

1. Profile

Name of the organisation:	BOUSTEAD PLANTATIONS BERHAD
Membership type (tick one only):	<input checked="" type="checkbox"/> Ordinary <input type="checkbox"/> Affiliate
Membership category (tick one only):	<input checked="" type="checkbox"/> Oil palm growers <input type="checkbox"/> Palm oil processors and traders <input type="checkbox"/> Consumer goods manufacturers <input type="checkbox"/> Retailers <input type="checkbox"/> Banks and investors <input type="checkbox"/> Environmental/nature conservation organisations(NGOs) <input type="checkbox"/> Social/development organisations (NGOs)
Operational structure of the organisation:	<p>Boustead Plantations Berhad is primarily involved in the planting and processing of oil palm.</p> <p>The Group's plantation assets are managed by Boustead Estates Agency Sdn Bhd (BEASB), a wholly owned subsidiary of Boustead Holdings Berhad. BEASB manages a total of more than 100,000 hectares of agriculture land; of which 78,000 hectares are owned by the Group while the remaining, on behalf of investors and other organisations.</p> <p>Today, BEASB is one of the leading estate management agencies in the region providing a complete range of management services and solutions including engineering consultancy, design, construction and marketing for oil palm estates, mills and rubber factories.</p> <p>Utilizing advanced technologies to stay ahead, BEASB, via its associate company, Applied Agricultural Resources Sdn Bhd (AAR) also provides research and advisory services involving all aspects of field management practices and factors which affect crop productivity and long term soil fertility in the plantations. AARSB's consultancy service also undertakes to carry out soil suitability and crop feasibility evaluations for new investments in plantations. AARSB is also one of the eminent suppliers of oil palm planting material in the region.</p> <p>Group has been actively investing in Sarawak through joint ventures with the Land Custody and Development Authority and Pelita Holdings Sdn Bhd of Sarawak.</p>

In addition, the Group is also investing in Indonesia via joint ventures in Sumatra Selatan. Management of the Group's investment in Indonesia is undertaken through P.T. Boustead Indonesia Management Consultancy Services (BIMCS), a wholly-owned subsidiary of BEASB.

Responsible Contact(s)

Primary contact for questions, feedback:	Name:	Mr. P. Kodiappan
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Senior representative, authorising commitments:	Mr. Chow Kok Choy, Director of Operations - Plantation	
Person submitting progress report:	En. Mohammad Tarmizi Bin Taufek	
Financial contact for membership fee:	Mr. P. Kodiappan	

Reporting Period:	From: September 2009	To : August 2010
Date of Report:	31 st August 2010	

2. Details of Progress

A. Analysis and Strategy for Sustainable Palm Oil

1. High-level strategic view of the organisation's relation to sustainable palm oil and related longer term objective.

Boustead Plantations Berhad is committed towards sustainability and producing sustainable Palm and Palm Oils to our client's world wide. Sustainable agriculture is not only about protecting the environment but in essence it is embed in these 3 tenets of sustainability 1) People 2) Planet 3) Profit, where human resource share equal importance with profitability, have become the cornerstone of modern agricultural today. Therefore, we are pleased to note that essence of sustainable agriculture has been ingrained in our operations, management and administration of Boustead Group's plantation division, which has its roots that span well over fifty years. Since the very beginning of our operations, Boustead Plantations has been committed to develop and cement the best practices that

lead to sustainability of our business. We have over the years stayed firm to our Good Agricultural Practice (GAP) and Good Milling Practice (GMP) which provide us set of guidelines and a foundation towards achieving the goals of sustainable agriculture as outlined in our 'Towards Sustainable Agriculture' handbook. Boustead Plantations is a keen advocate on the use of technology to improve our processes and operations in all aspect related to sustainable agriculture. Hence, we are committed to get all of our Operating units RSPO certified by 2015.

2. Time bound plan with milestones/targets.

- Certification expected to start in **[December /2011]** and completed by end of **[December/2015]**
- Purchasing certified sustainable palm oil products expected to start in **[N/A]** and completed for all my requirements by **[N/A]**
- Activities to promote and support RSPO and RSPO palm oil expected to start in **[N/A]** and completes by **[N/A]** .

