



**PUBLIC SUMMARY  
SECOND SURVEILLANCE ASSESSMENT**

**AUDIT DATE :15<sup>TH</sup> – 19<sup>TH</sup> OCTOBER 2012**

**PPB OIL PALMS BERHAD  
RIBUBONUS CERTIFICATION UNIT**

**Sandakan, Sabah, Malaysia**

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## SUMMARY

This second surveillance assessment report describes the level of continued compliance of the Ribubonus Certification Unit (CU) of the PPB Oil Palms Berhad (PPB) against the requirements of the RSPO Principles & Criteria (P&C) Malaysian National Interpretation (MY-NI):2010. This surveillance audit was conducted on 15-19 October 2012. The Ribubonus CU comprises the Ribubonus Palm Oil Mill (RBPOM) and the Ribubonus Estate.

SIRIM QAS International Sdn Bhd (SIRIM QAS International) was contracted by PBB 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 CB by the United Kingdom Accreditation Service (UKAS) and STANDARDS MALAYSIA provides a comprehensive range of management system certification services on quality, environment, and 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 CB by RSPO on 21 March 2008. Since then, it has conducted many assessments on RSPO sustainable production of palm oil in Malaysia.

This surveillance assessment on the Ribubonus CU has resulted in the issuance of one (1) major Non-Conformity Report (NCR) and six (6) Opportunities for Improvement (OFI). The CU has taken corrective actions to address the major NCR which have been verified by the assessor and therefore closed out. The Ribubonus CU has also submitted a corrective action plan to address the OFI which has been accepted by the assessor. The verification on these corrective actions would be undertaken by SIRIM QAS International during the next surveillance audit.

Based on the evidences gathered during this surveillance, it could be concluded that the Ribubonus CU has continued to comply with the requirements of the RSPO MY-NI: 2008. The one major NCR raised during this surveillance assessment has been adequately addressed and therefore closed out. The assessment team therefore recommends the Ribubonus CU to maintain its certification against the RSPO MY-NI.

### 1.0 SCOPE OF CERTIFICATION ASSESSMENT

#### 1.1 National Interpretation Used

The operations of the mill and their supply bases of oil palm fresh fruit bunches (FFBs) were assessed against the P&C of the Malaysian National Interpretation of the RSPO.

#### 1.2 Location and Map

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

Ribubonus Estate is surrounded by the Ulu Tungud and Bukit Kuamas Forest Reserves in the northern and south western borders. Kg. Wonod and Twin Acre Plantation are located at the southern side while the Lipaso Forest Reserve is located in the further east. The Labuk River passes through the western boundary of the Estate. The map of the Ribubonus CU (mill and estates) is shown in **Attachment 1** while their positions are detailed in **Table 1**.

**Table 1**  
**Location of RPOM and Estate**

Operating Unit	Latitude	Longitude
BPOM	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)

### 1.3 Description of Supply Base (Fruit Sources)

BPOM received FFBs from the Ribubonus Estate, smallholders and smallgrowers. The average annual FFB contribution from the estates and outside sources for the year 2010 to 2012 is detailed in **Table 2**.

**Table 2**  
Production of FFB from Ribubonus Own Estates  
and Supply from Outside Sources (Tonnes)

2010		2011		2012 (up to September)	
Own Estate	Outside supplier	Own Estate	Outside Supplier	Own Estate	Outside Supplier
69,166.89	32,426.09	86,240	44,266	48,143.96	32,825.230
68%	32%	61%	39%	59%	41%

### 1.4 Date of Plantings and Cycle (Total Plantations and Area Planted)

The plantation area and the area planted with oil palms are shown in the following **Table 3**.

**Table 3**  
Total Plantations and Area Planted

Estate	Year of Establishment	Total Area (ha)	Planted area (ha)
Ribubonus Estate	1989, 1991– 93	3,262	2,723.37

### 1.5 Other Certifications Held

The BPOM 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 Ribubonus Estate had obtained the International Sustainability for Carbon Certification (ISCC) and also the RSPO Supply Chain Certification. BPOM has an RSPO Supply Chain Certificate.

### 1.6 Organisational Information/Contact Person

PPB through its Headquarters in Sandakan is responsible for overseeing the Ribubonus and other CUs owned by PPB in Sabah. The correspondence address and contact person for this CU are as detailed below:

Address:

PPB Oil Palms Berhad  
Sabah Operations,  
Lot 1A, KM 15, Jalan Labuk,  
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

**1.7 Approximate Tonnages Offered for Certification (CPO and PK)**

The approximate tonnage of CPO and PK produced and claimed for certification, is shown in **Table 4** as follows:

**Table 4**  
**Approximate CPO and PK Tonnage Claimed for Certification Year 2011**

<b>Certification Unit</b>	<b>CPO Tonnage claimed for certification</b>	<b>PK Tonnage claimed for certification</b>
RBPOM	0	0

*Note: The amount claimed for certification excludes contribution from smallholdings*

Record on the production of crude palm oil (CPO) in RBPOM was inspected. The 'Daily CPO Production Record for RBPOM- September 2012' showing the amount of FFB (MT) provided by the estate, the amount processed, the OER (at around 20.9%) and the amount of CPO produced were made available. The amount of certified sustainable palm oil (CSPO) in the storage tanks and non-certified palm oil was segregated and records shown.

**2.0 ASSESSMENT PROCESS**

**2.1 Certification Body**

SIRIM QAS International 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. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001 and also conducted assessments against RSPO Principle and Criteria. SIRIM QAS International was approved as a RSPO certification body on 21 March 2008.

## 2.2 Assessment Methodology (Program, Site Visits)

This surveillance audit was conducted on **17 to 21 October 2012**. The main objectives of this surveillance audit were to:

- (a) determine the continued compliance of RBPOM's against the requirements of the RSPO MYNI:2008,
- (b) verify the effectiveness of the corrective actions being implemented by RMPOM to address the NCRs raised during the first surveillance audit and
- (c) make appropriate recommendation on the continued certification of the 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 (RBPOM and Ribubonus Estate) were assessed.

The audit was conducted by inspecting the mill, planted areas, 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 comprised four auditors. The details on the auditors and their qualifications are presented in **Table 5**.

**Table 5**  
**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"> <li>• Completed RSPO Lead Assessor Course - 2008</li> <li>• Successfully completed EARA approved lead Assessor course for ISO 14001: 2001</li> <li>• Ph. D. (Forest Biology) University of Aberdeen (Scotland) and University of Malaya Fellowship in Tropical Rain Forest Project.</li> <li>• B.Sc. Hons. Second Class Upper (Botany), University of Malaya</li> </ul> <p style="text-align: center;">Memberships in Professional Organizations:</p> <ul style="list-style-type: none"> <li>• Member of the IUFRO Working Party on Seed Problems. Nominated as one of the candidates</li> </ul>

		<p>for the Co-Chairman of Working Party in 1986.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Elected member of the Committee on Forest Tree and Shrub Seeds of the International Seed Testing Association. 1989 to 1992.</li> <li>• 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.</li> <li>• Project leader on Impact of Acid Precipitation on Forest working in conjunction with researchers from China, Indonesia, Japan and Thailand.</li> </ul>
Mr. Mohammad Hidhir	Auditor /Occupational Health and Safety & related legal issues	<ul style="list-style-type: none"> <li>• Bc. Eng (Hons)Chemical Engineering, Universiti Kebangsaan Malaysia (2006)</li> <li>• AESP and AGT for Confined Space, NIOSH (2009)</li> <li>• Lead Assessor Course for QMS, EMS and OHSMS, IRCA/RABQSA (2012)</li> <li>• Attended RSPO Training</li> <li>• Working experience in palm oil mill</li> </ul>
Dr. Zahid Emby	Auditor /Community issue /social criteria and national legislation	<p>A lecturer with the Department of Social and Development Science, Faculty of Human Ecology, University Putra Malaysia (UPM) until his retirement in 2011.</p> <ul style="list-style-type: none"> <li>• He holds a B.A. Hons. (Social Anthropology and Sociology) and M.A. (Social Anthropology) from Monash University, Melbourne, Australia and a PhD (Anthropology) from Cornell University, Ithaca, U.S.A.</li> <li>• Actively involved in socioeconomic and cultural research of the Malay community as well as other indigenous communities in Malaysia namely the Orang Asli, Iban, Kadazan-Dusun and Orang Ulu.</li> <li>• Research on local community participation in the Malaysian tourism industry (specifically ecotourism and cultural tourism).</li> <li>• Member of a consultation team commissioned by the Malaysian Wildlife and National Park Department (PERHILITAN) to develop sustainable management plans for wildlife reserves in Peninsular Malaysia.</li> <li>• Audit experiences in FSC, MC&amp;I forest management audit and RSPO audits.</li> </ul>
		<ul style="list-style-type: none"> <li>• Attended training on RSPO Principle &amp; Criteria and RSPO certification requirements</li> </ul>

