



**PUBLIC SUMMARY
FIRST SURVEILLANCE ASSESSMENT**

AUDIT DATE : 17TH – 21ST OCTOBER 2011

**RIBUBONUS CERTIFICATION UNIT
PPB OIL PALMS BERHAD**

Sandakan District, Sabah, Malaysia

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TABLE OF CONTENTS

SUMMARY

1.0 SCOPE OF CERTIFICATION ASSESSMENT

- 1.1 National Interpretation Used
- 1.2 Certification Scope
- 1.3 Location and Map
- 1.4 Description of Supply Base
- 1.5 Date of Plantings and Cycle
- 1.6 Other Certifications Held
- 1.7 Organisational Information/Contact Person
- 1.8 Approximate Tonnage Offered for Certification

2.0 ASSESSMENT PROCESS

- 2.1 Certification Body
- 2.2 Assessment Methodology, Programme, Site Visits
- 2.3 Assessment Team
- 2.4 Stakeholder Consultation
- 2.5 Date of Next Surveillance Visit

3.0 ASSESSMENT FINDINGS

- 3.1 Summary of Findings
- 3.2 Detailed Identified Non-Conformities, Corrective Actions and Assessor Conclusions
- 3.3 Status of NCRs Previously Issued
- 3.4 Noteworthy Positive Components
- 3.5 Issues Raised by Stakeholder

4.0 RECOMMENDATIONS

5.0 CLIENT'S ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND FORMAL SIGN-OFF OF ASSESSMENT FINDINGS

List of Tables

- 1. Coordinates of Ribubonus Certification Unit (Mill and Estates)
- 2. FFB Contribution of Ribubonus Estate and External Suppliers in 2010 (Tonnes)
- 3. Total Plantations and Area Planted
- 4. Approximate CPO and PK Tonnage Claimed for Certification Year 2011
- 5. Assessment team

Attachments

- 1. Location Map of Ribubonus Certification Unit
- 2. Surveillance Audit Programme
- 3. Detail of Non-Conformity and Corrective Actions Taken
- 4. Opportunities for Improvement

SUMMARY

This public summary provides the general information on the Ribubonus Certification Unit (Ribubonus CU), assessment process, findings of the surveillance, Non-Conformity Reports (NCRs) and Opportunity for Improvements (OFIs) raised, verification of corrective actions on the minor NCRs and OFIs raised during the previous audit as well as on the decision on the continued certification of the CU against the requirements of the RSPO Principles & Criteria (P&C) Malaysian National Interpretation (RSPO MY-NI):2010.

The Ribubonus CU is part of Sabahmas Plantations Sdn. Bhd. (SSB). SSB is a wholly owned subsidiary of PPB Oil Palms Berhad (PPB). The RibubonusCU consisted of Ribubonus Palm Oil Mill (RBPOM) and the Ribubonus Estate.RBPOM commenced operations in February 2008 with a processing capacity of 45 metric tonnes (MT) of fresh fruit bunches (FFB) per hour.

The Stage 1and Stage 2 audits on the RibubonusCU against the requirements of the RSPO MY-NI: were conducted by SIRIM QAS International Sdn Bhd (SIRIM QAS International) on 25-27 June 2009 and 1-5 October 2009 respectively. The Ribubonus CU was finally certified for RSPO sustainable palm oil production in September 2010.As the RibubonusCU is a fully developed estate, Principle 7 of the RSPO MY-NI was therefore not applicable.

This surveillance assessment was conducted on **17-21 October 2011**.SIRIM QAS International was contracted by PPB to conduct this surveillance assessment. SIRIM QAS International is the leading testing, inspection and certification body (CB) in Malaysia having provided its services to all sectors of the business and industry for over 30 years.

SIRIM QAS International, as an accredited certification body by the United Kingdom Accreditation Service (UKAS) and STANDARDS MALAYSIA provides a comprehensive range of management system certification services on quality, environment, health and safety.

SIRIM QAS International has wide experience in conducting assessments on palm oil mills and oil palm estates for certification of management system against the requirements of the ISO 14001 and OHSAS 18001. SIRIM QAS International was approved as a certification body by RSPO on 21 March 2008. Since then, it has conducted many assessments on RSPO sustainable production of palm oil in Malaysia.

This surveillance audit had resulted in the issuance of one (1) major, one (1) minor Non Conformity Reports (NCR) and sixteen (16) Opportunities for Improvements (OFIs). The Ribubonus CU had taken corrective actions to address the major NCR which had been verified by the assessor and therefore closed out. The RibubonusCU had also submitted a corrective action plan to address the minor NCR and OFIs which had been accepted by the assessors. The verification on these corrective actions would be taken by SIRIM QAS International during the next surveillance audit.

Based on the evidences gathered during this surveillance, it could be concluded that Ribubonus CU had continued to comply with the requirements of the RSPO MY-NI. The one major NCR raised during this surveillance assessment has been adequately addressed and therefore closed out. The assessment team therefore recommends that the Ribubonus CU's certification against the RSPO MY-NI, be maintained.

1.0 SCOPE OF CERTIFICATION

1.1 National Certification Used

The operations of the mill and their supply bases of oil palm fresh fruit bunches (FFBs) were assessed against the requirements of the RSPO MYNI WG: 2008.

1.2 Certification Scope

This surveillance assessment covers the RBPOM and the Ribubonus Estate. The scope of certification is the sustainable production of crude palm oil from the RBPOM with fresh fruit bunches (FFBs) supplied by the mill's own estate; the Ribubonus Estate.

1.3 Location of Mill and Estates

RBPOM and Ribubonus Estate are located in the Beluran District, Sandakan Sabah, Malaysia. The Ribubonus Estate can be assessed by using the Sandakan-Telupid Road, about 157 km from Sandakan.

The Ribubonus Estate is surrounded by the UluTungud and Bukit Kuamas Forest Reserves in the north and south west. Kg. Wonod and Twin Acre Plantation are located at the southern side while the Lipaso Forest Reserve is located further east. The Labuk River passes through the western boundary of the CU.

The official address of Ribubonus CU is CL 085330089, Telupid, Labuk/ Sugut Sandakan, Sabah, Malaysia. The location map of Ribubonus CU (mill and estates) is shown in **Attachment 1** while their coordinates are detailed in **Table 1**.

Table 1 : Coordinates of Ribubonus CU (Mill and Estates)

Operating Unit	Latitude	Longitude
Ribubonus Palm Oil Mill	5° 41' 19.977" N	117° 05' 34.150" E
Ribubonus Estate	5° 41' 32.763" N	117° 05' 49.962" E

(Note: The coordinates are for the offices of the palm oil mill and estates)

1.4 Description of Supply Base (Fruit Sources)

RBPOM received FFBs from the Ribubonus Estate, smallholders and smallgrowers. The average annual FFB contribution from the Ribubonus Estate and outside sources for the year 2010 is detailed in **Table 2**.

Table 2 : FFB Contribution of Ribubonus Estate and External Suppliers in 2010 (Tonnes)

Estate	FFB Production (2010)	
	Tonnes	Percentage
Ribubonus Estate	71,167	69
Outside sources	32,426	31
Total	103,593	100

1.5 Date of Plantings and Cycle (Total Plantations and Area Planted)

The plantation area and the area planted with oil palms, is shown in **Table 4**.

Table 4 Total Plantations and Area Planted

Estate	Year of Establishment	Total Area (ha)	Planted area (ha)
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Ribubonus Estate	2001 – 2002	3,262	2,702.30
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1.6 Other Management System Certifications Held (ISO etc)

The RBPOM and Ribubonus Estate do not hold any other form of third-party certification of their management systems. Nevertheless, they had been implementing an internal system which was based on the requirements of the ISO 14001:2004 and the Occupational Safety and Health Act (1994). The CU had obtained the International Sustainability for Carbon Certification (ISCC) and also the RSPO Supply Chain Certification.

1.7 Organisational Information/Contact Person

PPB through its Headquarter in Sandakan is responsible for overseeing the RibubonusCU and other management units owned by PPB in Sabah. The correspondence address and contact person are as detailed below:

Address:

PPB Oil Palms Berhad
 Sabah Operations
 Lot 1A, KM 15, JalanLabuk
 Locked Bag 34,
 90009 Sandakan
 Sabah
 MALAYSIA

Contact Person:

Mr. Tee Seng Heng
 General Manager
 Phone : +6089 671546 / +6089 670208
 Fax : +6089 670260
 e-mail : teesh@wilmar.com.my

1.8 Approximate Tonnages Offered for Certification (CPO and PK)

The approximate tonnage of CPO and PK produced and claimed for certification, is shown in **Table 5** as follows:

Table 5 : Approximate CPO and PK Tonnage Claimed for Certification Year 2011

Certification Unit	CPO Tonnage Claimed for Certification	PK Tonnage Claimed for Certification
Ribubonus CU	21,948	3,653

Note: The amount claimed for certification excludes contribution from smallholdings

2. ASSESSMENT PROCESS

2.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body

in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCCC).

SIRIM QAS International is a partner of IQNet, a network currently comprising of 36 leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting assessment related to RSPO assessment. We have certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. We have also conducted pre assessment against RSPO Principle and Criteria. SIRIM QAS International was approved as a RSPO certification body on 21st March 2008.

