AI and automation are enhancing productivity and operational efficiency across agriculture and supply chain management.
- Increased reliance on digital platforms raises concerns about data security, privacy, and regulatory compliance.
- Growing investment in digital infrastructure and cloud technologies presents new opportunities for industry-wide innovation.

### How We Responded

- Partnered with industry leaders to implement AI-driven digital ecosystems, including image recognition technology to reduce dependency on human labour.
- Enhanced cybersecurity measures to comply with the Cyber Security Act 2024.

### Outlook

The rise of AI, automation, and cloud technologies is driving efficiency but also increasing cybersecurity risks and regulatory challenges. Investing in digital solutions will enhance productivity, strengthen risk management, and ensure compliance with Malaysia’s Cyber Security Act 2024. Advancements in AI-driven analytics, precision farming, and digital infrastructure will further improve competitiveness and operational agility in a rapidly evolving landscape.

<b>Capitals:</b> 	<b>Material Matters:</b> <span>DS</span> <span>CG</span> <span>TD</span>
<b>Stakeholders:</b> 	<b>Strategic Thrusts:</b> 
<b>Risks:</b> <span>CSR</span> <span>LR</span>	



## COMMODITY PRICES

### What Happened

Fluctuating commodity prices, driven by supply chain constraints, climate variability, and geopolitical events, continue to shape global markets. While palm oil prices stabilised following El Niño-related disruptions, ongoing volatility in energy and agricultural markets remains a challenge. Meanwhile, growing demand for biofuels, plant-based oils, and alternative proteins is reshaping market trends.

### Potential Impact

- Price volatility in key agricultural commodities due to weather conditions, policy changes, and global supply chain disruptions.
- Evolving trade policies and sustainability-driven regulations influencing market access and export strategies.
- Rising demand for biofuels and alternative food products creating new opportunities for palm oil applications.

### How We Responded

- Integrated sustainability-driven cost management to align with regulatory trends impacting commodity pricing.
- Optimised market positioning in response to rising demand for sustainable palm oil and its alternative uses (e.g., biofuels, specialty oils).

### Outlook

Agricultural commodity prices will remain volatile due to supply chain constraints, climate shifts, and geopolitical uncertainties, impacting raw material and energy costs. Optimising supply chains, improving efficiency, and tapping into sustainable palm oil and biofuels will enhance cost predictability. Strategic investments in supply resilience, value-added products, and sustainability-driven cost management will support long-term growth and market competitiveness.

#### Capitals:



#### Stakeholders:



#### Risks:



#### Material Matters:



#### Strategic Thrusts:



## ECONOMY GROWTH OF LEADING NATIONS

### What Happened

Slowing economic growth in key global markets, ongoing trade tensions, and shifting foreign direct investment (FDI) patterns are influencing trade flows and demand for agricultural products. While China's economic slowdown has impacted export markets, Malaysia's stable growth and currency appreciation have created opportunities for industrial expansion and supply chain diversification.

### Potential Impact

- Slower economic growth in major markets such as China and the US is influencing global trade and investment patterns.
- Policy shifts, trade restrictions, and currency fluctuations are affecting export competitiveness.
- Malaysia's strong gross domestic product (GDP) growth and increasing FDI are driving domestic economic resilience and industrial expansion.

### How We Responded

- Adapted export strategies to manage shifts in global trade flows and market demand.
- Leveraged Malaysia's FDI growth to explore new market opportunities and supply chain expansion.

### Outlook

Slower growth in major economies like China and the US could weaken trade flows and export demand. However, strengthening supply chains and refining export strategies will unlock new opportunities, supported by Malaysia's GDP growth and rising foreign direct investment. Trade diversification and industrial expansion will enhance adaptability, reinforcing resilience amid shifting global trade patterns.

#### Capitals:



#### Stakeholders:



#### Risks:



#### Material Matters:



#### Strategic Thrusts:

