Towards Sustainable Agriculture

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Custodian For A More Sustainable Tomorrow

Custodian – a word that succinctly describes our role and attitude towards the environment, particularly since the Boustead Group has a highly participative role in the plantation sector in our nation. More so, as one of the leading Government Linked Companies in the country, we have to be cognisant of the fact that we owe our success to prudent management of our natural resources.

Oil palm cultivation was introduced in Malaysia (formerly known as Malaya) in the 1910s and since then, our country has taken this sector to greater heights by becoming the largest exporter of palm oil globally today.

Given the significance of oil palm cultivation in Malaysia, the industry has since the 1970s, adopted elements of environmental protection in its agricultural practice. However, by the late 1980s, there has been a worldwide shift towards sustainable agriculture.

Sustainable agriculture is not only about protecting the environment nor is it only about ensuring that profit objectives are met. Sustainable agriculture is a holistic approach to agriculture where all aspects of environmental health, economic profitability and social responsibility are taken into consideration.

Hence, the triple P’s of People, Profits and Planet, where human resources and natural resources share equal importance with profitability, have become the cornerstone of modern agriculture today.

On this score, I am pleased to note that the 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 best practices that lead to sustainability of our business. We have over the years stayed firm to our Good Agricultural Practices (GAPs), which provides us with a set of guidelines on replanting techniques that include zero-burn, soil and water conservation management, integrated pest management and fertilizer management amongst many others.

Moreover, Boustead Plantations Good Milling Practices (GMPs) also provides exacting guidelines to ensure the Group mills produce products and services that are of the highest quality while adhering to the principles of sustainability. These guidelines for all our mills include efficient and effective management of water, effluents and mill by-products; quality assurance; and occupational health and safety.

While both the Group’s GAPs and GMPs provide a foundation towards achieving the goals of sustainable agriculture, we clearly understand that existing methods and practices need to be constantly updated and enhanced further.

Towards this end, Boustead Plantations is a keen advocate on the use of technology to improve our processes and operations in all aspects related to sustainable agriculture. Significant investments in R&D have been made over the years, which have resulted in notable breakthroughs.

A case in point is the development of our AA+ Mulch™ system, which is a specially designed modified polyethylene sheet used to reduce the use of herbicides and improve fertilizer efficiency. We have also embraced state-of-the-art technologies by using Geographic Information Systems and Global Positioning Systems in our planning and management. The Boustead–AAR GIS Map Management System (BAARMIS) is a decision support system tool that will further enhance the Yield Improvement Program (YIP) in our estates.

In addition and in line with our aim to add value to our nation’s agriculture sector, the Group is moving forward towards embarking on venturing into biofuel and biodiesel. We strongly believe that biofuel is the way forward and this augurs well with the government’s effort to use biodiesel as an alternative fuel for the transport industry; locally and abroad.

Moving forward, the Group has invested in a state-of-the-art Tissue Culture Lab that will fully utilise the breakthroughs we have achieved in the cloning of oil palm in this sector.

As the Ninth Malaysia Plan (2006 - 2010) has earmarked the country’s agriculture sector as an engine of growth that will drive Malaysia forward in the 21st century, the Group is indeed bullish of the vast prospects in this sector.

Our long established track record in the oil palm plantation industry coupled with the success we have achieved via our commitment to the principles of sustainable agriculture, has clearly put us in an ideal position to contribute positively to the country’s focus and direction.

Boustead Plantations is pleased to share our experience and success factors in this handbook.

We trust that you will find the details highlighted in the Boustead Plantations GAPs and GMPs informative and we hope that we can work together to enhance our country’s future via sustainable agriculture.

Terima kasih,

YBhg. Tan Sri Dato’ Lodin Wok Kamaruddin
Our Corporate Profile

Boustead Holdings Berhad is a leading Malaysian conglomerate listed on the Bursa Malaysia. The Armed Forces Fund Board (LTAT) is a major stakeholder of Boustead. The activities of the Group are segmented into six divisions namely plantation, property, finance & investment, trading, manufacturing & services and heavy industries.