2.2 Assessment Methodology (Program, Site Visits)

The surveillance audit was conducted on **17 to 21 October 2011**. The main objectives of this surveillance audit were to

- (a) determine the continued compliance of Ribubonus CU against the requirements of the RSPO MYNI:2008;
- (b) verify the effectiveness of the corrective actions being implemented by Ribubonus CU to address the NCRs raised during the previous Stage 2 audit; and
- (c) make appropriate recommendation on the continued certification of Ribubonus CU based on the findings of this surveillance audit.

The planning of this surveillance audit was guided by the RSPO Certification Systems Document. The sampling formula of $\sqrt{0.8y}$, where y is the number of estate in Ribubonus CU was not used as the CU had only one estate. Both the mill and estate (RPOMand RibubonusEstate) were assessed.

The audit was conducted by visiting the field, mill, HCV habitats, labour lines, chemical and waste storage areas and other workplaces. Random interviews were held with management, employees, contractors and other relevant stakeholders. Apart from the above, records as well as other related documentation were also evaluated. The details on the surveillance audit programme are presented in **Attachment 2**.

2.3 Assessment Team

The assessment team comprises four auditors. The details on the auditor and their qualifications are presented in **Table 6**.

Table 6 : Assessment team

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Dr. S.K. Yap	Assessment team leader/ estate environmental issues and HCV habitats	<ul style="list-style-type: none"> • Completed RSPO Lead Assessor Course - 2008 • Successfully completed EARA approved lead Assessor course for ISO 14001: 2001 • Ph. D. (Forest Biology) University of Aberdeen (Scotland) and University of Malaya Fellowship in Tropical Rain Forest Project. • B.Sc. Hons. Second Class Upper (Botany), University of Malaya

		<p>Memberships in Professional Organizations:</p> <ul style="list-style-type: none"> • Member of the IUFRO Working Party on Seed Problems. Nominated as one of the candidates for the Co-Chairman of Working Party in 1986. • Project Leader for Project 8 of the Reproductive Biology of Tropical Trees of the ASEAN-Australian Tree Improvement Programme. 1986. Given the role to develop research activities on reproductive biology within ASEAN countries with sponsorship from Australia. • Elected member of the Committee on Forest Tree and Shrub Seeds of the International Seed Testing Association. 1989 to 1992. • Vice Chairman of the Working Group on Seed Origin and Genetic Resources of the ASEAN Canada Forest Tree Seed Centre. 1990 to 1995. Responsible in coordinating research activities on genetic resources within the ASEAN countries. • Project leader on Impact of Acid Precipitation on Forest working in conjunction with researchers from China, Indonesia, Japan and Thailand.
Mr. Mahzan Munap	Auditor /Occupational Health and Safety & related legal issues	<ul style="list-style-type: none"> • CIMAH Competent Person with Malaysian Department of Occupational Safety and Health (DOSH) since 1997. • Occupational Safety and Health Trainer at INSTEP PETRONAS • Successfully completed RSPO Lead Assessor Course – 2008. • Successfully completed Lead Assessor Course for OHSAT 18001-2000. • Successfully completed IRCA accredited Lead Assessor training for ISO 9001-2006 • MBA, Ohio University. • B.Sc. Petroleum Engineering, University of Missouri, USA.
Professor Datuk Abdul Rashid Abdullah	Auditor /Community issue /social criteria and national legislation	<ul style="list-style-type: none"> • Attended training on RSPO Principle & Criteria and RSPO certification requirements in 16 November 2010 • Current position as Director, Institute of East Asian Studies, Universiti Malaysia Sarawak • Appointed as the Vice Chancellor Universiti Malaysia Sarawak (Academic Affairs) from 1 February 2005 to end February 2008 • Appointed as the Deputy Vice Chancellor (Academic Affairs) of Universiti Malaysia Sarawak from December 2000 to January 2005 • Lecturer and founding Dean of the faculty of Social Sciences, Universiti Malaysia Sarawak • PhD in Social Anthropology, Hull University. • M.Sc. in Development Studies, Cornell University. • Some of the research projects <ul style="list-style-type: none"> • <i>MasyarakatPesisir</i> Sarawak Barat Daya • Centre-periphery relation:Its implications on the smallholders in Sarawak

		<ul style="list-style-type: none"> • Socio-cultural change in the Melanau community in Wing. A (ed) kaummelanau • Current research projects <ul style="list-style-type: none"> • Engaging the market: Peripheral communities of Belaga district (Project leader: 2008-2010) • The Iban Diaspora: Iban communities in Tawau and Brunei Darulsalam (Research team) 2009 - 2011
Mr.Selvasegam	<p style="text-align: center;">Technical Specialist / Good Agricultural Practices (GAP) and workers issues</p>	<ul style="list-style-type: none"> • Attended training on RSPO Principle & Criteria and RSPO certification requirements • B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Banglore, India (1969-1973) • Assistant Estate Manager, Kumpulan Guthrie Berhad (1974-1979) • Senior Assistant Estate Manager, Guthrie Berhad (1979-1994) • Estate Manager, Guthrie Berhad (1995-2002 – retired) <p>Managing and supervise the following activities</p> <ul style="list-style-type: none"> • Nursery for rubber and cocoa • Supervise Plantings activities for : Cocoa Replant, Rubber Replant, Oil Palm Replant, Oil Palm Replant, Oil Palm New Clearing • Supervise Upkeep Immature & Areas : Cocoa Replant, Rubber Replant, Oil Palm Replant, Oil Palm Replant, Oil Palm New Clearing • Collection : Cocoa Harvesting, Tapping, FFB Harvesting, Cocoa (i.e. Splitting Cocoa Pods & Fermenting and Drying Beans), Oil Palm – In field collection (i.e. Buffalo, Jamsa, Mini Tractor, Crane Loading, Bin Loading (Jamsa)) • Vehicle Maintenance & Workshop : Mini Tractors, Jamsa, Lorries – Tippers and Flat Body, Prime Movers, Jeeps • Estates Developments : Collection of Data for Monitoring Estates' Performance, Organizing Seminars, Meetings, Forecasting Workers Housing Requirement for Company, Forecasting FFB Yield & Oil Extraction Ratio for Company, Assist in Budget Formatting and Budget Preparation, Assisting Computerization of Budget Preparation, Formulation of Best Practices • Formulation of SOP for all Estate Operations for all workers, Junior Staff and Senior Staff

2.4 Stakeholder Consultation

The assessment team has interviewed relevant interested stakeholder during the conduct this audit. Generally no negative comment to Ribubonus CU. All the issues raised by stakeholder were documented and maintained in Ribubonus CU admin office.

2.5 Date of Next Surveillance Audit

Next surveillance audit will be conducted within nine to twelve months from this audit.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

The audit findings were highlighted and discussed during the on-site audit. This surveillance audit had resulted in the issuance of one (1) major and one (1) minor NCR and sixteen (16) OFIs. The details on the NCRs (including corrective actions taken) and OFIs as are as in **Attachment 3**.

The findings of this surveillance audit are reported based on the format for the RSPO MY-NI indicators. The detailed findings of this surveillance audit on Ribubonus CU's compliance to the requirements of the RSPO MY-NI are as follows:

PRINCIPLE 1: COMMITMENT TO TRANSPARENCY

Criterion 1.1

Oil palm growers and millers provide adequate information to other stakeholder on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.

Findings:

All the estates had continued to maintain records on requests for information on environmental, social and legal issues that were related to the RSPO Criteria. There was a same written SOP for stakeholders' consultation and a Public Information Request (PIR) Form was still made available to any interested parties.

From the record books, it was found that Ribubonus CU had not received any request for such information from external stakeholders.

Criterion 1.2

Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that **must** be publicly available include, but are not necessarily limited to:-

- 1.2.1 Land titles / user rights (C 2.2)
- 1.2.2 Safety and health plan (C4.7)
- 1.2.3 Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)
- 1.2.4 Pollution prevention plans (C 5.6)
- 1.2.5 Details of complaints and grievances (C 6.3)
- 1.2.6 Negotiation procedures (C 6.4)
- 1.2.7 Continuous improvement plan (C 8.1)

Findings:

Ten documents were made available for public viewing at the estate and mill offices. However, the following documents as required under the Indicator were not included:

- a. Safety and health plan
- b. Plans and impact assessments relating to environmental and social impacts
- c. Pollution and prevention plans
- d. Details of complaints and grievances
- e. Negotiation procedures
- f. Continuous improvement plan

A **Minor NCR SK 1** was therefore raised.

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Criterion 2.1

There is compliance with all applicable local, national and ratified international laws and regulations

Findings:

There was no change to the list of applicable legal requirements as sighted in document *No. RSPO 2.1.2, Register of Legal and Other Applicable Requirement*. All therelevant permits and licenses were still being sightedin theestate’s office and found to be valid.

The Ribubonus CU had continued to comply with most of the applicable legal requirements. Nonetheless, it was found that RPOM had not fulfilled some of the requirements for competent persons in accordance to the Factories and Machinery (Person-In-Charge) Regulations 1970. The Person-In-Charge of the boiler, a Second Grade Steam Engineer, was not assisted during each shift by a First Grade Engine Driver, but rather by one Second Grade Engine Driver. In addition, the electrical generator sets at Ribubonus Estate and RPOM were not being placed under the charge by First Grade Internal Combustion Engine Driver during each shift as required under the Act. Therefore, **a major NCR MM1** was raised.

