



SIRIM QAS INTERNATIONAL SDN. BHD.
 Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
 Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : EP09760003

PUBLIC SUMMARY REPORT

CLIENT : Ribubonus Certification Unit

PARENT COMPANY : PPB Oil Palms Berhad

RSPO MEMBERSHIP No.: 1-0011-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
(In the case of multisite certification, list additional sites in attachments) :

| Certification Unit | Mill and Supply Base | GPS Location | | Location |
|------------------------------|-------------------------|--------------|----------------|---|
| | | Latitude | Longitude | |
| Ribubonus Certification Unit | Ribubonus Palm Oil Mill | 5° 41' 20" N | 117° 05' 34" E | Ribubonus Palm Oil Mill Lot 1A, KM 15, Jalan Labuk, 90009 Sandakan, Sabah, Malaysia. |
| | Ribubonus Estate | 5° 41' 33" N | 117° 05' 50" E | Ribubonus Estate Lot 1A, KM 15, Jalan Labuk, 90009 Sandakan, Sabah, Malaysia. |

MAP : See Attachment 1

AUDIT DATE : 22 – 24 June 2016

DURATION : 9 auditor days

TYPE OF AUDIT :

**Annual Surveillance Audit
No. 01**

Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Crude Palm Oil and Palm Kernel Using Mass Balance Model

VALIDITY OF RSPO CERTIFICATE : 7/09/2015 – 6/09/2020

The following attachments form part of this report:

Non-conformity Report(s)

List of additional site(s)

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : MOHD RAZMAN SALIM

Name : Edrin Moss

Signature :

Signature :

Date : 29 AUGUST 2016

Date : 2/9/2016

PUBLIC SUMMARY REPORT

SUMMARY OF AUDITS

| Recertification audit | | | | |
|--|-------------------|---|---------------------------|-------------------|
| On-site audit date | : | 23 – 25/6/2015 | No. of auditor days | : 9 |
| Audit team | : | Mohd Hafiz Mat Hussain (LA), Khairul Najwan Ahmad Jahari and Valence Shem | | |
| No. of major NCR | : | NA | Indicator: NA | Closing date : NA |
| No. of minor NCR | : | 2 | Indicator : 6.5.3 & 6.9.3 | |
| Indicate the stakeholders interviewed during the on-site audit | | Employees | Settlers | Villagers |
| | | X | | X |
| | | Contract workers | NGOs | Govt. agency |
| | | X | X | X |
| | Indigenous people | Contractor | Others (Please specify) | |
| | | X | | |
| Supply base sampled | : | Ribubonus Estate | | |

| Annual Surveillance Audit 1 | | | | |
|---|-------------------|--|----------------------------------|-------------------|
| On-site audit date | : | 22 – 24 June 2016 | No. of auditor days | : 9 |
| Audit team | : | Mohd Razman Salim, Mohd Zulfakar Kamaruzaman, Selvasingam T Kandiah & Ismail Ibrahim | | |
| No. of major NCR | : | 0 | Indicator: NA | Closing date : NA |
| No. of minor NCR | : | 3 | Indicator : 2.1.2, 4.1.2 & 6.5.3 | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | | Employees | Settlers | Villagers |
| | | X | | X |
| | | Contract workers | NGOs | Govt. agency |
| | | X | | |
| | Indigenous people | Contractor | Others (Please specify) | |
| | | X | | |
| Supply base sampled | : | Ribubonus Estate | | |
| Changes since the last audit | : | i) Biogas plant is under construction and expected to be completed by December 2016. ii) New Mill Manager, Mr. Mustapha Habe (previously from Terusan POM). | | |

| Annual Surveillance Audit 2 | | | | |
|---|-------------------|------------------|-------------------------|----------------|
| On-site audit date | : | | No. of auditor days | : |
| Audit team | : | | | |
| No. of major NCR | : | | Indicator: | Closing date : |
| No. of minor NCR | : | | Indicator : | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | | Employees | Settlers | Villagers |
| | | | | |
| | | Contract workers | NGOs | Govt. agency |
| | | | | |
| | Indigenous people | Contractor | Others (Please specify) | |
| | | | | |
| Supply base sampled | : | | | |
| Changes since the last audit | : | | | |

PUBLIC SUMMARY REPORT

| Annual Surveillance Audit 3 | | | | |
|---|-------------------|-----------------------|-------------------------|---------------------|
| On-site audit date : | | No. of auditor days : | | |
| Audit team : | | | | |
| No. of major NCR : | | Indicator: | Closing date : | |
| No. of minor NCR : | | Indicator : | | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | Employees | Settlers | Villagers | Suppliers |
| | | | | |
| | Contract workers | NGOs | Govt. agency | Independent growers |
| | | | | |
| | Indigenous people | Contractor | Others (Please specify) | |
| | | | | |
| Supply base sampled : | | | | |
| Changes since the last audit : | | | | |

| Annual Surveillance Audit 4 | | | | |
|---|-------------------|-----------------------|-------------------------|---------------------|
| On-site audit date : | | No. of auditor days : | | |
| Audit team : | | | | |
| No. of major NCR : | | Indicator: | Closing date : | |
| No. of minor NCR : | | Indicator : | | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | Employees | Settlers | Villagers | Suppliers |
| | | | | |
| | Contract workers | NGOs | Govt. agency | Independent growers |
| | | | | |
| | Indigenous people | Contractors | Others (Please specify) | |
| | | | | |
| Supply base sampled : | | | | |
| Changes since the last audit : | | | | |

PUBLIC SUMMARY REPORT

SUMMARY OF INFORMATION

| TYPE OF AUDIT | STAGE 2 / RA | ASA 1 | ASA 2 | ASA 3 | ASA 4 |
|----------------------------------|---------------------|------------------|--------------|--------------|--------------|
| Projection Period | | June 16 – May 17 | | | |
| Certified Area (Ha) | | 3,262.00 | | | |
| Production Area(Ha) | | 2,729.62 | | | |
| HCV Area (Ha) | | 258.42 | | | |
| Certified FFB Processed (MT) | | 74,516.00 | | | |
| Production of Certified CPO (MT) | | 16,577.72 | | | |
| Production of Certified PK (MT) | | 3,012.92 | | | |
| REMARKS | | - | | | |

| Table of contents | | Page |
|--------------------------|--|-------------|
| 1.0 | AUDIT PROCESS | 6 |
| | 1.1 Certification body | 6 |
| | 1.2 Qualification of audit team | 6 |
| | 1.3 Audit methodology | 6 |
| | 1.4 Stakeholder Consultation | 6 |
| | 1.5 Audit plan | 7 |
| | 1.6 Date of next audit | 7 |
| 2.0 | SCOPE OF CERTIFICATION AUDIT | 7 |
| | 2.1 Description of the certification unit | 7 |
| | 2.2 Description of the Supply Base (including planting profile) | 7 |
| | 2.3 Organization Information / Contact Person(s) | 8 |
| 3.0 | AUDIT FINDINGS | 8 |
| | 3.1 Changes to certified products in accordance to the production of the previous year | 8 |
| | 3.2 Time bound plans including changes and reasons for the changes see below | 8 |
| | 3.3. Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed) | 9 |
| | 3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification. | 9 |
| | 3.5 Any new acquisition which has replaced primary forests or HCV areas | 9 |
| | 3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.) | 9 |
| | 3.7 Status of previous non-conformities * (refer to Attachment 6) | 9 |
| | 3.8 Complaint received from stakeholder (if any) | 9 |
| 4.0 | DETAILS OF NON-CONFORMITY REPORT | 10 |
| | 4.1 For P&C (Details checklist refer to Attachment 3) | 10 |
| | 4.2 For SC (Details checklist refer to Attachment 5) | 10 |
| 5.0 | AUDIT CONCLUSION | 10 |
| 6.0 | RECOMMENDATION | 10 |
| List of Attachment | | |
| | Attachment 1 : Map of Ribubonus CU | 11 |
| | Attachment 2 : RSPO Surveillance Audit Plan | 12 |
| | Attachment 3 : RSPO P&C Audit Checklist And Findings | 16 |
| | Attachment 4 : Details of Non-conformities and Corrective Actions Taken | 40 |
| | Attachment 5 : RSPO Supply Chain at Ribubonus Palm Oil Mill – Mass Balance model – Module E | 41 |
| | Attachment 6 : Status of Non-conformities Previously Identified | 43 |

PUBLIC SUMMARY REPORT

1.0 AUDIT PROCESS

1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the 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 and nationally 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 Executive Board of the United Nations Framework

Convention on Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

1.2 Qualification of audit team

| Member of the Audit Team | Role/area of RSPO requirements | Qualifications |
|---------------------------|---------------------------------------|---|
| Mohd Razman Salim | Lead Auditor / HCV and OHS | <ul style="list-style-type: none"> • Possessed B.Sc.Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology. |
| Mohd Zulfakar Kamaruzaman | Auditor / Social and Environment | <ul style="list-style-type: none"> • Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation. |
| Selvasingam T Kandiah | Auditor / Good Agricultural Practices | <ul style="list-style-type: none"> • Holds a B. Sc. (Hons) in Agriculture. He had worked as a planter with Kumpulan Guthrie Berhad before retiring including one year in Liberia and 2 years in Estate Department in Guthrie headquarters. |
| Ismail Ibrahim | Auditor / RSPO Supply Chain | <ul style="list-style-type: none"> • Holds a Diploma in Industry and BBA in Management from the Eastern Michigan University, USA. Qualified to conduct audits for chain of custody and RSPO supply chain. |

1.3 Audit methodology

The audit covered the one palm oil mill and one of its supply base, i.e. the Ribubonus Estate. The audit included an on-site audit to the estate and mill and to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the SIRIM QAS International's websites. There was no comment received for this Certification Unit.

PUBLIC SUMMARY REPORT

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Ribubonus certification unit (CU) is a subsidiary of Sabahmas Plantations Sdn Bhd. (SPSB) which is a wholly owned company of PPB Oil Palms Berhad (PPB Oil Palms). The CU consists of Ribubonus Palm Oil Mill and Ribubonus Estate.

The Ribubonus Palm Oil Mill (Ribubonus POM) commenced its operations in February 2008 with a processing capacity of 30 metric tonnes of fresh fruit bunches (FFB) per hour.

During the audit period, the mill was operating only one shift. The Ribubonus Estate was fully developed, hence, the principle 7 of the RSPO Principles & Criteria is therefore not applicable. The total workforce at the Ribubonus CU was 564 and about 70% of them were field workers from Indonesia.