<p>Mr.Selvasegama/ T Kandiah</p>	<p>Auditor / Good Agricultural Practices (GAP) and workers issues</p>	<ul style="list-style-type: none"> <li>• B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Bangalore, India (1969-1973)</li> <li>• Assistant Estate Manager, Kumpulan Guthrie Berhad (1974-1979)</li> <li>• Senior Assistant Estate Manager, Guthrie Berhad (1979-1994)</li> <li>• Estate Manager, Guthrie Berhad (1995-2002 – retired)</li> </ul> <p>Managing and supervise the following activities</p> <ul style="list-style-type: none"> <li>• <b>Nursery for</b> rubber and cocoa</li> <li>• <b>Supervise Plantings activities for</b> : Cocoa Replant, Rubber Replant, Oil Palm Replant, Oil Palm Replant, Oil Palm New Clearing</li> <li>• <b>Supervise Upkeep Immature &amp; Areas</b> : Cocoa Replant, Rubber Replant, Oil Palm Replant, Oil Palm Replant, Oil Palm New Clearing</li> <li>• <b>Collection</b> : Cocoa Harvesting, Tapping, FFB Harvesting, Cocoa (i.e. Splitting Cocoa Pods &amp; Fermenting and Drying Beans), Oil Palm – In field collection (i.e. Buffalo, Jamsa, Mini Tractor, Crane Loading, Bin Loading (Jamsa))</li> <li>• <b>Vehicle Maintenance &amp; Workshop</b> : Mini Tractors, Jamsa, Lorries – Tippers and Flat Body, Prime Movers, Jeeps</li> <li>• <b>Estates Developments</b> : Collection of Data for Monitoring Estates' Performance, Organizing Seminars, Meetings, Forecasting Workers Housing Requirement for Company, Forecasting FFB Yield &amp; Oil Extraction Ratio for Company, Assist in Budget Formatting and Budget Preparation, Assisting Computerization of Budget Preparation, Formulation of Best Practices</li> <li>• <b>Formulation of SOP</b> for all Estate Operations for all workers, Junior Staff and Senior Staff</li> </ul>
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#### 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 Visit

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



### 3.0 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 NCR and 6 OFI. The details on the NCR and OFI are as in **Attachment** .

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 RBPOM'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.

##### **Audit Findings:**

As noted in the previous surveillance all the estates had continued to maintain records on requests for information or documents that were related to the RSPO Criteria. There was a written SOP for stakeholders' consultation and a Public Information Request (PIR) Form was made available to any interested parties.

The record books on requests for information showed 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)

##### **Audit Findings:**

Ribubonus Estate had also notified the stakeholders via letters on the availability of documents for viewing. Documents were made available for public viewing at the estate and mill offices. During the previous surveillance a **Minor NCR SK 1** was raised as the documents specified under this indicator were not made available.

A complete set of these documents was made available to the audit team during this surveillance. This minor NCR was therefore closed out.

## **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

### **Audit Findings:**

A legal register *RSPO Register of Legal and Other Applicable Requirement* with all applicable laws was presented. The list was updated with amendments added was updated and approved on 3 September 2012 by the Sustainability Manager. The revised document included the new legislation on Minimum Wages Order 2012. All the relevant permits and licenses were made available in each of the estate. These documents were found to be valid and to be in compliance with the conditions and by-laws. These identified legal and other requirements were continuously complied and monitored. There were also permits and licenses that were displayed prominently in the office of the estates.

During this surveillance, 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. Currently the person in-charge at RBPOM for the greatest horse power generator set had only obtained 2<sup>nd</sup> Grade Internal Combustion Engine license and he should be assisted by 1<sup>st</sup> Grade Internal Combustion Engine Driver. Additionally, there was no qualified person in charge of the electrical generator sets placed at Ribubonus Estate. On the environmental front, it was sighted RBPOM had not complied with the requirement under Scheduled Waste Regulations 2005, which for keeping the scheduled waste for more than 180 days or more than 20 tonnes without approval from Department of Environment (DoE). Therefore, **a new major NCR RB1/2012** was raised for both legal non-compliance issues.

A *Register of Legal and Other Applicable Requirement for Ribubonus Estate & Mill* dated 3 February 2009 was updated in 3 September 2012 with addition of new legal documentation. The Sustainability Manager East Manager was given the task of monitoring the compliance with all the legal requirements.

There was an established system for tracking changes in laws. The Sustainability Manager had been working with the legal department, relevant agencies and mass media to track any changes in the law.

### **Criterion 2.2**

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

### **Audit Findings:**

Ribubonus Estate had a 99 year lease on the land from the Sabah State government and the condition of the lease was for 'Agriculture Purpose'. The estate was found to be in compliance with that lease condition. The Lease Title No. 085330089 for Ribubonus Estate issued on 18 November 1997 was presented to the audit team. A Sijil Pembangunan Tanah (Certificate for Land development) dated 1 February 2007 was also presented.

During the site inspection to all the estates, it was observed that there were distinct red coloured wooden boundary markers. The positions of these markers were labeled and marked on the Boundary Stone maps and the position of each marker recorded.

There was a claim to land in Ribubonus Estate by the local villagers from Kampung Telupid Batu 4 and Kampung Gading. Although the potential claimants had registered a broad unspecified interest, they were still in the process of establishing their claim through the gathering of evidence. Ribubonus Estate had expressed its willingness to consider the claim should it turn out to cover any part of the estate. The villagers were advised to deal with the appropriate government authority.

**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.

**Audit Findings:**

As reported in the previous assessment, the villagers of Kampung Telupid Batu 4, Ribubonus Estate had put up a claim to part of the land. Through the mechanism of the Stakeholders Meeting with the guidance of the established procedure for identifying legal and customary rights and for identifying people entitled to compensation (*Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation*) Ribubonus Estate had clarified their legal rights over the disputed land with the Persatuan Rakyat, Kampung Telupid and established that the Company was not involved in illegal occupation of NCR land (the process was documented in file: *Tuntutan Tanah Adat (NCR) Daripada Penduduk Kampung Telupid*). Through consultations and correspondences with the claimants and relevant authorities it was able to clarify their legal rights over the disputed land with the Persatuan Rakyat, Kampung Telupid. The villagers were advised to deal with the appropriate government 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.

**Audit Findings:**

A Management Plan including crop forecast, infra-structure development (agricultural machinery, roads, houses etc.) covering the period of 2011 to 2014 had been prepared for the estate and made available to the assessment team.

A Five Year FFB Yield Projection from 2012 to 2016 was presented. The projected Yield per Hectare (YPH) for Ribubonus Estate were 29, 30, 30, 32 and 32 tonnes for years 2012, 2013, 2014, 2015 and 2016 respectively. Records of plantable and cumulative planted areas for 2009 to 2024 were made available.

**PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS****Criterion 4.1**

Operating procedures are appropriately documented and consistently implemented and monitored.

**Audit Findings:**

An *Agriculture Manual & Standard Operation Procedure [Manual and SSOP]* was made available during the surveillance. This Manual prescribed all the standard operation procedures from nursery, land preparation to harvesting as well as monitoring of compliance.

As in the estates, the mill also had in place its own Mill Operation Manual and SSOP that covered aspects related to oil palm processing, boiler operation, effluent treatment plant, products analysis method, workshop activity and chemical and waste handling procedures. The SSOP for each stage of the process had been prepared and placed prominently at the appropriate sites. Copies of the SSOPs were presented to the audit team. Documented procedures for mill operation had been continuously used and implemented.

At both the POM and estates, it was clearly seen that the relevant SSOPs were displayed on the notice boards or workstations for the employees to refer.

**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

**Audit Findings:**

A soil test was conducted and the agronomist had drawn up a soil map. Soil sampling was scheduled once at every 6 years. This was as per ISCC requirement with the last samplings done in 2009.

An annual agronomic foliar analysis had been conducted in all the estates and the results formed a basis to ascertain soil fertility and recommendation for the use of fertiliser. Soil sampling as per ISCC requirement was also done every 6 years and the latest was done in 2009.

Soil Fertility had been maintained by empty fruit bunches (EFBs) mulching, proper frond stacking (biomass), POME application, regular application of inorganic fertilizers and by maintaining soft weeds within interlines. Empty fruit bunches (EFBs) were distributed and used as organic fertilizer for the oil palm trees in the estates. The EFBs were applied at a rate of 80 tonnes per hectare and applied as single layer allowing better decomposition and loss of nutrients.

**Criterion 4.3**

Practices minimise and control erosion and degradation of soils.