The same procedures which had been established for tracking changes in the relevant laws had continued to be used. The Safety and Health Officer had been taskedto track any changes in the laws.

Criterion 2.2

The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.

Findings:

Ribubonus Estate still had a 99 year lease on the land from the Sabah State government for ‘Agriculture Purpose’ and was found to bein compliance with the lease conditions.

During the site inspections in the estate, it was observed that there werestill distinct wooden boundary markers and boundary stones. The positions of these markers were labeled, markedand recorded on the Boundary Stone Map.

It was documented during the Stage 2audit that there was a claim to a land in the Ribubonus Estate by the local villagers. During this surveillance, it was also discovered that there was a potential land dispute over Ribubonus Estate by the communities from KampungTelupidBatu 4 and KampungGading. Although the potential claimants had registered a broad unspecified interest, they were still in the process of establishing their claimsand gathering evidences.

Ribubonus Estate had expressed its willingness to consider the claim should it turn out to cover any part of the estate. A discussion held with an advisor to the potential claimants had also indicated that they too were open to negotiations and discussions.

Criterion 2.3

Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.

Findings:

There was no land within the estates being encumbered by customary rights and any land disputes had been settled through consultations with the local communities and the authority.

PRINCIPLE 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Criterion 3.1

There is an implemented management plan that aims to achieve long-term economic and financial viability.

Findings:

A Management Plan including crop forecast, profit and loss, infra-structure development (roads, houses etc) covering the period of 2011 to 2016 had been prepared for the estate and made available to the assessment team. Maintenance and social services such as upgrading of workers quarters and other amenities had been emphasized.

Annual budget for the years 2008 to 2011 were kept in the office. Copies of Annual Reports for 2008 and 2009 were also made available. Data was kept for FFB production from 2010 to 2011. The *Five Year FFB Yield Projection from 2008 to 2013* of the estate was presented. The projected Yield per Hectare (YPH) was at 30.04 tonnes. A *5-10 Years Replanting Plan* for the estate was also presented.

PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS

Criterion 4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Findings:

The CU had continued to implement the *Agriculture Manual & Standard Operation Procedure [Manual and SOP] (2011 Edition)* and the *Safe and Standard Operating Procedure for Oil Palm* which was updated on 23 March 2011.

Monthly Progress and Annual Reports on monitoring of all activities were made available during the surveillance. These included field audit report (2008) and Plantation Advisor's Visit Reports 2009. Weeding Schedule and Completion Sheet had also been used to monitor the progress of weed control. These monitoring reports were kept and maintained in the estate's offices for at least a year.

Criterion 4.2

Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.

MY-NIWG recommends that the indicators in criterion 4.2 and 4.3 are linked

Findings:

As reported in the previous audit, soil test was conducted and the agronomist had drawn up a soil map. Soil sampling was scheduled once at every 6 years with the last done in 2009. In addition, there were reports on soil organic carbon and soil nitrogen content.

An annual agronomic foliar analysis had been conducted in the estate and the last was conducted in 2010. The results had continued to form a basis to ascertain soil fertility and recommendation for the use of fertiliser. Foliar sampling had continued to be done annually and the sampling results for 2010 and 2011 were sighted. Recommendation on the application of fertilizer for the period of 2001 to 2012 had been prepared. Up to September 2011, 1,710.38 tonnes or 46.9% of the targeted amount had been applied.

Soil fertility had continued to be maintained by using empty fruit bunches (EFBs), mulching, proper frond stacking (biomass), POME application, regular application of inorganic fertilizers, water

management and maintaining soft weeds within interlines. EFBs were still being distributed and used as organic fertilizer for the oil palm trees in the estates.

The EFBs were still being applied as single layer allowing better decomposition and loss of nutrients. As of September 2011, 36.42% of the areas allocated for EFB application had been completed. It was observed that the application of EFBs as fertilizer had adhered to the structured EFB program for all the matured trees.

RBPOM had 16 effluent treatment ponds cleaning up 156,806 cu m of POME reducing the BOD level to 5.43 (licensed to BOD level of 20). The POME was used to irrigate 40 ha of the oil palm estate through a gravity feed system through trenches.

Mulching was still being done at a rate of 40 to 80 MT/ha/year.

Criterion 4.3

Practices minimise and control erosion and degradation of soils.

Findings:

It was observed that terraces had been constructed in all sloping areas with regular bunds to retain water and as erosion control measure. The application of EFBs as fertilizer had further assisted in reducing erosion. Fronds staking was still being carried out to reduce erosion along slopes. The planting of *Mucunabractea* on the slopes was being done and 2,530 seedlings had been prepared for the planting. In addition, *Vitiver* grass had continued to be established along the slopes.

It was observed that roads had been satisfactorily constructed and water runoff was adequate. Rain water was still being drained off into the terraces on the lower slopes. The Ribubonus Estate had continued to implement its road maintenance programme and which had helped to keep the road in satisfactory condition. In addition, maintenance of soft vegetation in interlines, sufficient road side outlets for water and avoiding bare grounds had assisted in controlling erosion.

Ground cover had continued to be a standard requirement with *Mucunabractea* as cover crop being planted in exposed slopes. It was also observed that the presence of the fern *Neprolepisbiserrata* along the slopes had helped to reduce exposed areas. No bare grounds were observed during the inspection.

Generally, it was observed that the estates had been well protected from soil erosion with natural vegetation. Circular weeding had been implemented. In matured planted area, frond stacking (one stack with 4 palms) was observed. This had helped to further reduce the incidences of erosion.

There were no peat and fragile soils within the Ribubonus CU.

Criterion 4.4

Practices maintain the quality and availability of surface and ground water.

Findings:

Riparian belts along the major rivers in all the estate had been demarcated with appropriate signage in accordance to the written *Riparian Zone Management Guidelines*. No activities were being allowed within the buffer belts except for harvesting of the ripe fruits.

It was observed that there had been no construction of bunds/weirs/dams across the main rivers or waterways in the estate and that all streams and drainage were without any obstruction.

Water sampling had continued to be conducted at specified sampling points along the main rivers in the estate as specified under the approval conditions of the Environmental Impact Assessments. The water samples were analyzed by accredited laboratory. A third party (Ekohandal Sdn Bhd.) had also conducted water sampling. The results of the water sampling indicating the level of *E.coli*, Coliform, pH, iron and turbidity were still being submitted at quarterly intervals by the estate to the Environmental Protection

Department of Sabah (EPD). The results of water analysis for April 2011 for sampling points in Ribubonus indicated the water was of Class II B quality.

The estates had continued to collect data on rainfall. Up to September 2011, a total of 2,687 mm of rainfall was recorded. The estate and mill had continued to source water from Sungai Labuk, which was then treated in the two treatment plants. The treatment plant in the eastern side produced 10,500,000 l while the northern side would process 7,000,000 l of water.

Procedures on minimizing water usage were still being implemented in all the offices, mills and estates. Rain water harvesting was constructed in line sites and estate complexes resulting in additional 17,205 l. The CU had continued to implement a Water Management Plan to conserve water for estate and surrounding areas like the clinic, Humana School, all staff & workers quarters.

The estate had continued to monitor the amount of water being used by the mills and the estates. It was observed that the records of the mill's daily water use (litres of water per ton of FFB) as well as the monthly and daily water consumption in the estates were still being kept. *Monthly Summary Record of Water Usage for Year 2011* and *Ribubonus Estate Water Management Plan* were examined. For the palm oil mill, an average of 2.13 litres of water per MT FFB was recorded in 2009 but this had been reduced to 1.80 litres per MT FFB in 2010.

For harvesting of rain water, every house had been equipped with its own rain water collection tank. The facilities for harvesting rain water had been constructed in the line sites and estate complexes. To enhance the efficiency of water conservation, there was a continuous improvement plan to install meters and monthly checks for leakage in the piping system.

Criterion 4.5

Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

Findings:

Ribubonus Estate had continued to implement the Integrated Pest Management (IPM) in the estates. As described in the *Agriculture Manual & SOP for Oil Palm* of the company, one of the techniques used was by establishing beneficial plants along road sides and vacant areas. Mammalian pests, nettle caterpillar and bag worm attacks had continued to be monitored monthly. No rat baiting had been done in 2011. Up to September 2011, the Biocide Dipel was only used once in January while 20 kg of Matikus were applied in the same month.

Pest attack detecting census was still being carried out monthly to determine the success of the IPM. The assessment team had inspected the Cover Crop Planting of Beneficial Plants (LCC Planting Program 2011). In 2011 there were no serious attacks of caterpillars and bagworms as shown by the monthly monitoring.

The application of pesticides had continued to be made only when the incidences of attack had exceeded the accepted threshold level for such attack. The estate had indicated a reduction on the use of pesticides and rodenticides in 2011 compared to the previous year.

Herbicides usage had continued to be monitored. Monthly Agrochemical Consumption Monthly Returns for 2010 and 2011 were presented during the surveillance. These returns were all checked by the Assistant Manager and confirmed by Senior Manager. As of September 2011 a total of **1.242** litres of a.i. (active ingredients) per ha had been applied in the field for the 9 month period. There was a reduction when compared to the 1.74 litres of a.i. per ha used in 2010. The chemicals used were:

Criterion 4.6

Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.

