

2006

February

Corporate Governance in the Plantation Industry

SABRI BIN AHMAD

Golden Hope Plantations Berhad, 13th Floor, Menara PNB, No. 201-A, Jalan Tun Razak, 50400 Kuala Lumpur

This paper discusses the definition of Corporate Governance as formulated by the Finance Committee Report on Corporate Governance. It stresses practising the principles of openness, integrity and accountability in the conduct of any kind of business, including the plantation business. This is true for the industry since pressures on environmental issues, quality and food safety concerns, as well as corporate social responsibility (CSR) are increasing tremendously during the past several years.

This paper also suggests that sustainability in the plantation industry is the answer to address the issue on corporate governance, particularly for the palm oil business. This is so since sustainability emphasises the 3Ps principle i.e. people, planet and profit in order to ensure economic, process and product sustainability.

Projects and initiatives energised by MPOB, MPOA and others are highlighted in this paper as evidence of commitment by the industry. Lessons learnt from the past and current projects are also discussed so as to improve the industry's future undertakings in sustaining the business. With this in mind, the next steps are then suggested for better corporate governance.

Keywords: *Corporate governance, customers, environment, stakeholders, sustainability.*