The Plantation Division of Boustead Holdings Berhad is one of the core contributors to the earnings of the Group. The Division's plantations are located in various parts of Peninsular Malaysia, Sabah, Sarawak and Indonesia. Oil palm is the major crop forming 99% of land cultivated. For the marginal areas, the Group has also delved into forest plantations. As such, the Division is very much committed to efforts, which work towards protection of the environment as well as sustainable oil palm cultivation.

The Plantation Division is also involved in the provision of estates and mill consultancy services. The Engineering Department has to-date provided services to more than 60 palm oil mills, rubber factories and bulk oil installations.

Great emphasis is being placed on R&D. These efforts have resulted in the development of superior planting materials through modern genetic improvement techniques and GAPs through the use of precision agriculture techniques. These R&D efforts are undertaken through our associate - Applied Agricultural Resources (AAR) Sdn. Bhd.

Our Vision

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.
Our Mission

- To remain committed in our focus on R&D and implement breakthroughs at all levels and processes to maintain our technological edge.
- To achieve greater economies of scale by seizing opportunities to expand our land bank in Malaysia and the region.
- To enhance our efficiency and productivity via effective cost management and excellent managerial and agronomic practices to maximise productivity per unit area.
- To provide optimal coaching and training to all levels of employees, the primary engine that drives our business.
- To explore new business opportunities that will yield the highest return.

Our Values

- We place the utmost importance on our employees as a key resource towards realising our vision.
- We are committed towards environmental protection and conservation of biodiversity.
- We will conduct ourselves with the highest standards of integrity and honesty.
- We strive to be open-minded and receptive to new and diverse ideas, driven by information technology and innovation.
- We are committed to being a preferred provider by meeting, if not, surpassing the quality and standards set by our customers.
- We are dedicated to the mutually beneficial relationship with our suppliers and contractors, who are our partners.
- We acknowledge and respect local cultures and values wherever we operate in.
- We are committed to ensuring sustainable long-term growth and the highest return to our shareholder by steadfastly being productive and competitive.

1.0 Boustead Plantations - Land Use and Development

1.1 Land Evaluation, Suitability Studies, Environmental Impact and Biodiversity Assessments.

Before a new land parcel is acquired for oil palm development, it is carefully evaluated in terms of its suitability through a detailed evaluation process including a semi-detailed soil survey of the proposed project area. The information needed for evaluation is obtained from field surveys, remote sensing e.g. satellite images and aerial photographs, topographical maps, soil maps, climatically data as well as from public and in-house libraries.

A soil suitability report is then prepared to guide project development and its subsequent management. The report identifies the main yield limiting factors for oil palm and recommends best practices and specific agro-management inputs to alleviate these crop constraints to maximise land productivity and minimise environmental pollution for sustainability. An Environmental Impact Assessment (EIA) study is also commissioned and submitted to the relevant authorities for approval before development work can start.

Land that is unsuitable for development such as steep slopes (>25°) and river reserves are kept:
- under its natural forest cover to conserve biodiversity in particular natural enemies of oil palm pests, endangered flora and fauna, and soil health.
- as riparian reserves for the above purposes, to minimise pollution of natural waterways and to provide corridors for animals to forest reserves.
- kept for natural forest regeneration or rehabilitated as forest plantation.

The comprehensive land evaluation, biodiversity assessment and suitability studies provide the basis for objective decision-making and planning for resource conservation and sustainable land development.
2.0 Boustead Plantations – Good Agricultural Practices (GAPs)

2.1 Zero-burn technique - Replanting oil palm to oil palm

The zero-burn replanting technique is now a standard practice for all oil palm replanting within Boustead Plantations.

The Telok Sengat Estate Zero-Burn Technique, developed by Boustead Plantations, involves mechanical pulverization of the entire palm biomass and spreading these evenly over the field. The root mass around the hole is also dug up.