Findings:

All chemicals usage was still based on the 'need to do basis' to enhance field operations. Ribubonus Estate had continued to refer to the written justifications for all the agrochemicals it had used as prescribed in the Manual and SOP.

The estate had continued to adopt the PPB's Oil Palm's Occupational Safety and Health Policy, plan and programme. MSDS/CSDS for chemicals 2009/2010 and MSDS/CSDS for fertilizers 2010 were presented during the audit. Hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records were verified during this surveillance.

The storage of these chemicals was still found to be in accordance to the related legal requirements as well as the International Sustainability for Carbon Certification which the estate certified. The appropriate PPE for handling these chemicals were made available at the point of use. Used chemical containers had continued to be triple rinsed before being disposed off.

Records on the purchase, storage and use of agrochemicals had been properly documented in the Stock Statement Return. The disposal or destruction of empty chemical containers was still done in accordance with legal requirements.

Ribubonus Estate still had a schedule for medical surveillance of its workers under the Safety and Health Plan as stated in the Occupational Health and Safety Policy. The Occupational Medical Surveillance Programme reports had shown that all the sprayers were healthy and suffered no detrimental effects as a result of their job. In addition to the above, all the sprayers had continued to undergo annual medical surveillance carried out by Occupational Health Doctor.

Monthly tests had continued to be conducted in the estate clinics and all pregnant and breast-feeding women were still not allowed to work as pesticides sprayers.

There was no evidence to show that 'Paraquat' had been used in the estates. It was observed that there was no aerial spraying being conducted in all the estates and that the mill had not received any request to conduct tests on chemical residues in CPO.

Ribubonus Estate had continued to maintain a monthly return for the agrochemicals used. As of September 2011, a total of 1.242 litres of a.i. per ha had been applied in the field.

Criterion 4.7

An occupational health and safety plan is documented, effectively communicated and implemented

Findings:

Ribubonus CU had continued to adopt the PPB Oil Palm's occupational safety and health policy, plan and programme. It was found that the plan PPB Oil Palms Bhd, Ribubonus Sdn Bhd, Safe & Standard Operation Procedure for Oil Palm had been updated on 23/3/2011.

Hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records and audiometric report were verified during this surveillance and found to be in order. The HIRARC carried out had continued to cover the activities in both the mill and estates. Since there was no change in the agrochemicals used in the estates and chemical used at the mill from previous years the existing CHRA Reports were considered valid.

To meet the Workers' Minimum Standard of Housing and Amenities Act 1990, Ribubonus CU had continued to build accommodation to replace the old houses. It was observed that the on-going construction of the new houses had been poorly supervised. There was incomplete and improper hoarding at project site and there was no warning signage being erected on unauthorised entry into the work site). This was raised as **OFI M1**. There were also BRC wires being stacked in between two rows

of matured oil palm trees which would pose a hazard obstacle to harvesters during harvesting and collection of FFBS. This was raised as **OFI M2**.

It was also observed that although the Confine Space Entry Permit had been implemented, the records had not included all parameters e.g. there was no date of entry. This was therefore raised as **OFI M3**.

The Ribubonus Estate had provided changing rooms as well as shower facilities for sprayers and fertilizer application gangs. However, it was observed that the two shower rooms provided were inadequate to cater for the 25 sprayers and 10 workers for fertilizer application. There was also insufficient lighting provided in the shower rooms from the small opening allowing sunlight to come through. Therefore an **OFI M4** was issued for improvement of these facilities.

The laboratory in the mill had to obtain an approved design of the LEV even though its performance was marginally satisfactory. **OFI M5** was raised.

Signage on the use of ear plugs in high noise area at the mill had been posted. Nevertheless, its enforcement would have to be improved as some workers were seen without them and therefore an **OFI M6** was issued.

The RBPOM had identified significant hazards and risks and determined appropriate risk control measures in their HIRARC Register. However, this Register would have to be updated with the addition of two new machines the Shaper and Hydraulic Jack to the site. An **OFI M7** had been raised.

The CU had continued to implement appropriate risk control measures in the fields and mill visited. It was observed that the employees had been provided with and were seen to be using the appropriate PPE. Signage indicating the need to wear PPE and covering of sharp tools were erected in the field. Records were still being kept on the distribution of PPE to sprayers, workers for fertilizer applications, harvesters and mill operators.

A DOSH Registered Safety and Health Officer (SHO) had been appointed for taking charge and be responsible for OSH implementation in the mill and estates. It was verified during this surveillance that records were still being kept on the regular meetings/communication between the management and workers where issues on workers' health and safety were discussed. The minutes of these meetings had continued to be maintained and management had taken the necessary corrective actions to satisfactorily address the issues.

OSH training for staff and workers had continued to be conducted as per the OSH plan and programme developed by the SHO. The aspects on safety and health were also stressed during morning roll-call by Field Supervisors.

It was also verified during this surveillance that accident records were kept and the relevant reports including '*Jabatan Keselamatan dan Kesihatan Pekerjaan*', *JKKP 6* and *JKKP 8* had continued to be submitted timely to the Department of Occupational Safety and Health (DOSH).

Ribubonus CU had continued to constantly disseminate information on response to emergencies. Accidents had been recorded by the Safety Officer and displayed as LTA on the notice board of the estate's office. For the year, 2011 there was no accident recorded.

First aid boxes were still being placed at several strategic locations at the mills and were also provided to each of the field supervisors. It was also noted that machines which have moving parts were well guarded while in the estate, clean water was provided and transported to the field for use by the sprayer team.

Information on response to emergencies had continued to be disseminated. This included site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and contractors.

It was also found that Ribubonus CU had continued to provide a group insurance for all workers as required under the Workmen Compensation Act 1992. The assessment team had sighted the insurance certificate (underwriter Jerneh Insurance) and found to be still valid.

Criteria 4.8

All staff, workers, smallholders and contractors are appropriately trained.

Findings:

Ribubonus CU had continued to draw up a training schedule for employees and contractors at the beginning of the year for implementation. Record on the proposed training scheduled and actual training provided had been presented during this audit and it was observed that all scheduled courses had been conducted.

It was reported that contractors were briefed on safety, RSPO and ESH requirements prior to commencement of work in the estate. However, it was observed that newly employed workers and staff (those with less than one year of joining the estate) had not been aware of the basic requirements of RSPO. An **OFI M8** was therefore raised.

The operation in the mill could be improved with Authorized Gas Tester and Authorized Entrant and Standby Person as required by the Confine Space Entry Code of Practice. An **OFI M9** was raised. The electrical LOTO permit had been introduced in the mill and training would have to be done resulting in **OFI M10**.

To further enhance the training process for the staff and workers a review process for each training course conducted to assess its efficiency could be implemented. An **OFISK1** was raised.

PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Criterion 5.1

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Findings:

Ribubonus Estate had continued to review and up-date the environmental aspects and impacts risk assessment for activities relating to the estates and mill operations. These were incorporated into the report *Identification of Environmental Aspects and Impacts and Evaluation of Significance For Ribubonus Sdn. Berhad*.

As required in the EIA Report approved by EPD on 26 January 2010, the CU had continued to produce environmental monitoring reports at quarterly intervals. The reports were prepared by a consultant firm Ekohandal Sdn. Berhad, registered with the EPD. Reports for the period July to September 2011 and April to June 2011 were examined.

Ribubonus CU had continued to implement the environmental improvement plans to mitigate the negative impacts. Among the plans were improving the quality of effluent discharged from the mills, water conservation plan, reduction of fuel consumption and increasing the 3Rs initiatives in domestic waste management.

Criterion 5.2

The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exists in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

Findings:

The HCVF scoping assessment of the estates *HCVF Scoping Assessment of Ribubonus Estate of PPB Oil Palms Berhad* had been completed as reported in the Stage 2 report. It had documented the ERT species within the residual forested areas of the estates. It identified HCV sites within the estate with attributes of HCV 4 in Block 30, 34 and 36 which was contiguous with Bukit Kuamas Forest Reserve. Another area identified was in Compartment 23 and 32 covering 26 ha which was bordering the state land.

Review of the 2012 budget for the estate had shown no allocation for HCV and survey of ERT species. The implementation of this Plan in the short and long-term period would have to be supported with a budget plan. Ribubonus Estate had initiated a monthly monitoring programme of these HCV sites which had been clearly demarcated and mapped. A more systematic monitoring process could be established and enhanced with a more precise documentation of the sightings of animals in these HCV sites. Personnel responsible could be trained in recognizing these animals. An **OFISK2** was raised.

Poaching was not allowed within the plantation with warning signage being placed at the entrances of the estate.

Criterion 5.3

Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.

Findings:

The Ribubonus CU had continued to implement the *Waste and Pollution-Identification, Prevention, Mitigation and Improvement Plan* (Plan). This Plan had been revised twice in 2008 and again in September 2011. A 3R Plan had also been implemented in 2009 for the office and labour lines to encourage reduction, reuse and recycle of domestic wastes.

Monthly Domestic Waste Records had continued to be maintained in each division of the estates. This had allowed the estate management to identify the types and amount of wastes generated as well as their sources. It was observed that recycling bins had been placed in the dump site for the workers to sort waste collected for the landfill. Aluminum cans, plastic bags and papers were re-cycled from domestic waste and sold. Record Summary of Recycled Wastes Sold 24 March to 8 July 2011 was kept.