2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from company owned estate that is certified and third party. Details of the FFB contribution from each source to the Ribubonus Palm Oil Mill are shown in the following tables:

Table 1: Actual FFB production by the supply base for the last reporting period
(June 2015 to May 2016)

| Estates | FFB Production | |
|-----------------------------|-------------------|----------------|
| | Tonnes | Percentage (%) |
| Ribubonus Estate | 71,103.14 | 47.7.5 |
| Third Party (Non-certified) | 77,800.34 | 52.25 |
| Total | 148,903.48 | 100.00 |

Table 2: Projected FFB production by supply base for the next reporting period
(June 2016 to May 2017)

| CU own estate | FFB Contribution | |
|-------------------------------|-------------------|----------------|
| | Tonnes | Percentage (%) |
| Ribubonus Estate | 74,516.00 | 44.63 |
| Other Supply Bases | | |
| Third parties (non-certified) | 92,451.00 | 55.37 |
| Grand Total | 166,967.00 | 100.00 |

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
(June 2015 to May 2016)

| | Total (MT) |
|-------------------------------------|------------|
| FFB Received | 148,903.48 |
| FFB Processed | 148,855.80 |
| CPO Production | 33,911.34 |
| PK Production | 5,862.60 |
| CPO delivered as Mass Balance | 1,063.77 |
| CPO delivered as non-RSPO certified | 32,670.96 |
| PK delivered as Mass Balance | 2,819.99 |
| PK delivered as non-RSPO certified | 2,966.49 |

PUBLIC SUMMARY REPORT

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
(June 2016 to May 2017)

| | Total (MT) |
|-------------------------------------|------------|
| FFB Received | 166,967.00 |
| FFB Processed | 166,967.00 |
| CPO Production | 37,139.26 |
| PK Production | 6,752.02 |
| CPO delivered as Mass Balance | 16,577.72 |
| CPO delivered as non-RSPO certified | 20,561.54 |
| PK delivered as Mass Balance | 3,012.92 |
| PK delivered as non-RSPO certified | 3,739.10 |

Table 5: Planted and certified area of the CU

| Estate | Planted (ha) | Certified (ha) |
|------------------|-----------------|-----------------|
| Ribubonus Estate | 2,729.62 | 3,262.00 |
| Total | 2,729.62 | 3,262.00 |

Table 6: Planting profile for Ribubonus CU

| <u>Estate</u> | <u>Year of establishment</u> | <u>Mature (Ha)</u> | <u>Immature (Ha)</u> | <u>Planted area</u> | <u>% of planted area mature</u> | <u>% of planted area immature</u> |
|------------------|------------------------------|--------------------|----------------------|---------------------|---------------------------------|-----------------------------------|
| Ribubonus Estate | 2000 | 219.08 | - | 219.08 | 8.03 | - |
| | 2001 | 1,533.39 | - | 1,533.39 | 56.18 | - |
| | 2002 | 944.78 | - | 944.78 | 34.61 | - |
| | 2007 | 17.85 | - | 17.85 | 0.65 | - |
| | 2009 | 14.52 | - | 14.52 | 0.53 | - |
| Total | | 2,729.62 | - | 2,729.62 | 100.00 | - |

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

| | | |
|-----------|---|---|
| Name | : | Simon Siburat |
| Position | : | GM Group Sustainability |
| Address | : | PBB Oil Palms Berhad Sabah Operation, Lot 1A, KM 15, Jalan Labuk, Locked Bag 34, 90009 Sandakan, Sabah |
| Phone no. | : | 086-672 852 |
| Fax no. | : | 086-670 260 |
| Email | : | simon.siburat@my.wilmar-intl.com |

The Ribubonus mill hold the certificate for ISCC and ISO 22000.

3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

There was no changes to the certified products since last assessment.

3.2 Time bound plans including changes and reasons for the changes see below

| | Yes | No | If yes, state reasons/justifications |
|--------------------------|--------------------------|-------------------------------------|--------------------------------------|
| - acquisitions/disposals | <input type="checkbox"/> | <input checked="" type="checkbox"/> | _____ |

PUBLIC SUMMARY REPORT

- emergence/re-emergence of land disputes _____
- labour conflicts _____

3.3 Overall comment in terms of acceptance or non-acceptance on the changes in the time-bound plan (including details of non-adherence or the conditions justifying a time-bound plan have changed)

PPB owned and operates 6 palm oil mills in Sabah and 2 palm oil mills in Sarawak respectively. The fruits for the 6 mills in Sabah were supplied by 13 oil palm estates while 4 estates supplied their fruits to the 2 mills in Sarawak. PPB has been on schedule with the time bound plan for the certification of all the CUs. To-date, all the 8 CUs (palm oil mills) had been certified to the RSPO MY-NI P&C.

3.4 All associated smallholders (including scheme smallholders) where their fruit supply is included , by the mill, are audited within 3 years from when their fruit was first included in the mill certification. Yes No

If no, please state reasons N/A as there is no associated smallholders supplying FFB to the CU.

3.5 Any new acquisition which has replaced primary forests or HCV areas Yes No

3.6 Other changes (e.g. organizational structure, new contact person, addresses, etc.)

Construction of biogas system at Ribubonus POM is still in progress since 6 August 2015. During this audit, earthworks and zone preparation for both system still in-progress. Expected to be completed by December 2016.

3.7 Status of previous non-conformities *

Closed Not closed

* If not closed, minor non conformity will be upgraded to major non conformity

3.8. Complaint received from stakeholder (if any)

There was no complaint received from stakeholders except from workers related with quarter's maintenance. There were various stakeholders interviewed during this assessment comprising of local community, sundry shop, workers and contractors / suppliers. Generally, all of the stakeholders had given positive feedback towards Ribubonus CU.

PUBLIC SUMMARY REPORT

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) (details refer to Attachment 4) List : 3 MRS 01 2016, MZK 01 2016 & STK-1.2016
Total no. of major NCR(s) (details refer to Attachment 4) List : 0 NA

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s) List : 0 NA
Total no. of major NCR(s) List : 0 NA

5.0 AUDIT CONCLUSION

The audit team concludes that the organisation has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

6.0 RECOMMENDATION

[] No NCR recorded. Recommended to continue certification.

[x] Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs.

[] Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.

[x] Recommended to continue certification.

[] Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader : MOHD RAZMAN SALIM

[Handwritten Signature]

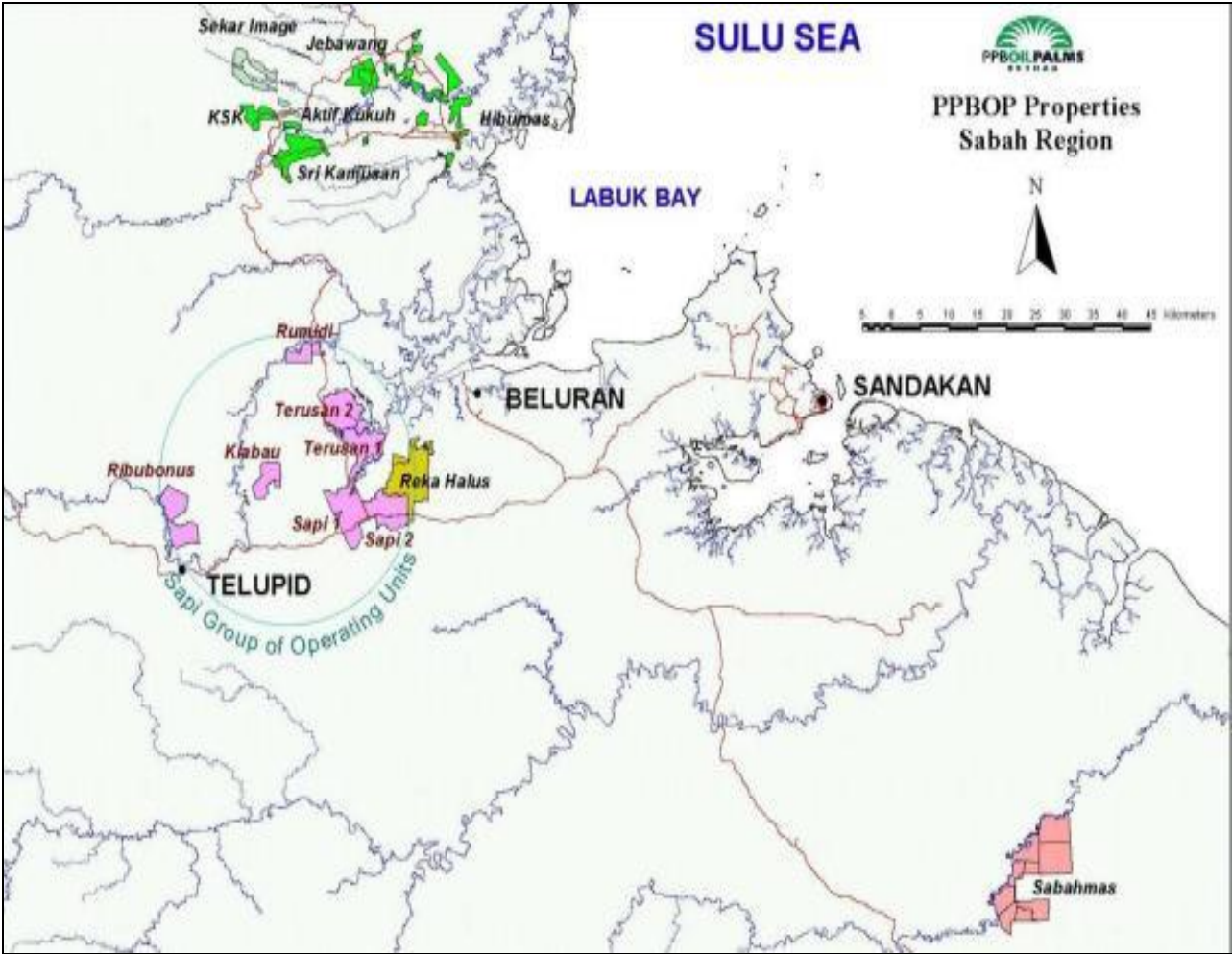
29/8/2016

(Name)

(Signature)

(Date)

Map of Ribubonus CU



PUBLIC SUMMARY REPORT

Attachment 2

SIRIM QAS INTERNATIONAL SDN. BHD.

RSPO SURVEILLANCE 1 AUDIT PLAN

1. **Objectives**

The objectives of the assessment are as follows:

- (i) To evaluate Ribubonus Certification Unit continued conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI) and RSPO Supply Chain Requirements
- (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** : 22 - 24 June 2016

3. **Site of assessment** : Ribubonus CU

- Ribubonus Palm Oil Mill
- Ribubonus Estate

4. **Scope of Certification** : Production of crude palm oil and palm kernel using mass balance model

5. **Reference Standard** :

- a. RSPO P&C MYNI: 2014
- b. RSPO Supply Chain Standard, 2014
- c. Company's audit criteria including Company's Manual/Procedures

6. **Assessment Team**

Assessor: Mohd Razman Salim
Mohd Zulfakar Kamaruzaman
Selvasingam T Kandiah
Ismail Ibrahim

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

7. **Audit Method**

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

8. **Audit Findings**

Audit findings shall be classified as major and/or minor.

Major non conformities shall be addressed within 60 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 60 days, the certificate shall be terminated. Recurrence of major non-conformities on the same issues shall be recommended for immediate suspension. Minor non-conformities shall be upgraded to major non-conformities if the corrective actions taken are not satisfactorily and effective.