This environmentally friendly technique contributes to sustainable palm oil production by recycling nutrients in the palm biomass. This technique also:

- reduces breeding of Oryctes rhinoceros and rats by depriving them of suitable breeding sites.
- reduces disease inoculums of basal stem rot (BSR) caused by Ganoderma boninense.
- minimises soil degradation.
- improves the availability of nutrients released from the decomposing palm biomass by the newly replanted palms.
- reduces the fallow period.
- facilitates replanting and the subsequent field upkeep work.
- minimises air pollution as a result of zero burning.

2.2 Soil and water conservation management

For sustainable palm oil production, two of the most important natural resources that need to be protected and conserved in the oil palm plantations are soil and water (moisture).

The main objectives of soil and water conservation are to prevent soil degradation, environmental pollution and to improve water use efficiency and thereby sustaining maximum level of production from a given area of land. The major pathways for soil and nutrient losses in oil palm plantation are through erosion, run-off and leaching.

Best management practices adopted by Boustead Plantations to prevent soil degradation, environmental pollution and conserve water include:

- Conservation terraces at every 30 metres along the contour of slopes between 6° and 10° and terrace planting on all slopes above 10° to reduce the length of slope and therefore, erosion, run-off and increase water infiltration.
- Platform planting on slopes between 6° and 10° to minimize nutrient loss from applied fertilizers.
- Spreading or stacking pruned fronds in a L-shaped pattern along contours to reduce surface run off and soil erosion.
- Diverting run off water from the roads to the fields and roadside silt pits or sumps.

Drainage and water management.

Good drainage and an effective water management plan are vital for oil palm plantings on riverine flats and floodplains as well as on peat soils where natural water-table is high.

The objectives are to ensure well-aerated root zones for effective root functions and to minimise the potential effects of floods.

Weirs and water-gates at strategic locations serve to control water-table in the planting blocks. During the wet season, weirs and water-gates are opened to flush out acidity especially in peat areas. In areas with distinct dry seasons, these also serve to retain water in the fields and minimise the impact of moisture stress.
2.3 Mechanisation
It is our policy to adopt mechanisation wherever possible to improve productivity, reduce labour dependency and expedite crop evacuation to the mill.

In estates where terrain permits, mini tractors are used for infield collection. On sloping terrain, a cable/pulley system is installed to evacuate crop from terraces.

Where terrain is not limiting, our lorries are installed with “Hook Lift” for the bin system of main line crop transportation to reduce fruit transfer and improve fruit quality.

In addition mechanical fertilizer spreaders are also used to apply fertilizers wherever terrain permits.

2.4 Harvesting and Crop Quality
High harvesting standards and good Fresh Fruit Bunches (FFB) quality are paramount to the Group’s objectives. The Total Quality Management (TQM) system, where FFB quality is monitored and controlled from the field to the mills, is practised in all our estates.

At our estates, we strive to achieve not less than 2.5 harvesting rounds per month. These optimum harvesting rounds will minimise the percentage of over-ripe bunches, the main cause of crop loss and poor quality crude palm oil.

Harvesters are trained to harvest only ripe bunches and ensure that loose fruits are collected. We also ensure that all harvested crops are transported to the palm oil mill within 24 hours. These measures ensure high quality FFB which in turn will yield high oil and kernel extraction rates as well as low Free Fatty Acids (FFA) oil.

2.5 Establishment of leguminous cover crops.
Leguminous cover crops are cultivated to achieve full ground coverage as rapidly as possible after land preparation for all new plantings and replants. Mucuna bracteata, a recently introduced shade-tolerant legume species is now widely planted in many estates. The benefits of establishing legume covers in the plantations include:

- reduced soil erosion, particularly on sloping land
- improved soil structure and aeration
- improved water infiltration and soil moisture retention
- increased soil organic matter and reduced soil temperature

In the mature fields, where the legume covers have gradually phased out, soft grasses and non-competitive ferns e.g. Nephrolepis biserrata are encouraged to proliferate between the palm rows for the same reasons.

2.6 Use of AA+ Mulch™
(reduce circle spraying / labour for upkeep)
Developed and introduced to the industry by Boustead Plantations through our associate company AAR, the use of AA+ Mulch™ not only effectively reduces weed competition, it also improves fertilizer efficiency and this is evident in the vigorous palm growth in new plantings and replants.

