



**PUBLIC SUMMARY
FOURTH SURVEILLANCE ASSESSMENT**

AUDIT DATE: 17TH -21ST MARCH 2014

**PPB OIL PALMS BERHAD
SAREMAS 1 CERTIFICATION UNIT
SARAWAK, MALAYSIA**

Prepared by:

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File Ref. : ES11320001

**RSPO PRINCIPLES & CRITERIA MY-NI
ANNUAL SURVEILLANCE ASSESSMENT (ASA 4)
REPORT**

CLIENT : PPB OIL PALMS BHD., SAREMAS 1 CERTIFICATION UNIT

CERTIFICATION UNIT [MILL AND SUPPLY BASE INCLUDING SMALLHOLDER (if applicable)]

- 1) Saremas 1 Palm Oil Mill
- 2) Saremas 1 Estate
- 3) Saremas 2 (Division D) Estate
- 4) Suai Estate

LOCATION (GPS), MILL AND/OR HECTARAGE: See Table 1
(In the case of multisite certification, list additional sites in attachments):

MAP: See Appendix 1

AUDIT DATE : 17 – 21/03/2014

DURATION: 14 auditor days

Standard: RSPO MYNI: 2008

SCOPE OF REGISTRATION (specify sites, tonnages and/or approved processes and model(s)):
Saremas 1 Palm Oil Mill and its Supply Bases.
Supply Chain Model Used: Mass Balance

NO OF EMPLOYEES (Applicable to the scope of activities audited):

The following attachments form part of this report:

Non-conformity Report(s)



List of additional site(s)



Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : VALENCE SHEM

Name

Kian Che Weng

Signature :

Signature

Date : 21/5/2014

Date

23/5/2014

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List of Abbreviations

BOD	Biochemical Oxygen Demand
B.Sc.	Bachelor of Science
CA	Collective Agreement
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Units
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory and Machinery Act
FSC	Forest Stewardship Council
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISO	International Organization for Standardization
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADOOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NCR	Non-Conformity Report
NGO	Non-Governmental Organisation
OER	Oil Extraction Rate
OG	Oil & Grease
OSH	Occupational Safety and Health
OSHA	Occupational Safety and Health Act
OHSAS	Occupational Health and Safety Assessment Series
Ph.D.	Doctor of Philosophy
PIC	Person-In-Charge
PK	Palm Kernel
PMM	Proposal of Mitigation Measure
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SIA	Social Impact Assessment
SOCSSO	Social Security Organization
SOP	Standard Operating Procedure
UKAS	United Kingdom Accreditation Services
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health

1.0 Scope of Surveillance Assessment Report

1.1 Introduction

The certification unit (CU) being assessed was Saremas 1 belonging to Saremas Sdn. Bhd. (SSB), a wholly owned subsidiary of PPB Oil Palms Berhad (PPB Oil Palms). The Saremas 1 CU comprised of the Saremas 1 Palm Oil Mill, Saremas 1 Estate, Saremas 2 (Division D) Estate and Suai Estate.

It was assessed for continuing certification against the RSPO Principles and Criteria for Sustainable Palm Oil Production MYNI :2010 and Supply Chain Certification System Requirements, (SCCS) Nov 2011. This assessment is the Fourth Annual Surveillance Assessment (ASA 4) conducted by SIRIM QAS International Sdn. Bhd. (SIRIM QAS International).

There was no change in terms of land ownership, acreage own and operations of estate and mill. Also, there was no issue reported during the assessment on acquisitions/disposals, emergence/re-emergence of land disputes and/or labour conflicts. Essentially, they remained the same. The scope of certification remained status quo, i.e. production of palm oil from Saremas 1 POM from its supply base [Saremas 1 Estate, Saremas 2 (Division D) Estate and Suai Plantation]. The assessment did not cover the third parties (smallholdings) that contribute to about 15% of total FFB processed, and, at time of assessment the Saremas 1 CU do not intend to apply the third parties' contribution of FFB for claiming of CPO and PK.

Saremas 1 POM commenced operations in 1992 with a processing capacity of 30 metric tonnes (MT) of FFB per hour. The processing capacity was upgraded in 1995 to 60 MT per hour. Since Saremas 1 is a fully developed estate, Principle 7 of the RSPO Principles & Criteria is therefore not applicable.

The first estate that was established within the CU dated back to 1978 at Suai Plantations and the last estate developed was in 2000 at Saremas 2 Estate, Division D.