For minor non conformities raised in the surveillance audit, corrective action plans shall be submitted within 60 days. Verification of implementation of corrective actions will be carried out during the next audit. If corrective action plans to address the minor non-conformity(ies) are not submitted within 60 days, the RSPO certificate will be recommended for suspension. If corrective action plans are not submitted within a further 60 days, the RSPO certificate will be recommended for termination.

PUBLIC SUMMARY REPORT

9. 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.

10. Conflict of interest

Auditors have not been employed by the organization concerned nor provided consultancy services relating to the development of its system in the past five years and next five years.

11. **Working Language** : English and Bahasa Malaysia

12. Reporting

- a. Language : English
- b. Format : Verbal and written
- c. Expected date of issue : 30 days
- d. Distribution list : Client file

13. 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

14. **Assessment Programme Details** : As shown below

| Day 1: 22 June 2016 (Wednesday) | | | |
|---------------------------------|---|--|-----------------------------|
| Time | Activities / areas to be visited | | |
| 9.00 – 10.00 am | <p>Opening meeting at Ribubonus Estate Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following :</p> <ol style="list-style-type: none"> 1) RSPO implementation at Ribubonus CU (i.e. mill & supply base) including changes 2) Time bound plan for PPB Oil Palms Berhad 3) Significant changes on organization activities, machinery, supply bases capacity etc. | | Top mgmt & Committee Member |
| | Razman | Zulfakar | |
| 10:00 – 12:00 pm | <p style="text-align: center;"><u>Ribubonus Estate</u></p> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Inspection of protected sited with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Facilities at workplace | <p style="text-align: center;"><u>Ribubonus Estate</u></p> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors | Guide(s) for each assessor |

PUBLIC SUMMARY REPORT

| | | | |
|-----------------|---|--|----------------------------|
| | <ul style="list-style-type: none"> • Training and skill development programmes • Continuous improvement | <ul style="list-style-type: none"> • Linesite inspection • Training and skill development programmes • Continuous improvement | |
| 12.00 – 1.00 pm | Break | | |
| 1.00 – 5.00 pm | Continue assessment | | Guide(s) for each assessor |

Day 2: 23 June 2016 (Thursday)

| Activities /areas to be visited | Razman | Zulfakar | Selvasingam | |
|---------------------------------|--|--|---|----------------------------|
| 9.00 – 12.00 pm | <p align="center"><u>Ribubonus POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Inspection of protected sited with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement | <p align="center"><u>Ribubonus POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors • Linesite inspection • Training and skill development programmes • Continuous improvement | <p align="center"><u>Ribubonus Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement | Guide(s) for each assessor |
| 12.00 – 1.00 pm | Break | | | |
| 1.00 – 5.00 pm | Continue assessment | | | Guide(s) for each assessor |

PUBLIC SUMMARY REPORT

| Day 3: 24 June 2016 (Friday) | | | | | |
|--|--|--|---|---|-----------------------------------|
| Activities /areas to be visited | Razman | Zulfakar | Selvasingam | Ismail | |
| 9.00 am – 12.00 pm | <p align="center"><u>Ribubonus POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Inspection of protected sited with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement | <p align="center"><u>Ribubonus POM</u></p> <p>Coverage of assessment: P1, P2, P4, P5, P6, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors • Linesite inspection • Training and skill development programmes • Continuous improvement | <p align="center"><u>Ribubonus Estate</u></p> <p>Coverage of assessment: P1, P2, P3, P4, P7, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement | <p align="center"><u>Ribubonus POM</u></p> <p>Supply Chain Implementation including the model used</p> <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims | Guide(s) for each assessor |
| 12.00 – 2.00 pm | Break & Friday Prayer | | | | |
| 2.00 – 4.00 pm | Audit team discussion, preparation on audit findings and issuance of NCR (if any) | | | | |
| 4.00 – 5.00 pm | Closing meeting | | | | Top management & Committee member |

PUBLIC SUMMARY REPORT

Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS

Principle 1: COMMITMENT TO TRANSPARENCY

| Clause | Indicators | Comply Yes/No | Findings |
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| C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | 1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. | YES | During this audit, the CU had maintained management documents relating to environmental, social and legal issues that were relevant to compliance with RSPO Criteria as specified in the Criterion. Records on requests for information or for these documents were maintained. Written SOP for stakeholders' consultation and a Public Information Request Form were established and made available to any interested parties. Ribubonus CU had provided adequate information upon request for information on environmental, social and/or legal issues to relevant stakeholders for effective participation in decision making by conducting annual stakeholder meeting. The last stakeholder meeting was conducted in May 2016 and attended by relevant stakeholders. Noted that there was no contractor participated in the meeting although invitation had been sent out by the CU. |
| | 1.1.2 Records of requests for information and responses shall be maintained. Major Compliance | YES | Ribubonus POM - DOSH Visitor Book has been verified. There were notices issued by DOSH in Mar 2016, and the mill has replied to DOSH for the said cases accordingly. Noted that DOSH has closed the case. Ribubonus Estate - No request of records by any stakeholders with regards of agriculture practice, safety and environmental at the Ribubonus Estate. |
| C 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. | 1.2.1 Land titles/user rights; | YES | There was no restriction to the documents made available to the public except those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. The CU complies with the terms of the land title which is for agricultural purpose. |
| | Occupational health and safety plans; | YES | An OHS plan 2016 – dated Jan 2016, was available at the CU. |
| | Plans and impact assessments relating to environmental and social impacts; | YES | On the environmental impacts assessment, the CU is monitoring the environmental impacts through its Environmental Compliance Report carried out 4 months once. The social impact assessment for Oil Palm Plantations and Palm Oil Mill is available and sighted. |
| | HCV documentation summary; | YES | The HCV assessment dated Feb 2009 and the HCV Monitoring and Management Action Plan 2016, were made available at the Ribubonus Estate during the audit. |
| | Pollution prevention and reduction plans; | YES | Sighted at Ribubonus Estate, Waste and Pollution identification, Prevention, Mitigation and enhancement Plan – updated in May 2016, Waste Management Plan updated in Jan 2016 and approved by Estate Manager. For Ribubonus POM sighted the Significant Environmental Aspects and Impacts Mitigation Plan (Methods) with the control measures in the form of Procedures, Equipment / Material, Training / Communication for each operating stations. Pollution Prevention Plan 2016 dated Jan 2016 was developed to prevent the pollution. |
| | Details of complaints and grievances; | YES | Details of complaint and enquiry files in the CU were examined. Minutes of Meeting Workers Social and Welfare dated in Mar 2016 and Meeting of Women and Children Committee in May 2016 was verified and found no records on disputes. |
| | Negotiation procedures; | YES | The procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" was established since Nov 2008. |
| | Continual improvement plans; | YES | The EIA Action Plan has been established. The requirement for continual improvement of its environmental performance has been addressed. Continual improvement plan for social is available for public. Cross refer to C8.1.1 |
| Public summary of certification assessment report; | YES | The public certification summary of Ribubonus CU is available in http://www.sirim-qas.com.my/attachments/article/546/Public%20Summary%20RA%20Sri%20Kamusan%202016.pdf | |

PUBLIC SUMMARY REPORT

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| | | Human Rights Policy; | YES | Wilmar Human Right Policy dated June 2014 is available at the estate. The policy was signed by the Group Plantation Head. The awareness among all levels of the workforce and operations were conducted during the muster briefing. |
| C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions. | 1.3.1 | There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be doc. and comm. to all levels of the workforce and operations. Minor Compliance | YES | A written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations was made available at Ribubonus Estate. |

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

| Clause | Indicators | Comply Yes/No | Findings |
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| C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations. | 2.1.1 Evidence of compliance w relevant legal requirements shall be available. Major Compliance | YES | <p>Ribubonus CU had complied with all the applicable local, national and ratified international laws and regulations. As per the requirement in the land title, all land was utilized for planting oil palm. Relevant licenses and permits such as MPOB license, Trading License, Energy Commission and Domestic Trade Ministry for diesel and fertilizer storage were valid.</p> <p><u>NADOPOD</u> Ribubonus POM - There were 3 accidents occurred since last audit with MC < 4 days. The JKPP 8 form was sent to DOSH accordingly on 22/1/2016. The investigation was carried out by the secretary of SHC on the same day.</p> <p>Ribubonus Estate - There were 7 accidents occurred since last audit with 1 case - MC > 4 days and 6 cases - MC < 4 days. The JKPP 6 and JKPP 8 were sent to DOSH accordingly on 21/6/2016 and 19/1/2016 respectively. The investigation was carried out by the secretary of SHC on the same day.</p> <p><u>Notification, Certificate of Fitness and Inspection, Regulations 1970</u> DOSH had conducted general inspection at Ribubonus POM in Mar 2016. However, the certificates of fitness for all machineries have yet to be received from DOSH. The previous certificates of fitness were valid until June 2016.</p> <p><u>Electric Supply Act 1990 , Electrical Regulations 1994</u> Inspection by visiting engineer on monthly basis was carried out. Latest inspection was conducted in June 2016.</p> <p><u>Noise Exposure Regulations 1989</u> Monitoring of noise levels was conducted in June 2016.</p> <p><u>USECHH Regulation 2000</u> Medical surveillance for Ribubonus POM was conducted in June 2016.</p> <p><u>Environment Quality Act 1974</u> Section 49A – competent person for ETP, air pollution control and schedule waste available.</p> <p><u>EQ (Prescribed Premise) Crude Palm Oil Regulations 1977</u> Valid DOE License was available. The mill capacity is 30 MT/hr and the discharge method of the treated effluent is to land irrigation and composting. Quarterly reports were submitted to DOE. Reports were reviewed during the audit and the results indicated that all parameters were within the regulatory limit.</p> <p><u>Air monitoring</u> Black smoke – verified and below the limit. Particulate – stack sampling has been consistently carried out twice per year.</p> <p><u>FM (Person In Charge)(Amendment) Regulation 2014</u> Ribubonus mill had complied with new amendment of this regulation.</p> <p><u>Electric Supply Act 1990 , Electrical Regulations 1994</u> Valid License for capacity 1200 kW valid until Nov 2016 was reviewed.</p> |