With AA+ Mulch™, only one round of fertilizer application is required in the first year after planting, where the fertilizer requirements for the first 12 months are applied in the palm circle before the mulch is applied. Immediate benefits from the AA+ Mulch™ are saving in labour requirement and every palm is assured of receiving its share of recommended fertilizer. More importantly, the use of chemical herbicides is significantly reduced due to reduction in the number of sprayings required with AA+ Mulch™. Cost effective biodegradable AA+ Mulch™ polyethylene (Nevertheless this PE is not biodegradable. The current AA+ Mulch™ is already PE. The biodegradable AA+ Mulch™ in a combination of PE and special chemical).

2.7 Integrated Pest Management in Oil Palm
Pest management practices in oil palm have changed significantly in the last 20-30 years, due to consumer demands, legislative requirements and the increasing need to minimise crop losses to pests in order to sustain the profitability of the company. Within Boustead Plantations, the roles of cultural, physical and biological control measures are now emphasised in the pest management programs to minimise the frequency and quantity of synthetic pesticides used. In short, IPM practices are preferred and are implemented for sustainable management of oil palm pests.

2.7.1 Key Insect and Mammalian Pests
Current key insect and mammalian pests of oil palms are leaf eating caterpillars, rhinoceros beetles and rats.

**Leaf eating caterpillars**
Natural insect predators play a vital role to keep leaf-eating pests population under control. To encourage natural predators, a variety of beneficial host plants e.g. Cassia coganensis, Antigonon leptopus and Euphorbia heterophylla are planted in Boustead estates to provide food, shelter and breeding sites for these beneficial insects. Constant monitoring of the palm canopy for signs of pest damage ensures early detection of potential outbreaks. Chemical
control measure is implemented only if pest population are above economic threshold. When chemical control becomes necessary, trunk injection of systemic insecticides is the preferred control method as it allows precise placement of the pesticide into the palms itself with minimal contamination of the rest of the oil palm environment. Chemical usage for trunk injection is also minimised.

Active R&D is on-going to incorporate various pathogenic bacteria, virus and fungi, e.g., Bt, granulosis virus and Cordyceps sp. as biological control agents in our IPM programme.

**Rhizoceros beetles**
The zero-burn land clearing policy adopted by the Malaysian Oil Palm Industry in general has led to the build up of beetle population that causes serious damage to young palms. Boustead's current control strategy is to minimise the breeding of beetles by adopting land clearing methods that will hasten the decomposition of old palm biomass. Thus, old palms are chopped into thin slices, pulverized and then spread thinly in the replanted fields. Other control measures include use of legumes in replants to cover old palm residues where beetles breed and trapping with pheromone traps. Other potential biological control agents (e.g., Metarthrum antipilus) are being investigated.

**Rats**
Barn owls, Tyto alba, prey almost exclusively on rats. An integrated approach for rat control is implemented using barn owl as a biological control agents within Boustead estates. This is supplemented by conventional baiting campaigns with anticoagulant baits to cull the rat population when necessary if rat population is high. To facilitate and promote establishment of barn owl population in our estates, artificial nest boxes are provided at a density of one box per 10 - 20 hectare.

**Disease**
BSR is currently the most serious disease affecting oil palm. There is as yet no effective treatment of this disease. The control strategy therefore is mainly sanitary and prophylactic through cultural practices as follows:
- Regular census for early detection of infection.
- For young fields, infected palms once detected, are removed and replaced with healthy palms.
- For mature fields, severely infected palms are destroyed and the holes excavated to kill the fungal mycelium. Palms are replaced only if there are clusters of vacancies.

**Weeds**
Weeds are kept under control in young plantings by establishing good leguminous covers immediately after land clearing. This minimizes the frequency and amount of herbicide usage in the estates. When the oil palm canopy has closed, only spot spraying is carried out while the establishment of non-noxious covers such as Nephrolepis sp. and soft grasses in the palm interrows is encouraged. Through our associate company, AAR, new herbicides and spraying equipment are constantly being evaluated. The aim is to identify more effective herbicides and application techniques to enhance the efficiency and effectiveness of herbicides.

