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# Net zero more than renewable energy

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KOTA KINABALU: Net zero is not just about renewable energy, but it is about a systemic transformation that reshapes supply chains, product design, social commitments and innovation, said Head of Group Transformation at FGV Holdings Berhad Dr Gideon Tan (pic).

Speaking at the Marim Conference 2025 in here, recently, Dr Tan said the company's climate action efforts extend far beyond emissions and energy.

"Net zero is not just solar panels or certificates, it's a whole-of-organisation agenda," he said.

To contextualise FGV's sustainability journey, he said the company's complex business divisions, ranging from plantations and downstream processing to logistics, healthcare and even education.

He noted that 74 per cent of FGV's palm oil crops come from smallholders, mirroring Asia's broader food system, which heavily depends on them.

"We're not just operating commercial estates. We run clinics and have built 17 schools for the children of migrant workers," he said.

Dr Tan framed the company's climate strategy around two pillars, which are adaptation and mitigation.

"Managing the effects of climate change is adaptation. Tackling the causes is mitigation. We need to do both," he said.

On adaptation, FGV is addressing climate

extremes such as flooding and droughts while responding to global policies like the EU Deforestation Regulation (EUDR).

Unable to expand land use due to deforestation restrictions, the group has focused on increasing yields per hectare.

"We no longer have the option to expand land. Yield improvement is the only way forward," he said, citing their 56-year-old R&D centre that develops higher-yield planting materials.

FGV has also deployed technologies like the FGV Geodagger, a satellite-linked device for precision replanting.

Turning to mitigation, he emphasised the importance of understanding company emissions through inventory baselining, a process recently validated under the SBTi (Science-Based Targets initiative).

The group's mitigation roadmap includes energy efficiency, solar power, bioenergy and transportation reforms.

"Our plantations operate in areas without public utilities. We build our own water, wastewater and energy systems," he said.

On energy efficiency, FGV performs audits across its supply chain and encourages internal innovation.

One in-house invention is an electric transporter to replace petrol units for field operations.

"We want our employees to be innovators and our electric transporter was built in-house," Dr Tan said.

FGV's solar strategy leverages Malaysia's

NETR framework and includes various ownership and feed-in tariff models. However, it's in bioenergy that the company sees significant potential.

FGV operates biogas plants capturing methane emissions from mill effluent ponds, which is a major source of GHG.

"We capture methane before it reaches the atmosphere, one tonne of methane is equivalent to 28 tonnes of CO<sub>2</sub>," he said.

It also operates two biomass power plants, including one in Sabah's off-grid areas and is exploring diverse applications for palm biomass, ranging from compost to aviation fuel.

"Palm oil uses only 0.5 per cent of the world's agricultural land, yet produces over a third of global vegetable oil supply," he said, highlighting the efficiency of palm oil in the global food system.

FGV also turns biomass into animal feed using black soldier fly larvae in what he calls a 'bio-refinery without a factory'.

"We turn waste into protein with black soldier fly larvae. It's a bio-refinery without a factory," he said.

As for transportation, FGV is replacing petrol-based field vehicles with EV models and trialling Bioo biodiesel in logistics trucks and passenger vehicles.

Dr Tan reiterated that net zero should not be reduced to a single target or technology.

"Net zero is not a slogan. It's a systemic shift in how we operate across supply chains, products and people," he said.