PUBLIC SUMMARY REPORT

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| | 2.1.2 | A documented system, which includes written information on legal req. is maintained. Minor Compliance | NO | Ribubonus POM and Ribubonus Estate have their own legal register which has the information about all the applicable legal requirements. A comprehensive Legal Register had been established since Dec 2008 and latest updates on Apr 2016. However, it was noted that the legal register had not included the Electricity Supply (Amendment) Act 2015. Thus, a Minor NCR MRS 01 2016 was raised. |
| | 2.1.3 | A mechanism for ensuring compliance shall be implemented. Minor Compliance | YES | The legal register has also been used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the CU had the information about the status of legal compliance. Appropriate action shall be taken should there be any non-compliance found. |
| | 2.1.4 | A system for tracking any changes in the law is implemented. Minor Compliance | YES | Changes to law and regulation were monitored by the Group Sustainability Department. Various sources were referred to in obtaining information about the updates of legal requirements such as industrial association, seminar/conference, law books, government agencies websites, etc |
| C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights | 2.2.1 | Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land is available. Major Compliance | YES | Land title is available at Ribubonus Estate. Ribubonus Estate had a 99 year lease on the land from the Sabah State government and the condition of the lease is for 'Agriculture Purpose'. There was no land dispute. Ribubonus Estate continued to be the legal owner and have relevant proof of ownership of the land in the audited estate. |
| | 2.2.2 | There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance | YES | Physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, neighbouring private oil palm estate and forest reserves. Visits to the boundaries with Twin Acres (outgrowers) and Bukit Kuamas Forest Reserve confirmed that the boundary pegs were visible. The estate has also planned to carry out maintenance of the boundary pegs this year. |
| | 2.2.3 | Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with FPIC. Minor Compliance | YES | There is no dispute recorded at the Ribubonus POM and Ribubonus Estate. It has been confirmed during consultation with the local communities. |

PUBLIC SUMMARY REPORT

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| | 2.2.4 | There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance | YES | During the audit, it was noted that there was no land conflict at the Ribubonus POM and Ribubonus Estate. |
| | 2.2.5 | For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties. Minor Compliance | YES | As described under Indicator 2.2.4, there was no land dispute at Ribubonus POM and Ribubonus Estate. The use of the land for oil palm by Ribubonus CU had not diminished the legal rights, or customary rights, of the communities and other users. |
| | 2.2.6 | To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned op. Major Compliance | YES | There is no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. |
| C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent. | 2.3.1 | Maps of an appropriate scale showing the extent of recognised legal, customary or user rights shall be developed through participatory mapping involving affected parties. Major Compliance | YES | There was no land conflict at the Ribubonus POM and Ribubonus Estate. |
| | 2.3.2 | Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) shall be available and shall include: a) Evidence that a | YES | Since there was no case involving land disputes in Ribubonus POM and Ribubonus Estate, this indicator is therefore not applicable. |

PUBLIC SUMMARY REPORT

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| | | <p>plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p> | | |
| | 2.3.3 | <p>All relevant info is available in appropriate forms and languages, incl. assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p> | YES | This indicator is not applicable as there was no land dispute in the CU. |

PUBLIC SUMMARY REPORT

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| | 2.3.4 | Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance | YES | This indicator is not applicable as there was no land dispute in the CU. |
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Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

| Clause | Indicators | Comply Yes/No | Findings | |
|---|------------|---|----------|---|
| C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability. | 3.1.1 | A business or management plan (min. 3 years) is documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance | YES | Ribubonus Estate continues to be committed to long-term economic and financial viability. The estate had management plans in their current year's budgets and projections. The annual budget and projection were prepared on annual basis. The cost of production and expenditure is reviewed on an on-going basis. The parameters monitored included CAPEX and Operating costs. The operating expenditure included expenditure for replanting, mature and immature oil palm upkeep, administration cost, housing and machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training. The budget for 2016 and projections until year 2025 were made available to the auditors. |
| | 3.1.2 | An annual replanting programme projected for a min. of 5 years (but longer where nec. to reflect the management of fragile soils), with yearly review, is available. Minor Compliance | YES | All palms in Ribubonus Estate were First Generation Palms planted between the years 2000 and 2009. As such there will no replanting for the next few years. The earliest replanting could be in 2025. |

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

| Clause | Indicators | Comply Yes/No | Findings | |
|--|------------|---|----------|--|
| C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored | 4.1.1 | Standard Operating Procedures for estates and mills is documented. Major Compliance | YES | Ribubonus CU continues to use the company SOPs. The agriculture manual provided guidance on Pre-Development Survey, assessment and planting, oil palm nursery, oil palm replanting practices, land clearing, establishment and maintenance of legume covers, oil palm planting, upkeep, FFB harvesting and etc. |
| | 4.1.2 | A mechanism to check consistent impl. of procedures shall be in place. Minor Compliance | NO | Ribubonus CU had in place the mechanism to check consistent implementation of procedures. The implementations were monitored through on-site visits (PA visits and Agronomist visits), inspections and discussions with relevant personnel and the conduct of internal audits and RSPO audits. Random interview with the workers showed that they understood the requirement stated in the SOPs. For example, the harvesting standards and chemicals usage had been properly understood by the interviewed harvesters, workers who applied fertilizer and sprayers. Noted that req. in the Palm Trunk Maintenance was not complied with. The palms in Block 05 had large number of epiphytes on their trunks. Thus the Minor NCR STK 01 was issued. |

PUBLIC SUMMARY REPORT

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| | 4.1.3 | Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance | YES | Records of monitoring and the actions taken in Ribubonus Estate were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were available. Among those records sighted at the estates included Work Program Sheets, Bin cards, Monthly Progress & Report Account, rainfall data, pest census, etc. Records on FFB quality control for individual harvesters, the action taken on them and corrective action records were sighted. Harvesting rounds were monitored using harvesting interval records. |
| | 4.1.4 | The mill shall record the origins of all third-party sourced FFB. Major Compliance | YES | Ribubonus POM had recorded every lorry load of FFBs entering Ribubonus POM based on dispatch note issued by the supplier. On the receiving of FFBs (certified and non-certified), the Mill Security is responsible to check on the seal and condition of the incoming FFB by checking on the dispatch note issued by the supplying estate. The Weighbridge Clerk then referred to the list of RSPO certified supply base to determine the status of the estate for the in-coming FFBs. |
| C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield. | 4.2.1 | There shall be evidence that good agri practices, as contained in SOPs, are followed to manage soil fertility to level that ensures opt. and sustained yield. Minor Compliance | YES | Fertilizer application was of paramount importance for maintenance of soil fertility and the estates continued to apply fertilizers as per EMU recommendations made by Head of R&D Department. Annual fertilizer recommendations were made based on annual foliar sampling. |
| | 4.2.2 | Records of fertiliser inputs is maintained. Minor Compliance | YES | Records of programs and applications of fertilizers were made available to the auditors. There were no immature palms in Ribubonus Estate. |
| | 4.2.3 | There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance | YES | From the Agronomist report, it was established that the estate continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling for the nutrients N, P, K, Mg, Ca & B had been carried out and the result was used as the basis for the fertilizer recommendations to maintain and to improve soil fertility. The last foliar sampling was carried out in March 2016. Results of which would be the basis for the formulation of the fertilizer recommendation for 2017. |
| | 4.2.4 | A nutrient recycling strategy shall be in place, and may include use of EFB, POME, and palm residues. Minor Compliance | YES | Ribubonus Estate continued to have a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB, POME and bunch ash application. |
| C 4.3 Practices minimize and control erosion and degradation of soils. | 4.3.1 | Maps of any fragile/marginal soils shall be available. Major Compliance | YES | Based on the soil map study, it was noted that the soil series at the estate consisted of Paniakan/Ambun/Binuang, Katai/Sinsulod, Baiayo/Serai, Binuang/Pinianakan, Katai/Nobusu, Krah/Serai and Paliu. |
| | 4.3.2 | A mgmt strategy shall be in place for plantings on slopes bet. 9 & 25' unless specified otherwise by the co.'s SOP. Minor Compliance | YES | The management strategy for plantings on slopes is defined in the Agriculture Manual. Among the practices which shall be carried out are establishment of riparian reserve at natural waterways, establishment of cover crop, construction of terrace and construction of bunds at 20 m intervals along the terrace. It was observed that areas undulating and hilly had been terraced. Slopes especially along some road side had well established <i>Mucuna bracteata</i> . Ribubonus Estate had only 0.02% of its area >25 degrees with 90% of it being flat and undulating. Ribubonus Estate had monitored soil erosion by having a monitoring point in an open area. |

PUBLIC SUMMARY REPORT

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| | 4.3.3 | A road maintenance prog. shall be in place. Minor Compliance | YES | During the field visit, it was noted roads condition were well maintained. The accessibility was made possible by regular maintenance. A road maintenance programme which consisted of road resurfacing, grading & compacting and culvert maintenance was established. The financial support for these programs were sighted in the annual budget. |
| | 4.3.4 | Subsidence of peat soils is minimised and monitored. A documented water and ground cover management prog. shall be in place. Major Compliance | YES | Ribubonus had 1.32% of Krah/Serai series which was considered as peat. The subsidence of the area was minimised mainly through drainage management. The estate had started to monitor the subsidence rate of the area with effect from March 2016. The estate also retained water in the drains by having bunds with the drainage system well managed. |
| | 4.3.5 | Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance | YES | Due to small size of the peat area, drain ability assessment is not necessary. Nonetheless, the drainage system was found to be well maintained. |
| | 4.3.6 | A mgmt strategy shall be in place for other fragile and prob. soils. Minor Compliance | YES | The management strategy was in place for the marginal Baiayo/Serai soils (sandy). Application of EFB was carried out accordingly. |
| C 4.4 Practices maintain the quality and availability of surface and ground water. | 4.4.1 | An implemented water management plan shall be in place. Minor Compliance | YES | Water Management Plan for the estate was made available to the audit team. The document was prepared and reviewed on yearly basis. The plan included Monitoring of water consumption, Workers awareness and education programme, Ensuring piping system is in good condition, Water sufficient landscape and Vehicles were washed only once a week. |
| | 4.4.2 | Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones is demonstrated. Major Compliance | YES | There is a procedure established for protection of riparian belts along the major rivers. The riparian buffer belts were marked out on maps. During site inspection at Ribubonus Estate it was confirmed that the riparian buffer zone boundary had been identified with signboard. Oil palm trees in buffer zone were ring sprayed with red paint at the trunk along the river bank to differentiate them with the other non-riparian zone oil palm trees. |
| | 4.4.3 | Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national reg. Minor Compliance | YES | Records of effluent treatment monitoring and Quarterly reports to DOE were checked during the audit. License from DOE had indicated that for land irrigation the BOD shall be less than 20 mg/l. From the review of the above records, it can be confirmed that the BOD results were less than that stipulated limit. |
| | 4.4.4 | Mill water use/MT FFB is monitored. Minor | YES | The mill water usage per tonne of FFB was monitored. |