It was observed that mill waste EFB was used as organic supplements in the fields and EFB mulching was done in all new plantings and along roadsides. Land irrigation using POME was also noted.

The disposal of scheduled wastes was still done through a licensed contractor as specified under Environmental Quality (Scheduled Wastes) Regulation 1988 Sixth Schedule. Transportation of scheduled wastes was done by Cahajasa Sdn Berhad. These wastes were disposed off by Perniagaan Saudara Baru and Hiap Huat Chemical. Consignment note for Scheduled Wastes CSB 2669 was inspected and found to have followed the specified procedures of the Act.

Recycling of domestic wastes had been encouraged in the line site but this could be improved with more recycling bins that would allow sorting of wastes at source. An **OFISK 3** was raised.

It was observed that EFB had continued to be collected and used as fertilizer in the estates. The use of EFB as fertilizer was done in the planted areas (3-5 rows of palm trees from the road).

Criterion 5.4

Efficiency of energy use and use of renewable energy is maximized.

Findings:

Ribubonus mill had continued to maintain and record the monthly usage of fossil fuel per tonne of CPO. For 2010 the diesel consumption was 4.87 litres (L) per MT of CPO produced. As of July 2011 the diesel consumption was 5.29 L/MT

Ribubonus CU had continued to monitor the monthly consumption of diesel per tones of FFB in the estate and palm oil mill.

Criterion 5.5

Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.

Findings:

There was no open burning being observed during this surveillance audit as this had not been allowed under the law and not permitted under any circumstances as clearly stated in the Manual and SOP.

There was also no replanting being observed during this surveillance audit. It was reported that all old palm trees would be felled and chipped for mulching during the replanting phase. The burning of domestic wastes had not been allowed as specified under the Manual and SOP and there was no such burning being sighted during the audit.

Criterion 5.6

Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.

Findings:

The palm oil mill had been installed with a tertiary effluent treatment plan and a methane recovery plant.

Pollutants and emissions had been identified in the Aspects and Impacts Register. There were procedures being implemented to reduce these pollutions in accordance to the national regulations and guidance.

There was no peat soil in the estates, therefore indicator 5.6.3 was not applicable.

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLS

Criterion 6.1

Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Findings:

Social Impact Assessments had been conducted for Ribubonus CU through discussions and interviews with the identified stakeholders. A report entitled *Primary Report of SIA (Design Phase) for Ribubonus Oil Palm Plantations and Ribubonus Palm Oil Mill of PPB Oil Palm Berhad (Sabah)* was sighted. A 'Social Impact Management Plan – Ribubonus Estate' had been prepared. In addition, *Community Development Plan Ribubonus Estate 2011* was presented during the surveillance.

The list of stakeholders consulted during the SIA study was made available and it covered all the relevant governmental agencies, surrounding communities, local businesses, contractors and panel doctors. The HCV assessment had covered HCV attributes 5 and 6, relating to local communities. The supporting documentation showed consultations with the identified local communities including joint site visits to identify areas said to have attributes 5 and/or 6.

Meetings with stakeholders were held on 15 September 2009, 16 May 2010, 18 February 2011, 29 March 2011, 7 May 2011, 3 June 2011 and 9 September 2011. Minutes of these meetings were also presented to the audit team. There was a Mitigation Plan on social issues raised in the SIA (File Document. 6.1.1). The most recent review of the progress of implementation was done on 20 September 2011.

Evidence of participation of local communities was shown in the records of consultation as well as photographic records. A mitigation plan had been developed incorporating the views of the stakeholders. These were verified during the field-visits and discussions with stakeholders.

Social impacts were discussed by the various committees being established in the Ribubonus CU. These included Staff Welfare Committee, Women and Children Welfare Committee and Safety and Health Committee. Donations of cash and gifts, free ferry services and improvement of local roads were parts of the local sustainability community programme.

Criterion 6.2

There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

Findings:

The Ribubonus Estate had continued to implement the same policy and procedures on communication and consultation with stakeholders as outlined in the Standard Operating Procedure for Consultation and Communication. The policy ensures an open communication with stakeholders and provides guidelines to effective management and coordination of communication so that information being delivered is accurate and timely.

A person had been appointed to be in-charge in a memo dated 18 July 2011 who shall be responsible on communication and information on RSPO in the Ribubonus Estate.

The CU had continued to maintain a comprehensive list of stakeholders. The list includes all the relevant internal and external stakeholders. Records on all communication and actions taken in response to the inputs from them had continued to be maintained.

Criterion 6.3

There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Findings:

The CU had continued to use the established procedures for internal and external communication. Complaints and grievances had been resolved through the following committees:

- Social and Welfare Committee
- Stakeholders Committee

The Social and Welfare Committee generally handled simple cases and cases involving individuals. The Stakeholders Committee dealt with more complex problems involving outsiders and groups of people.

The Stakeholders Meeting was held at least three times a year or more when there was a need for it. There was also a complaint form which had been improved over the past two years. The complaint and grievance form in every estate was actively utilized demonstrating a wide acceptance of this channel to communicate grievance for initiation of the resolution process. The form was used by the staff, workers, and other stakeholders. All these complaints were being kept in a file.

A parallel system for resolving complaints and grievances was also in place for employees, and there were workers representations on the relevant committees, in particular, the Social and Welfare Committee. The procedure for internal stakeholders' complaint and grievances was well-established as judged from the documentation and in interviews with workers.

The system of resolving dispute had been improved following the comment made during the Stage 2 assessment by using two sets of forms; one for complaint and one for grievance. Resolutions on complaints and grievances had continued to be guided by an SOP on grievances and complaints (SOP-GC) to ensure disputes would be resolved effectively, timely and in appropriate manner.

The system for resolving disputes had continued to provide opportunities to all affected parties to lodge their grievances and complaints. The Joint Consultative Committee responsible for resolving complaints and grievances was still represented by employees of both genders.

Criterion 6.4

Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

The Stakeholders Meeting had been used and as an effective mechanism for negotiation with indigenous people over compensation on loss of customary rights. Through the mechanism of the Stakeholders Meeting, Ribubonus Estate had managed to clarify their legal rights over the disputed land with the Persatuan Rakyat, KampungTelupid.

This mechanism had also been used to settle the claim on the damage to paddy land belonging to a farmer during a road construction work by the Estate. Compensation had been made after discussion with the complainant, the estate management and the Telupid Sub-district office. A proper documentation including a procedure to identify claimants and records was available.

There had been no change on the procedures for calculating and distributing compensation. However, the procedures had yet to be applied as issues related to legal or customary rights had been resolved through consultations. The resolution of the land claims at Ribubonus Estate had been documented in the Stakeholders Meeting.

Criterion 6.5

Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Findings:

Pay and conditions for employees were still in accordance to the legal and industry standards. Plantation workers were given flexibility with regards to the mode of wage determination either by the piece rate or the daily-wage.

The workers being interviewed were satisfied with the pay and conditions of employment as well as happy with the improvement in housing conditions.

Employment terms had continued to comply with the Sabah Labour Ordinance. The wages and conditions of employment were documented, and every employee had a contract of service. There was a Workers Welfare Committee in each estate to settle any grievances and in 2010 three meetings were held.

It was observed that all workers in the estates had continued to be provided with type-H houses and free treated-water and water-tank for storing rainwater for non-consumption needs.

It was found that the workers had continued to collect rain water for use as part of the water conservation plan. The water being collected could have been tested to ensure that it was safe for use. An **OFI SK4** was therefore raised.

A new crèche was built for the benefits of the workers in the estates and mill. Workers had continued to have free access to basic health services provided through company-run clinics. The Ribubonus CU had also continued to provide pre-school by way of the Humana schools for foreign workers' children and transportation to near-by government schools for children of local workers and staff.

It was also observed that the Ribubonus CU had continued to provide equal treatment to foreign and local workers in terms of pay and conditions of work.

Criterion 6.6

The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.

Findings:

The CU had continued to implement the policy of respecting the rights of workers to join trade unions or other forms of association as long as it is legal and does not undermine peace in local community. This had been spelt out as one of the conditions in the workers contract document.

There had been no change in the documented procedure for collective negotiation and resolutions of disputes or grievances (compiled in standard operating procedure and continuous Improvement Plan, 2008). Statements in BahasaMalayu recognizing the freedom of association had continued to be displayed in appropriate places in the estate.

Criterion 6.7

Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

Findings:

The company had continued to abide with its established policy of prohibiting the employment of persons under the age of 18, in accordance with the definition of the ILO Convention. It was observed that no person under the age of 18 had been employed in any part of the operation as evident through the verification of employment records.

Criterion 6.8

Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.

Findings:

The CU had continued to implement its policy of equal opportunity to uphold the principle of justice and non-discrimination against minorities based on gender, ethnic origins, sexual orientation, physical attributes, and beliefs. Review on the profiles of the work force had indicated that opportunities for employment were still being opened. Both the foreign and local workers were highly diversified in terms of their ethnics, beliefs, and places of origin.

The composition of the management and general staff also reflected the ethnic diversity of the Sabah population. There was no restriction on the employment of female workers who had continued to significantly represent in the management, general staff and plantation labor force.

The workforce in the CU was still of multi-cultural and multinational living and mixing together on the jobs and at places of residence. The pay scheme and work benefits for both foreign and local workers had remained the same.

