



**PUBLIC SUMMARY
FIRST SURVEILLANCE ASSESSMENT**

AUDIT DATE : 20TH – 24TH JUNE 2011

**PPB OIL PALMS BERHAD
SAREMAS 1 CERTIFICATION UNIT**

Miri, Sarawak, Malaysia

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SUMMARY

This first surveillance assessment report describes the level of continued compliance of the Saremas 1 (S1), one of the Certification Units (CUs) of the PPB Oil Palms Berhad (PBB) against the requirements of the RSPO Principles & Criteria (P&C) Malaysian National Interpretation (MY-NI):2008. This surveillance assessment was conducted on 20 – 24 June 2011.

SIRIM QAS International Sdn Bhd (SIRIM QAS International) was contracted by PBB to conduct this surveillance assessment. SIRIM QAS International is the leading testing, inspection and certification body (CB) in Malaysia having provided its services to all sectors of the business and industry for over 30 years.

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

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

This surveillance assessment had resulted in the issuance of one (1) major Non-Conformity Report (NCR) and nineteen (19) Opportunity for Improvements (OFIs). S1 had taken appropriate corrective actions to address the major NCR which had been verified by the assessor and therefore closed out. S1 had also submitted a corrective action plan to address these OFIs which had been accepted by the assessor. The verification on these corrective actions to address the OFIs would be under taken by SIRIM QAS International during the next surveillance audit.

Based on the evidences gathered during this surveillance, it could be concluded that S1 had continued to comply with the requirements of the RSPO MY-NI: 2008. The one major NCR raised during this surveillance assessment has been adequately addressed and therefore closed out. In addition, all major and minor NCRs raised during the previous Stage 2 audit had also been appropriately addressed and closed out. The assessment team therefore recommends that S1 to continue to be certified against the RSPO MY-NI: 2008.

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply bases of oil palm fresh fruit bunches (FFBs) were assessed against the requirements of the Malaysian National Interpretation (MY-NI: 2008) of the RSPO Principles and Criteria: 2007.

1.2 Certification Scope

This surveillance assessment covers the Saremas 1 Palm Oil Mill (S1POM), Saremas 1 Estate and Suai Plantation. The scope of certification is the sustainable production of crude palm oil and palm kernel from the S1POM with FFBs supplied by the mill's own estate; the Saremas 1 and Suai Plantation. As S1 had been fully developed, Principle 7 of the RSPO P&C was not applicable.

1.3 Location and Map

S1POM, Saremas 1 and Suai Plantation are located in the Miri District, Sarawak, Malaysia. They can be accessed by the Bintulu-Lahad Datu (BLD) Road from its junction with the Bintulu - Miri Road. The other access is through the Public Works Department (PWD) road from Simpang Jawa through Rumah Datu and Suai Plantation which is linked back to the BLD road.

In the immediate vicinity of S1 are the longhouses and other oil palm plantations. There are five longhouses namely Rumah Bunsu, Rumah Tapu, Rumah Gundi, Rumah Merudi and Rumah Rimbo.

Outside S1, there are four longhouses; Rumah Sabang, Rumah Ringkai (Rumah Layang), Rumah Akai and Rumah Ujuh. Rumah Sabang is located at the southern edge while Rumah Ringkai is at the north-west end of the Suai Plantation. Rumah Sabang, Rumah Akai and Rumah Ujuh are located on Stateland while Rumah Ringkai is located within another oil palm plantation (Alam Wasa).

It was noted that, Rumah Akai and Rumah Ujuh had been left empty since three years ago. Adjacent to Rumah Tapu is an Acacia mangium plantation that belongs to the Forest Department of Sarawak. There is one main river; the Batang Suai which passes through S1.

There are four living quarters (known as line site) within S1. The Saremas 1 central line site houses employees from S1 Estate and S1POM. The other three line sites are in Suai Plantation.

S1 is administered by an office located in S1. This office also administered the operations of another CU, the Saremas 2 (S2) Estate. The official address of this office is KM 115, Bintulu-Miri Road, Miri, Sarawak, Malaysia. There are other smaller offices in the estates. However, all correspondence is made through the main office at S1. The map of S1 (mill and estates) is shown in **Attachment 1** while their locations are shown in the coordinates as detailed in **Table 1**.

Table 1
Location of Mills and Estates

Operating Unit	Latitude	Longitude
S1POM	3° 31'29.561"N	113 °45'50.147"E
Saremas 1 Estate	3° 31'18.611"N	113 °45'23.484"E
Suai Plantation	3 °35'41.223"N	113 °44'21.884"E

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

1.4 Description of Supply Base (Fruit Sources)

S1POM receives FFB supply from Saremas 1 Estate and Suai Plantation and a few smallholdings. Occasionally, Suburmas Plantation would deliver its crop to S1POM whenever its mill broke down. As Suburmas Plantation was not a regular supplier of FFBs to S1POM, it was omitted from the scope of certification. The average annual FFB contribution from each estate for the past year (2010) is detailed in **Table 2**.

Table 2
FFB Contribution to S1POM in 2010

Estate	FFB Production	
	Metric Tonnes (MT)	Percentage
Saremas 1 Estate	91,780.28	44.04
Suai Plantation	116,583.05	55.96
Total	208,363.33	100.00

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

The total area and area planted with oil palms are shown in **Table 3**.

Table 3
Total Area and Plantation Planted

Estate	Year of establishment	Total Area (ha)	Planted area (ha)
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Saremas 1 Estate	1987	6,033	4,790
Suai Plantation	1978	5,674	5,069

1.6 Other Certifications Held

S1POM and the estates do not hold any other form of third-party certification of their management systems. Nevertheless, they had been implementing an internal management system which was based on the requirements of the ISO 14001:2004 and the Occupational Safety and Health Act (1994).

1.7 Organisational Information/Contact Person

PPB has a regional office in Bintulu, Sarawak, which is responsible for overseeing S1, S2 and other management units in Sarawak. The correspondence address and contact person are as detailed below:

Address:

PB Oil Palms Berhad
Sarawak Operations,
Lot 967, Sublot 7,
Taman Seaview Commercial Centre,
Jalan Tanjung Batu, P.O Box 730,
97008 Bintulu, Sarawak, Malaysia.

Contact person:

Mr. Kiaw Che Weng
Assistant General Manager
Phone : + 60 85 325 713 / + 60 86 333 286
Fax : + 60 85 495 010
+60 86 315 220
+60 86 315 223
+60 86 315 221

1.8 Approximate Tonnages Claimed for Certification (CPO and PK)

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

Table 4
Approximate CPO and PK (Tonnage) Claimed for Certification (2010)

Certification Unit	CPO	PK
S1	208,363.33	9,251.33

Note: The amount claimed for certification excludes contribution from smallholdings and non-certified unit (Suburmas Plantation)

2.0 ASSESSMENT PROCESS

2.1 Certification Body

SIRIM QAS International is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards.

Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards

Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCCC).

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

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

2.2 Assessment Methodology (Program, Site Visits)

This surveillance assessment was conducted on 20 to 24 June 2011. The main objectives of this surveillance are to:

- (a) determine the continued compliance of S1's against the requirements of the RSPO MYNI:2008,
- (b) verify the effectiveness of the corrective actions being implemented by S1 to address the NCRs raised during the previous Stage 2 audit and
- (c) make appropriate recommendation on the continued certification of S1 CU based on the findings of this surveillance assessment.

The planning of this surveillance assessment was guided by the RSPO Certification Systems Document. The assessment was conducted by inspecting the mill, planted areas, HCV habitats, labour lines, chemical and waste storage areas and other workplaces. Random interviews with management, employees, contractors and other relevant stakeholders were conducted.

Apart from the above, records as well as other related documentation were also evaluated. The details on the surveillance audit programme are presented in **Attachment 2**.

2.3 Assessment Team

The assessment team comprised five (5) auditors. The details on the auditors and their qualifications are presented below.