2.8 Recycling of mill by-products

The Group is committed to adopting a zero-waste zero-discharge policy by fully recycling mill by-products, namely Empty Fruit Bunch (EFB) and Palm Oil Mill Effluent (POME).

**EFB and POME**
EFB and POME are valuable sources of nutrients and organic matter and the recycling of EFB as organic mulch and POME as organic fertilizers is maximised in Boustead estates that have an on-site mill. While offering considerable savings in reduced inorganic fertilizer, the organic matter in EFB and POME can also improve the inherent physical and chemical properties of the soil. EFB is also used for young replants to promote early growth and enhanced yields.

2.9 Fertilizer management model based on nutrient balance approach

**Our associate AAR** has developed a comprehensive agronomic management system for site-specific fertilizer recommendation system (INFERS) based on the nutrient balance approach. The system integrates a model to predict site yield potential, computes fertilizer requirements based on palm demand and site characteristics, identifies the best months to apply each fertilizer and generates a schedule to achieve the highest yield with minimum risk of soil nutrient losses. Fertilizer use and management are site-specific for greater effectiveness and efficiency, minimising costs, wastage and pollution.

2.10 Application of GIS, GPS and remote sensing in plantation crops

The Group has been utilising new technologies such as Global Positioning System (GPS), Geographic Information System (GIS) and remote sensing to facilitate site-specific agronomic practices and efficient management of resources for our estates. Together with AAR, we have developed the BAARMS map management decision support tool for Managers to increase productivity and efficiency on our estates. Moving forward, we will continue to develop and acquire new technologies to further enhance our capabilities and improve agronomic practices.
2.11 Advanced and Improved Planting Materials

Our in-house plant breeding and seed production facility ensure that we have the latest improved planting materials for our estates with high Oil Extraction Rate (OER) and FFB yields. In recent years, the Group has also commenced large scale commercial planting of elite oil palm clones to enhance our oil yields and production per unit area.

3.0 Boustead Plantations Sustainable Palm Oil Practices – Good Milling Practices (GMPs)

All Boustead Plantations’ mills are to adhere to GMPs to ensure all products and services are sustainable with quality in mind.

The main aims of the GMP are:

i. To ensure that sustainable agriculture is profitable. This is achieved via the production of high quality products at optimum quantity, low costs and minimised waste as well as adding value wherever possible.

ii. To be committed to food safety, environmental performance and social responsibility of the highest standards.

iii. To produce quality products by ensuring quality FFB input.

iv. To be steadfast in achieving good extraction efficiency and maintaining high extraction ratios.

v. To keep FFA content to the minimum and other parameters to within all acceptable standards.

vi. To reduce dependency on non-renewable fuel consumption by maximising the use of shell and fibre in the generation of power.

vii. To optimise milling efficiency by investing in new, more efficient plant and machinery.

viii. To minimise process water usage in mills.

ix. To maintain strict procedures and management and handling of chemicals.

x. To manage noise by locating mill away from residential areas while addressing health risks of workers working in noisy mill environment by providing the necessary safety and training needed.

xi. To ensure all plantation areas to have a system of domestic and industrial waste collection system via specially constructed landfill sites to avoid pollution.

xii. To ensure that process losses, product quality, waste water management are well monitored.

3.1 Palm Oil Mill Effluent Treatment

For every tonne of FFB processed by the mills, approximately some 0.65 tonne of raw POME is produced.

Due to its high acidic nature with high biochemical oxygen demand (BOD), raw POME cannot be discharged directly into watercourse or applied onto land without first being treated to acceptable level of BOD as regulated by Dept. of Environment, Malaysia.

In order to protect the environment and surrounding water systems, all Boustead Plantations mills are installed with the following treatment system to treat raw effluent to acceptable BOD levels before safe discharge.

Anaerobic / Facultative / Aerobic Digestion Ponding System

This is a two-phase treatment process of anaerobic digestion followed by facultative degradation / extended aeration process which can result in excellent pollutant destruction efficiency of above 95%.