PUBLIC SUMMARY REPORT

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| C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. | 4.5.1 | Implementation of IPM plans is monitored. Major Compliance | YES | Ribubonus Estate had in place documented the IPM plans which covered monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan also advocated single layer EFB mulching in order to prevent the breeding of rhinoceros beetles. Rat baiting census will be conducted only when and where damage was above threshold levels. |
| | 4.5.2 | Training of those involved in IPM implementation shall be demonstrated. Minor Compliance | YES | Training on IPM implementation was being carried out in May 2016. |
| C 4.6 Pesticides are used in ways that do not endanger health or the environment | 4.6.1 | Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target and which have minimal effect on non-target species is used where available. Major Compliance | YES | Justification of the use of pesticides had been documented. The use of selective products that are specific to the targeted pest, weed or disease had been defined accordingly in the company manual. |
| | 4.6.2 | Records of pesticides use (incl. active ingredients used and their LD50, area treated, amount of active ingr. Applied/ha and no. of app.) is provided. Major Compliance | YES | Ribubonus Estate continued to record areas where pesticides had been used. Pesticides were used only when justified and as programmed. Records of pesticides used by area, quantity used, hectares applied and Ai/Ha were made available to auditors. Records were found in store issue chits, bin cards, program sheets, SAP system, field cost books and progress reports. The LD50 was available in the MSDS. |
| | 4.6.3 | Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance | YES | The estate continued to manage pests, other than weeds at below threshold levels as per the IPM plan. The estate in order to minimize pesticide usage did not carry out calendar baiting of rats. Rat baiting was only carried out as and when required and only in areas where census showed damage above threshold level. Further, in order to minimize the use of weedicide, only spraying of circle and paths had been carried out. Spraying is only carried as per program. Weeds in the inter rows were mainly slashed with minimum spraying. No chemicals were used for VOP control. The VOPs were manually removed. EFB was applied in single layers and not dumped in large amounts to prevent breeding of Rhinoceros Beetles. This action is also help to minimise the use of pesticides. Prophylactic use of pesticides was not observed. |
| | 4.6.4 | Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam | YES | All the pesticides used were those registered under the Pesticides Act 1974 (Act 149). The list of approved pesticides was available for reference. The list, entitled " <i>Senarai Racun Makhluk Perosak Berdaftar</i> " was sourced from Department of Agriculture Official Website [http://www.doa.gov.my/web/guest/senarai_racun_perosak_berdaftar]. The use of paraquat in the estate had ceased since 2008 and was replaced by a systemic herbicide. A policy statement signed by the Managing Director is available. |

PUBLIC SUMMARY REPORT

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| | | Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Reg. (2000). Minor Compliance | | |
| | 4.6.5 | Pesticides shall only be handled, used or applied by persons who have completed the necessary training and always be applied in acc. with the product label. App. safety and application equip. is provided and used. All precautions attached to the prod. is properly observed, applied & understood by workers. Major Compliance | YES | Records showed that pesticides were handled by trained persons and used as per the MSDS/CSDS of the pesticide. As mentioned under Indicator 4.6.1, the estate had the SOPs for safe-handling of pesticides. Appropriate safety and application equipment had been provided and used as per the CHRA which was reviewed in Jan 2015. The staff and workers such as the storekeepers, sprayers and those workers apply the fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors. It was also observed that PPE was used by workers working in the fields. From the interviews with the workers and staffs in the fields and stores clerk, it was demonstrated that they had been trained and were aware of safe handling procedures. Trainings on spraying which included the safety aspects and usage of PPE when handling pesticides were carried in Jan-Apr 2016. Records of training were available for verification. |
| | 4.6.6 | Storage of all pesticides is according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes. Pesticides | YES | Noted that in Ribubonus Estate, no outbreaks of pest and disease occurred. The chemical store in Ribubonus Estate was observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The stores were equipped with exhaust fans and secured through locks which were kept by the store keeper. Only authorized personnel were allowed to handle the chemicals. The chemicals were stored and segregated accordingly and fertilizers were well stacked. Relevant MSDS/SDS were available in the store. Adequate 'Safety Signage' have been placed in the store. Proper premixing area, eye wash bottles and washing area were provided. It was noted that waste water from washing of chemical containers was directly poured into the tank for spraying mixture. Bathing area for sprayers were provided at workers' |

PUBLIC SUMMARY REPORT

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| | shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance | | quarters/ linesites. Triple rinsing of the empty pesticides containers was continually implemented. The rinsed containers were pierced and stored prior disposing. Record of the purchase, storage and use had been properly maintained. |
| 4.6.7 | App. of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance | YES | Noted that in Ribubonus Estate, no outbreaks of pest and disease occurred. The chemical spraying method was based on risk assessment result (HIRARC) where workers are required to wear PPE to minimise the risk. The HIRARC was updated in June 2016. |
| 4.6.8 | Pesticides shall be applied aerially only where there is doc. justification. Communities is informed of impending aerial pesticide app. with all relevant information within reasonable time prior to application. Major Compliance | YES | Aerial spraying was not practiced at all PPB estates and there was no evidence to show that this has been carried out in the Ribubonus Estate. |
| 4.6.9 | Evidence of continual training to enhance knowledge and skills of employees & associated s/holders on pesticide handling is demonstrated or made available. Minor Compliance | YES | Training on pesticide/chemical handling was last done in May 2016. The training included the safety aspects and usage of PPE when handling with pesticides and herbicides. Record of training was available for verification. From interviews with the staff and workers such as the storekeepers, sprayers and workers who applied fertilizers, it was evident that they have been trained and understood the hazards involve and how the chemicals should be used in a safe manner. |
| 4.6.10 | Proper disposal of waste material, acc. to proc. that are understood by workers & managers is demonstrated. Minor Compliance | YES | The handling of scheduled wastes were in accordance with the established procedure. |
| 4.6.11 | Specific annual medical surveillance for pesticide operators, and | YES | Medical surveillance for Ribubonus POM was conducted competent consultant on June 2016. Ribubonus Estate has conducted the medical surveillance on Mar 2015. |

PUBLIC SUMMARY REPORT

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| | | documented action to treat related health conditions, shall be demonstrated. Major Compliance | | |
| | 4.6.12 | No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance | YES | Pregnant and breast-feeding women are not allowed to work with Pesticides & Hazardous Chemicals. The Medical Assistant (MA) conducted the check and determine whether female workers are pregnant. The check was carried out on monthly basis. Medical records for 6 female workers involving in chemical spraying in Ribubonus Estate were verified. It was confirmed that no breast-feeding or pregnant women was handling with chemicals including pesticides. |
| C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall cover the following: | 4.7.1 | An occupational health and safety policy shall be in place. An OSH plan covering all activities is doc. and implemented, and its effectiveness monitored. Major Compliance | YES | Ribubonus CU had adopted the PPB Group's Occupational Health Safety policy, dated Sep 2010 and signed by the Group Plantation Head & the Group CSR Head. To meet the commitment of this policy, an OSH plan and related programmes for the mill and estate had been established. The policy, OSH plan and programmes had been communicated to all levels of the organization to provide clear directive of Occupational, Safety and Health throughout the company. |
| | 4.7.2 | All operations where health and safety is an issue is risk assessed, proc and actions shall be documented and implemented to addr. the identified issues. All precautions attached to products is properly observed and applied to the workers. Major Compliance | YES | Ribubonus POM - HIRARC had been established with the latest review carried out in June 2016. The hazards identification and risk assessment was carried out for all of its operations. CHRA was conducted in Sep 2012 by competent consultant. Ribubonus Estate - HIRARC has been established with the latest review carried out in June 2016. CHRA was conducted in Jan 2015 by competent consultant. |
| | 4.7.3 | All workers involved in the op is adequately trained in safe working practices. Adequate & appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous, pesticide, machine & land prep, harvesting and, if it is used, burning. Major Compliance | YES | Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. |

PUBLIC SUMMARY REPORT

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| | 4.7.4 | The responsible persons is identified. There shall be records of regular meetings bet. the responsible person and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised is recorded. Major Compliance | YES | Ribubonus POM - Safety and Health Committee Organization Chart 2016 was available. Quarterly Safety & Health Committee meeting was carried out with the Mill Manager as the chairman. Safety meetings minutes were verified. It was confirmed that all agenda were discuss accordingly. Ribubonus Estate - Safety and Health Committee Organization Chart 2015/2016 was available. Quarterly Safety & Health Committee meeting was carried out with the Senior Manager as the chairman. Minutes of meeting was verified. It was confirmed that all agenda were discuss accordingly. |
| | 4.7.5 | Accident and emergency proc shall exist and instructions shall be clearly understood by all workers. Accident proc shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid eq. is available at worksites. Records of all accidents shall be kept and reviewed. Minor Compliance | YES | Emergency Response Plan was established including the procedures on incident reporting, Bund Breakage, Suicide Attempt & prevention, Bush Fire, Fire Breakout in Mill, Chemical spillage, Flood, Injury and Illness, Poisoning, Workplace and Violence, Boiler Shutdown, CPO Pipe Burst & Fire, Exhaust Fire Explosion and Pipe Leak. Ribubonus POM - Internally trained First Aiders by the Medical Assistant conducted in June 2016. Staffs from various station have been trained. The mill had conducted a fire drill in Apr 2016. The evacuation time was monitored and the drill was supervised by the Mill Manager. Ribubonus Estate - Same as above. A fire drill was carried out in Aug 2015. The drill report was available for review. |
| | 4.7.6 | All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance | YES | Ribubonus CU had ensure all of their foreign workers are covered by insurance, valid until Dec 2016. Foreign workers were also covered by insurance as per Workmen Compensation Act 1952. All local workers are covered by SOCSO as required under Employee's Social Security Act 1969. |
| | 4.7.7 | Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance | YES | Ribubonus POM - Accident statistics were recorded and maintained. The information was also periodically reviewed during 'Health and Safety' committee meeting. For Lost Time Accident on 2015, the management recorded a total of 7 mandays. Accident without loss of man-days for January – May 2016 was 0 case. JKKP 8 was sent to DOSH on 22/1/2016. A total of 3 cases of accidents were recorded for 2015. Ribubonus Estate - Accident statistics are being maintained, recorded and periodically reviewed during 'Health and Safety' committee meeting. For Lost Time Accident for 2015, the management recorded a total of 6 mandays. Accident without loss of Man-days for January – May 2016 was 31 cases. JKKP 8 was sent to DOSH on 19/1/2016. A total of 33 cases of accidents were recorded for 2015. |

PUBLIC SUMMARY REPORT

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| C 4.8 All staff, workers, smallholders and contract workers are appropriately trained. | 4.8.1 | A formal training programme shall be in place that covers all aspects of the RSPO P&C, and that incl. regular assessments of training needs and document the prog. Major Compliance | YES | A formal training programme that covers all aspects of the RSPO Principles and Criteria was established in the 2016 Annual Training Programme. The training needs were identified annually. |
| | 4.8.2 | Records of training for each employee shall be maintained. Minor Compliance | YES | Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. Records of training for each employee were maintained at the office. |