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Dr. S.K. Yap	Assessment team leader/ estate environmental issues and HCV habitats	<p>Academic qualifications:</p> <ul style="list-style-type: none"> Ph. D. (Forest Biology) University of Aberdeen (Scotland) and University of Malaya Fellowship in Tropical Rain Forest Project. B.Sc. Hons. Second Class Upper (Botany), University of Malaya <p>Audit experiences:</p> <p>Over 400 auditor days of auditing experience in Malaysia, India, Indonesia and China, under the following:</p> <ul style="list-style-type: none"> ISO 14001, MTCS MC&I and FSC forest management certification & RSPO (2001-2012) Technical expert for ISO 9001 (2008) Completed RSPO Lead Assessor Course - 2008 Successfully completed EARA approved lead Assessor course for ISO 14001: 2001

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

		<ul style="list-style-type: none"> Current research projects: <ul style="list-style-type: none"> Engaging the Market: Peripheral Communities of Belaga District (Project Leader: 2008-2010) The Iban Diaspora: Iban Communities in Tawau and Brunei Darulsalam (Research team) 2009 – 2011
Akim Kaji	Auditor/ environmental management system	<ul style="list-style-type: none"> 1976-1978: Engine Room Maintenance Technician at Malaysia International Shipping Corporation As Lead Auditor for environmental management system audit and had conducted EMS certification audits for over 10 years Attended ISO 14000 Advanced EMS Auditing Training, 2001 Attended OHS Lead Assessor Course ISO 18001, 2009 Attended RSPO Lead Assessor Course in April 2011 CPE International Diploma in Occupational Safety and Health, Queensland University of Technology 1997.
Mr. Yap Nyoke Yong, Raymond	Auditor / Good Agricultural Practices (GAP) and workers issues	<ul style="list-style-type: none"> 36 years of experience in plantation management, covering rubber and oil palm Diploma in Agriculture, University of Malaya <p>Working Experiences:</p> <ul style="list-style-type: none"> Estate Manager, Kuala Lumpur Kepong Berhad External Planting Advisor, Kumpulan Guthrie Berhad Rubber Inspector, RISDA Pahang, Malaysia. <p>Involvement in professional organizations</p> <ul style="list-style-type: none"> Associate member of Incorporated Society of Planters Chairman MPOA (Negeri Sembilan Branch) Vice-Chairman MPOA (Negeri Sembilan Branch) Vice Chairman of Pahang Planters Association Chairman of ISP West Pahang Branch

2.4 Stakeholder Consultation

Assessment team has verified issues related to stakeholders and record of communication was well maintained in Saremas 1 CU admin office.

2.5 Date of Next Surveillance Visit

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

3.0 Assessment Findings

3.1 Summary of findings

The findings for this surveillance assessment were highlighted and discussed during the on-site audit. This surveillance had resulted in the issuance of one (1) major NCR and nineteen (19) OFIs. The details on the NCR and OFIs are as in **Attachment 3**.

The findings of this surveillance assessment are reported based on the format for the RSPO MYNI indicator. The detailed findings of this surveillance audit on S1's compliance to the requirements of the RSPO MY-NI are as follows:

PRINCIPLE 1: COMMITMENT TO TRANSPARENCY

Criterion 1.1

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

Audit findings:

All the estates inspected had continued to maintain records on requests for information on environmental, social and legal issues related to RSPO Criteria. From the record books it was noted that there were no requests for such information from external stakeholders.

Criterion 1.2

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

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

- 1.2.1 Land titles/ user rights (C 2.2)
- 1.2.2 Safety and health plan (C 4.7)
- 1.2.3 Plans and impact assessments relating to environmental and social impacts (C5.1, 6.1, 7.1, 7.3)
- 1.2.4 Pollution prevention plans (C 5.6)
- 1.2.5 Details of complaints and grievances (C 6.3)
- 1.2.6 Negotiation procedures (C 6.4)
- 1.2.7 Continuous improvement plan (C 8.1)

Audit findings:

All the documents listed in this Criterion were still made available in the offices of all the estates inspected. Land titles, policies of the company, licenses and organizational charts were still on display in the offices.

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Criterion 2.1

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

Audit findings:

All relevant permits and licenses were inspected in each estate and found still in compliance with all applicable national laws and regulations.

During the previous Stage 2 audit, a **major NCR 1** was raised as there was an input received from a

stakeholder that S1POM had been discharging effluents with BOD level exceeding the limit specified by the relevant authority. In addition, it was observed that S1POM did not have competent Persons-In-Charge (first grade steam engineer, engine driver with steam boiler certificate and electrical charginan).

The management of S1 had held a series of discussions with the Department of Environment in Miri and Kuching, Sarawak on the appropriate corrective actions to address this major NCR including an installation of 11 + 2 surface aerators and mixers, desludging of pond 4 at S1POM and providing additional ponds in order to prolong the retention time of the effluents.

On the competent Persons-In-Charge, an offer letter had been extended to one of the candidates who had attended the interviews for the post of First Grade Steam Engineer. For the position of an Engine Driver with a second grade steam boiler certificate, the post has been advertised and interviews conducted to recruit the right candidate. With respect to the Electrical Charginan, the post had been advertised and interviews conducted. As a temporary measure, a visiting Charginan had been appointed to perform this function. **The assessment team had reviewed, accepted and verified the corrective actions taken and closed out this major NCR 1.**

During this surveillance, it was found out that a boiler and three Gensets had been operated by a non-competent person against the Factory and Machinery Act 1967. In addition, it was found out that the electrical installation had not been regularly inspected as required by the Regulation 66(2) of the Sarawak Electricity Ordinance, the Electricity Rules 1999. **This was therefore raised as a new major NCR 1.**

As corrective actions to address this major NCR, SPOM1 had sent the names of its own staff to MPOA as candidates to be trained and registered as First Grade Steam Engineer, Engine Driver and Internal Combustion Engine Driver due to shortage of such persons in the industry. In addition, SPOM1 had taken further effort to hire more competent person through advertisements in the newspaper. However, there was no suitable candidate. SPOM1 had communicated this problem of hiring competent persons to the DOSH Sarawak.

On the electrical installation, SPOM had taken action to conduct a regular monthly inspection beginning in August 2011. An agreement, signed between PPB and the Visiting Electrical Engineer for the conduct of this inspection was sighted. **The assessment team had reviewed, accepted and verified these corrective actions and decided to close out this new major NCR 1.**

A legal register was still being kept. S1 had obtained written approvals pertaining to the installation of all pollution prevention equipment from the relevant authority with specified conditions. It was, however, noted during this assessment that some of the applicable conditions specified for all the estates and mills had not been registered in the legal register. Annual compliance monitoring against all applicable conditions had been conducted but some of the results recorded were not comprehensive or accurate. **An OFI 1 was therefore raised.**

Criterion 2.2

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

Audit findings:

All the estate land was leased from the state government for 60 years and the condition of that lease was for 'Agriculture Purpose'. All the estates inspected were still in compliance with that condition.

During the site inspection conducted in all the 2 estates, distinct red and white wooden boundary markers were still being observed. The positions of these markers were labeled and recorded on the maps made available at the Ecological Management Unit (EMU) in S1 Estate.

There was no conflict or dispute over the land per se. The boundaries of the five communities were clearly mapped. The Community-based Development Committee had continued to act as a forum to resolve conflicts and disputes between the longhouse communities and the company.

Criterion 2.3

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

Audit findings:

There was no customary right-encumbered land involved. The area made available for use by the five local communities had been clearly mapped. The local communities had continued to have full access to this land. The estate management had prepared a MoU document to clarify their guarantee of giving uninterrupted access to the land. Three longhouses had signed and other two were still studying the document.

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

Criterion 3.1

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

Audit findings:

A Management Plan including crop forecast, profit and loss, infra-structure development (roads, houses etc) covering the period of 2011 to 2016 was still being used for all the estates. This Plan had also included a replanting program.

For S1 the projection of yield/cost/profit for 2009 to 2014 was examined while for Suai Plantation, the crop forecast, expenditure and profit & loss was for 2011 to 2016. The monthly progress report for vertical monitoring was also inspected.

The replanting schedule for the estates was as follows:

Suai Estate	2011	141 ha
Saremas 1 Estate	2011	261 ha
	2012	549 ha
	2013	774 ha
	2014	607 ha

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

Criterion 4.1

Operating procedures are appropriately documented and consistently implemented and monitored.

Audit findings:

An Agriculture Manual & Standard Operation Procedure (SOP) (2011 Edition) was still being implemented.

It was observed that the present SOP could be expanded by incorporating the procedures on (a) the operations of the Methane Recovery Plant and Tertiary Effluent Treatment Plant and (b) the boiler and mitigation measures for the Effluent Treatment Plant (ETP) during abnormal situation such as dark-smoke emission and final discharges exceeding limits (c) mechanisms on recording dark-smoke emission from the boiler during the malfunction of the smoke density meter and (d) ensuring that S1POM could determine the water discharge from the monsoon drains. **This was raise as OFI 2.**

Monthly Progress Reports and Annual Reports monitoring all these activities were made available during this surveillance. These reports were also displayed on the office notice boards and posted in the estate offices for at least a year.

Criterion 4.2

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

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

Audit findings:

Each estate still had a copy of its soil map and this was presented to the assessors during this surveillance. The Reconnaissance Soil Map of S1 Estate was examined and it had 10 soil associations.

Annual Agronomic foliar analysis was conducted in all the estates and the results formed a basis to ascertain soil fertility and for fertiliser recommendation.

Empty fruit bunches (EFB) were still being distributed and used as organic fertilizer for the oil palms in all the estates inspected. EFB application was done mainly in the young planting and along roadsides (3-5 rows of palms from both sides of the roads).

Criterion 4.3

Practices minimise and control erosion and degradation of soils.

Audit findings:

Terraces had continued to be constructed in all sloping areas with regular bunds at an interval of 20 meters to retain water and erosion control. Vertiver grass had continued to be planted to control erosion and land slide of steep slope. EFB application had continued in the young planting and along roadsides (3-5 rows of palms from the road).

Road was satisfactory and water runoff was adequate. Rain water was drained into the terraces and lower slope. In mature area, frond stacking was still being done with one stack in 4 palms.

The estates inspected had generally been protected by natural vegetation without being exposed to soil erosion. Circular weeding had continued to be implemented. Ground cover has been a standard requirement with the cover crop *Mucuna bracteata* extensively planted in exposed slopes.

