STATEMENT AND REPORT ON MARKETPLACE

The Group is committed to comply with the relevant legal requirements and industry standards in all our business activities. We constantly review and update our policies and operating manuals to be on par or above the current standards and regulations. Besides, internal audits are carried out periodically to ensure compliances in our operations. The Group’s operating units throughout the supply chain comprising of a nursery, oil palm estates, palm oil mills and kernel crushing plant were accredited under the MPOB Code of Practices (CoP) certification. The certification encompasses industry best practices, regulatory compliance on quality, food safety, sustainability and safe workplace for our employees. The Group is also a member of the Roundtable for Sustainable Palm Oil (RSPO). In addition, our products and processes are also certified under quality management systems such as Good Manufacturing Practice, Good Agricultural Practice, and Hazard Analysis Critical Control Point (HACCP). In addition, financial systems and procedures are also in place to ensure production cost efficiency and long-term economic viability. Control and monitoring measures such as tendering procedures, budgetary systems and regular management meetings have been implemented to track cost movement and contain cost increases. Other details pertaining to compliance and control aspects are also covered in the Statement on Corporate Governance in pages 34 to 41 and Statement on Risk Management & Internal Control in pages 46 to 48.

Report on Embracing and Promoting Innovations

The plantation business is labour-intensive. From seeds to palm produce production, close supervision and intensive workforce are required. In order to achieve cost effectiveness and reduce the dependency on the workforce, the Group continues to explore opportunities to enhance the adoption of suitable innovations in our operations. The plantations have implemented mechanisation at suitable sites for better in-field crop evacuation. For example, the motorised wheel barrow is being evaluated to enhance work efficiency and productivity. In Sugut region, an in-field collection system incorporating the use of mini-tractors and ‘net & crane’ system is widely used at sites with flat terrain. On the other hand, plantations that are located far from the mills have also started utilising the bin system which also functions as mobile ramps, thus enabling the improvement of the crop evacuation and transportation workflow. In the processing plants, our team has strived to improve the process flow with several innovative modifications and continue to carry out upgrading and maintenance works. In the reporting year, an IJM Innovation Award has been introduced to motivate and give recognition to the people who work towards achieving their targets in innovative ways.

The Group’s research arm, Quality, Training and Research Centre (QTRC) has also conducted various trials on new products available in the market. The Group continued engaging with the International Plant Nutrition Institute (IPNI) in best management practices in field research. In the pipeline is the extension of this collaborative research to cover other plantation aspects related to plantation intelligence involving precision agriculture. In the reporting year, the Group has also embarked on a research collaboration with the Genting Group on oil palm screening and biomarker research utilising plant biotechnology.

Report on Engagements With Stakeholders

Palm oil has increasingly been accepted and is now better understood throughout the world but there are still gaps that need to be addressed. The unfamiliarity with palm oil has led many people having wrong perceptions, particularly with regards to its nutritional values and its social and environmental impacts. To address these gaps, the Group believes in engaging with relevant stakeholders from multidisciplinary backgrounds and has taken the initiative to host stakeholders visiting the operating units and sharing with them the social-environmental aspects and the entire supply chain in the operations. In the reporting year, the Group has hosted more than 10 stakeholder engagement activities involving more than 286 participants.
Continued engagement with stakeholders