Criterion 6.9

A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

Findings:

A policy against sexual harassment and violence against women was still in place. The policy prohibiting sexual harassment called *PolisiGangguanSeksual* had continued to be implemented.

Awareness programs about sexual harassment and violence against women had continued to be conducted periodically. Evidences of implementation of this policy were seen in the Women and Children Welfare Committee ('*JawatankuasaKebajikanWanita danKanak-Kanak*') which dealt on complaints on the treatment of women and children as well as promoting awareness on issues related to sexual violence, sexual discrimination, and children education and care. The committee had continued to meet at least three times a year. Sexual harassment had been a standing agenda in the meeting of the Committee for Women and Children.

Criterion 6.10

Growers and mills deal fairly and transparently with smallholders and other local businesses.

Findings:

RPOM had continued to receive about 30% of the FFBs from smallholders and nearby estates. Smallholders therefore, had been an important stakeholder of the CU. The smallholders had access to management through the stakeholders' meetings. These meetings discussed and resolved issues affecting the smallholders and other stakeholders during which they were free to express their views and seek clarifications on important matters. The Stakeholders meeting had continued to be held at least 3 times a year.

Prices of FFB had continued to be clearly displayed at the palm oil mill and palm oil prices and pricing were discussed in the Stakeholders Meeting. Complaint regarding prices and other FFB-related dealings between the mill and suppliers had continued to be dealt with by the Mill Manager and reviewed by an internal mechanism.

Payment had been made timely and there were no complaints being made by the suppliers.

Criterion 6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Findings:

The CU had continued to implement the policy on local sustainable development which had been incorporated in the larger Social Policy. Local sustainable development had entailed among other things the empowerment of local communities so that they develop capability to sustain and build on whatever initiatives or projects that the CU had implemented. Although the documentation under this criterion had not been properly organized, the Ribubonus CU had made the following contributions to the local sustainable development:

- Organizing talks to enhance the agricultural knowledge and skill of smallholders, such as the MPOB briefing on 13 January 2011 and on security and safety on the plantation roads;
- Maintenance of access road to the estate for villagers;
- Providing free ferry services crossing the Labuk River to the local community facilitating access to farms on both banks of the river;
- Employment opportunities to the local communities; and
- A *Program Kelompok Baja Tersedia*, in response to the smallholders' request for a facility to purchase fertilizer on credit from the Estate. If implemented, the program would facilitate the purchase of fertilizer by smallholders reducing the problem of transportation and initial financial outlay.

It was observed that the documentation on the activities would have to be done to facilitate planning, monitoring and reporting. This may be done in conjunction with Principle 8.1. An **OFI R1** was therefore raised.

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTING

Not applicable, as Ribubonus estate is a fully developed estate and there was no new planting.

PRINCIPLE 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Criterion 8.1

Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Findings:

The management of the estates and mills had continued to implement the established system for monitoring continuous improvement through the Continuous Improvement Plan. The activities that were directed at improving areas of key operations had been carried out and recorded in a brief table-form. This however did not record the review and monitoring processes that were critical to a continuous improvement plan.

A periodical review of the progress of the implementation of the action plan that was recorded and documented would have to be done to serve as a management tool and capture the sense of continuous improvement (in document e.g. minutes of the management review meeting). An **OFI R2** was therefore raised.

The estates had continued to implement a programme of determining the threshold level of pest infestation before deciding on pesticides application. During this surveillance, it was observed that pesticides had not been applied in the estates. An Integrated Pest Management Programme (IPMP) had continued to be implemented in all estates through the planting of beneficial plants. GAP practices had satisfactory been maintained within the industry norm. Mills waste had continued to be re-cycled and used as soil supplement and EFB being used as fertilizer in the field.

A management and monitoring programme had continued to be implemented for the HCV areas identified within the estate. In addition, environmental monitoring had also been conducted according to the Environmental Management Plan for each estate.

New chemical stores made of concrete had been constructed in the estates. Each had a proper lock and key system controlled by the storekeeper. Washing facilities for clothing, bath rooms and first aid boxes had also continued to be provided.

Programmes on recycling and minimizing waste as well as by products generation had continued to be implemented through recycling bins and proper management of schedules wastes in line with the *Waste and Pollution Identification Procedure, Mitigation and Improvement Plan*. As part of the CDM plan, the utilization of biogas was in preparatory stage in the mill.

A major improvement had been the construction of a new labour line (Class H) for the workers to replace the old wooden quarters. Each unit of the labour line had been equipped with electricity and treated water supply and a proper sanitation facility.

Other improvements in the fields included greater awareness of workers on 3R's initiatives (i.e. reduce, reuse, recycle) as part of their work culture. A new crèche was constructed and a new school bus was bought for sending children to schools.

A mechanism to capture the performance and expenditure had also continued to be implemented. It was not limited to social and environmental aspects but being extended to cover on matters related to occupational safety and health.

3.2 Detailed Identified Non-Conformities, Corrective Actions and Assessors' Conclusions

The details on the NCRs and OFIs raised and the assessors' verification on the corrective actions taken are as in **Attachment 3**.

3.3 Status of NCRs Previously Issued

The assessors had verified on the effectiveness of the corrective actions taken by the Ribubonus CU on the NCRs and OFIs raised during the previous Stage 2 audit. The assessors were satisfied that the corrective actions taken had been adequate to address the NCRs and OFIs and had therefore closed them out.

3.4 Noteworthy Positive Components

Ribubonus CU is committed to RSPO certification, for example, those evidences that include upgrades and continuous improvements in key areas as mentioned in Principle 8. Overall, Ribubonus CU is found committed to meeting the time bound plan.

3.5 Issues Raised by the Stakeholders

All the issues raised by the stakeholders was verified during this audit. Necessary record were maintained by Ribubonus CU.

4.0 RECOMMENDATIONS

Based on the evidences gathered during the on-site assessment, the assessment team had raised 1 major NCR and 1 Minor NCR on the Ribubonus CU against the requirements of the RSPO MYNI. In addition, the assessment team had made 16 OFIs (see **Attachment 3**) which the CU should improve upon in complying with the requirements of the RSPO MYNI.

The Ribubonus CU had taken the appropriate corrective actions to address the major NCR. The assessment team had reviewed and was satisfied with the corrective actions taken by the CU and had subsequently closed out this major NCR. The Ribubonus CU had also submitted a corrective action plan to address the minor NCR and OFIs which had been accepted by the assessors. The verification on these corrective actions would be taken by SIRIM QAS International during the next surveillance audit.

As the major NCR had been satisfactorily closed out, the assessment team therefore recommends that the certification of the Ribubonus Certification Unit against the RSPO MYNI be maintained.

5.0 CLIENT'S ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY AND FORMAL SIGN-OFF OF ASSESSMENT FINDINGS

I, the undersigned, representing SIRIM QAS International Sdn. Bhd., acknowledge and confirm the content of the assessment report and findings of assessment.

Name: Dr. Yap Son Kheong

Signature: 

Designation : Assessment Team Leader

Date : 19 April 2012

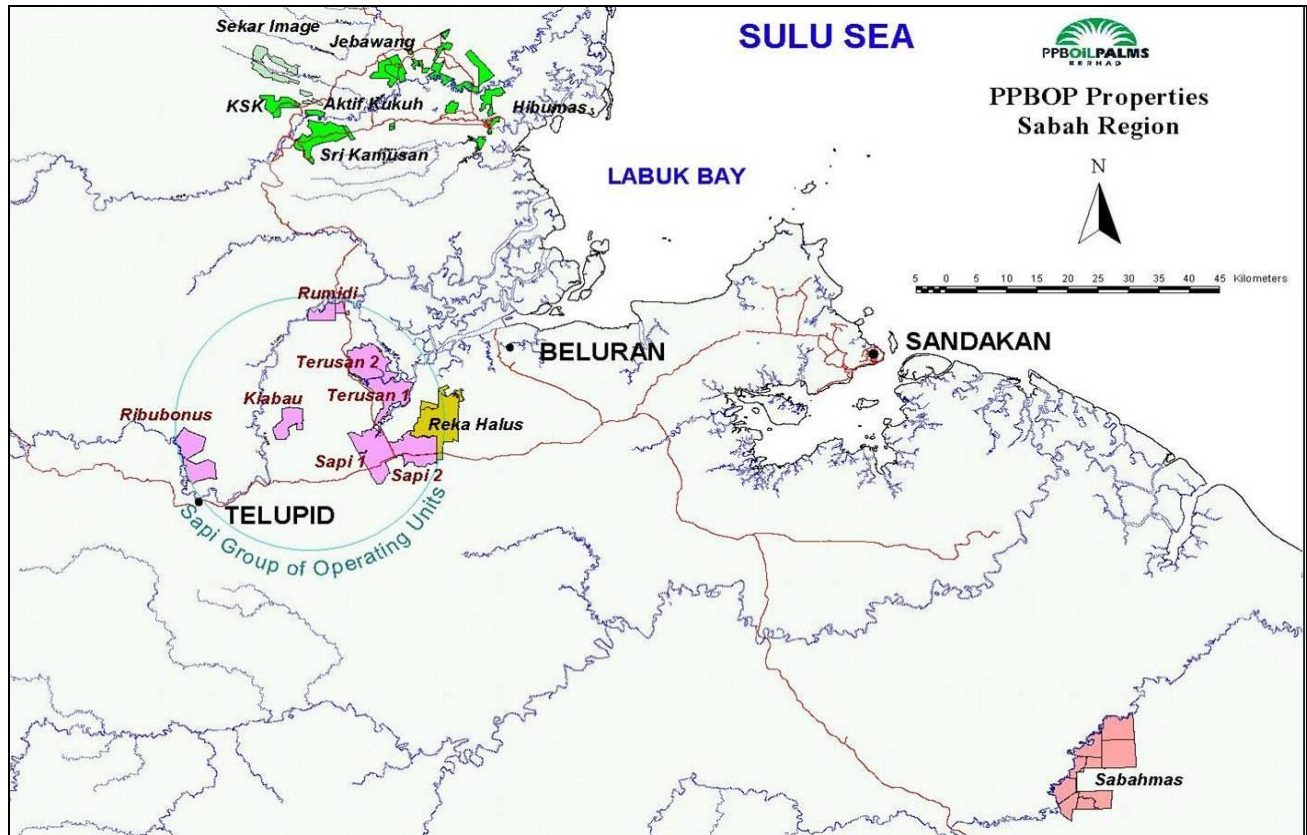
I, the undersigned, representing Ribubonus Certification Unit acknowledge and confirm the content of the assessment report and findings of assessment.