The fern cover consisting of *Neprolepis biserrata* was observed to occur sporadically. An **OFI 3 was raised** as it was observed that to encourage the growth of this fern, the sequential herbicides (rotating chemicals used to avoid on excessive application of one herbicide) should be used.

In mature planted area, it was observed that frond stacking with one stack within 4 palms had continued to be done. This had further reduced the incidences of erosion.

The condition of harvesting roads in the plantations inspected was satisfactory and water runoff was found to be adequate. Rain water was drained into the terraces and lower slopes. The same road maintenance programme (machine utilization programme) was still being used in the estates.

Criterion 4.4

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

Audit findings:

As reported in the previous audit, riparian belts along the major rivers in all the estates had been properly demarcated with appropriate signage. Smaller unnamed rivers in all the estates also had signage.

Although standard signage had been erected for all demarcated riparian buffer belts, the protection of such area could be further extended by ensuring that all replanting exercise would not encroach into these belts. An **OFI 4 was raised** as it was observed in Block 112 of SI estate that there were new palms within the riparian belts.

It was observed that there h been no construction of bunds/weirs/dams across the main rivers or waterways in the estates. All stream and drainage had been without obstruction.

Water sampling had continued to be conducted at specified sampling points along the main rivers in all the estates as specified under the approval conditions of Environmental Management Plans. Reports had continued to be submitted at quarterly intervals to the NREB Sarawak.

Although systematic monitoring of water and air qualities had continued to be done by the estates

and mills, this would be more beneficial if the data obtained could be reviewed and followed by appropriate mitigation actions. **An OFI 5 was therefore raised.**

The estates had continued to collect data on rainfall. Records from 2006 to 2011 were examined. Procedures for creating awareness to minimize water usage had continued to be followed by all the offices, mills and estates. Rain harvesting had continued in line sites and estate complex.

The amount of water used by the mills and the estates had continued to be monitored. Records of mill daily water use (litres of water per ton of FFB) as well as Monthly and Daily Water Consumption in the estates were still being maintained. For Saremas 1 Palm Oil Mill an average of 2.13 per mt FFB was recorded in 2009 but this was reduced to 1.80 per mt FFB in 2010.

Criterion 4.5

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

Audit findings:

Integrated Pest Management had continued to be implemented in the estates by establishing beneficial plants along road sides and vacant areas. This practice had been documented in the Agriculture Manual and SOP for the estates.

Beneficial plants were planted along road sides and vacant areas in all estates. The species used were the same namely *Antigonon leptopus*, *Cassia cobanensis* and *Tunera subulata*. The Cover Crop Planting of Beneficial Plants (LCC Planting Program 2011) was inspected.

Pesticides had not been used as there was no outbreak of pest attack at the present moment. Chemical application was only implemented when the incidences of attack exceeded the accepted threshold.

Herbicides usage had continued to be monitored. For 2010 a total of **2.2632** litres ai (active ingredients) per ha were applied in the field.

Criterion 4.6

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

Audit findings:

All chemicals usage had continued based on need to do basis to enhance field operation. No Class I & II chemicals had been used. Insecticide and rodent baits had been used only after a threshold (minimum damages) level had been exceeded and no prophylactic practices was permitted.

S1 had continued to provide written justifications for all the agrochemicals used in the Agriculture Manual and Standard Operating Procedure.

All herbicides used were registered under the Pesticides Act 1974. S1 had continued to implement the PPB's Occupational Safety and Health Policy, plan and programme. Hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records were verified during the assessment.

The storage of these chemicals was found to be still in accordance to the related legal requirements. The store was locked and specific persons-in-charge have been assigned to attend to it. The appropriate PPE for handling these chemicals had continued to be made available at the point of use.

Records on the purchase, storage and use of agrochemicals had continued to be properly documented in the Stock Statement Return. Disposal or destruction of empty chemical containers was still found to be in accordance with legal requirements. MSDS instructions were displayed.

In order to enhance the use of pesticides, second generation rat baits should have been avoided. If they were necessary, only Warfarin based baits should be used. It was observed that stock of 'Matikus' purchased in 1992 which had exceeded its shelf life had not been disposed. **This was raised as OFI 6.**

S1 had continued to implement the schedule for medical surveillance of its workers. It was observed that all the sprayers were healthy and suffered no detrimental effects as a result of their job. In addition to the above, all the sprayers had continued to undergo annual medical surveillance carried out by Occupational Health Doctor.

Monthly tests were still conducted in the estate clinics and all pregnant and breast-feeding women were not allowed to work as pesticides sprayers. There was no evidence to show that paraquat had been used in the estates. There was no aerial spraying in the estates. The mill had not received any request to conduct tests on chemical residues in CPO.

For 2010 a total of 2.2632 litres ai (active ingredients) per ha were applied in the field. A bin card system for the issuance of agrochemicals (FIFO) had continued to be practised in the chemical store.

Criterion 4.7

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

Audit findings:

S1 had adopted PPB's Occupational Safety and Health (OSH) Policy, plan and programme. The plan was documented, communicated and implemented to all levels of the organization. Hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records were verified during the assessment. However, the OSH objective could be improved to include compliance to legal requirements so that it reflects Willmar's commitment as stated in the OSH policy and in line with the RSPO P&C. **This was raised as OFI 7.**

As mentioned in the findings on criterion 4.6, S1 has continued to adopt PPB's Occupational Safety and Health Policy, plan and programme. The HIRARC had covered activities in the estates and mill.

Although SPOM1 had identified significant hazards and risks and determined appropriate risk control measures in their HIRARC Register, it was noted that no HIRARC reassessment was made following an accident that occurred on 30th December 2009. Likewise, Suai Plantation would have to review its HIRARC Register following a thorn prick accident to harvester on 11th November 2010 that resulted in medical leave of 5 days. The effectiveness of the corrective action recommended following the accident investigation would have to be monitored. **This was raised as OFI 8.**

SI had continued to implement appropriate risk control measures whereby the employees had continued to be provided with the appropriate PPE. Sprayers and workers responsible for fertilizers application had continued to wear suitable PPE and given adequate tools to perform their works. Records had continued to be kept on the distribution of PPE.

It was observed that first aid boxes were placed at several strategic locations at the mills and also provided to the field supervisors. However, the content of the First Aid Box could be standardized so as to be in accordance with the DOSH First Aid Guidelines, Second Edition. In addition, some of the First Aid Kits had been found without triangular bandage, splint, and insect bite cream. **This was raised as OFI 9.**

It was also noted that machines which have moving parts had continued to be well guarded. In the estate, clean water had continued to be provided and transported to the field for use by the sprayer team. Bath rooms and wash area for clothing had continued to be made available near the chemical stores.

However, the frequency on the issuance of PPE (examples mask, gloves, apron, goggle) could be standardized as some Divisions within Suai Plantation had issued them more regularly than others. In addition, S1 should improve the issuance of Personal Protective Clothing and appliance including foot-wear in accordance to the FMA (Safety, Health and Welfare) Regulations 1970. **This was raised as OFI 10.**

It was observed that safety signage especially on the need to use earplugs or ear muffs in generator set room, had not been erected at the office in the Suai Plantation. **This was raised as OFI 11.**

S1 had continued to provide facilities for various types of emergencies that had been identified. Ambulance and a duty officer had continued to be made available for 24 hours to cater for the emergency cases.

There was no change on the procedures on response to emergencies. There was still a site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and contractors. There was an Emergency Response Team comprising of first aiders, fire fighters and search and rescue team at both mill and estate levels. At the mill, an 'Emergency Room' equipped with basic facilities (i.e. stretcher, First Aid kit, emergency eye wash and shower station) was still being provided.

Although S1 had conducted fire and evacuation drill at mill and line site, this could be improved with more credible scenarios including "fainting", "injured victims" including emergency response drill at night could be simulated to test the team's preparedness. **This was raised as OFI 12.**

It was verified during this surveillance that there were records of regular meetings/communication between management and workers during the regular morning briefings, the quarterly OSH Committee and Sub-Committee meetings. The minutes of meetings were still being kept and S1 has continued to take the necessary action to rectify issues highlighted in these meetings.

Training for the staff and workers had continued to be conducted as per the OSH plan and programme developed by the SHO. Among the training were on RSPO Awareness, Induction Course, OSH at Workplace, Safe Standard Operating Procedure, Machine and Tools, Basic First-aid, understanding of CSDS and the use of PPE.

It was also verified during this surveillance that accident records had continued to be kept and the relevant reports including JKPP 8 being timely submitted to the DOSH. Accidents were being continuously recorded by the Safety Officer and displayed as LTA on the notice board of each office. For S1, there were 95 accidents recorded in 2010. These records were kept in Occupational Accident Record and also Occupational Accident Statistics 2010.

In accordance to the Workmen Compensation Act 1992, group insurance for all workers was still being provided. The insurance certificate issued by Etiqa No. 040940914 expiring on 29 June 2011 was examined. An insurance card was issued to each worker.

Criteria 4.8

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

Audit findings:

During field interviews held with the workers in various work sites, it was observed that they were still knowledgeable on the safety usage of PPE and First Aids.