Extended aeration in the system further reduces BOD. Besides providing oxygen to the liquor, aerating action ensures thorough liquor mixing. In so doing, levels of beneficial micro-organisms are increased and this in turn hastens the conversion of pollutants into carbon dioxide, water and energy.

Tertiary Mechanical Extended Aeration SBR Treatment

Installed as a polishing treatment plant after the ponding treatment system, the Sequential Batch Reactor aeration process is able to reduce the POME BOD from 200 ppm to below 20 ppm. The system operates with short hydraulic retention times, takes high organic loading, requires less space and is operator friendly and environmentally clean.
Land Application
POME contains organic matter and plant nutrients, which are excellent substitutes for inorganic fertilizer, and is therefore beneficial if recycled to the field as manure.

The effluent fractions that are most suitable for land application are the digested bottom solids and the aerobic pond solids. Boustead Plantations has adopted the sprinkling method and partial tractor-tanker systems.

Boustead Biotherm Paimass System
(Composting - Zero-waste, zero-discharge technology)
Together with our associate company AAR, Boustead has developed a novel zero-waste, zero-discharge technology to treat and convert all POME produced in a palm oil mill into an organic fertilizer by composting and bio-drying using EFB as bulking material.

This patent-pending new technology offers an effective solution to maximise utilisation of POME and EFB. 100% of the raw POME and some 60% of EFB are utilised to produce the organic fertilizer in this advanced automated process.

With this new technology, conventional anaerobic effluent ponds will no longer be necessary and the associated methane emission is eliminated. This effort will further avoid the greenhouse gases emission from our mills which could cause global warming. Thus qualifying the technology to obtain carbon credit via Clean Development Mechanism under the Kyoto Protocol.

The advantage of this newly developed technique is that it takes about 7 - 10 days to produce the organic fertilizer and ready for mulching purposes. This truly “zero-waste, zero-discharge” technology is expected to be widely adopted by this sector as it will improve the recycling of nutrients, help to protect our watercourses and environment, and enhance the sustainability of oil palm plantations.

3.2 Water Management
Concerted effort on water management is aimed at minimising impact of drought and floods, optimising utilisation of rain water and fresh water from streams, maximising possible reuse of final treated effluent liquor in housekeeping, producing good quality water using proven technique, and conservation of water usage in process utilisation.

Large natural storage impounding ponds, with some four months supply of water for processing and domestic consumption, are reserved as conservation areas within the estates.

3.3 Quality Assurance
Boustead Plantations’ commitment towards sustainable product quality and environment as well as occupational health and safety is formalised and implemented throughout the Group.

Quality in palm oil production is assured through the implementation of various quality management certifications and methodologies and adherence to strict quality control.

To date, seven out of ten Boustead mills are accredited with the ISO9001:2000 Quality Management Standards. One mill has been targeted to implement ISO 14002 standards whilst another is working towards the Hazard Analysis Critical Control Point (HACCP) certification in coming years in anticipation of the need in the global market for palm products.

To complement these certifications, all operating centres within Boustead Plantations operate on well-documented guidelines and Standard Operational Procedures for high efficiency and quality control. These guidelines are reviewed and updated on a regular basis. With the inception of Roundtable on Sustainable Palm Oil (RSPO) certification schemes in November 2007, the Group further commits itself to comply with RSPO Principle and Criteria (P&C) to produce sustainable palm oil. Since 2005 concerted efforts have been taken to advocate the recommended practices in all the estates, in the preparation for the commencement period of RSPO certification process in 2008.
4.0 Human Resource Development

Our human resources are the engine that drives the growth and success of our Group. Being committed to developing our human resources further, Boustead Plantations has devised 5 strategic approaches:

i. Employee Recruitment and Selection. This covers forecasting and determining the number of employees to hire while evaluating candidates to fill the company’s requirement.

ii. Training and Development. This is achieved via team building programs, seminars/conferences, university related courses/programs, ISP Technical Education Scheme (TES) Examination, public training courses on quality management system and also an in house development program which is aimed to train future estate managers on office administration and accounting procedures.