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

| Clause | Indicators | Comply Yes/No | Findings | |
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| C 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 continual improvement. | 5.1.1 | An environmental impact assessment (EIA) shall be documented. Major Compliance | <p>Ribubonus POM - The Ribubonus POM had identified the environmental aspect and impact associated with its operation. The exercise was carried out by the mill staff and with the assistance of safety and sustainability department. Mitigation measures were established.</p> <p><u>Air pollution</u>: Dark smoke from boiler & Smoke from generator set.</p> <p><u>Water pollution</u>: Scheduled wastes generation from accidental spillage like machinery, Leachate from EFB stockyard & Land irrigation – accidental overflow due to heavy rain.</p> <p><u>Soil contamination</u>: Scheduled wastes generation.</p> <p>Ribubonus Estate - Identification environmental aspect and impact at Ribubonus Estate was done in June 2009. Among the environmental aspect and impact identified are: Soil erosion and water quality, Biomass disposal, Ecological Impacts, Human settlement Impacts, Usage of agrochemicals, Hazardous materials disposal & Abandonment.</p> | |
| | 5.1.2 | Where the id. of impacts req. changes in current practices, in order to mitigate negative effects, a timetable for change developed & impl. a comprehensive action plan. The action plan shall identify the responsible person. Minor Compliance | YES | <p>Ribubonus Estate - Waste and Pollution identification, Prevention, Mitigation and enhancement Plan for 2016 was updated in May 2016 and the Waste Management Plan was updated in Jan 2016. Both plans were approved by the Estate Manager. The plans included the Person(s) in charge and mitigating actions. A time table for monitoring has been established and is monitored on a timely basis.</p> <p>Ribubonus POM - Ribubonus POM has been established the action plan namely "Pollution Prevention Plan 2016". The management had monitored the progress of the action plan by appointed person In charge for each action plan.</p> |
| | 5.1.3 | This plan incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effect of the mitigation measures. The plan is | YES | A monitoring protocol was established and carried out at Ribubonus Estate by competent consultant. At the Ribubonus POM, the following up with the EAI, mitigation measure is defined and pollution prevention plan was developed. Sighted some of the issue was highlighted in the plan like GHG, milling operation, workshop operation and laboratory operation. |

PUBLIC SUMMARY REPORT

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| | | reviewed as a min. every 2 years to reflect the results of monitoring and where there are operational changes that may have positive and negative env. impacts. Minor Compliance | | |
| <p>C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p> | 5.2.1 | Information shall be collated in a HCV assessment that includes both the planted area itself and relevant landscape-level considerations. Major Compliance | YES | The HCVF assessment of the estate was completed in Feb 2009. The HCV Monitoring and Management Action Plan 2016, was presented to the auditor, together with the Action Plan for HCV Report. |
| | 5.2.2 | Where RTE species, or HCVs, are present or are affected by plantation or mill operations, app measures that are expected to maintain and/or enhance them is impl. through an action plan. Major Compliance | YES | Ribubonus Estate being bordered to Class1-Protection Forest had established linkages with the residual forest sites within the estate. The site was protected as HCV 4 sites and appropriate signage had been erected. There was only HCV 4 area identified in the Ribubonus Estate i.e. small river buffer zone from Sungai Labuk and a conservation area. Based on the wildlife survey report in June 2016 from HUTAN, there were numbers of RTE species found in the Ribubonus Estate. Among the RTE species identified were Crescent serpent eagle, Rhinoceros hornbill and Hill myna. These species also were classified as Class 2: Protected Species under Sabah Environment Protection Enactment 2002. The estate has planned to further discuss with HUTAN on the reported RTE species before listing these species in the HCV Monitoring and Action Plan. |
| | 5.2.3 | There shall be a programme to regularly educate the workforce about the status of these RTE species & appropriate disciplinary measures shall be instituted in acc with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance | YES | A training programme for year 2016 was available. An appropriate disciplinary measures was instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. |
| | 5.2.4 | Where an action plan has been created there shall be ongoing | YES | A continuous monitoring activities were conducted at the Ribubonus CU. The status of HCV and RTE species that are affected by plantation or mill operations were documented and reported. The outcomes from the Wildlife Survey from HUTAN will be review by management. |

PUBLIC SUMMARY REPORT

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| | | <p>monitoring:</p> <ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p> | | |
| | 5.2.5 | <p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p> | YES | There is no HCV set-asides with existing rights of local communities in Ribubonus CU. Therefore this indicator not applicable |
| C 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner. | 5.3.1 | <p>All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p> | YES | Ribubonus POM has established the action plan called the "Pollution Prevention Plan 2016". The progress of the each of the action plan was monitored by the appointed person-in-charge and reported to the management. For the Ribubonus Estate, the "Waste & Pollution Identification Prevention Mitigation & Enhancement Plan" was established. The management has appointed the relevant person-in-charge to handle and monitor the action plan defined in the 2016 Management Plan. Some of the wastes identified are recyclable wastes plastic, paper and metal sent to recycle centre. Residual of domestic waste other than recyclable item were collected and buried at the estate's landfill. |
| | 5.3.2 | <p>All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p> | YES | PPB Oil Palms Berhad has developed SOP ('Triple Rinsing Procedure') for managing the empty chemical containers through triple rinsing. Records were maintained and the auditor had verified disposal records for June 2016. All rinsed chemical containers were punctured and sold to approved buyer by the Agricultural Department Malaysia. |
| | 5.3.3 | <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p> <p>Minor Compliance</p> | YES | For the identified waste and pollutants, there were SOP and guideline established as to guide the waste disposal activities and to reduce pollution on the routine operation. Domestic wastes were disposed in the landfills managed by the estates. The mill process wastes had been disposed as follows; EFB - sent for mulching in the field, crop residue/biomass i.e. fibre -used as fuel in the boiler and shell – sold to third party. On the monitoring of effluent discharge, the monitoring was conducted on monthly basis. Samples were taken at the final discharge point. Result of analysis was found to be satisfactory and below the regulatory limit. The results were submitted to DOE on quarterly basis. On the scheduled waste, a SOP "Handling of Scheduled Waste" was established to guide the management of scheduled wastes. |
| C 5.4 Efficiency of fossil fuel use | 5.4.1 | <p>A plan for improving efficiency of the use of</p> | YES | Ribubonus Estate Ribubonus Estate has established management plan on efficiency use of fossil oil and optimize renewable energy. The plan |

PUBLIC SUMMARY REPORT

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| and the use of renewable energy is optimised. | | fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance | | was updated in June 2016 and was monitored on monthly basis. Ribubonus POM Environmental Management Program & Action plan 2016 where the fossil fuel reduction / optimization plan has been included. Program to reduce diesel consumption has been established. Among the program included the monitoring of the diesel generator running hours. A biogas plant is under construction to capture the methane gas generated from the effluent treatment plant. The biogas will be used in a biogas engine to produce electricity for mill and domestic use. The plant is expected to be commissioned by end of 2016. |
| C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice | 5.5.1 | There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Major Compliance | YES | There was no land prepared by burning at the Ribubonus Estate. The estate had adhered to the policy as per the Agricultural Manual and SOP. |
| | 5.5.2 | Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> . Minor Compliance | YES | There was no evidence that fire had been used for land preparation in Ribubonus Estate. The adhered to the policy as mentioned under 5.5.1. It was also noted that no replanting at the estate. |
| C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions. | 5.6.1 | An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent. | YES | Ribubonus Estate Ribubonus Estate has carried out the identification of environmental aspect and impact and evaluation of significance. The assessment had included all the activities in the estate, including gaseous emissions from genset and ferry. The information was reviewed in Apr 2015. The proposed mitigation plans are being monitored on a yearly basis. Ribubonus POM The dust emission from the boiler's chimney was monitored on quarterly basis. The dust emission was within the regulatory limit. |
| | 5.6.2 | Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance | YES | GHG emissions were identified to be generated from land conversion, crop sequestration, fertilizer, N2O from fertilizer, fuel consumption, and peat oxidation. Plans to reduce or minimize them are in place. It was noted that a biogas plant is under construction. |
| | 5.6.3 | A monitoring system shall be in place, with | YES | The CU is using the RSPO PalmGHG calculator as a tools to estimate the emissions of its GHG. The records pertaining for this calculation were kept and made available at the Ribubonus POM and Estate during this assessment. |

PUBLIC SUMMARY REPORT

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| <p>Growers and millers commit to an implementation period until the end of Dec 16 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p> | | <p>regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance</p> | | |
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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

| Clause | Indicators | | Comply Yes/No | Findings |
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| <p>C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, 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 continual improvement.</p> | 6.1.1 | <p>A social impact assessment including records of meetings is documented. Major Compliance</p> | YES | <p>A Social Impact Assessment for Ribubonus CU for Palm Oil Plantations and Ribubonus Palm Oil Mill was conducted in 2009. This SIA report was used as the basis for managing social issues in the CU. The report was prepared with the participation of the relevant stakeholders including the estate workers, governmental agencies, local businesses, panel OHD doctor, contractors/suppliers, and neighbouring local communities and out growers.</p> |
| | 6.1.2 | <p>There shall be evidence that the assessment was done with the participation of affected parties. Major Compliance</p> | YES | <p>There were evidence of participation from smallholders, contractors, nearest villagers in the assessment. The inputs from the participants were incorporated in the social management action plan.</p> |
| | 6.1.3 | <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, developed in consultation with the affected parties, doc, & timetabled, incl. respons. for impl. Major Compliance</p> | YES | <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones were established in the SIA Management Plan. The monitoring of impacts identified was developed in consultation with the affected parties. The SIA Action Plan for 2016 were documented and included the timetabled, including responsibilities for implementation of each of the actions.</p> |
| | 6.1.4 | <p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has</p> | YES | <p>Ribubonus POM has reviewed their Social Action Plan FY2015 with participation of affected parties during stakeholders meeting. The meeting was carried out in June 2016. Ribubonus Estate has reviewed their social action plan on yearly basis and updated as necessary in those cases where the review has concluded that changes should be made to current practices. The SIA management action Plan was reviewed on June 2016 after stakeholders meeting with the affected parties in May 2016, and attended by the District</p> |

PUBLIC SUMMARY REPORT

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| | | concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance | | Officer, local communities and out growers. Noted that there was no contractor attended the meeting although invitation had been sent out. |
| | 6.1.5 | Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance | YES | Particular attention was paid to the impacts of outgrowers from local communities example for estate road maintenance, free ferry services and bus stop. |
| C 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 | 6.2.1 | Consultation and communication procedures shall be documented. Major Compliance | YES | Consultation and communication procedures stated in the Standard Operating Procedure for Consultation and Communication [reported in the last audit was still used by the CU in handling internal and external communications. The document was prepared by the RSPO Unit of PPB Oil Palms Bhd. |
| | 6.2.2 | A management official responsible for these issues shall be nominated. Minor Compliance | YES | As defined in the communications procedure, the respective manager is the person appointed to handle communication matters. Ribubonus Estate Manager and Ribubonus POM Manager have been appointed by General Manager as the officer in-charge of communication. |
| | 6.2.3 | A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance | YES | Ribubonus POM and Ribubonus Estate continued to maintain stakeholder lists with latest revision dated Apr 2016. The list included the government agencies, contractors/suppliers (including FFB suppliers for mills), neighbouring estates, local communities and NGOs. |
| C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties | 6.3.1 | The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistle blowers, where requested. Major Compliance | YES | In the event of a dispute, complaints or whistleblowing, the CU will manage it through the "Whistle Blowing Policy" which dated Aug 2015 and "Dispute and Grievances Procedure" dated May 2015. The procedure starts with the receipt of complaint from any party, its investigation, proposed solutions and acceptance of the solutions or otherwise. If the proposed solution was rejected, the dispute will be brought for third party arbitration. Grievance or dissatisfaction and request for services on the part of the employees can be conveyed through the Complaints Form. |
| | 6.3.2 | Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance | YES | The CU reported that in the past there were no disputes, in any form. The domestic inquiry files were examined to find out whether or not the decisions of the panels of the enquiry had been contested. For grievances from employees, there was no grievances/complaints recorded for Ribubonus Estate and Ribubonus POM since last audit in 2015 except for house maintenance. Interviews with workers revealed that they were happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education, and clinic services. |
| C 6.4 Any negotiations concerning | 6.4.1 | A procedure for identifying legal, customary or user rights, and a procedure for | YES | In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation", adopted in July 2009. Essentially, the procedure describes how to check for legal status of the lands in question and lays out the |