Contractors would usually be briefed on safety and also on RSPO, ESH, OSH requirements upon commencement of work.

There was a joint consultative committee for all stake holders and the minutes of meetings of the Joint Consultative Committee on 28.9.09 was presented. It was observed that the topics discussed during the meetings covered all guidelines of RSPO, OSH and ESH principles.

A training schedule was drawn up at the beginning of the year for implementation. Training sessions for work related first aid procedures was documented. Training was done once in every 3 months due to the high turnover of workers. However, there was a need to review on the effectiveness of the training being conducted. **This was raised as OFI 13.**

PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF

NATURAL RESOURCES AND BIODIVERSITY

Criterion 5.1

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

Audit findings:

S1 had conducted the environmental aspects and impacts risk assessment for activities relating to the estates and mill operations. The aspects and impacts risk assessment was periodically reviewed and updated. However, the evaluation exercise on some activities in the mills and estates to determine its significance level had not been conducted in accordance to the level of significance according to established criteria. **An OFI 14 was therefore raised.**

The environmental improvement plans to mitigate the negative impacts which had been developed had continued to be implemented. Among the improvement plans were improving the quality of effluent discharged from the mills, emission of methane converted to energy production, reduction of fuel consumption and increasing the 3Rs initiatives in domestic waste management.

Criterion 5.2

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

Audit findings:

The HCV scoping assessment of the estates had been completed in July 2008 with HCV 4 and HCV 6 sites being identified. Reports by the consultant on HCV Scoping Assessment of S1 and S2 Estates of PPB Oil Palm Berhad had documented ERT species within the residual forested areas of the estates. In addition for S1 estate, the HCV Monitoring and Management Action Plan April 2011 was presented. However, this report could also be further improved with the addition of a new HCV 6 sites that had been identified (burial site in Suai Estate). **This was raised as OFI 15.**

The company had initiated a monitoring programme to protect these sites with clear demarcation and map. An HCV Management and monitoring Plan for S1 and Suai Plantation 2011 was presented. This Plan which had included new HCV habitats and ERT species was prepared with consultation of with wildlife section of the Sarawak Forest Department.

Poaching was still not allowed within the plantation with signage placed at the entrances of each estate. Posters on protected animals were being observed at the guard posts.

It was observed that the management practices of HCV habitats could be enhanced through a monitoring procedure that focus on the core attributes of these habitats. Severely degraded areas within the protected areas could be rehabilitated with suitable vegetation cover to encourage fauna movement. In addition, the prevention of poaching could be improved with posters of ERT species widely displayed within each estate. **This was raised as OFI 16.**

Criterion 5.3

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

Audit findings:

Domestic Waste Records based on number of trips to the landfills was still being maintained at each division of the estates. Recycling bins were still made available in all offices, line and landfill sites. Aluminum cans, plastic bags and papers were still being re-cycled from domestic wastes and donated to Tzu Chi Foundation.

Mill waste EFB was still used as organic supplements in the fields and EFB mulching done in all new plantings and along roadsides.

The mechanism on the notification of new types of scheduled wastes generated could be enhanced with records appropriately maintained in all sites. **This was raised as OFI 17.**

Scheduled wastes had continued to be disposed through a licensed contractor Wasteway (Malaysian) Sdn. Bhd. in accordance to Schedule Waste 2005.

Criterion 5.4

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

Audit findings:

Fiber and shells from the mill were still used as boiler fuel to generate steam for the process, as well as electricity for the mill complex and line site. The usage of this renewable energy had continued to be monitored and recorded. Monthly monitoring of fossil fuel usage as per tonne of CPO was also made available.

Criterion 5.5

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

Audit findings:

There was no open burning being observed during this surveillance as this practice had not been allowed under the law and not permitted under any circumstances as clearly stated in the SOP. There was also no burning for all replanting works.

It was observed that there was no replanting done during this surveillance. It was reported that all old palms would be felled and chipped for mulching.

Criterion 5.6

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

Audit findings:

S1 had installed a tertiary effluent treatment and methane recovery plants for the mill. A new plant to trap methane produced from the treatment ponds of S1POM had been established. The trapped gas could be used for power generation.

Pollutants and emissions had continued to be identified in the Aspects and Impacts Register.

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

Criterion 6.1

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

Audit findings:

During the previous Stage 2 audit, it was found that S1 had not conducted an SIA on its decision to dig trenches between them and the smallholdings in S1 Division E. **Therefore, a major NCR 2 was raised.**

Following the first SIA, the management had conducted an additional SIA study to address new problem raised by a local community following the trenching along the boundary with the community and neighboring estates. This SIA which focused on the specific issue could provide a basis for designing future revision of the SIA. A great deal of new measures had been introduced and projects implemented. Evidence of mitigation plan, implementation, and continuous improvement were found

both on field-visit and discussions with stakeholders/longhouse communities and in documented form (*Community-based Development Committee Files and Management Review After Audit Files*).

The assessment team had reviewed and accepted the corrective action by S1. **This major NCR 2 was therefore closed out.** However, the verification on the effectiveness of the corrective action would be done during the next surveillance audit.

Criterion 6.2

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

Audit findings:

The SOP: Standard Operating Procedure for Consultation and Communication (SOP-CC); The Joint Consultative Committee and The Community-based Development Committee had also provide forums for communication and consultations.

During the previous Stage 2 audit, it was found out that there was a need for S1 to review the criteria for identifying stakeholders and there were evidences to indicate that S1 had not identified the stakeholders who would have been affected by its operations. **This had resulted in the issuance of minor NCR 3.** As a corrective action to address this minor NCR, S1 had established a guideline on identifying stakeholders. This guideline had been communicated to the relevant person-in charge for implementation. The assessment team had reviewed, accepted and verified the corrective action and therefore closed out this minor NCR.

Various modes of management to staff/workers communication – daily assemblies, internal circulars and memos, notices, posters, environmental and social campaigns, management walk had continued to be used as means of communications.

A Social and Welfare Committee had been formed. This committee was made up of the Assistant General Manager (Sarawak Operations) as the chairman, S1's Human Resource Manager as the secretary, and the managers of the mills and estates. Community-based Development Committee was set up to develop a closer rapport with the local communities.

A list of stakeholders consulted had been maintained. There was an established internal and external communication procedures within the estates.

Criterion 6.3

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

Audit findings:

The same complaint and grievance form had been used and S1 had continued to compile and summarize monthly all complaints and grievances captured by the form. Resolution of complaints and grievances was guided by a SOP on grievance and complaint (SOP-GC).

Besides these specific instruments, grievance and complaint were also dealt through the Joint Consultative Committee and The Social and Welfare Committee (Standard Operating Procedures and Continuous Improvement Plan 2008. Minutes of meetings of the above-mentioned committees were sighted.

It would be better for S1 to differentiate 'request' from genuine grievances and complaints as the record which shows many 'requests' may give an impression of many grievances and complaints within the estates. **This was raised as OFI 18.**

Criterion 6.4

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

Audit findings:

The Community-based Development Committee had continued to serve as a forum for resolving disputes and grievances pertaining to the local indigenous communities. This platform had been used to initiate the resolution of the grievances between some local communities and the company with regard to the trenching of boundaries.

The procedure for identifying legal and customary rights and identifying people entitled to compensation could be improved with the standardization of the name of committee, up-dating changes in documentations when amendments were made to the established procedures. **This was raised as OFI 19.**

There was no customary right-encumbered land. The area made available for use by the five local communities had been clearly mapped and the local people were well-informed of the boundaries. The local communities had full access to this land and an MoU had been prepared for signing by the local communities living within the estates.

Criterion 6.5

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

Audit findings:

Wage rates and conditions of work had continued to follow the industry standard and met all legal requirements (these were documented in the contract document). The contract document was as specified by the Sarawak government.

S1 had continued to provide free housing and basic amenities (electricity and water). About 95 percent of workers were housed in type H housing (conforming to legal requirement). The construction of more similar housing-units was underway to house all the remaining workers.

Workers had continued to have free access to basic health services provided through company-run clinics. The company had also provided pre-school by way of the Humana schools for the children of foreign workers and transportation to near-by government schools for children of local workers and staff.

S1 had continued to provide each estate with a mosque and chapel. Provision shops in each estate offers basic household goods (mainly food items) and prices have continued to be monitored by the Social and Welfare Committee.

Employment Contract Rule 2 of the Labour (Contents of a Contract) Rules (Sarawak) 2005 was still being adhered to when workers were taken in to work. The personal particulars, details of terms and conditions of employment (RM15 per day), overtime rate, working hours and rest day per week had been were clearly spelt out.

The estate had still not differentiated between foreign workers and local workers in terms of pay and conditions of work. The salary scheme for the workers, either local or foreign, was still similar. All the foreign workers had to fulfill the legal requirements before they could work in the estate.

Criterion 6.6

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

Audit findings:

The same documented procedure for collective negotiation and resolutions of dispute or grievances

(compiled in standard operating procedure and continuous Improvement Plan, 2008) was still being used.