Name : Simon Siburat

Signature : 

Date : 23 April 2012

Location Map of Ribubonus Certification Unit



ASSESSMENT PROGRAMME

1. Objectives

The objectives of the assessment are as follows:

- (i) To determine Ribubonus Certification Unit's compliance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI).
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment.
- (iii) To make appropriate recommendations based on the assessment findings.

2. Date of assessment : 17-21 October 2011

3. Site of assessment : PPB Oil Palms Berhad
Terusan & Ribubonus Certification Unit

4. Reference Standard

- a. RSPO P&C MYNI:2008
- b. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

- a. Lead Assessor : Dr Yap Son Kheong
- b. Assessor : Prof Datuk Abdul Rashid Abdullah
Mahzan Munap
Mr Selvasingam s/o T Kandiah

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.

6. Audit Method

Site audits including observation of practices, interviews with interested parties (employees, nearby population, etc.), documentation evaluation and evaluation of records.

7. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

8. Working Language : English and Bahasa Malaysia

9. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : Sixty days after the date of assessment
- d) Distribution list : client file

10. Facilities Required

- a. Room for discussion
- b. Relevant document and record
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. A guide for each group

11. Assessment Programme Details : See **Attachment 2 -1**

Attachment 2 -1

Day One: 17 October 2011 (Monday)

Activities /areas to be visited	Dr. Yap Son Kheong		Mr. Mahzan Munap	Prof Datuk Abdul Rashid	Auditee
8.00 – 8.15 am	Opening meeting for Ribubonus and Terusan Certification Unit, audit team introduction and briefing on audit objective, scope, methodology, criteria and programmes by audit team leader				Top mgmt& Committee Member
8:15 – 9:00 am	Briefing on the organization background and implementation of RSPO (including progress of time bound plan and progress of the smallholder on RSPO standard of compliance and verifying previous assessment finding – non conformity(ies) Major or Minor (if any))				Management representative
9:00 – 1:00 pm	Site visit and assessment at Terusan Palm Oil Mill <ul style="list-style-type: none"> • Utilities (ETP, gen-set, boiler, WTP, etc.) • Waste management • Interview with FFB supplies and other supplies • Interviews with mill's workers 	Site visit and assessment at environmental area of concern at Terusan 1 & 2 Estates and Rumidi Estate: <ul style="list-style-type: none"> • Area of more than 25° • Riparian zone • River system including POME discharge • Forested area • Plantation boundary • Water bodies • Source of water supply • Over planted areas • HCV • Other area identified during the assessment 	Site visit and assessment at Terusan Palm Oil Mill <ul style="list-style-type: none"> • Administration department • Facilities at workplace (rest area, etc) • Utilities (gen-set, boiler, etc.) • Production area • Chemical store • Workshop 	Discussion with relevant management (CSR, community affairs) and preliminary viewing of documentation relating to local community and indigenous peoples issues such as EIA, SIA and management plans. Assessment on P1, P2-C2.1-2.1.1, P6 (6.1, 6.2, 6.3, 6.4) P8 Visit and assessment at: <ul style="list-style-type: none"> • Terusan 1 & 2 estates surrounding community • Humana School • Provision shop operator 	Guide/PIC

1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Assessment on P1, P2 , P4 (C4.4-4.4.3, 4.4.4, 4.4.5, 4.4.7, C4.8), P5(C5.1, C5.3-5.3.1, 5.3.2, C5.4, C5.6), P8 EMS	Assessment on P1, P2 (C2.1-2.1.1, C2.2-2.2.3, P3, P4(C4.4-4.4.1, 4.4.2, 4.4.6) P5 (C5.2, C5.3-5.3.3, 5.4, 5.6), P8 HCV	Assessment on P1, P2(C2.1-2.1.4), P4(C4.1 – 4.1.2, C4.7, C4.8) , P8 OHS		Guide/PIC
8.00 – 10.00 pm	Audit team discussion			Document review	Relevant PIC

Day Two: 18 October 2011 (Tuesday)

Activities /areas to be visited	Dr. Yap Son Kheong		Mr. Mahzan Munap	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
8.00 – 12.00 am	Site visit and assessment at Terusan 2 estate <ul style="list-style-type: none"> • Dumping site for estate & mill • Utilities (WTP , gen-set &etc) • Waste management • Facilities at workplace (rest area, etc) 	Continue assessment at environmentally area of concern at Terusan 1 & 2 Estates and Rumidi Estate Assessment on P1, P2 (C2.1-2.1.1, C2.2-2.2.3, P3, P4(C4.4-4.4.1, 4.4.2, 4.4.6) P5 (C5.2, C5.3-5.3.3, 5.4, 5.6), P8	Site visit and assessment at Terusan 2 estate <ul style="list-style-type: none"> • Administration department • Facilities at workplace (rest area, etc) • Dispensary • Chemical store • Workshop Assessment on P1, P2(C2.1-2.1.4), P4(C4.1 – 4.1.2, C4.7, C4.8) , P8	Site visit and assessment at Rumidi Estate: <ul style="list-style-type: none"> • Good Agricultural Practice • Workers Issues • Line site • fertilizer stores • witness activities at site (weeding/ spraying/harvesting) Assessment on P2 (C2.1, C2.2.- 2.2.1, 2.2.2, 2.2.3), P3, P4 (C4.1, 4.2, 4.3, 4.5, 4.6), C5.5, P6 (6.5, 6.6,	Continue assessment at Rumidi Estate Assessment on P1, P2-C2.1-2.1.1, P6 (6.1, 6.2, 6.3, 6.4) P8	Guide/PIC

	<ul style="list-style-type: none"> • Dispensary • Chemical store • Workshop <p>Assessment on P1, P2 , P4 (C4.4-4.4.3, 4.4.4, 4.4.5, 4.4.7, C4.8), P5(C5.1, C5.3-5.3.1, 5.3.2, C5.4, C5.6), P8 Interview with Terusan 2 estate's employees</p>			6.7, 6.8, 6.9, 6.10, 6.11), P8		
12.00 – 2.00 pm	Travel to Ribubonus Certification Unit					
2.00 – 5.00 pm	<p>Site visit and assessment at Ribubonus Palm Oil Mill</p> <ul style="list-style-type: none"> • Utilities (ETP, gen-set, boiler, WTP, etc.) • Waste management • Interview with FFB supplies and other supplies • Interviews with mill's workers 	<p>Site visit and assessment at environmentally area of concern at Ribubonus Estates and mill:</p> <ul style="list-style-type: none"> • Area of more than 25° • Riparian zone • River system including POME discharge • Forested area • Plantation boundary 	<p>Site visit and assessment at Ribubonus Palm Oil Mill</p> <ul style="list-style-type: none"> • Administration department • Facilities at workplace (rest area, etc) • Utilities (gen-set, boiler, etc.) • Production area • Chemical store • Workshop 	<p>Assessment at Ribubonus Estate on : P2 (C2.1, C2.2.- 2.2.1, 2.2.2, 2.2.3), P3, P4 (C4.1, 4.2, 4.3, 4.5, 4.6), C5.5, P6 (6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11), P8</p>	<p>Discussion with relevant management (CSR, community affairs) and preliminary viewing of documentation relating to local community and indigenous peoples issues such as EIA, SIA assessment and management plans. Visit and assessment at: Ribubonus estate & mill surrounding community (schedule according to their convenience)</p>	Guide/PIC

	Assessment on P1, P2, P4 (C4.4-4.4.3, 4.4.4, 4.4.5, 4.4.7, C4.8), P5(C5.1, C5.3-5.3.1, 5.3.2, C5.4, C5.6), P8	<ul style="list-style-type: none"> • Water bodies • Source of water supply • HCV • Other area identified during the assessment 	Assessment on P1, P2(C2.1-2.1.4), P4(C4.1 – 4.1.2, C4.7, C4.8), P8			
08.00-10.00pm	Audit team discussion			Documentation review	Relevant PIC	

Day three: 19 October 2011 (Wednesday)