**Audit Findings:**

It was observed that terraces had been constructed in all sloping areas with regular bunds to retain water and as erosion control measure. Planting of cover crops was implemented along steep slopes. The application of EFBs as fertilizer further assisted in reducing erosion. Fronds staking was also carried out to reduce erosion along slopes. The planting of *Mucuna bracteata* and *Vertiva* grass on slopes was implemented.

It was observed that, roads had been satisfactorily constructed and water runoff was adequate. Rain water was drained into the terraces on the lower slopes.

It was also observed that generally the estates had been well protected from soil erosion with natural vegetation. Frond stacking was done to further reduce area of exposed soil. At terraced areas fronds were stacked on the lip of terraces and stop bunds were also observed. This had helped to further reduce the incidences of erosion.

Ground cover had been a standard requirement with *Mucuna bracteata* as cover crop being planted in exposed slopes. It was also observed that the presence of the fern *Neprolepis biserrata* cover along slopes to reduce exposed areas. There were no bare grounds observed during the inspection.

It was observed that harvesting roads in all the estates were of satisfactory condition and that water runoff was found to be adequate. Rain water was drained into the terraces and lower slopes. Silt pits were seen during the visit.

The road maintenance process was observed during the assessment. There was no peat and fragile soil in Ribubonus Estate.

**Criterion 4.4**

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

**Audit Findings:**

There was a *Riparian Zone Management Guidelines* for protection of riparian belts along the major rivers. The belts had been demarcated with appropriate signage in the estate inspected. Natural vegetation had colonized these riparian buffer belts as no weeding or fertilizer application was allowed.

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

Water sampling had been conducted four times a year at specified sampling points along the main rivers in the estate as specified under the approval conditions of the Environmental Impact Assessments. The results of the water sampling indicating the level of *E. coli*, Coliform, pH, iron and turbidity were submitted at quarterly intervals by the estate to the Environmental Protection Department of Sabah (EPD). The water discharged from the mill was analyzed by accredited laboratory, IndelabSdn. Berhad from Selangor. The results of water analysis for April 2011 for sampling points in Ribubonus indicated Class II B quality.

Procedures on minimizing water usage were implemented in all the offices, mills and estates. Rain water harvesting was constructed in line sites and estate complexes. A Water Management Plan to conserve water for estate and surrounding areas like the clinic, Humana School, all staff & workers quarters was made available.

Ribubonus CU had continued to monitor the amount of water being used by the mills and the estates. The water used was segregated for domestic and mill process consumptions. 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 being kept.

Water Management Plan September 2010 to minimize water usage had been implemented in all the offices, mill, the clinic, Humana School, all staff and workers quarters. All the water obtained from the river was treated before supplying to the workers. Training was conducted for all the workers on the water management. The staff was made aware of the need to conserve water in all the offices, mills and estates. All the water obtained from the rivers was treated before human consumption. To improve the harvesting of rain water, every house had been equipped with its own rain water collection tank.

**Criterion 4.5**

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

**Audit Findings:**

Ribubonus Estate had continued to implement the Integrated Pest Management (IPM) in the estates. As described in the *Agriculture Manual & SSOP for Oil Palm* of the company one of the techniques used was by establishing beneficial plants along road sides and vacant areas. The estate had been aggressively planting beneficial plants and records showed the last planting was done in July 2012. In the field *Cassia cobnensis*, *Turnerasubulata* and *Antigononleptopus* were often sighted. In 2012, there were no serious attacks of these pests as shown by the monthly monitoring. No rat baiting was done in the year as no serious damages were detected.

Beneficial plants were planted only in 2009 along road sides and vacant areas in all the estates. The species used were *Antigononleptopus*, *Cassia cobanensis* and *Turnerasubulata*. Pest attack detecting census was carried monthly to determine the success of the IPM. Data on the incidences Bagworm and Nettle Caterpillar attacks were made available during the surveillance.

As previously reported, Ribubonus CU had used only a small quantity of insecticides, 20 l of Dipel and 145 kg of Ratbait, in Ribubonus Estate in 2011 to control the outbreak of pest attacks. The application of pesticides was only made when the incidences recorded had exceeded the accepted threshold level of attack.

Pesticides usage had been monitored in the chemical register dated 12 June 2012 which was reviewed. It recorded all chemicals used as herbicides, insecticides, fertilizer, oil and lubricant and chemical for water treatment. A *Register of Chemicals Hazardous to Health and Chemical List (Senarai Rekod Bahan Kimia)* for the estate was also maintained. Record sheets documenting the amount and type of chemicals used for each field, its area in ha and % a.i. for each month of the year was presented. A summary of chemicals used in the estate for each month was also provided to the audit team.

**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.

**Audit Findings:**

As stated in the previous surveillance all chemicals usage was based on the 'need to do basis' to enhance field operations. A written justification in the SOPs on the use of agrochemicals had been written. The Agricultural Manual had included a chemical register list which indicated the purpose of usage (intended target), hazards signage, trade and generic names.

Pesticides selected for use were those officially registered under the Pesticides Act 1974 (Act 149). As documented during the last surveillance there was the PPB's Oil Palm's Occupational Safety and Health Policy, plan and programme. The plan had been documented, communicated and implemented across all levels of the organization.

Recommendations from CHRA were continuously implemented through the yearly medical surveillance programme for the sprayers by an Occupational Health Doctor and monthly assessment of pregnancy by estate's medical assistance.

The storage of chemical herbicides was found to be in accordance to the related legal requirements. Chemical stores in all the estates were constructed with locked doors. Records of the purchase, storage and use of agrochemicals were properly documented in the Stock Statement Return. All stores were locked and specific person-in-charge had been assigned to attend to it.

The appropriate PPE for handling these chemicals were also available at the point of use and were inspected during the surveillance. Used chemical containers had to be triple-rinsed before being disposed off in accordance to the circular of the Poison Control Unit of the Agriculture Department dated 10 July 2008. Specific rinsing facility was observed at the chemical store.

Records of the purchase, storage and use of agrochemicals were properly documented in the Stock Statement Return. The disposal or destruction of empty chemical containers was found to be in accordance with legal requirements. MSDS instructions written in Malay were clearly displayed at the store as well as on the back of the tank used to transport pre-mixed chemicals to the field.

Ribubonus CU had a schedule for medical surveillance of its workers. Monthly medical surveillance was conducted by the Estate Medical Assistant for estate sprayers who were exposed to the potential dangers of chemicals. The medical reports showed that all the sprayers were healthy and suffered no detrimental effects as a result of their job. There was also a monthly record of pregnant and lactating women.

Medical Surveillance Cholinesterase test report for sprayers exposed to Organophosphate pesticides was shown to the auditors. These workers were recorded to be healthy.

There was no evidence to show that 'Paraquat' had been used in any of the estates. Examination of records had shown that there was no aerial spraying being conducted in all the estates.

**Criterion 4.7**

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

**Audit 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 had been documented, displayed on notice boards, communicated and implemented across all levels of the organization.

OSH yearly plan for estate and mill could be improved by including the legal compliance program such as periodic monitoring activities to comply with USECHH regulation 2000, annual mill inspection for Steam Boiler and UPV, Health and Safety Committee Regulation 1970 and other applicable legal requirements that have yet to be identified in the yearly program. For this improvement **OFI RB 1/2012** was raised.

Hazard Identification, Risk Assessment and Risk Control (HIRARC) together with Chemical Health Risk Assessment (CHRA) had been verified during this surveillance and were generally found to be in good order. Therefore the **OFI M7** raised during the 2011 surveillance was closed out.

There was evidence of continued implementation of appropriate risk control measures as sighted during the field and mill visits where employees had been provided with and were using the appropriate PPE. As part of PPE administrative control such as warning signage for confined space and high decibel area and SSOPs were displayed prominently at the work place. All parameters specified had been implemented thus **OFI M3** issued during the previous audit was closed out.

The fire-fighting system located in the mill compound had an electric pump unit that was functioning when tested but the diesel unit needed improvement in its maintenance. The need for improvement was included in the **OFI RB 1/2012** raised.

It was verified during this surveillance that there were records of regular meetings/communication between management and workers where concerns on workers health and safety were discussed in the regular morning briefings and quarterly OSH Committee meetings. The minutes of these meetings had been maintained and Ribubonus CU had taken the necessary actions to rectify issues as highlighted in the meetings. Overall the corrective actions were found satisfactory. However, discussion on accident statistics was not clearly presented in the meeting minutes and could be improved in the next safety committee meeting. See **OFI RB 1/2012** for the details.

Monitoring and legal compliance programmes for OSH had been conducted as stipulated requirement. Medical surveillance programme by registered OHD was conducted in July 2012 for employees that were exposed to chemicals. LEV monitoring as required by CHRA was done internally on monthly basis by internal technician. Periodic yearly monitoring was done by third party registered hygiene technician II on 13<sup>th</sup> September 2012. The results of LEV monitoring based on face velocity of the opener were above the minimum required specification. The **OFI M5** raised during the previous surveillance was therefore closed.