Labour laws were still in the English language. However, the estate manager had informed the assessor that he would arrange for the new contract to be explained to the workers in groups when the time comes. Statement in Malay recognizing freedom of association was still being displayed in appropriate places. There was documented procedures on collective negotiation and resolutions of dispute or grievances (compiled in standard operating procedure and continuous Improvement Plan, 2008)

Criterion 6.7

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

Audit findings:

The documented policy statement on not employing under-age individuals was still being enforced. This policy was still on display at appropriate places for public knowledge.

Criterion 6.8

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

Audit findings:

A policy statement on equal opportunities was still being displayed in appropriate places. Through random interviews held with the foreign workers, it was found out that they had been happy with the working and pay conditions in the estates.

The workforce was a multi-cultural and multinational living mixing on the jobs and places of residence. Generally there was no apparent dissatisfaction. Pay and benefits for foreign and local workers were similar.

The workforce was a multi-cultural and multinational population, living and mixing while on the jobs and places of residence. Generally there had been no apparent dissatisfaction and discrimination. Pay and benefits for foreign and local workers had remained the same.

Criterion 6.9

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

Audit findings:

A policy against sexual harassment and violence against women was still in place. Awareness programs about sexual harassment and violence against women had continued to be conducted periodically. Sexual harassment was still a standing agenda of the Committee for Women and Children Meeting.

The estate management had continued to respect the rights of its personnel to join any trade union of their choice and to bargain collectively. This was shown by official published statement in Bahasa Malaysia recognizing the workers' freedom of association.

Documented minutes of meetings between the management with workers' representatives were also made available. Random interviews held with the workers and their representatives had revealed that they had understood their rights.

Criterion 6.10

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

Indicator 6.10.1

Pricing mechanisms for FFB and inputs/services shall be documented.

Major compliance

Audit findings:

During the previous Stage 2 audit, it was observed that SPOM1 had not made publicly available the current FFB prices. **This was raised as minor NCR 4.** The mill had taken action to display this information and had submitted a photograph as evidence of the corrective action it has taken. The assessment team had reviewed, accepted and verified the corrective action taken **and therefore closed out minor NCR 4.**

Prices of FFB had continued to be clearly displayed at the oil palm mills and oil palm prices and pricing had continued to be discussed at the Joint Consultative Committee meeting and with smallholders in the Community-based Development Committee. A mechanism to enable smallholders to be paid instant cash upon sale of FFB had been developed through discussion and consultation in this committee.

Criterion 6.11

Growers and millers contribute to local sustainable development wherever appropriate.

Audit findings:

Through the Community-based Development Committee S1 had continued to implement several quality of life related projects and livelihood enhancement initiatives such as:

- Supply of water tanks to the needy members of the longhouses
- Improving convenience by installing communal water pipes
- Giving materials for house-repairs to the needy households
- Making oil palm planting material available at below market price.
- Giving access to plantation roads
- Employment opportunities to the local communities

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTING

Not applicable as S1 is a fully developed estate and there was no new planting.

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

Criterion 8.1

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

Audit findings:

The management of S1 had established an SSOP for monitoring and reviewing activities for continuous improvement of their activities. The estates had continued to maintain a programme of determining threshold of pest infestation before pesticides application. During this surveillance, it was still being observed that pesticides had not been applied in the estates. Integrated Pest management programme had continued to be implemented in all estates through planting of beneficial plants. GAP was still being practised to be in line with industrial norm. Mills waste had continued to be re-cycled and used as soil supplement. EFB were still used as fertilizer in the field.

A management and monitoring programme had been established for the HCV areas identified within the 2 estates. Specific monitoring points had been identified and mapped.

Environmental monitoring had continued to be conducted according to the Environmental Management Plan for each estate and reports being submitted timely to the NREB, Sarawak.

Programmes on recycling and minimizing waste as well as by products generation had been established. Recycling bins, proper management of schedules wastes and bio-gas POME Methane Recovery Plant had been installed and undergoing commissioning during this surveillance.

A major improvement had been the new labour line for the workers. Each unit was equipped with electricity and treated water supply. This had reduced the E. coli count in the supplied water. Proper sanitation facilities had also been provided. All the workers interviewed had expressed their happiness over the new facilities.

Other improvements in the fields included greater awareness of workers on 3R's initiatives (i.e. reduce, reuse, recycle) as part of their work culture. Recycle bins were placed at appropriate sites including at the sorting area at the landfill sites.

A mechanism to capture the performance and expenditure had been established. It was not limited to social and environmental aspects but being extended to occupational safety and health. There was a new provision of changing room for the sprayers to ensure no contamination to their family and the changing of the system of carrying the spray chemical from jerry cans to tanker.

3.2 Status of NCRs Previously Issued

The assessors have verified on the effectiveness of the corrective actions taken by S1 on the 2 major NCRs and 2 minor NCRs raised during the previous surveillance. The assessor were satisfied that the corrective actions have been adequate to address the NCR and OFIs and had therefore closed them out. The details on the status of NCRs and OFIs raised during the previous Stage 2 are as in **Attachment 4**.

3.3 Detailed Identified Non- Conformities, Corrective Actions and Assessor's Conclusion

The details on the NCR and OFIs raised during this surveillance and the assessors' verification of the corrective actions taken are as in **Attachment 3**. The one major NCR raised during this surveillance audit had been satisfactorily closed out.

3.4 Noteworthy Positive Components

S1 had made further improvements on their compliance against the requirements of the RSPO P&C Malaysian National Interpretation (MY: NI): 2008. This was evident in terms of improvements being made on criteria related to environment and social issues.

In order to reduce pollution and emissions, including greenhouse gases, S1 had installed a tertiary effluent treatment and methane recovery plants for the mill. A new plant to trap methane produced from the treatment ponds of S1POM had been established. The trapped gas could be used for power generation.

In terms of social, a major improvement had been the construction of a new labour line for the workers. Each unit was equipped with electricity and treated water supply. This had reduced the E. coli count in the supplied water.

It was also evident during this surveillance that S1's top management had continued to demonstrate their firm commitment in their effort to complying with the requirements of the RSPO P&C and in maintaining the certification.

3.6 Acknowledgement of Internal Responsibility and Formal Sign-Off of Assessment Findings

I the undersigned, representing SIRIM QAS international Sdn. Bhd., acknowledges and confirms the contents of this assessment report and findings of assessment.

Name : Dr. Yap Son Kheong

Signature :



Designation : Assessment Team Leader

Date : 30 December 2012

I, the undersigned, representing Saremas 1 Certification Unit acknowledges and confirms the content of the assessment report and findings of assessment.

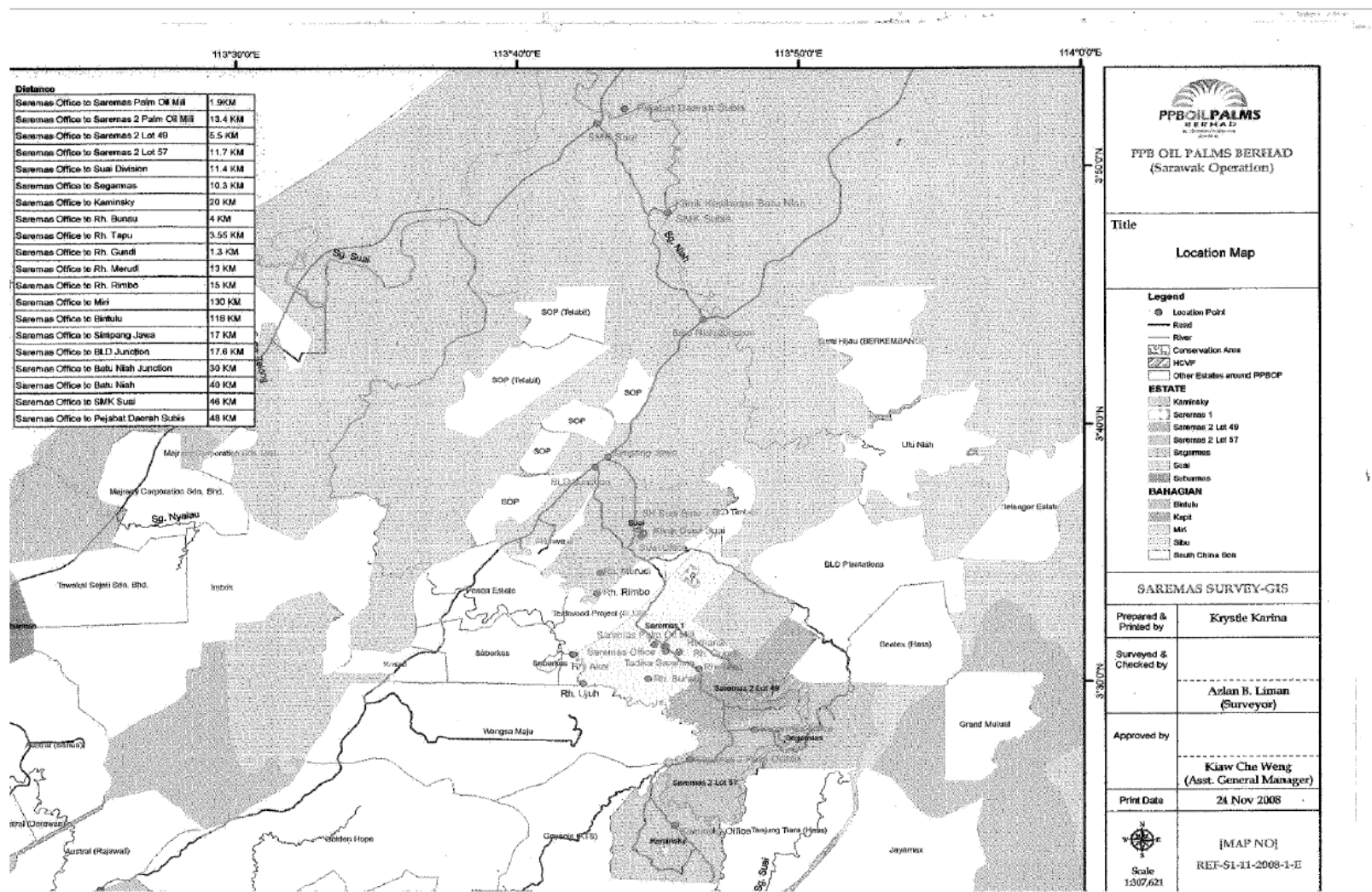
Name : Simon Siburat

Signature :