The total combined land area of the three estates (3) estates is 13,568.81 Ha of which 10,337.89 ha were planted with oil palm. There was no change in the combined land area for all the three estates but an exclusion from title area of 23.86 ha (from plantable area) at Saremas 1 Estate due to acquisition from the government for cross country Petronas Gas Pipeline Project during December 2011 replanting.

1.2 Location of Mill and Supply Base

Saremas 1 CU covers one palm oil mill and three oil palm estates, all located at District of Miri, Sarawak, Malaysia. The locations and area details of the mill and estates are shown in Table 1.

Table 1: Location Coordinates and Area of Saremas CU (Mill and Estates)

Mill/Estate	Year of establishment	Area (Ha)		GPS Location (Office)	
		Titled	Planted	Latitude	Longitude
Saremas POM		NA	NA	N3°31'32.10"	E113°44'38.86"
Saremas 1 Estate	1987	6,009.18	4,482.98	N3°31'18.61"	E113°45'23.48"
Suai Estate	1978	5,669.90	4,689.29	N3°35'41.22"	E113°44'21.88"
Saremas 2 (Div. D) Estate	2000	1,889.73	1,249.99	N3°30'22.42"	E113°47'55.56"
Total		13,568.81	10,422.26		

The location map of the CU is shown as in Appendix 1.

1.3 Production Volume of All Certified Products

Table 3: Actual FFB Contribution by each Estate and other sources to Saremas 1 POM of the last reporting period **(March 2013 to February 2014)**

Operating Unit	FFB Contribution	
	MT	%
Saremas 1 Estate	41,773.40	18.4
Suai Estate	121,243.30	53.4
Saremas 2 (Div. D) Estate	32,286.67	14.2
Saremas 2 (Div. A, B & C)	1,373.46	0.6
Segarmas	718.98	0.3
Kaminsky	576.11	0.3
Outsiders (non-certified)	29,161.52	12.8
Total	227,133.44	100.0

Table 4: Projected FFB Contribution by each Estate and other sources to Saremas 1 POM for the next reporting period **(March 2014 to February 2015)**

Operating Unit	FFB Contribution	
	MT	%
Saremas 1 Estate	46,050.40	20.3
Suai Estate	115,086.18	50.7
Saremas 2 (Div. D) Estate	33,720.62	14.9
Outsiders (non-certified)	32,000	14.1
Total	226,857.20	100.0

Table 5: Actual FFB received and CPO & PK dispatch by Saremas 1 POM of the last reporting period (March 2013 – February 2014)

	Total (MT)
FFB Received	227,133.44
FFB Processed	227,362.40
CPO Produced	48,001.854
PK Produced	9,488.305
Certified CPO sold as Mass Balance	None. All certified CPO was sold under other sustainability certification.
Certified PK sold Mass Balance	8,224.67
CPO sold as non-certified	6,612.94
PK sold as non-certified	1,179.79

Table 6: Projected FFB received and CPO & PK dispatch by Saremas 1 POM for the next reporting (March 2014 – February 2015)

	Total (MT)
FFB Received	226,857.20
FFB Processed	226,857.20
CPO Production	49,994.34
PK Production	10,208.57
Certified CPO to be sold as Mass Balance	42,720.11
Certified PK to be sold Mass Balance	8,908.57
CPO to be sold as non-certified	7,274.23
PK to be sold as non-certified	1,300.00

1.4 Certification Details

Parent company : PPB Oil Palms Berhad
 RSPO Membership Number : 1-0011-04-000-00
 Member since : 28/09/2004
 Certificate Number : RSPO 0006
 Date of previous assessment : 8th to 11st April 2013
 Date of certification : 14/06/2010

1.5 Description of Fruit Supply Base

The planting profiles of all the directly managed supply bases are stated in Table 7 to Table 9.