Hearing conservation programme was conducted on 24<sup>th</sup> September 2012 for all the workers in the Ribubonus Mill. This training programme initiative is to create awareness among workers on the use of hearing protection device and some knowledge of ear protection. This regulatory programme will be repeated in every 2 years for refresher training. The **OFI M6** raised during the last surveillance on the need to use ear plugs was closed.

An annual drill had been conducted at both the mill and estate to ensure emergency response procedure and instructions could be clearly understood by employees. Debriefing was given and the report following the drill was sighted with emphasis for continual improvement on emergency preparedness and response. Information on response to emergencies had been disseminated. Ribubonus CU had been granted fire certificate with the readiness of fire hydrant and fire alarm system which had been tested regularly on monthly inspection. The standby electric pump was tested during this assessment and was found in the good working condition. However, the diesel standby pump had yet to be properly maintained in order to make sure its readiness of the fire hydrant when electricity was not available. **OFI RB 1/2012** was raised on the issue.

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 been submitted timely to the Department of Occupational Safety and Health (DOSH). Accident investigation was conducted by a safety committee member and handling of corrective action was satisfactorily. However, handling of investigation for minor cases requiring first aid could be further improved to identify the actual root causes of the accidents. Therefore, **OFI RB 1/2012** was raised for the issue.

It was observed during the previous surveillance that proper house-keeping at the housing construction site needed improvement. **OFI M1** and **OFI M2** were raised. During this surveillance, it was observed that the construction of the quarters for estate workers had been completed and the sites had been cleared of all debris. These OFIs were therefore closed out.

In the estate, clean water was provided and transported to the field for use by the sprayer team. In the last surveillance it was noted that the number of bath rooms for the use of the sprayers was insufficient resulting in **OFI M 4**. The number of shower rooms had been increased with newly constructed bath rooms and wash area for clothing were made available near the chemical stores. This OFI was therefore closed out.

Accidents had been recorded by the Safety Officer and displayed as LTA on the notice board of each office. Records were kept in the Occupational Accident Record and also Occupational Accident Statistics and the cases were classified under harvesting, spraying, slashing, fertilizing, drivers and others. Accidents had to be reported in accordance to DOSH requirement in the form *JKKP6 Pemberitahuan Mengenai Kemalagan/ Kejadian Berbahaya* within 7 days. These records were kept in the Occupational Accident Record and also Occupational Accident Statistics.

It was also seen that Ribubonus CU had provided a group insurance for all workers as required under the Workmen Compensation Act 1992. For the foreign workers they were covered by the Foreign Workers Compensation Policy. Local workers were covered by SOCSO.

#### **Criteria 4.8**

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

#### **Audit Findings:**

Training schedule for 2012 was drawn up at the beginning of the year for implementation. Integrated training plan with other certification requirement such as HACCP or FSMS (ISO 22000) and GMP was presented during this assessment. Records on the actual trainings provided in 2011 and up to September 2012 were presented during this audit. There were 64 training sessions conducted in 2011 while 83 sessions were conducted up to September 2012.

SSOP training for field and mill workers was also conducted during the daily toolbox meetings. Contractors had also been briefed on safety, RSPO, ESH and OSH requirements upon commencement of work. The awareness of the requirements of RSPO had improved through the trainings provided when they were interviewed. The **OFI M 8** raised during the previous surveillance was closed.



During the field interviews with the workers at the various work sites, they were found to be knowledgeable on the safety usage of PPE, the danger of chemicals they handle, the need to follow SSOP and the emergency action to be taken when responding to emergency situations.

Hearing conservation programme was conducted on 24<sup>th</sup> September 2012 for all the workers in the Ribubonus Mill. This training programme was aimed to create awareness among workers on the use of hearing protection device and some knowledge of ear protection. This regulatory programme will be repeated in every 2 years for refresher training.

It was noted during the last surveillance that 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 M 9** was raised. A SSOP on working in confined space had been written.

The electrical LOTO permit had been introduced in the mill and it was observed during the previous surveillance that training had not been done resulting in **OFI M 10** being raised. A SSOP Mill-023 had been written on the Locked Out/Togout and a training session on LOTO and PTW was conducted by the mill in 2012 thus this OFI was closed.

## **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.

### **Audit Findings:**

Ribubonus CU had continued to review and up-date the environmental aspects and impacts risk assessment for activities relating to the estates and mill operations. A document *Significant Environmental Aspects and Impacts and Mitigation Methods (Ribubonus Oil Palm Mill)* was presented. Another document *Identification of Environmental Aspect and Impact and Evaluation of Significance* was prepared and made available and presented to the assessment team.

Identification and evaluation of environmental aspect and impact was sighted and covers all operation in the estate and mill. The list of environmental significant impacts related to 3 main environmental receptors such as land (scheduled waste, biomass waste & domestic waste), air (stack emission - boiler) and water (effluent discharge) and the current mitigation measures were made available during the audit. Monitoring programmes for these 3 significant impacts had been conducted as per regulatory requirement in EQA 1974 specific for EQ Crude Palm Oil (Prescribed Premise) Regulation 1977 where DOE granted the *Jadual Pematuaan* for the detail requirement and restriction

**The positive impacts of recycling domestic wastes and the practice of segregating organic and non- organic wastes at the line sites could be included in the list of impacts. OFI RB 2/2012 was raised.**

Mitigation of the negative impacts of domestic wastes was initiated with a recycling plan at the line sites. Different bins for organic and inorganic wastes were provided for the inhabitants. The amount collected was recorded. Pollutants identification, prevention, mitigation and improvement plan had been developed and implemented. Among the plans were improving the quality of effluent discharged from the mills, 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.

**Audit Findings:**

The HCVF scoping assessment of the estate had been completed in February 2009 and sites with attributes HCV 4 were identified. In addition to the report '*HCVF Scoping Assessment of Ribubonus Estate of PPB Oil Palms Berhad*' an additional HCV Report was prepared. The HCV Monitoring and Management Action Plan April 2011-2015, was presented to the assessment team together with the Action Plan for HCV Report.

Ribubonus Estate being bordered by Bukit Kuamas Forest Reserve (Class1) and Ulu Tungud Forest Reserve (Class II) had established linkages with the residual forest sites within the estate. These sites were protected as HCV 4 sites and appropriate signage had been erected.

As detailed in the HCV Management and Monitoring Action Plan 2011-2015, a systematic monthly monitoring programme had been established and could be enhanced with the sightings of animals and the personnel involved be trained on recognizing signs of animal activities. It was noted in the previous surveillance that these activities would have to be supported by financial resources so a budget plan could be included in the short-term and long-term period of the plan. For this enhancement an **OFI SK 2** was raised. The budget plan for 2012 presented during this surveillance had included specific allocation for HCV activities, so this OFI was closed.

The HCV Management and Monitoring Plans for Ribubonus Estate 2011 were presented to the assessment team. The documents had included the HCV habitats. The Management and Monitoring Plans for HCV could be improved with consultation with relevant experts and **OFI RB 3/2012** was raised.

Poaching was not allowed within the plantation with warning signage being placed at the entrances of each estate. Posters on protected animals were also observed being displayed at the guard posts. Encroachment into the Bukit Kuamas Forest Reserve by outsiders was detected and reported to the Beluran District Forestry Department.

**Criterion 5.3**

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

**Audit Findings:**

An active Recycle Programme for domestic and office wastes had been established. 3R containers were made available in the mill and line sites. It was observed that recycling bins had been placed in all offices and line sites. In addition, at all the landfill sites recycling bins were also made available for the sorted domestic wastes brought in from the estates.

Generally the wastes generated in the mill were non-biodegradable wastes. Biodegradable wastes were crop residues/biomass/organic wastes like fruit fibres, shells, EFBs, decanter cakes and POME. These were segregated into recyclables and non-recyclables. EFBs and decanter cakes were sent to the estates for soil refinement application. Shells and fibres were used as boiler fuel and the surplus portions were sold to interested buyers. Boiler ash were recycled back and used for road maintenance. General waste as well as scrap iron were collected from the line site and mill and disposed at centralized dumping site.

Scheduled wastes had been identified in the estates and mill and managed as per DOE scheduled waste specifications. Proper storage facilities were constructed for these scheduled wastes (Photo 20). Each container was properly labeled.

Based on written approval granted from the DoE for RBPOM, the license for the final discharge was limited to the waterways and land irrigation for the neighboring estates. Through the monthly sampling done by external laboratory and the quarterly report submitted to DOE, it was found that RBPOM had complied with the final discharge limit stipulated in the written approval except for one occasion in May 2012 where BOD limit exceed 20 mg/l. Rectification had been done and there was no reoccurrence of this problem.