Date : 30 December 2012

Location Map of S1 Certification Unit (mill and estate)



SIRIM QAS INTERNATIONAL SDN. BHD.

**RSPO SURVEILLANCE AUDIT
PROGRAMME**

1. Objectives

The objectives of the assessment are as follows:

- (i) To evaluate PPB Oil Palms Berhad (PPBOPB) conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To make appropriate recommendations based on the assessment findings

2. Date of assessment : 20 June to 24 June 2011

3. Site of assessment : PPB Oil Palm Berhad
Saremas Certification Unit

- Saremas 1 Palm Oil Mill
- Saremas 2 Palm Oil Mill
- Saremas 1 Estate
- Saremas 2 Estate
- Suai Division
- Kaminsky Plantation Sdn. Berhad
- Segamas Plantation Sdn. Berhad

4. Reference Standard : RSPO P&C MYNI
Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

- a. Lead Assessor : Dr. Yap S. K.
- b. Assessor : Professor Datuk Abdul Rashid Abdullah
Raymond Yap Nyoke Yong
Mahzan Munap
Akim Kaji

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

6. Audit Method

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

7. Confidentiality Requirements

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

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

8. Working Language : English and Bahasa Malaysia

9. Reporting

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

10. Facilities Required

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

11. Assessment Programme Details : As below

Day 0: 19 June 2011

Time	Activities / areas to be visited
4.45 pm	Travel from Kuala Lumpur to Miri

Day one: 20 June 2011 Monday

Time	Activities / areas to be visited					Auditee
6.30 am-10.00 am	Travel to Saremas 1 Estate Opening Meeting by team leader; Audit team introduction and briefing on surveillance assessment objectives, scope, methodology, criteria and programmes by audit team leader at Saremas 1 estate office Briefing on the organization background and implementation of RSPO (including actions taken to address assessment findings of Stage II audit)					Management Representative
10.15 am-11.30 am						
11.30 am - 12.30 pm						
	Dr. Yap S. K.	Raymond	Prof. Datuk Abdul Rashid	Akim	Mahzan	
	Documentation review at Saremas 1 Estate (including verification on action taken to address Stage 2 assessment findings)			Documentation review at Saremas 1 Palm Oil Mill (including verification on action taken to address Stage 2 assessment findings)		Guide for each assessor
12.30 pm-1.30 pm	Break					
1.30 pm - 5.30 pm	Inspection of Saremas 1 Estate On environmentally area of concern: <ul style="list-style-type: none">Area of more than 25°Inspection of protected sites with HCV attributesBoundary and land use of the different estates	Inspection of Saremas 1 Estate <ul style="list-style-type: none">Good Agricultural Practice- witness activities at site (weeding/spraying/other maintenance activities/harvesting)Nursery (if any)	Saremas 1 Estate and Oil Mill. Discussion with relevant management on staff welfare Visit and assessment at: <ul style="list-style-type: none">Saremas 1 longhouses i.e. Rumah Bunsu, Rumah Gundi and Rumah Tapu.	Inspection of Saremas 1 Oil Mill <ul style="list-style-type: none">Safety & Health practice – witness mill activities such as operation, boiler, water treatment & workshopChemical managementInterview with workers & safety committee		

	<ul style="list-style-type: none"> Riparian zone River system including POME discharge Forested area Plantation boundary Water bodies Source of water supply general waste disposal area <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> chemical store/fertilizer EFB mulching Plantation on hilly/swampy area IPM <p>Other area identified during the assessment</p>		<ul style="list-style-type: none"> Interview with FFB suppliers and other contractors 	
8.30 pm–10.30 pm	Assessment team discussion and verification on any outstanding issues Note : Assessor to inform auditee on the required document / records				

Day two: 21 June 2011 (Tuesday)

Time	Activities / areas to be visited					Auditee
	Dr. Yap S. K.	Raymond	Prof. Datuk Abdul Rashid	Akim	Mahzan	
7.00 am-12.00 pm	<p>Site visit and assessment at Saremas 2 Estate On environmentally area of concern:</p> <ul style="list-style-type: none"> Area of more than 25° Inspection of protected sites with HCV attributes Boundary and land use of the different estates Riparian zone River system including POME discharge Forested area Plantation boundary Water bodies 	<p>Site visit and assessment at Saremas 2 Estate:</p> <ul style="list-style-type: none"> Good Agricultural Practice- witness activities at site (weeding/ spraying/other maintenance activities/ harvesting) Nursery (if any) chemical store/fertilizer EFB mulching Plantation on hilly/swampy area IPM 	<p>Site visit at Saremas 2 Estate and Saremas 2 Oil Mill. Discussion with relevant management (CSR, community affairs) and preliminary viewing of documentation relating to local community and indigenous peoples issues such as EIA, SIA, assessment and management plans.</p> <ul style="list-style-type: none"> Interview with workers & Union representatives Facilities at workplace 	<p>Site visit at Saremas 2 Palm Oil Mill:</p> <ul style="list-style-type: none"> Safety & Health practice – witness mill activities such as operation, boiler, water treatment & workshop Chemical management Interview with workers & safety committee Interview with FFB suppliers and other contractors 		Guide for each assessor

	<ul style="list-style-type: none"> Source of water supply general waste disposal area <p>Other area identified during the assessment</p>	Other area identified during the assessment	<ul style="list-style-type: none"> (rest area, etc) Living quarters Facilities provided at living quarters (i.e. humana, surau, community center, provision shop & etc) <p>Other area identified during the assessment</p>		
12.00 pm-1.00pm	Break				All
1.00 pm-5.30 pm	Assessment on P1, P2 (C2.1-2.1.1, C2.2-2.2.3, P3, P4(C4.4-4.4.1, 4.4.2, 4.4.6) C5.1, C5.2, C5.3, P8	C2.1, C2.2, C3.1, C4.1, C4.2, C4.3, C4.4, C4.5, C4.7, C4.8, C5.1, C5.3, C5.5, C5.6, P8	Continue visits and assessment at: Saremas 1 longhouses i.e. Rumah Merudi and Rumah Sabang	P1 (C1.1-1.2), C2.1, C4.1, C4.6, C4.7, C4.8,	Assessment on P1, P2-C2.1-2.1.1, C4.7, P6 (6.5, 6.6, 6
8.30 pm – 10.30 pm	Assessment team discussion and verification on any outstanding issues Note : Assessor to inform auditee on the required document / records				Guide for each assessor

Day three: 22 June 2011 (Wednesday)

Time	Activities / areas to be visited					Auditee
	Dr. Yap S. K.	Raymond	Prof. Datuk Abdul Rashid	Mahzan	Akim	
7.00 – 12.00 pm	Site visit and assessment at Suai Division: On environmentally area of concern: <ul style="list-style-type: none"> Area of more than 25° 	Site visit and assessment at Suai Division: <ul style="list-style-type: none"> Witness activities & assessment at site i.e. harvesting, spraying, 	Site visit at Suai Division: <ul style="list-style-type: none"> - Discussion with relevant management (CSR, community affairs) and preliminary viewing of documentation relating to local community and indigenous peoples issues 	Site visit and assessment at Suai Division: <ul style="list-style-type: none"> Safety & health practice – witness activities at site Facilities at 	Site visit at Suai Division: <ul style="list-style-type: none"> Production area Effluent treatment plant Boiler house 	Guide for each assessor