PUBLIC SUMMARY REPORT

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| compensation for loss of legal, customary or user 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. | | identifying people entitled to compensation, shall be in place. Major Compliance | | criteria in deciding who should be compensated and the amount of compensation. |
| | 6.4.2 | A procedure for calculating and distributing fair compensation is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance | YES | As mentioned in 6.4.1, the procedure had addressed the determination of compensation. The process and outcome of any compensation claims is documented and made publicly available. Other than the land dispute mentioned in 6.3.2, there had not been any other issue of land claims involving the estate. Thus there had not been any compensation claim made against the estate. |
| | 6.4.3 | The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance | YES | There was no issue raised related to the compensation claims at Ribubonus CU since the last audit in 2015. Hence, this indicator was not applicable. |
| C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages | 6.5.1 | Documentation of pay and conditions shall be available. Major Compliance | YES | Pay slip for sprayer and harvester had been verified by auditor. It was confirmed that their wages had followed the minimum national wages. Employee's pay slip (foreign worker) were checked and verified. The local workers contract included the monthly salary, working days, allowance, overtime, annual leave, public holidays, medical benefits, income tax and contributions to SOCSO. While for foreign workers, the contract states contract period, wage rate, working days and working hours, overtime, public holidays, house accommodation, medical benefits, sick leave, annual leave and insurance. The employment contract was in Bahasa Malaysia for foreign workers and English for local workers. |
| | 6.5.2 | Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment is available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance | YES | The employment contract was in Bahasa for foreign workers and English for local workers. The pay slip is in Bahasa and the workers were explained by the management and understand the payslip. The contracts stated the working hours, employee provident fund (for local only), annual leave, medical benefits and sick leave, insurance scheme, retirement, and etc. During interview with local workers and foreign as mentioned in 6.5.1, they understood the content of their contract of employment and pay slip statement. |

PUBLIC SUMMARY REPORT

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| | 6.5.3 | Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446), where no such public facilities are available or accessible. Minor Compliance | NO | As reported in the previous audit report, the Ribubonus CU still maintains its policies on housing, water and electricity supply. Electricity and water supply is subsidized. Religious, medical, educational - Humana School and child care facilities are still offered as before. Any maintenance and service for housing and facilities can be requested from mill and estates management with free of charge. The auditor has verified that the CU has conducted maintenance for sanitation at worker's quarters. The inspection report was verified by mill and estate manager. Therefore, previous Minor NCR was satisfactorily closed. However, there was a non-compliance on linesite inspection where the CU had carried out workers quarters inspection on monthly basis instead of weekly. This was found to be not consistent with Section 23- Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Thus, a Minor NCR MZK 01 2016 was raised. |
| | 6.5.4 | Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance | YES | The CU had demonstrated efforts to monitor and improved workers' access to adequate, sufficient and affordable food by monitoring the price list of the canteen operator and sundry shop. |
| C 6.6 The employer respects the rights 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. | 6.6.1 | A published statement in local languages recognising freedom of association shall be available. Major Compliance | YES | A "Human Right Policy" published in June 2014 was available at site. The policy was written in English and languages understood by the workers. The policy included statement that the management recognized the freedom of association. The policy is displayed at various locations within the estate/mill area. The CU had also published statement on freedom of workers to join legal union. |
| | 6.6.2 | Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance | YES | As reported in previous audit, the workers are not unionised. However, workers' representatives have been appointed as members of the Social and Welfare Committee, and Women and Children Committee in the estates and mill. |
| C 6.7 Children are not employed or exploited. | 6.7.1 | There shall be documentary evidence that minimum age requirements are met. Major Compliance | YES | The child labour policy (September 2010) is publicly available at the visited estates and mill. The policy statements emphasize on child under 18 years must not be employed to work in hazardous jobs. Verification through employment card and copies of passports of foreign workers as at January 2016 for the Ribubonus Estate and POM confirmed that there was no persons under age of eighteen (the minimum working age under Malaysian Labor Laws) being employed. |
| C 6.8 Any form of discrimination based on race, caste, national origin, religion, | 6.8.1 | A publicly available equal opportunities policy incl. identification of relevant groups in the local environment documented. | YES | The equal opportunity policy (dated September 2010) is publicly available in the estate and POM. The policy statements emphasize on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards for the understanding of the public and workers. |

PUBLIC SUMMARY REPORT

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| disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited. | | Major Compliance | | |
| | 6.8.2 | Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance | YES | The terms of employment, work assignments, housing policy and other requirements have not been found to be discriminatory. Interviews with workers and other stakeholders also revealed that the Ribubonus CU has not discriminated its staffs and workers. Migrant workers receive similar pay, stay in the same house and enjoy similar medical benefits as their local counterparts. It was confirmed during interview with local and foreigner representative at Ribubonus Estate and Ribubonus POM. |
| | 6.8.3 | It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance | YES | Ribubonus CU has demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs. |
| C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected. | 6.9.1 | A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance | YES | A Policy on Sexual Harassment, Violence and Abuse, Reproductive Rights Policy dated June 2014 was verified. The policy was communicated to all levels of workforce by displaying it at the notice board and morning briefing |
| | 6.9.2 | A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance | YES | A Policy on Sexual Harassment, Violence and Abuse, Reproductive Rights Policy dated June 2014 was verified. The policy was communicated to all levels of workforce by displaying it at the notice board and morning briefing. At Ribubonus CU an awareness training on Sexual Harassment was conducted in June 2016, and also during Women and Children Committee Meeting in March 2016. |
| | 6.9.3 | A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance | YES | Ribubonus CU has followed standard operating procedure on handling grievance / social issues which was established by PPB dated May 2015, sighted training in July 2015. Therefore Minor NCR KN02/2015 was closed. |
| C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses. | 6.10.1 | Current and past prices paid for FFB shall be publicly available. Minor Compliance | YES | Current and past prices for FFB was displayed at Ribubonus POM's notice board office and weighbridge. |
| | 6.10.2 | Evidence is available that growers/millers explained FFB pricing, and pricing mechanisms for FFB, inputs/services is | YES | There was a Stakeholders Committee Meeting at Ribubonus CU to discuss issues on pricing and contracts. The meeting was chaired by the Mill Manager. Members of the committee were made up of representatives from the mill's management, estate manager, FFB suppliers, contractors and workers representatives. Issues related to FFB transaction were raised and discussed in this Committee. Pricing mechanisms were discussed during briefing with stakeholders as evidenced in meeting minutes in June 2016. |

PUBLIC SUMMARY REPORT

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| | | documented. Major Compliance | | |
| | 6.10.3 | Evidence available that parties understand the contractual agreements and that contracts are fair, legal & transparent. Minor Compliance | YES | There was no agreement or contract between the mill and the third party FFB suppliers. |
| | 6.10.4 | Agreed payments shall be made in a timely manner. Minor Compliance | YES | Based on interview with contractors from Ribubonus POM and Ribubonus Estate, the audit team was informed that payments to supplier and contractor had been made in a timely manner. Payment was made every 13 th of the month. If the payment cannot be paid as agreed, the estate or mill clerk will inform them first. |
| C 6.11 Growers and millers contribute to local Sustainable development where appropriate. | 6.11.1 | Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance | YES | Contributions to local development that are based on the results of consultation with local communities were demonstrated during stakeholder meeting. Among the services provided were as follow: Free ferry services for all villagers, Constructing bus stop and open hall and Road maintenance. |
| | 6.11.2 | Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance | YES | There was no scheme smallholders at Ribubonus CU. |
| C 6.12 No forms of forced or trafficked labour are used. | 6.12.1 | There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance | YES | There was no trafficked labour used. This was verified through interview with several workers (chemical sprayers and harvesters), verification of their passport, contract agreements and work permit for field workers. |
| | 6.12.2 | Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance | YES | There is no contract substitution occurred as stated in the labour policy and procedures was established and implemented as Recruitment of Workers" dated May 2015. |
| | 6.12.3 | Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance | YES | A special labour policy and procedure known as" Recruitment of Workers" was established. The procedure included the process of employing foreign workers. |
| C 6.13 Growers and millers respect human rights | 6.13.1 | A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. Major Compliance | YES | A Wilmar Human Right Policy dated June 2014 is available at the Ribubonus POM and Ribubonus Estate. The policy was signed by the Group Plantation Head. The awareness training to the employees was conducted in Apr 2016. Attendance list and pictorial report were verified during the audit. |
| | 6.13.2 | As long as children of foreign workers in Sabah | YES | One Humana and Community Learning Centre (CLC) school and two Crèche were constructed near Central Division to secure workers children access to education as moral obligation. |

PUBLIC SUMMARY REPORT

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| | | and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance | | |
|--|--|---|--|--|

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Ribubonus CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable.

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

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|---|
| C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations. | 8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these P&C. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance | | |
| | a) Reduction in use of pesticides; | YES | The estate continued to manage pests, disease and weeds using appropriate IPM techniques and reduce the use of chemicals. EFBs were applied in single layers and was not dumped in large amounts to prevent breeding of Rhinoceros Beetles. |
| | b) Environmental impacts; | YES | Environmental Improvement Plan / Pollution Prevention Plan FY 2015 / 2016 has been established. |
| | c) Waste reduction; | YES | Ribubonus POM has established the "Pollution Prevention Plan 2016". Person in-charge for each of the action plan had been appointed and the management had monitored the progress of the action plan. For Ribubonus Estate, the "Waste & Pollution Identification Prevention Mitigation & Enhancement Plan" was established. The management has monitored through Waste Management Plan 2016 and has appoint person in charge to handle each plan. Some of the waste identified were scheduled wastes, domestic wastes, clinical wastes, and industrial wastes. |
| | d) Pollution and GHG emissions; | YES | Ribubonus CU has planned to construct a biogas plant and the project is targeted to be completed in Dec 2016. |
| | e) Social impacts; | YES | The CU continued to implement the identified social action which was developed as a result of stakeholder's consultation and meetings. Contributions to local development that were based on the results of consultation with local communities are evident. |
| | f) Encourage optimising the yield of the supply base | YES | As Ribubonus Estate is part of a well-established organization. The yield performance has always been the top priority in ensuring long-term economic and financial viability. Various efforts have been carried out to optimise the yield of the plantation. These included the following : <ul style="list-style-type: none"> • minimising crop losses, • ensuring the soil fertility is maintained by timely and proper application of fertilisers, |

PUBLIC SUMMARY REPORT

- EFB application in marginal soil areas,
- maintaining transportation facilities in good condition for efficient crop evacuation, and etc.