Bad odor was detected from the latest land fill pi during an inspection. This could be prevented if more frequent sandwich cover with soil could be done as specified under the Landfill Management Guideline. This would also provide better control of files and rodents. **OFI 4/2012** was raised.

It was observed that in the mill crop residue/biomass/organic waste like fibre, shell, EFB, decanter cakes and POME was used as organic supplements in the fields and EFB mulching was done systematically in the field. EFBs and decanter cakes were sent to the estates for soil improvement. Shells and fibres were used as boiler fuel and the surplus portions sold to interested buyers. Boiler ashes were recycled and used for road maintenance. General waste were collected from the line sites and mill and disposed at centralized dumping site.

It was found that the estate had been operating its own Scheduled Waste store and had maintained its own records of Scheduled Waste as per requirements of the DoE which included inventory, storage and disposal and monthly submission of said records to DOE. The disposal of scheduled wastes was done through a licensed contractor.

Generally all the scheduled wastes stored were labeled. The used of the right labels for e-waste (electrical waste) had, however, had yet to be improved and the 7<sup>th</sup> Schedule relating to waste information had yet to be fully implemented for the scheduled wastes generated. A mechanism to identify competence licensed contractors had yet to be established. It was found that some of the licenses did not clearly describe the list of wastes to be transported and drivers and trucks used for transportation arrangement. **OFI RB 5/2012** was raised.

The estate has continued to face the problem of disposal of scheduled waste due to being remotely located and the great distances from the approved contractors. This had caused the mill and estate to store the scheduled waste for a period of more than 180 days and/or more than 20 tonnes capacity for all the schedule waste generated. It was observed that there was no approval granted from DoE for extension of storage period. A **Major NCR RB 1/2012** was raised for this non- compliance with legal requirement. However disposal arrangement had been made with licensed contractor Petrojadi. The disposal arrangement will be verified through closure of this Major NCR.

Bins for recycling items were placed at the line sites and items were collected for sale. During the last surveillance an OFI SK 3 was raised on the absence of sorting of recyclable items at source. This OFI was closed out.

**Criterion 5.4**

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

**Audit Findings:**

It was observed that the oil palm fiber and shells from the processing of FFBS in the palm oil mill were used as boiler fuel to generate steam for the mill, as well as electricity for the mill complex and line sites. The CU had maintained and recorded the usage of this renewable energy.

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.

No burning of domestic wastes was allowed as specified under the Manual and SOP. All the domestic wastes were collected and disposed off in a landfill.

**Criterion 5.6**

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

**Audit Findings:**

There was a plan for the palm oil mill to install a tertiary effluent treatment plan. Allocation of CAPEX budget for installation of tertiary treatment plant to improve and comply with BOD final discharge limit had been planned.

Pollutants and emissions had been identified in the Aspects and Impacts Register. Procedures had been developed to reduce these pollutants and emissions in accordance to the national regulations and guidance. Ribubonus CU had continuously reviewed and up-dated the environmental aspects and impacts risk assessment for activities relating to the estates and mill operations. A document *Identification of Environmental Aspects and Impacts and Evaluation of Significance for Ribubonus Estates* was presented. Another document *Significant Environmental Aspects and Impacts Mitigation Methods for Ribubonus Estate 2012* was prepared and made available and presented to the assessment team.

**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.

**Audit Findings:**

A Social Impact Assessment for Ribubonus CU was conducted in 2009. The report entitled *Primary Report of SIA (Design Phase) for Ribubonus Oil Palm Plantations and Ribubonus Palm Oil Mill of PPB Oil Palm Berhad (Sabah)*, presented to the audit team. As observed during the previous audits, the social assessment had incorporated records of meetings with local communities including local expertise as stipulated in an SOP. Elements spelt out in this criterion were raised through stakeholder consultations, which were found to be sufficient when inspected.

A *Social Impact Action Plan for Ribubonus Estate* had been prepared. In addition a *Community Development Plan Ribubonus Estate 2011* was also 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. Minutes of meetings were presented.

The viewed *Mitigation Plan – Ribubonus Estate 2012* and *Community Development Plan - Ribubonus Estate 2012* which included a timetable with responsibilities for mitigating and monitoring had been prepared and were presented during the surveillance. New measures and activities identified in this year's stakeholder meeting and the complaint register were incorporated in the reviewed Plans showing that there was continuous improvement in handling social issues and impacts.

**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.

**Audit Findings:**

The Standard Operating Procedure for Consultation and Communication [Document No. RSPO 6.2(2)] outlined the procedures on communication and consultation with stakeholders, namely, estate/internal communities (worker and staff) and external local communities/other affected or interested parties, thus providing for an open communication with stakeholders. This led to effective management and coordination of communication with stakeholders ensuring that information communicated was accurate and timely.

In addition, to ensure effective communication between management and staff/workers various modes of communication had also been practised which include daily assemblies (muster/roll call), internal circulars and memos, notices, posters, environmental and social campaigns, management walk, suggestion box, staff/worker-management committees namely the Social Welfare Committee (Jawatankuasa Kebajikan Pekerja), Women and Children Welfare Committee (Jawatankuasa Kebajikan Wanita dan Kanak-Kanak) and Safety and Health Committee (Jawatankuasa Keselamatan dan Kesihatan) as well as the complaint form.

A comprehensive and updated (2012) list of stakeholders had been maintained and was presented during the surveillance. The list included all relevant external and internal stakeholders. Records of all communication and actions taken in response to input from stakeholders were presented to the audit team. These were documented in the grievance file, minutes of stakeholder meetings/consultations and records of mitigation/enhancement measures taken,

**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.

**Audit Findings:**

There was a documented SOP (Complaint & Grievance Resolution Procedure) for resolving grievances and complaints. The system and complaint form, even though open to all stakeholders, was used mainly by the staff and workers. All these complaints were kept in RSPO File and a report for monitoring effectiveness of resolution was prepared. In addition there were worker representations on the relevant committees, in particular, the Social/Worker Welfare Committee, Women and Children Welfare Committee and Safety and Health Committee. The procedure for internal stakeholders' complaints and grievances has been well-established.

Group grievances and complaints were dealt with and resolved through the stakeholder meeting which was held at least once a year or more when there was a need.

The system provided opportunities to all affected parties to lodge their grievances and complaints. In the case of employees of the estate, committees such as the Social/Worker Welfare Committee, Women and Children Welfare Committee and Safety and Health Committee played an important role in resolving disputes between estate management and staff/workers. In the case of external stakeholders the stakeholder meetings/consultations performed the same role.

**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.

**Audit Findings:**

A procedure for calculating and distributing fair compensation (Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation) had been established but not been used as issues related to payment of compensation did not arise in this CU.

Since the last surveillance audit there had not been any compensation claim made against the estate.

**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.

**Audit Findings:**

Pay and conditions for employees were in accordance to legal and industry standards and specified in the contract agreements with workers. Plantation workers were given flexibility with regards to the mode of wage determination as they could choose the piece rate or the daily-wage system. Workers interviewed expressed their satisfaction with the terms of their contract.

Ribubonus CU did not discriminate between foreign and local workers in terms of pay and conditions of work. Both local and foreign workers were on the same salary scheme. The pay and conditions were clearly documented in their job contract (*Kontrak Pekerjaan*).

Employment was done in accordance to the Sabah Labour Ordinance. The wages and conditions were documented, and every employee had a contract of service. All workers were given direct contracts of employment with details of terms and conditions of employment such as, details of terms and conditions of employment, overtime rate, working hours and rest day per week were clearly spelt out in the contract. The workers interviewed stated that the terms of contract (payments and conditions of employment) were clearly explained to them at the time of the signing of the contract.

The contract was in Malay/Indonesian, a language understood by the workers. In addition the terms of contract (payments and conditions of employment) were clearly explained to them at the time of the signing of the contract. This was confirmed by workers interviewed during the assessment.

An OFI SK 3 was raised during the previous surveillance as the water quality was not tested. Since the last audit the rainwater collected in the water tank had been tested and found to be safe for human consumption needs. Thus the OFI was closed. The workers expressed their satisfaction with the improvement in housing.

Two new concrete crèches were built for the benefits of the workers in the estate and mill. One of sited at the eastern and another at the northern zone. There were 9 caretakers with 99 children in the crèches.

Ribubonus CU had also provided pre-school and primary school for the children of its foreign workers by way of the Humana schools. Free transportation to near-by government schools for children of local workers and staff was provided by the estate.

Workers had free access to basic health services provided through company-run clinics. More serious cases were transferred to government hospitals in nearby towns using estate vehicles.