iii. Appraising Performance and Managing Careers. This is done through formally structured 2-way evaluation process:
   a. Promotion based on performance related and completion of the TES examination.
   b. Transfer is aimed to rotate staff to enhance learning process and meet new challenges.

iv. Performance Management System. This consists of Key Performance Indicator (KPI) and Balanced Scorecard. These systems enable the management to measure and manage the performance of employees.

v. Compensation and Incentives. These are aimed at motivating the employees to work harder via:
   a. Annual Bonus which is based on years of service, contractual basis and profit sharing.
   b. LISP honorarium for technical qualification is paid to personnel who have completed successfully the various Modules of ISP examination.

Via these programmes, we hope to create more rounded management personnel with the urge to learn and adopt new ideas, which would help towards more responsible, sustainable and profitable palm oil production, keeping in mind the care for the environment and society as a whole.

5.0 Local Community Development

5.1 Development of NCR Land

Boustead Peltta Kanowit is one of the two pilot NCR Land development schemes with the Sarawak state government that was launched by the YAB Chief Minister of Sarawak on 19th August 1996. Under the NCR Land development scheme which we call “A Smart Partnership with the Natives” – Boustead Plantations Berhad holds 60% of the stake, the landowners 30% and LCDA (As land owners’ Agents) holds a 10% stake. The idea behind this profit sharing formula is to develop the NCR Land belonging to the natives of Kanowit by utilising private capital and technical expertise from Boustead, while LCDA acts as a trustee on behalf of the landowners and also as a facilitator over the project development.

5.2 Human Capital, Health and Safety

Priorities for any employment opportunities are usually given to the local population and surrounding communities of the estates.
It has always been the Group’s practice to have a very close relationship with employees who rely on the company for much of their social and economic needs.

We provide integrated housing complexes, clean water and electricity supplies for our employees.

We also ensure that our staff, workers and their families have access to modern social and recreational facilities such as mosques, churches, temples, community halls, canteens, school, playing fields, clinics, dispensaries and crèche.

The group is fully committed to maintain high standard of health and safety of its workforce as well as the quality environment of the workplace. All the Group estates are to ensure that the OSHA guidelines are understood and adhered to. Various steps are also taken to prevent any likely accidents and occupational illness.

Our Hospital Assistance programme also provides free medical treatment, safety, health and environmental programs for the surrounding communities.

6.0 Conservation of Biodiversity and unique ecosystems

Boustead Plantations has a long history in the conservation of biodiversity and preservation of unique natural ecosystems within its estates. We have actively planted areas not suitable for oil palm with timber species such as Teak, Sertang and Mahogany in our Gabah and Sarawak estates. Other unplantable areas are left uncleared or are set aside so that native species are allowed to regenerate in order to enrich the biodiversity of our plantations.

During the land clearing process, standing Bellan trees are preserved in our estates (e.g. Lig Sutera). A small planting of ‘Forgiat Ali’ trees (e.g. Sugul) had also been established.

Boustead has also set aside areas with high conservation values within a number of its estates and to preserve their unique natural ecosystems. These include riparian reserves along rivers and streams as well as waterfalls, small ponds and natural hot-springs. These nature reserves support a wide variety of flora and fauna and also provide recreational activities for local residents.

7.0 Moving Forward

As highlighted in our GAPs and GMPs above, all Boustead estates and mills operations conform to all environmental regulations in line with statutory requirement.

As a showcase of our commitment towards environmental protection, Boustead mills in the near future will be equipped with the Biotherm Palmis system, an advance zero-waste, zero-discharge composting system, that offers an effective environmentally friendly solution to maximise nutrient recycling by converting 100% of raw POME and some 60% of EFB into nutrient enriched organic fertilizer.

Being a technologically driven company, we will also, via implementation of site-specific GAPs in our estates and continuous development of new techniques and improvements in our mills, ensure that we surpass all environmental regulations and statutory requirements.

We will also be steadfast in our commitment to conduct comprehensive land evaluation, environmental impact and biodiversity assessments before any decision for a new development are made.
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