	<ul style="list-style-type: none"> Inspection of protected sites with HCV attributes Boundary and land use of the different estates Riparian zone River system Forested area Plantation boundary Source of water supply <p>Other area identified during the assessment</p>	<p>manuring & EFB Mulching gangs.</p> <ul style="list-style-type: none"> In field-Mechanization workshop general waste disposal area EFB mulching Harvesting on hilly/swampy Area store/fertilizer EFB mulching <p>Other area identified during the assessment</p>	<p>such as EIA, SIA, assessment and management plans.</p> <ul style="list-style-type: none"> Interview with workers & Union Representative Facilities at workplace (rest area, etc) Living quarters Facilities provided at living quarters (i.e. humana, surau, community center, provision shop & etc) <p>Other area identified during the assessment</p>	<p>workplace (water treatment plant, clinic & etc)</p> <ul style="list-style-type: none"> Chemical store/fertilizer Workshop <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> Waste management <p>Site visit at Sri Kamusan estate</p> <ul style="list-style-type: none"> Waste management including disposal site Recycling activities Diesel generator set (if any) <p>Other area identified during the assessment</p>	
12.00 – 1.00 pm	Break					
1.00 pm- 5.30pm	P2 (I2.2.3), C4.1, C4.4, C4.8, C5.1, C5.2, C5.3, P8	C2.1, C2.2, C3.1, C4.1, C4.2, C4.3, C4.4, C4.5, C4.8, C5.1, C5.3, C5.5, C5.6, P8	P1, P2, P6, C8.1	P1 (C1.1-1.2), C2.1, C4.1, C4.6, C4.7, C4.8, P8	C2.1, C3.1, C4.1, C4.4, C4.6, C4.7, C4.8, C5.1, C5.3, C5.4, C5.5, C5.6	Guide for each assessor
8.30 pm - 10.30 pm	<p>Assessment team discussion and verification on any outstanding issues</p> <p>Note : Assessor to inform auditee on the required document / records</p>					

Day four: 23 June 2011 (Thursday)

Time	Activities / areas to be visited					Auditee
	Dr. Yap S. K.	Raymond	Prof. Datuk Abdul Rashid	Mahzan	Akim	
7.00 am - 12.00 pm	<p>assessment at Segarmas Estate and Keminsky on environmentally area of concern:</p> <ul style="list-style-type: none"> • Area of more than 25° • Inspection of protected sites with HCV attributes • Boundary and land use of the different estates • Riparian zone • River system • Forested area • Plantation boundary <p>Other area identified during the assessment</p>	<p>Site visit and assessment at Segarmas Estate and Keminsky Estate</p> <ul style="list-style-type: none"> • Good Agricultural Practice- witness activities at site (weeding/ spraying/other maintenance activities/ harvesting) • Nursery (if any) • chemical store/fertilizer • EFB mulching • Plantation on hilly/swampy area • IPM 	<p>Visits & assessment at:</p> <ul style="list-style-type: none"> • Suai division longhouses <p>i.e. Rumah Rambu and Rumah Ringkai</p>	<p>Site visit and assessment at Segarmas Estate and Keminsky Estate</p> <ul style="list-style-type: none"> • Safety & health practice – witness activities at site • Facilities at workplace (water treatment plant, clinic & etc) • Chemical store/fertilizer • Workshop 	<p>Site visit at Segarmas Estate and Keminsky Estate</p> <ul style="list-style-type: none"> • Waste management • Recycling activities • generator set (if any) • Interview with contractors and contract workers • Source of water supply • general waste disposal area 	Guide for each assessor
12.00 – 1.00 pm	Break					
1.00 pm- 5.30pm	P2 (I2.2.3), C4.1, C4.4, C4.8, C5.1, C5.2, C5.3, P8	C2.1, C2.2, C3.1, C4.1, C4.2, C4.3, C4.4, C4.5, C4.8, C5.1, C5.3, C5.5, C5.6, P8	P1, P2, P6, P8	P1 (C1.1-1.2), C2.1, C4.1, C4.6, C4.7, C4.8, P8	C2.1, C3.1, C4.1, C4.4, C4.6, C4.7, C4.8, C5.1, C5.3, C5.4, C5.5, C5.6	Guide for each assessor

8.30 pm - 10.30 pm	Assessment team discussion and verification on any outstanding issues Note : Assessor to inform auditee on the required document / records	
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Day five: 24 June 2011 (Friday)

Time	Activities / areas to be visited					Auditee
	Dr. Yap S.K.	Raymond	Prof. Datuk Abdul Rashid	Mahzan	Akim	
7.00-10.00 am	Verification on outstanding issues for Seramas Certification Unit Assessor to inform auditee on the required document / records					Guide for each assessor
10.00-12.00pm	Audit Team Discussion and preparation on assessment findings					
12.00 pm – 2.00 pm	Break & Friday Prayer					All
2.00 pm-3.30 pm	Discussion and acceptance on assessment findings					All
3.30 pm-4.30 pm	Closing meeting at Seramas 1 Estate Office – presentation of assessment findings					All
4.30 pm	End of assessment & Travel to Miri					

Attachment 3

Detail of Non –Conformity Reports Raised During the Previous Stage 2 Audit and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail of Non-Conformities	Corrective Action	Verification by Assessor
Criterion 2.1 Indicator 2.1.1.	Major	Assessment of records and input from stakeholders revealed that Saremas 1 Palm Oil Mill had been discharging effluent with levels of BOD and SS exceeding the limit specified by the authority on several occasions.	<p>To have a meeting with the DoE Miri</p> <p>(a) Interim measure:</p> <ul style="list-style-type: none"> - To install surface aerators at the facultative ponds <p>(b) Long-term measures:</p> <ul style="list-style-type: none"> - Ponds desludging - Construct new additional ponds - installing tertiary plant to treat the effluent prior to the final discharge <p>Other corrective action plan with a permanent solution aimed at preventing recurrence of the issue as listed in attachment 4c of a letter to the DoE.</p>	<p>Series of discussions and correspondences with DoE Miri and DoE Kuching were held to get agreements and approvals on the following:</p> <p>(a) Installation of 11+ 2 surface aerators and mixers. This corrective action was completed on 30th September 2009.</p> <p>(b) Desludging at pond 4 of Saremas 1 Palm Oil Mill. This corrective action was completed on 28th August 2009. Schedule for desludging in the next five years for the mill was made available and had been submitted to the DoE.</p> <p>(c) Providing additional ponds to the existing system in order to prolong the retention time. The longer retention time will assist in degradation and result in lower BOD and SS levels. Five additional ponds were under construction. As of October 2009, the completed ponds were being filled up and there was no discharge to the waterways. It was expected that would be no discharge to waterways until February 2010.</p>

		<p>The mills do not have adequate competent Person-In-Charge as required by Factories and Machineries Act 1967.</p> <ol style="list-style-type: none">1st Grade steam engineerEngine driver with steam boiler certificate for each shiftElectrical charginan for each shift	<p>(a) The current personnel have the relevant experiences. Their competences would be confirmed by requiring them to undergo the DOSH competency assessment.</p> <p>Mill Managers and engine drivers have submitted applications to DOSH for the forthcoming DOSH competency assessment.</p> <p>As part of the succession plan, mill engineers had also submitted applications to DOSH to sit for the forthcoming steam engineer examination.</p> <p>(b) To advertise in the local newspaper for the positions of mill managers with 1st Grade Steam Engineer, Engine Driver and Electrical Charginan.</p>	Summary of corrective actions taken for items (a) and (b) as of 27 September 2009:											
				<table><tr><th>Mill</th><th>Job Category</th><th>No. Required</th><th>Status</th></tr><tr><td>Saremas 1 Palm Oil Mill</td><td>1st Grade Steam Engineer</td><td>1</td><td><ul style="list-style-type: none">A manager has been transferred from other operating unit since 23rd April 2009.Vacancies were advertised for Mill Manager with 1st grade steam engineer certificate.Two interview sessions have been conducted with nine shortlisted candidates.An offer letter has been extended to one of the candidates as of 8th September 2009.</td></tr></table>	Mill	Job Category	No. Required	Status	Saremas 1 Palm Oil Mill	1st Grade Steam Engineer	1	<ul style="list-style-type: none">A manager has been transferred from other operating unit since 23rd April 2009.Vacancies were advertised for Mill Manager with 1st grade steam engineer certificate.Two interview sessions have been conducted with nine shortlisted candidates.An offer letter has been extended to one of the candidates as of 8th September 2009.			
Mill	Job Category	No. Required	Status												
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				<table><tr><td></td><td>Engine driver 2nd Grade steam</td><td>1</td><td><ul style="list-style-type: none">One of the five candidates sent for</td></tr></table>		Engine driver 2 nd Grade steam	1	<ul style="list-style-type: none">One of the five candidates sent for							
	Engine driver 2 nd Grade steam	1	<ul style="list-style-type: none">One of the five candidates sent for												

					boiler certificate.		<p>Engine driver 2nd grade steam boiler certificate assessment by DOSH has qualified for the position since 17th August 2009.</p> <ul style="list-style-type: none"> • Vacancies were advertised and interview sessions have been conducted on 19 March and 4th September 2009.
					Electrical Chorgeman	1	<ul style="list-style-type: none"> • Vacancies were advertised and interview sessions have been conducted on 19 March and 4th September 2009. • Currently, a visiting electrical chorgeman