**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.

**Audit Findings:**

There was documented procedure for collective negotiation and resolutions of disputes or grievances. A Social Welfare Committee (*Jawatankuasa Kebajikan Pekerja*) made up of workers' representatives elected by the workers and management representatives to deal with disputes and grievances and worker welfare had been established in every estate. The committee met quarterly and the documented minutes of the meetings held were sighted

All the workers interviewed were happy with the payment of wages, housing and amenities provided to them.

As reported in the previous surveillance the company's policy of respecting the rights of workers to join trade unions or other forms of association had been spelt out as one of the conditions in the workers contract document. This policy, entitled *Himbauan*, was publicized as notices in 'Bahasa Melayu' language at strategic places (notice boards and walls). None of the workers had joined any trade union and all workers interviewed expressed satisfaction with the payment of wages, housing and amenities provided to them.

**Criterion 6.7**

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

**Audit Findings:**

The company had continued with its policy of prohibiting the employment of persons under the age of 18, in accordance with the definition of the ILO Convention. The policy called *the Polisi Buruh Kanak-kanak* written in Bahasa Melayu language was publicized on notice boards in the offices. Its implementation was evident through verification of employment records which showed the minimum age requirement under Sabah Labour Ordinance section 72 (CAP 67) 1950 had been complied with.

The register of employees which included the date of birth showed no under-aged employee on the roll. Interviews with workers also revealed that they were aware of the requirement. During field assessment no person under the age of 18 was observed working in any part of the operation. This was also confirmed by workers interviewed during the audit.

**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.

**Audit Findings:**

Ribubonus Estate had adopted the principle of justice and non-discrimination in the hiring of its workers as well in dealings with its workers. Any form of discrimination based on race/ethnicity, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is rejected. This is clearly seen upon perusal of its Equal Opportunity Policy. This policy, in the Bahasa Melayu/Indonesian language, was displayed on office/estate notice boards.

Examination of the profile of the work force indicated that opportunities for employment were open with both foreign and local workers. The composition of the management and general staff reflected the ethnic diversity of the Sabah population. There was also no restriction on the employment of women workers.

Examination of the profile of the work force and interaction with the workers during this assessment indicated that opportunities for employment were open. Both foreign and local workers were highly diversified in terms of ethnic origin, beliefs, and places of origin. There were more foreigners than local

workers which was a common situation in this industry and reflecting the acute shortage of local labor supply situation.

There was no restriction on the employment of female employees. Women were represented in management, staff and plantation labour force.

Generally it was observed that the workers had no apparent dissatisfaction as the pay scheme and work benefits for both foreign and local workers being the same. This was confirmed by workers and staff interviewed during the audit.

**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.

**Audit Findings:**

As noted in the previous surveillance a policy against sexual harassment and violence against women had been implemented. This specific policy prohibiting sexual harassment was called Sexual Harassment Policy (*Polisi Gangguan Seksual*) had been publicly displayed on notice boards at the office and public places like rest huts (*pondok rehat*) and made available to all employees in languages they understood. The policy defined what constituted sexual harassment and outlined its implementation on the basis of four principles as detailed in the policy document.

A Women and Children Welfare Committee (*Jawatankuasa Kebajikan Wanita dan Kanak-Kanak*) had been established to handle issues related to women and children with sexual harassment as a standing agenda of every meeting of the Committee. Members of the Committee are made up of female plantation workers, staff, and management and they met quarterly. Minutes of the meetings were made available during the assessment.

Interviews with the committee members revealed that they were aware of their roles and responsibilities. Awareness programs about sexual harassment and violence against women had been conducted periodically. This was confirmed by employees interviewed during the assessment. There was no case of sexual harassment reported during the year of assessment from examination of the Record of Sexual Harassment Grievances.

Guided by the Sexual Harassment in the Workplace Act, a specific grievance mechanism for dealing with sexual harassment, violence against women and protection of their reproductive rights had been developed. A form for registering complaints about sexual harassment was developed and made readily available to the employees.

**Criterion 6.10**

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

**Audit Findings:**

RBPOM received fresh fruit bunches from smallholders. Smallholders and local businesses, listed as stakeholders of the mill, were briefed from time to time about matters that were relevant and of concern to them. Smallholders and local businesses had access to management and vice-versa through the stakeholder meeting as well as through informal individual discussions. The stakeholder meeting would be held at least once a year.

Smallholders and local businesses were briefed from time to time about matters that were relevant and of concern to these stakeholders. Smallholders and local businesses had access to management through



the stakeholders meeting and vice-versa as well as through informal individual discussions. The stakeholder meeting would be held at least once a year.

Prices of FFB had clearly been 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 mill and suppliers were registered with the Mill Manager and reviewed by an internal mechanism. The smallholders interviewed were satisfied with the agreement they entered into and the treatment received from the mill.

**Criterion 6.11**

Growers and millers contribute to local sustainable development wherever appropriate.

**Audit Findings:**

Ribubonus Estate had established a clear policy on local sustainable development. This was reflected in the larger Social Policy. Local sustainable development entails among other things the empowerment of local communities so that they develop capability to sustain and build on whatever initiatives, projects or activities that were implemented.

A Mitigation Plan and a Community Development Plan for 2012 were sighted. The updated Plans, incorporating issues identified in internal (Social Welfare Committee, Women and Children Welfare Committee and Safety and Health Committee) and external stakeholder meetings held in 2012, listed actions taken by the estate in contributing to local sustainable development and the monitoring of the progress of these actions in 2012. Hence **OFI R 1** raised in the last audit is closed.

**PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTING**

Not applicable, as Ribubonus CU 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.

**Audit Findings:**

During the previous surveillance it was noted that the management of the estates and mills had established a monitoring system for continuous improvement through a Continuous Improvement Plan. A periodical review of the progress of the implementation of the action plan was recorded and would serve as a management tool for continuous improvement. This however did not record the review and monitoring processes that were critical to a continuous improvement plan. It was noted that this process could be improved with periodical review to monitor progress and review targets and implementation process. An **OFI R 2** was raised during the previous surveillance.

A mechanism to capture the performance in social aspects developed through the Social Management Plan and Community Development Plan had been established. The activities listed in the two Plans and the monitoring of the actions taken demonstrated the continuous improvement achieved in matters related to the social aspects. Hence **OFI R 2** raised in the last audit was closed out.

Monitoring of the quality of water for human consumption had been conducted by an external laboratory and results indicated that the water was free from any biological or chemical contaminations. As noted

during the previous surveillance new chemical stores made of concrete had been constructed in the estates. Appropriate MSDS posters had been placed at the entrance as well as on the tanker carrying pre-mixed herbicides to the field. The facilities had been improved with more bath rooms for the sprayers. Washing facilities for clothing and first aid boxes had also been provided. Facilities for triple rinsing of fertilizer bags had been built.

CAPEX for 2011 and 2012 was sighted during the assessment. Budget has been allocated for installation of tertiary treatment plant to improve for BOD final discharge limit and to cater future expansion. Another improvement plan CAPEX for construction of deoiling pond to improve oil recovery and oil losses and also carry over of oil to ETP were sighted during the assessment. Most of the budgeted CAPEX was on replacing the worn out units and upgrading of plant and machinery. It was also noted that the CU had allocated additional money for 8 new units of Class H houses for workers.

Owing to the difficulty of getting contractors to remove scheduled wastes from the mill and estates individually, a joint effort could be made to obtain the service a single contractor to collect the accumulated scheduled wastes. **OFI RB 6/2012** was raised.

Programmes on recycling and minimizing waste as well as by products generation had been established. Recycling bins and proper management of scheduled wastes had been implemented. Recycling bins for organic and non-organic wastes were provided at all the line sites as well as the land fill sites. Recyclable items were collected and disposed off to a contractor. There was also a *Waste and Pollution Identification Procedure, Mitigation and Improvement Plan*. A guideline on landfill for disposal of domestic wastes was written.

As stated above there was a *Waste and Pollution Identification Procedure, Mitigation and Improvement Plan* for the Ribubonus Estate. Oil traps had been constructed at all the workshops to prevent any leakage of waste oils into the environment. Notices had been erected to warn against any improper disposal of waste oils. The oil traps were inspected recently by Department of Environment.

A major improvement was the replacement of almost all of the old wooden quarters with the construction of a new Class H labour line. Every unit of the labour line had been equipped with electricity and treated water supply. Larger tanks for rain water storage were also added to each unit. Proper sanitation facilities with sewage treatment had also been provided.

A new concrete crèche was built for the benefits of the workers in the estates and mill. At time of visit the building was completed but power supply had not been connected and access road in the process of completion. These amenities would be completed by November 2012.

Ribubonus CU had also provided pre-school and primary school for the children of its foreign workers by way of the Humana schools. For the older children there was a secondary school with an Indonesian curriculum (SMP) on the estate. Free transportation to near-by government schools for children of local workers and staff was provided by the estate.