3. Targets for the next reporting period.

In the next report, we will be reporting on Sungai Jernih business unit as it will be certified by the first quarter of 2011. We will also report on the progress of the other business units that will be certified as per our time bound plan stipulated below.

Boustead Biotherm Palmass Plant™ is now fully operational. The plant capacity and efficiency have improved significantly since it was commissioned in April 2009, particularly in reducing the CH₄ emission via utilization of mill effluent, reducing the N₂O emission by substituting the inorganic nitrogenous fertilizers with organic fertilizer, increasing the carbon sequestration through mulching and indirect reduction of CO₂ emission from fertilizer transportation.

4. Statement from the organisation's senior representative.

Boustead Plantations adopted a strategy to steer the Group not only towards optimising efficiency, productivity and profitability but also commitment towards environmental protection and conservation of biodiversity.

B. Progress made in producing, procuring/utilizing and supporting sustainable palm oil

- The Company had engaged SGS to conduct a Pre-Assessment on Sungai Jernih Business Unit on April 2010. The purpose of the evaluation was to evaluate the operations of the aforesaid business unit against RSPO P & C MYNI requirements in preparation for the actual certification audit in the first quarter of 2011. We are now in the process of rectifying all the non compliance as highlighted by SGS during the pre-assessment and improving all the documentation.

Boustead Time Line on RSPO Certification

Element	2011	2012	2013	2014	2015
	1	2	3	4	5
Sg. Jernih Business Unit, Nak Business Unit					
TRP Business Unit, Lapan Kabu Business unit					
Telok Sengat Business Unit & Segamaha Business Unit					
Segaria Business Unit,					
Sugut Estates complex, Loagan Bunut Business Unit & Kanowit Business Unit					

- Boustead is fully committed to its time-bound plan for certifying all its business units by 2015 and will submit to the Certification Body (CB) during the first certification audit. All of our Business Units understood the time bound plan and are in the process of complying with the requirements for RSPO partial certification for non-certified units.
- Boustead also had engaged Wild Asia to conduct SIA and HCV. From the report we have learned :
 - The social context within and surrounding its properties ie Sungai Jernih Estate, Bebar Estate and Tabung Tentera – Trengganu Estate internal and external setting. Hence, Sungai Jernih Business unit had initiate consultation/meeting with stake holders, local and estate community, local authority such as Police, Rela and local NGO on the current perception of the company operations and benefits. From the aforesaid meetings it provided the company a rapid assessment of perceived positive and negative impacts of the operation. It also provides guidance to the management on areas of improvements.
 - The HCV Assessment had identify areas of High Conservation Value (HCV) through a swift survey of biodiversity and values to local communities of areas visited. Conservation values areas which did not qualify for HCV status were also identified. All Recommendations forwarded will be studied and evaluated. Boustead is committed at reducing negative impacts and enhancing positive ones are made for both HCV and non-HCV areas.

C. Challenges

1. Significant economic, social or environmental obstacles encountered in production, procurement, use of sustainable palm oil or in promotion of RSPO and RSPO oil and efforts made to mitigate or resolve them.

The challenge that most plantation companies are facing now is sustaining a stable and skilled workforce on the ground. The company has implemented division of labour system and semi-mechanisation such as the use of mechanise harvesting knife is also being explored to overcome acute labour shortage. We also looked on various options like; allowances, improvements in living conditions, improve working conditions and other social activities.

Fluctuation and increase in the prices of inputs such as fertilizer and fuel is putting a stress on the production cost which is being lessened by adopting good agricultural practices and focusing on site-specific agronomic practices, efficient utilisation of inorganic fertilisers, efficient management of resources for high yields and sustainable development for our estates.

Engagement with stake holders is not a problem as we are open and transparent. However, to get all the stake holders to attend the stake holders meeting, to mitigate and resolve issues at hand are quite challenging.

2. Suggestions on how the RSPO can assist your organisation's sustainability performance.

Continue to improve industry standards.

3. Suggestions on how your organisation can assist RSPO's overall progress.

N/A