				<table><tr><td></td><td></td><td></td><td>has been appointed.</td></tr></table>				has been appointed.
			has been appointed.					
				Status of Non-Conformity: Closed-out				
Criterion 6.1 Indicator 6.1.1	Major	SSB has not conducted SIA on its decision to dig trenches between them and the smallholdings at Saremas 1 Div. E	Conduct SIA and provide recommended action plans to: (1) improved communication and engagement (2) ensure that access roads are well maintained and both parties adhere to the agreed decision (3) review communication and consultation as well as complaint and grievance procedures. (4) train staff and create awareness among stakeholder on the procedures.	SIA had been conducted on 10-15 November 2009 with the participation of the affected parties. Action plans were also recommended. However, the effectiveness of the recommended action plan and its monitoring would be further verified in the next surveillance Status of Non-Conformity: Closed Out				
Criterion 6.2 Indicator 6.2.3	Minor	SSB needs to review the criteria for identifying stakeholders. There was evidence that SSB has not identified stakeholders that would be affected by their decision i.e. to dig trenches between them and smallholdings bordering S1.	(1) Revisit stakeholder identification criteria and management guidelines. (2) Conduct SIA (where applicable) on newly identified stakeholders	SSB had established a guideline on identifying stakeholder. This guideline has been communicated to the relevant person-in-charge. Status of Non-Conformity: Closed Out				

Criterion 6.10 Indicator 6.10.2	Minor	The mill had not made publicly available the current FFB prices	To display FFB current prices at the mill's notice board.	Verification through photograph showed that the current FFB price was displayed on the notice board of the mill. Status of Non-Conformity: Closed Out
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Attachment 4

Details on the NCR (including corrective actions taken) and OFIs Raised During this Surveillance Audit

NCR:

P & C Indicator	Specification Major/Minor	Detail of Non-Conformities	Corrective Actions	Verification by Assessor
Criterion 2.1 Indicator 2.1.1.	Major	<p>The complete set of monitoring reports for 2009 and 2010 was examined. It was found that a boiler PMD 11295 with a heating surface area of 11,730 square feet and three (3) Gensets (2x400KVA and 1x300KVA) had been operated by a non-competent person against the requirements of the Factory and Machinery Act 1967 (Person-In-Charge) Regulations 1970.</p> <p>It was also found that the electrical installation had not been regularly inspected as required by the Regulation 66(2) of the Sarawak Government Electricity Ordinance, the Electricity Rules, 1999.</p>	<p>Due to general industry shortage of Boiler Chargeman and Internal Combustion Engine Drivers, Mill had sent its staff as candidates to MPOA training and registered them for Boiler 1st Grade Engine Driver and Internal Combustion Engine Driver examination with DOSH.</p> <p>Monthly electrical inspection had been carried out effective August 2011.</p>	<p>Currently, one 1st Grade Steam Engine Driver attending boiler operations but not enough to cover every shift. Effort to hire more competent person had been made. Newspaper advertisement placed in July 2011. No suitable candidate hired/found. DOSH Sarawak office had been informed of same.</p> <p>Appointment Agreement between PBB and Visiting Electrical Engineer for monthly inspection was made on 5/8/2011 was sighted.</p> <p>Saremas 1 has submitted a plan on corrective action to address this major NCR through a letter dated 26 January 2012. The assessor was satisfied with the corrective action and clarification given by Saremas 1 and therefore has decided to close out this Major NCR.</p>

OFI :

Indicator	Detail of OFI
2.1.2	<p>There is a compliance with all applicable local and rectified international laws and regulations</p> <p>The organization has obtained written approvals pertaining to all pollution prevention equipments from the relevant authority each with specified applicable conditions. Through the assessment, it was noted that some applicable conditions specified were not registered in the legal and other requirements register (All Sites). The mechanism in conducting applicable laws and regulations compliance exercise could be further improved in ensuring the results are accurately recorded.</p>
4.1.1	<p>Operating procedures are appropriately documented and consistently implemented and monitored</p> <p>The present documented Standard Operating Procedures could be enhanced by (a) establishing a documented Standard Operating Procedure for the Methane Recovery Plant and Tertiary Effluent Treatment Plant (SPOM 1 & 2 – MRP operation since August 2010, while TETP in January 2011) (b) adding to the existing Standard Operating Procedure for Boiler and ETP operation mitigation mechanism during abnormal situation such as dark-smoke emission and the final discharge exceeding the limitation (c) having an alternative mechanism on recording the dark-smoke emission from the boiler during the malfunction of the smoke density meter (SPOM 1) and (d) ensuring that SPOM 1 determine its compliance on the water discharge from the monsoon drain.</p>
4.3.2	<p>Avoid or minimize bare or exposed soil within estates</p> <p>A structured program for EFB application could be implemented throughout the field in all estate. 'Vertiver' grass had been planted to control erosion and land slide of steep slope. This could also be enhanced further by encouraging growth of 'Nephrolepis' fern through sequential usage of herbicides</p>
4.4.1	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate.</p> <p>All estates had established standard signage for the protection of all demarcated riparian buffer belts. This could further extended by ensuring that all replanting exercise would not encroach into these belts. In Saremas 1 Estate during replanting exercise new palms were observed within the riparian belt.</p>
4.4.3	<p>Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts</p> <p>Systematic monitoring of water and air qualities had been maintained by the estates and mills. This process would be more beneficial if the data obtained could be reviewed and followed by appropriate mitigation actions.</p>

4.6.2	<p>Pesticides selected for use are those officially registered</p> <p>To enhance the use of pesticides, second generation rat baits would have to be avoided. Stock of 'Matikus' purchased in 1992 has to be disposed off as it had exceeded its shelf life. If needed only Warfarin base baits are to be used.</p>
4.7.1	<p>An occupational health and safety plan is documented, effectively communicated and implemented.</p> <ol style="list-style-type: none"> 1. The OSH objective set could be improved to include compliance to legal requirements so that it is reflective of the Wilmar's commitment as stated clearly in the OSH policy and conforming with the RSPO Principles & Criteria. 2. Although First Aid Kits are made available at office and in the field, the content of the First Aid Box could be standardized throughout PPB Sarawak operations so that it is in accordance to DOSH First Aid Guidelines, 2nd Ed. Some First Aid Kit were found without Triangular Bandage, Splint, Insect Bite Cream, 3. Both Mills SPOM1 and SPOM2 to consider conducting a night Emergency Response Drill including likely-to-happen credible scenario (for instance fire plus fainted victim, etc) not just personnel evacuation drill. 4. The practice for issuance of PPE (examples mask, gloves, apron, goggle) especially on frequency to be standardized as some Divisions within Suai estate issued them more regularly than others, i.e. some monthly and others quarterly or as when damaged. 5. PPB to consider the issuance of Personal Protective Clothing and appliance including foot-wear in accordance to FMA (Safety, Health and Welfare) Regulations 1970. 6. Safety Signage especially the need to use of Earplugs or Ear Muffs in Genset room was not erected in Suai. 7. Suai estate to consider reviewing its HIRARC Register following a torn prick accident to harvester that resulted in Medical leave of 5 days and monitor the effectiveness of the corrective action recommended following the accident investigation.
4.8.1	<p>A training programme (appropriate to the scale of the organization) that include regular assessment of training needs and documentation, including records of training for employees are kept</p> <p>Appropriate training programmes had established and conducted in all the estates and mills. These were documented for each staff that had undergone training. This process could be further improved with a process of review of the efficiency of the training conducted.</p>
5.1.1	<p>Documented aspects and impacts risk assessment that is periodically reviewed and updated</p>

	The aspects and impacts risk assessment was periodically reviewed and updated. However, the evaluation exercise on some activities to determine its significance level could be further enhanced
5.2.1	<p>Identification and assessment of HCV habitats and protected areas within landholdings and their assessments of HCV habitats and attempt assessments of HCV habitats and protected areas surrounding landholdings</p> <p>The HCVF scoping assessment of the estates had been completed in July 2008 with HCV 4 and HCV 6 sites identified. This report could be improved with addition of new HCV 6 sites that had been located (burial site in Suai Estate). Status of the mud pool and salt licks would be appropriately amended instead of the present status of HCV4.</p>
5.2.2	<p>Management plan for HCV habitats (including ERTs) and their conservation</p> <p>Management practices could enhanced through a monitoring procedure that focus on the core attributes of the HCV sites. Severely degraded areas within the protected areas could be rehabilitated with suitable vegetation cover to encourage fauna movement. Prevention of poaching could be improved with posters of ERT species widely displayed within each estate</p>
5.3.2	<p>Having identified wastes and pollutants, an operation plan shall be developed and implemented to avoid or reduce pollution</p> <p>The mechanism on the notification of new types of scheduled wastes generated could be enhanced with records appropriately maintained in all sites. The management would have to follow up and determine that the final disposals of its scheduled wastes are at the approved facility for treatment, disposal or recovery (All Sites). The segregation of domestic waste could be further enhanced at the source rather than at the landfill area (Suai Division).</p>
6.3.1	<p>Documentation of the process by which a disputes was resolved and the outcome</p> <p>The Grievance and Complaint Form had been actively utilized. It would be better to differentiate “request” from genuine grievances and complaints as the record showing many “requests” may give an impression of many grievances and complaints within the estates.</p>
6.4.1	<p>Establishment of procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation</p> <p>The procedure could be improved with the standardization of names of committee, and update changes (in documents) as alterations are made in the established procedures.</p>