A mechanism to capture the performance in social aspects (Social Management Plan and Community Development Plan) had been well established. The activities listed in the two Plans and the monitoring of the actions taken demonstrated the continuous improvement achieved in matters related to the social aspects. The OFI R 2 raised during the previous surveillance was therefore closed.

### **3.2 Detailed Identified Non-Conformities, Corrective Actions and taken**

The details on the NCR and OFIs raised and the assessors' verification of the corrective actions taken are as in **Attachment** . The NCR raised during this surveillance audit was closed out.

### **3.3 Status of NCRs Previously Issued**

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

### **3.4 Noteworthy Positive Components**

The Ribubonus CU has made further improvements on their compliance against the requirement of the RSPO Principles & Criteria (P&C) Malaysian National Interpretation (MY-NI). This was evident in terms of improvement being made on housing and the related amenities.

It was also observed that the workers' awareness level on the implementation of activities related to the requirements of the RSPO P&C has improved. They have been able to explain on the operating procedures related to the work they performed and the resulting impact of not following such procedures.

Above all, it was evident that there was strong commitment from the top management to continue complying with the requirements of the RSPO and maintaining the certification.

### **3.5 Issues Raised by the Stakeholder**

The stakeholders that were consulted during this surveillance audit include all the relevant government agencies, surrounding communities, local businesses, contractors and panel doctors.

There was a claim made by the local villagers from Kampung Telupid 4 and Kampong Gading over the land in the Ribubonus Estate. Through a stakeholder meeting, the management of Ribubonus Estate has clarified its legal right over the disputed land and that the company has not been involved in illegal occupation of NCR land .

Based on the evidences gathered during the on-site inspection, the assessment team had raised one Major NCR on the Ribubonus CU against the requirements of the RSPO MYNI. In addition the assessment team had made six (6) opportunities for improvement (see **Attachment 3**) which the CU should improve upon in complying with the requirements of the RSPO MYNI. The corrective actions taken by the CU to address these opportunities for improvement would be verified during the surveillance assessment.

#### 4.0 RECOMMENDATIONS

The major NCR has to be satisfactorily closed out, before the assessment team could recommend Ribubonus CU to continue to be certified against the RSPO MYNI.

#### 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

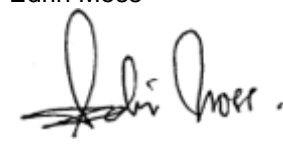
Signature: 

Designation: Assessment Team Leader

Date: 30 December 2012

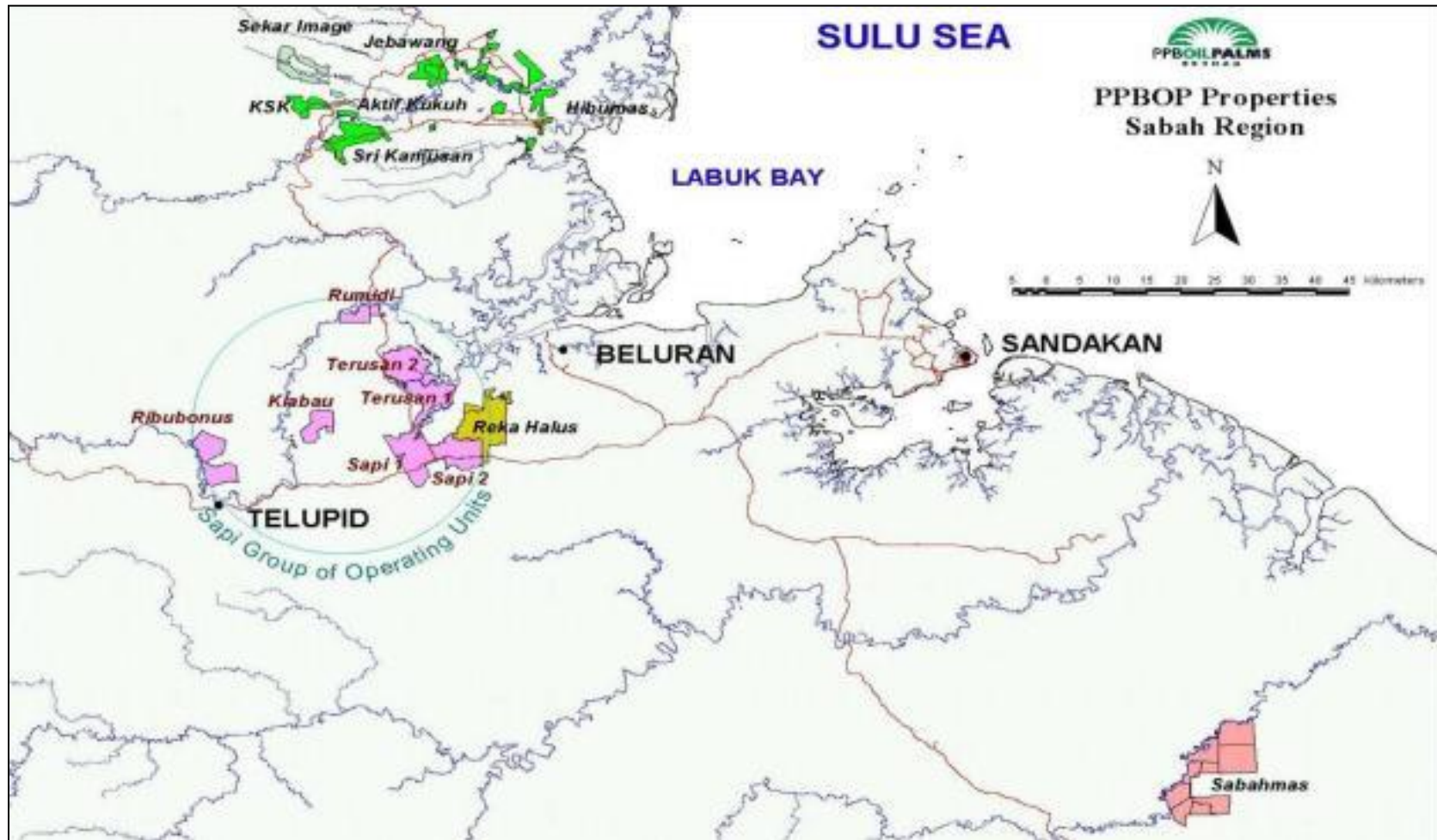
I, the undersigned, representing Ribubonus Certification Unit acknowledge and confirm the content of the assessment report and findings of assessment.

Name : Edrin Moss

Signature : 

Date : 30 December 2012

Location Map of Ribubonus Certification Unit



**ASSESSMENT PROGRAMME**

**1. Objectives**

The objectives of the assessment are as follows:

- (i) To determine PPB Oil Palms Berhad – Terusan & Ribubonus Certification Unit conformance 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** : 15-19 October 2012

**3. Site of assessment** : PPB Oil Palms Berhad  
Terusan and Ribubonus Certification Units

**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 : Dr. Zahid Emby  
Mr. Mohammad Hidhir  
: Mr Selvasingama/ 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 :As below

### Day One: 15 October 2012 (Monday)

Activities /areas to be visited	Dr. Yap Son Kheong	Mr Selvasingama/I T Kandiah	Mr. Mohammad Hidhir	Dr. Zahid Emby	Auditee
8.00 – 8.15 am	Opening meeting for Terusan and Ribubonus Certification Units, 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 environmental area of concern at Terusan 1 & 2 Estates and Rumidi Estate: <ul style="list-style-type: none"> <li>• Area of more than 25°</li> <li>• Riparian zone</li> <li>• River system including POME discharge</li> <li>• Forested area</li> <li>• Plantation boundary</li> <li>• Water bodies</li> <li>• Source of water supply</li> <li>• Over planted areas</li> <li>• HCV</li> </ul>	Site visit and assessment at environmental area of concern at Terusan 1 & 2 Estates and Rumidi Estate: <ul style="list-style-type: none"> <li>• Agriculture best practice (GAP)</li> <li>• Workshop</li> <li>• Chemical management</li> </ul>	Site visit and assessment at Terusan Palm Oil Mill <ul style="list-style-type: none"> <li>• Administration department</li> <li>• Facilities at workplace (rest area, etc)</li> <li>• Utilities (gen-set, boiler, etc.)</li> <li>• Production area</li> <li>• Chemical store</li> <li>• Workshop</li> <li>• Safety practice</li> <li>• Waste management</li> </ul>	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"> <li>• Terusan 1 &amp; 2 estates surrounding community</li> <li>• Humana School</li> </ul>	Guide/PIC