Activities /areas to be visited	Dr. Yap Son Kheong		Mr. Mahzan Munap	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
8.00 – 1.00 pm	Site visit and assessment at Ribubonus estate <ul style="list-style-type: none"> • Dumping site at estate & mill • Environmental issue • Scheduled waste & non-scheduled areas • Utilities (WTP, gen-set & etc) 	Continue assessment at Ribubonus Estate & mill, at environmentally area of concern at Ribubonus Estates and mill. Assessment on P1, P2 (C2.1-2.1.1, C2.2-2.2.3, P3, P4(C4.4-4.4.1, 4.4.2, 4.4.6) P5 (C5.2, C5.3-5.3.3, 5.4, 5.6), P8	Site visit and assessment at Ribubonus estate <ul style="list-style-type: none"> • Administration department • Facilities at workplace (rest area, etc) • Dispensary • Chemical store • Workshop 	Site visit and assessment at Ribubonus Estate: <ul style="list-style-type: none"> • Good Agricultural Practice • Workers Issues • Line site • chemical /fertilizer stores • workshop • EFB mulching • Plantation on hilly • witness activities at site (weeding/spraying/other maintenance activities/ harvesting) 	Continue assessment at Ribubonus Estate & mill, surrounding community, smallholders and Humana school Assessment on P1, P2-C2.1-2.1.1, P6 (6.1, 6.2, 6.3, 6.4) P8	Guide/PIC
1.00 – 2.00	Break					

pm						
2.00 – 4.00 pm	Assessment on P1, P2 , P4 (C4.4-4.4.3, 4.4.4, 4.4.5, 4.4.7, C4.8), P5(C5.1, C5.3-5.3.1, 5.3.2, C5.4, C5.6), P8	Continue assessment Presentation on audit findings	Assessment on P1, P2(C2.1-2.1.4), P4(C4.1 – 4.1.2, C4.7, C4.8) , P8	Continue assessment at Ribubonus Estate on : P2 (C2.1, C2.2.- 2.2.1, 2.2.2, 2.2.3), P3, P4 (C4.1, 4.2, 4.3, 4.5, 4.6), C5.5, P6 (6.5, 6.6, 6.7, 6.8, 6.9, 6.10, 6.11), P8 Interview with Ribubonus estate's employees	Continue assessment	Guide/PIC
08.00-10.00pm	Audit team discussion					

Day four: 20 October 2011

Activities/ areas to be visited	Dr. Yap Son Kheong	Mr. Mahzan Munap	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
08.00-1.00 pm	Continue with the above assessment				
1.00-02.00pm	Break				
02.00 – 04.30 pm	Continue with the above assessment				

Day five: 21 October 2011

Activities/ areas to be visited	Dr. Yap Son Kheong	Mr. Mahzan Munap	Prof Datuk Abdul Rashid	Auditee
08.00-09.00 am	Discussion on audit findings for Ribubonus and Terusan certification units			Relevant PIC
09.00-11.00 pm	Interim closing meeting for Ribubonus and Terusan certification units			Top Management & committee member
11.00 – 02.00 pm	Travel to Sandakan & break			
02.00 – 03.00 pm	Meeting with Financial Controller at Sandakan Office and verification on plan for other management unit & smallholder certification			Top Management

03.00 – 04.00 pm	Closing meeting for Ribubonus and Terusan certification unit	Top Management & committee member
04.00 pm	Travel to Sandakan & end of assessment	

Details on Non Conformity and Corrective Actions Taken

Clause	NCR	Details	Corrective actions taken	Status
1.2	Minor	<p>The list of company documents made publicly available had not included all the relevant documents listed in the Criterion 1.2 as follows:</p> <ol style="list-style-type: none"> Safety and health plan; Plans and impact assessments relating to environmental and social impacts; Pollution and prevention plans; Details of complaints and grievances; Negotiation procedures; and Continuous improvement plan 	<p>A new circular /notification letter to stakeholders has now included the above 6 documents in addition to a list of others. Attached is a sample of the new circular to nearby stakeholders</p>	<p>Sample document were verified and accepted by the audit team</p> <p>Implementation will be verified in the next audit</p>
2.1.1	Major	<p>The requirements of Factory and Machinery Act 1967 (person in charge) Regulations 1970 was not complied with as follows:</p> <ol style="list-style-type: none"> The person in charge of boiler , a 2nd Grade Steam Engineer is not assisted during each shift by first grade drivers. The internal combustion engines (ICE) were not being in charge during each shift by 1st Grade Driver 	<ol style="list-style-type: none"> Vacancies for 1st grade steam boiler & engine drivers and 1st grade/2nd grade internal combustion engine drivers had been advertised in local newspapers eg Daily Express dated 8th October 2011 Selected existing 2nd Grade both steam boiler and engine drivers/internal combustion engine drivers from the mill will be sent for courses and examinations. The intensive courses for steam boiler and engine drivers are scheduled for 6th – 7th December 2011 and internal combustion engine driver is on 8th - 9th December 2011 	<p>Accepted by the audit team . To verify the implementation in the next surveillance audit</p>

OPPORTUNITIES FOR IMPROVEMENT	
Criterion/ Indicator	Details Comments on Action Taken
4.7.1	<p>Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967.</p> <p>OFI M1 Project site hoarding could be improved at the Workers Housing construction site by installing full hoarding around the perimeter instead of just placing BRC wire on one side of the construction site.</p> <p>OFI M2 A pile of BRC wires were observed between two rows of palms next to the construction site for the new workers housing project site. This could pose an obstacle to the workers during harvesting process.</p> <p>OFI M3 Confined Space Entry Permit had been obtained in the POM not all the parameters specified e.g. entry dates had been logged. .</p> <p>OFI M4 The shower facilities provided was inadequate to cater for the 25 sprayers and 10 fertilizers application workers. The lighting was also poor within the shower room.</p> <p>OFI M5 The documented LEV design for laboratory in the POM had not been fully realized although its performance was marginally satisfactory.</p> <p>OFI M6 Enforcement of PPE use especially ear plugs by the workers in high noise environment in the POM could be improved.</p> <p>OFI M7 The HIRARC Register would have to be updated with the introduction of two new machines the Shaper and Hydraulic Jack to the site.</p>
4.8.1	<p>A Training programme that includes regular assessment of training needs and documentation including records of training for employees are kept</p> <p>OFI M8 The training could be improved with RSPO awareness training for all new workers (less than one year) as many of them interviewed were not aware of the basic requirements of the RSPO.</p> <p>OFI M9 Ribubonus POM would have to employ own competent Authorized Gas Tester and Authorized Entrant and Standby Person.</p> <p>OFI M10 Electrical LOTO permit which had been obtained by the POM training had yet to be conducted.</p>

<p>4.8.1</p> <p>5.2.1</p> <p>5.3.2</p> <p>6.5.3</p>	<p>OFI SK1</p> <p>A training programme (appropriate to the scale of the organization) that include regular assessment of training needs and documentation, including records of training for employees are kept</p> <p>Appropriate training programmes had been established and conducted in all the estates and mills. These were documented for each staff that had undergone training. This process could be further improved with a process of review of the efficiency of the training conducted.</p> <p>OFI SK2</p> <p>Management plan for HCV habitats (including ERTs) and their conservation</p> <p>HCV Management & Monitoring Action Plan 2011-2015 had been written for the estate. The implementation of this Plan in the short-term and long- term period would have to be supported with a budget plan.</p> <p>A systematic monitoring process could be established and enhanced with a documentation of the sightings of animals in the HCV sites. Personnel responsible could be trained in recognizing signs of animal activities.</p> <p>OFI SK3</p> <p>Having identified wastes and pollutants, an operational plan should be developed and implemented to avoid or reduce pollution</p> <p>Recycling of domestic wastes had been encouraged in the line sites. This could be improved with sorting of the different recyclable items at source by providing collection bins.</p> <p>OFI SK4</p> <p>Growers and millers provide adequate housing, water supplies and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1960.</p> <p>The rain water collected at the line sites could be tested to ensure that it is safe for use</p>
<p>6.11.1</p>	<p>OFI R1</p> <p>Demonstrable contribution to local development that are based on the results of consultation with local communities</p> <p>Local Sustainable Development entails among other things the empowerment of local communities so that they develop capability to sustain and build on whatever initiatives or projects that are implemented.</p> <p>Documentation of contributions to local community sustainable development could be improved by having a plan able to track the many activities carried out by the Estates and Mills which are local- sustainability in nature but were not documented</p> <p>Examples are:</p> <ul style="list-style-type: none"> • The ferry service on the Sg. Labuk at Ribubonus – enhances the mobility and physical connectivity of communities in the vicinity of Ribubonus. This is highly appreciated by the locals. • Championing the cause of the physically challenged and socially disadvantaged girl resulting in a recognition of her right to citizenship and welfare benefit. • Improvement of local roads for villages • Sale of fertilizers to local growers (Program Kelupok Baja Tersedia).

<p>8.1</p>	<p>OFI R2</p> <p>Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.</p> <p>Records of improvements made that allow demonstrable continuous improvement in key operations had been made. The process could be improved with periodical review to monitor progress and review targets and implementation process.</p> <p>The action plan needs to cover both the environmental impacts and social impacts and other key areas identified so that the implementation of all these key initiatives are not done in isolation but as part of the organization-wide drive to attain Continuous Improvement in those key areas.</p>
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