Attachment 4

Details of Non-conformities and Corrective Actions Taken for RSPO P&C MYNI 2014

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | Corrective Action Taken | Verification by Auditor |
|----------------------------|----------------------------------|---|---|--|
| Indicator 2.1.2 | Minor | The Electricity Supply (Amendment) Act 2015 was not updated in the legal register at Ribubonus POM and Ribubonus Estate | The legal register will be updated to include the new amendment of the Act. | The action plan was acceptable. Effectiveness of the implementation will be verified in the next surveillance audit. Status: Open |
| Indicator 4.1.2 | Minor | The procedure on Palm Trunk Maintenance as per clause 4.0, Chapter 6 (2) of the Wilmar International Limited Agriculture Manual & SOP for Oil Palm was not complied with. The palms in Block 005 had large number of epiphytes on their trunks. | The removal of epiphytes will be carried out once the crop reach to down trend level. | The action plan was acceptable. Effectiveness of the implementation will be verified in the next surveillance audit. Status: Open |
| Indicator 6.5.3 | Minor | Ribubonus CU was carried out workers quarters Inspection by monthly not weekly as per Section 23-Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). | Weekly inspection to be carried out. Management will increase its support to clinic assistant in conducting the inspection. | The action plan was acceptable. Effectiveness of the implementation will be verified in the next surveillance audit. Status: Open |

PUBLIC SUMMARY REPORT

Attachment 5

RSPO Supply Chain at the Ribubonus Palm Oil Mill – Mass Balance – Module E

| Item No | Requirement NOV 2014 | Findings Standard Nov 2014 |
|--------------|--|--|
| E.1 E.1.1 | <p>Definition Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume of sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p> | <p>Ribubonus Palm Oil Mill (Ribubonus POM) had continued to receive RSPO-certified FFBs only from one source – i.e. the Ribubonus Estate. The Ribubonus POM could also receive diverted RSPO-certified FFBs from the neighbouring certified estates under the PPB Groups. However, there was none received and processed so far. There were 13 and 45 out-growers and smallholders respectively supplying non-RSPO certified FFBs to Ribubonus POM. All the RSPO-certified FFBs were supplied exclusively by the Ribubonus Estate, while the non-certified FFBs were bought from out-growers and smallholders from the surrounding area located within 42 KM radius from Ribubonus POM. As Ribubonus POM had continued to process both RSPO-certified and non RSPO-certified FFBs, it had maintained the MB model for its RSPO supply chain system.</p> |
| E 2 E.2.1 | <p>Explanation The estimated total tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil products (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.</p> | <p>For the period from June 2015 to May 2016, all the 148,903.48 MT of FFBs received were processed to produce a total of 33,911.34 MT of crude palm oil (CPO) giving an oil extraction rate (OER) of 22.77%. The quantity of RSPO-certified CPO produced totalled 16,304.18 MT (48.085) while the remaining 17,607.16 MT (51.92%) were of non-RSPO certified. During the same period, Ribubonus POM had produced a total of 5,862.60 MT of PK of which 2,809.91 MT (47.93%) were RSPO-certified while the remaining 3,052.69 MT (52.05%) were non-RSPO certified. The production rate of PK from the total quantity of FFB processed was 3.94%.</p> |
| E 2.2 | <p>The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform or book and claim).</p> | <p>Ribubonus POM had been a member of the RSPO and shared the same membership number 1-0011-04-000-00 with its parent company PPB Oil Palms Berhad. Ribubonus POM had continued to hold the e-trace licence number RSPO_PO1000000160 which is still valid until 6 September 2016. All sale announcements on RSPO-certified CPO and PKO had continued to be made by Willmar International Limited office in Singapore.</p> |
| E 3 E 3.1 | <p>Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p> | <p>(a) Ribubonus POM had continued to implement its Standard Operating Procedure (SOP) on the implementation of its supply chain system to meet the requirements of the MB module of the revised RSPO Supply Chain Certification Standard, 21 November 2014. The SOP document No: SOP-MILL-001 Revision 5 had been implemented since 31 March 2015. The SOP had also described the procedures on International Sustainability and Carbon Certification (ISCC) Supply Chain and Traceability to which Ribubonus POM had also been certified. The SOP has prescribed the procedures on the handling of incoming RSPO-certified fresh fruit bunches (FFBs), processing of these FFBs, delivery of the RSPO certified crude palm oil (certified CPO) and palm kernel (PK) as well as the maintenance of a daily production record which keeps an 'account' on the quantity of RSPO certified FFBs being processed, the CPO and PK produced and their deliveries as well as on the stock levels. A copy of this SOP was made available to the auditor. (b) The Chief Clerk of Ribubonus POM was still the Management Representative (MR) whose main responsibility was on the day-to-day administration of the RSPO supply chain and ISCC traceability systems which includes checking and monitoring the quantity of the in-coming FFBs, production and dispatch of CPO and PK, oil extraction rate (OER), kernel exchange rate (KER), and stock balances of CPO and PK. Ribubonus POM's new Mill Manager starting from Jan 2016 was directly in charge on the implementation and maintenance of the supply chain system. Based on the discussions held with the Chief clerk & the mill manager, it was found that they still have a good knowledge on the requirements of the RSPO Supply Chain Certification Standard having been involved on the implementation of the supply chain system since 2010 when these POMs (Terusan and Ribubonus) first obtained their RSPO supply chain certifications. Both of them had worked with the POMs under the Willmar Groups for many years and had accumulated enough experiences on the operations and working procedures related to the POMs' RSPO supply chain certification system.</p> |
| E 3.2 | <p>The site shall have documented procedures for receiving</p> | <p>There had been no change on the procedures on receiving and processing of certified and non-certified FFBs. Every lorry load of</p> |

PUBLIC SUMMARY REPORT

| | | |
|---------------------|---|--|
| | and processing certified and non-certified FFBs. | <p>FFBs entering Ribubonus POM was still accompanied by the dispatch note issued by the supplier. On the receiving of FFBs, the Mill Security was responsible to check on the seal and condition of the incoming FFB by checking on the dispatch note issued by the supplying estate. The Weighbridge Clerk then referred to the list of RSPO certified supply base to determine the status of the estate for the in-coming FFBs.</p> <p>The processing of FFBs was still done based on their availability. The production of certified CPO and PK was traceable through the daily production record which keeps an account on the quantity of certified and non-certified FFBs being processed, CPO and PK being produced.</p> |
| E.4 E.4.1 | Purchasing and goods in The site shall verify and document the volumes of certified and non-certified FFBs received. | During the intervening period since the last audit (1 June 2015 to 31 May 2016), Ribubonus POM had received a total of 148,903.48 metric tonnes (MT) of FFB of which 71,103.14 MT or 47.75% were RSPO-certified. The remaining 77,800.34 MT or 52.25% were of non-certified FFBs. |
| E 4.2 | The site shall inform the CB immediately if there is a projected overproduction. | There had been no overproduction of FFBs thus far. Nevertheless, the SOP on 'Mass Balance Record Monitoring and Record Keeping' requires the Mill Manager to inform the Sustainability Department if there would be a projected overproduction of RSPO-certified CPO or PK. Such information shall also be sent to the relevant certification body. |
| E.5 E.5.1 | Record keeping <ul style="list-style-type: none"> a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis. b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock.) <p>For further details refer to Module C.</p> | <ul style="list-style-type: none"> (a) Ribubonus POM had continued to maintain the 'Daily Production Record' to keep an 'account' on the quantity of FFBs it received, processed and production of RSPO certified CPO and PK, actual oil extraction rate (OER) and kernel extraction rate (KER), delivery and stocks of certified FFBs, CPO and PK. The Daily Production Record ensures that the quantity of CPO and PK being delivered had not exceeded that produced by the mill. Ribubonus POM had continued to use the fixed inventory period of 3 months to ensure the quantity of the certified FFBs being processed and the CPO and PK being dispatched were in balance. The delivery/dispatch of certified CPO and PK would be guided by the POM's annual projected production of RSPO certified CPO and PK in the CU's RSPO Certificate. (b) All volume of palm oil and palm kernel oil that are delivered are deducted from the material accounting system. The ground information on the POM's production of CPO and PK and their stocks was channelled to the CSR Department and the Trading/Marketing Department in Kuala Lumpur and Singapore through the Mass Balance Record. (c) Ribubonus POM had continued to ensure the quantity of the certified FFBs being processed and the CPO and PK being dispatched were in balance. The delivery/dispatch of certified CPO and PK would be guided by the POM's annual projected production of RSPO certified CPO and PK in the CU's RSPO Certificate. For the period from 1 June 2015 to 31 May 2016, Ribubonus POM had dispatched a total of 1,063.77 MT and 2,819.99 MT of MB RSPO CPO and PK respectively. The bulk of the CPO (32,670.96 MT) was dispatched as CPO ISCC certified. As on 31 May 2016, there were positive closing stocks for RSPO CPO and PK of 798.8 MT and 172.29 MT respectively. |
| E 5.2 | In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement. | Ribubonus POM had not outsourced the crushing of the PKs it produced. All the PKs produced were dispatched a company under the Willmar Group located in Sandakan for further processing. |

PUBLIC SUMMARY REPORT

Attachment 6

Status of Non-conformities Previously Identified

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | Corrective Action Taken | Verification by Assessors |
|-----------------|---------------------------|--|---|---|
| Indicator 6.5.3 | Minor | <p>It was found the line site inspection report was not reflected to actual situation of the houses. Action taken from comment by inspector was not effective. The workers' housing sanitation service/condition was not effectively carried out as below;</p> <ol style="list-style-type: none"> 1. The inspection of workers' housing by a worker at Ribubonus POM did not reflect to the actual condition of the housing area. 2. The upkeep (sanitation) of workers' housing at Ribubonus CU was not effectively carried out as required (Section 8 (1)(a)). It was observed that grasses have overgrown at the monsoon drain which caused water clogging. | <ol style="list-style-type: none"> 1. The inspection report to be verify by the mill manager 2. Cutting of the grass and maintenance of the storm drain to be conducted immediately | <p>During this surveillance audit, auditor has verified that the CU has conducted maintenance for sanitation at worker's quarters. The inspection report was verified by mill and estate manager.</p> <p>Status: Closed</p> |
| Indicator 6.9.3 | Minor | <p>A specific grievance mechanism which respects anonymity and protects complainants where requested have been established in "Dispute & Grievances Procedure, PPB/RSPO 6.3 (2.2)/(1) dated 11 May 2015. However, the established specific grievance mechanism which respects anonymity and protects complainants was not communicated to all levels of the workforce at Ribubonus CU.</p> | <p>The process of communicating the policy was plan to be completed by Oct 2015.</p> | <p>Ribubonus CU have followed standard operating procedure on handling grievance / social issues which was established by PPB dated May 2015, sighted training in July 2015 was communicated to all level workforce,</p> <p>Status: Closed</p> |