	<ul style="list-style-type: none"> <li>Other area identified during the assessment</li> </ul>			<ul style="list-style-type: none"> <li>Provision shop operator</li> </ul>	
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Assessment on P1, P2 P4, C4.8), P5(C5.1, C5.3-5.3.1, 5.3.2, C5.4, C5.6), P8	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), 4.8, P8	Assessment on P1, P2(C2.1-2.1.4), P4( C4.1 – 4.1.2, C4.7, C4.8) , P8	Continue assessment	Guide/PIC
8.00 – 10.00 pm	Audit team discussion			Document review	Relevant PIC

### Day Two: 16 October 2012 (Tuesday)

Activities /areas to be visited	Dr. Yap Son Kheong	Mr. Mohammad Hidhir	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
8.00 – 1.00 pm	Site visit and assessment at Terusan 2 estate <ul style="list-style-type: none"> <li>Dumping site for estate &amp; mill</li> <li>Utilities (WTP , gen- set &amp;etc)</li> <li>Waste management</li> <li>Facilities at workplace (rest area, etc)</li> <li>Dispensary</li> <li>Chemical store</li> <li>Workshop</li> </ul> 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	Site visit and assessment at Terusan 2 estate <ul style="list-style-type: none"> <li>Administration department</li> <li>Facilities at workplace (rest area, etc)</li> <li>Dispensary</li> <li>Chemical store</li> <li>Workshop</li> </ul> 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"> <li>Good Agricultural Practice</li> <li>Workers Issues</li> <li>Line site</li> <li>fertilizer stores</li> <li>witness activities at site (weeding/ spraying/harvesting)</li> </ul> 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, P8	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
1.00 – 2.00 pm	Travel to Ribubonus Certification Unit				
2.00 – 5.00 pm	Site visit and assessment at environmentally area of concern at Ribubonus Estates and mill: <ul style="list-style-type: none"> <li>Area of more than 25°</li> <li>Riparian zone</li> <li>River system including POME</li> </ul>	Site visit and assessment at Ribubonus Palm Oil Mill <ul style="list-style-type: none"> <li>Administration department</li> <li>Facilities at workplace (rest area, etc)</li> <li>Utilities (gen-set, boiler,</li> </ul>	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	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.	Guide/PIC



	discharge <ul style="list-style-type: none"> <li>• Forested area</li> <li>• Plantation boundary</li> <li>• Water bodies</li> <li>• Source of water supply</li> <li>• HCV</li> <li>• Other area identified during the assessment</li> </ul>	etc.) <ul style="list-style-type: none"> <li>• Production area</li> <li>• Chemical store</li> <li>• Workshop</li> </ul> Assessment on P1, P2(C2.1-2.1.4), P4( C4.1 – 4.1.2, C4.7, C4.8) , P8		Visit and assessment at: Ribubonus estate & mill surrounding community (schedule according to their convenience)	
08.00-10.00pm	Audit team discussion			Documentation review	Relevant PIC

**Day Three: 17 October 2012 (Wednesday)**

Activities /areas to be visited	Dr. Yap Son Kheong	Mr. Mohammad Hidhir	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
8.00 – 12.00 pm	Continue assessment 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"> <li>• Administration department</li> <li>• Facilities at workplace (rest area, etc)</li> <li>• Dispensary</li> <li>• Chemical store</li> <li>• Workshop</li> <li>• Safety practise</li> </ul>	Site visit and assessment at Ribubonus Estate: <ul style="list-style-type: none"> <li>• Good Agricultural Practice</li> <li>• Workers Issues</li> <li>• Line site</li> <li>• chemical /fertilizer stores</li> <li>• workshop</li> <li>• EFB mulching</li> <li>• Plantation on hilly</li> <li>• witness activities at site (weeding/ spraying/other maintenance activities/ harvesting)</li> </ul>	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 pm	Break				
2.00 – 4.00 pm	Continue assessment				Guide/PIC
08.00-10.00pm	Audit team discussion				

**Day Four: 18 October 2012 (Thursday)**

Activities/areas to be visited	Dr. Yap Son Kheong	Mr. Mohammad Hidhir	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
08.00-12.00 pm	<ul style="list-style-type: none"><li>Continue with the above assessment</li><li>Documentation review</li></ul>				
12.00-02.00pm	Break				
02.00 – 04.30 pm	<ul style="list-style-type: none"><li>Continue with the above assessment</li></ul>				

**Day Five: 19 October 2012 (Friday)**

Activities/areas to be visited	Dr. Yap Son Kheong	Mr. Mohammad Hidhir	Mr. Selvasingam	Prof Datuk Abdul Rashid	Auditee
08.00-11.00 am	Continue assessment & verify previous audit findings				Relevant PIC
11.00 – 1.00 pm	Discussion on audit findings for Terusan and Ribubonus certification units				Top Management & committee member
1.00 – 2.00 pm	Break				
02.00 – 04.00 pm	Closing meeting for Terusan and Ribubonus certification units				Top Management
04.00 pm	Travel to Sandakan & end of assessment				

**Details on Non Conformity and Corrective Actions Taken**

<b>Criterion / Indicator</b>	<b>Details of Nonconformities</b>	<b>Corrective actions taken</b>	<b>Status</b>
2.1.1	<p>a) The 2 sets of generators in the mill each of 350kw capacity and the one in the Ribubonus Estate were currently operated by non-competent personnel</p> <p>b) Scheduled waste stored for more than 180 days or exceeding 20 tonnes were observed in the mill.</p>	<p>a) Vacancies for competent person (internal combustion engine drivers) had been advertised in local newspapers .</p> <p>b) Disposed scheduled waste to DOE Lisence contractor</p>	<p>Accepted by the audit team . To verify the implementation in the next surveillance audit</p>

<b>OPPORTUNITIES FOR IMPROVEMENT (OFI)</b>	
<b>Criterion</b>	<b>Details of OFI</b>
<b>4.7</b>	<p><b>OFI RB 1/2012</b>  <b>Evidence of documented system Occupational Safety and Health (OSH) plan which is in the compliance with OSHA 1994 and Factory Machinery Act 1967 (Act139)</b></p> <ol style="list-style-type: none"> <li>1. OSH yearly plan for estate and mill could be improved by including the legal compliance program such as periodic monitoring activities to comply with USECHH regulation 2000, annual mill inspection for Steam Boiler and UPV, Safety, Health and Committee Regulation 1970 and other applicable legal requirements that had yet to be identified in the yearly program.</li> <li>2. The auto-control (pressure sensor) of the hydrant pump needed servicing and the standby diesel pump was not functioning well.</li> <li>3. Workplace inspection checklist could be further improved by including inspection of the hydrant pump.</li> <li>4. The minutes of the discussion in the safety committee meeting did not clearly reflect the accident statistic.</li> <li>5. Minor incidences which required first aid need to be investigated to identify actual root cause of the accidents.</li> <li>6. The land irrigation pump belting and pulley need to properly covered</li> <li>7. The bend of the steam trap pipe located near to the steam chamber was found leaking</li> <li>8. Flashback arrestor had yet to be installed for both oxygen and acetylene tanks in the workshop.</li> </ol> <p><b>OFI RB 2/2012</b>  <b>Documented aspects and impacts risk assessment is periodically reviewed and updated.</b></p> <p><b>The aspects and impacts risk assessment had been conducted and revised in 2012. The positive impacts of recycling and solid wastes segregation maintained at the line sites could be included in the document.</b></p>
<b>5.1</b>	<p><b>OFI RB 3/2012</b>  <b>Management plan for HCV habitats including ERTs and their conservation</b>  The management plan developed for HCV habitats and their conservation could be further enhanced with consultation with experts in the biological and social disciplines.</p> <p><b>OFI 4/2012</b>  <b>Documented identification of all waste products and sources of pollution</b></p>

<p>5.2</p>	<p>Bad odor was noticed coming from the latest land fill pit within the estate. This could be prevented if more frequent sandwich cover with soil could be implemented. This would also provide better control of files and rodents at the site.</p>
<p>5.3</p>	<p><b>OFI RB 5/2012</b> <b>Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution</b></p> <ol style="list-style-type: none"><li>1. The recording of Information of the 7<sup>th</sup> schedule for the all scheduled waste generated in the Ribubonus Mill could be improved with greater clarity.</li><li>2. Labeling of SW 110 could be further improved in accordance to the 3<sup>rd</sup> Schedule of SW Regulation 2005</li><li>3. Mechanism to identify the competence of scheduled waste contractor needs to be established.</li><li>4. The storage site for decanter cakes near to monsoon drain could be improved by erecting a bund to prevent leaching.</li><li>5. The land irrigation pump and final effluent flow meter had to be serviced to prevent leakage.</li></ol>
<p>8.1</p>	<p><b>OFI RB 6/2012</b> <b>Environmental Impacts</b></p> <p>Owing to the difficulty of getting contractors to remove scheduled wastes from the mill and estates individually, a joint effort could be made to obtain the service a single contractor to collect the accumulated scheduled wastes.</p>