Table 7: Saremas 1 Estate

Year of Planting	Planting Cycle (Generation)	Planted Area (ha)	Percentage of Planted Area
1988	1 st	158.30	3.56
1989	1 st	840.38	18.90
1990	1 st	273.45	6.15
1991	1 st	258.75	5.82
1995	1 st	374.57	8.42
1996	1 st	455.99	10.25
1999	1 st	5.30	0.12
2000	1 st	46.39	1.04
2004	1 st	50.98	1.15
2010	2 nd	649.14	14.60
2011	2 nd	546.64	12.29
2012	2 nd	787.06	17.70
Total		4,446.95	100.00

Table 8: Suai Estate

Year of Planting	Planting Cycle (Generation)	Planted Area (ha)	Percentage of Planted Area
1992	1 st	1,002.16	21.37
1993	1 st	976.96	20.83
1994	1 st	630.53	13.45

1998	1 st	322.16	6.87
1999	1 st	46.92	1.00
2000	2 nd	296.54	6.32
2001	2 nd	280.00	5.97
2002	2 nd	274.25	5.85
2003	2 nd	252.71	5.39
2004	2 nd	224.03	4.78
2005	2 nd	161.53	3.44
2006	2 nd	75.62	1.61
2012	2 nd	145.88	3.11
Total		4,543.41	100.00

Table 9: Saremas 2 (Division D) Estate

Year of Planting	Planting Cycle (Generation)	Planted Area (ha)	Percentage of Planted Area
2000	1 st	151.25	12.10
2002	1 st	248.32	19.87
2003	1 st	180.12	14.41
2006	1 st	214.28	17.14
2005	1 st	204.43	16.36
2006	1 st	171.30	13.70
2007	1 st	80.28	6.42
Total		1,249.99	100.00

1.6 Organisational Information / Contact Person(s)

PPB Oil Palms has a regional office in Bintulu, Sarawak, which is responsible for overseeing the Saremas 1 CU and other plantation management units in Sarawak. The correspondence address and contact person are as detailed below:

Address:

PPB Oil Palms Berhad,
Sarawak Operations,
Lot 964, Sublot 7,
Taman Seaview Commercial Centre,
Jalan Tanjung Batu, P.O. Box 730,
97008 Bintulu,
Sarawak, Malaysia.

Contact person

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Assistant General Manager
Telephone: +6085 325713 / +6086 333286
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2.0 Assessment Process

2.1 Certification Body

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

internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS), the International Automotive Task Force (IATF), and the Secretariat of the United Nations Framework Convention for Climate Change (UNFCCC). SIRIM QAS International is a partner of IQNet, a network currently comprising of 36 leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting assessment related to RSPO assessment. We have certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. We have also conducted pre assessment against RSPO Principle and Criteria.

SIRIM QAS International was approved as a RSPO certification body on 21st March 2008.

2.2 Assessment Team Members

The assessment team consisted of five assessors and one trainee assessor. The details of the assessors and their qualification are detailed below:

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Valence Shem	Assessment Team Leader/ Good Agriculture Practice and Supply Chain	<ul style="list-style-type: none"> • experience in Oil Palm Plantation management • Successfully completed IEMA accredited Lead Assessor training for ISO 14001: 2004 • B.Tech. (Hons) Industrial Technology • Successfully completed and passed the RSPO Lead Assessor Course in 2011.
Mohd. Razman Salim	Assessor / workers & community issues and HCV	<ul style="list-style-type: none"> • experience in Forest Management, forest, HCVF and ecology • Successfully completed Lead Assessor Course for ISO 9001, ISO 14001 and OHSAS 18001 • B.Sc.Forestry (Hons) - University Putra Malaysia • Attended RSPO Training
Jagathesan a/l Suppiah	Assessor / Occupational Safety & Health and Environmental issues	<ul style="list-style-type: none"> • More than 23 years working experience in Manufacturing concerns at various Managerial position, Managing Operation, Quality Assurance & Regulatory Affairs and Quality & Process Control Disciplines • Experience of carrying out audits on more than 700 companies around Malaysia for the past 15 years for various schemes i.e. ISO 9000, ISO 13485, ISO 14000, OSHAS 18000 and GMP/FDA regulations • Successfully completed Lead Assessor training for ISO 9001, ISO 14000, OSHAS 18001, ISO 13485 and RSPO • Bachelor of Chemical Science (Hons) • Attended RSPO Training

2.3 Assessment Methodology and Programme

The surveillance assessment was guided by the sampling formula of $0.8 \sqrt{y}$. Nonetheless, all the estates were visited in this assessment but were assessed with different elements of the standard. The mill is assessed in every assessment.

The assessment team carried out field and office assessments for conformance against the RSPO-MY principles and criteria. The visits also covered HCV habitats, labour lines, storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for individual estates. Interviews, particularly those with employees, local communities and suppliers were conducted formally as well as informally, without the presence of company management personnel. In addition to that, records as well as other related documentation were also reviewed.

It is important to note that the finding from this assessment is based on samples taken from the organization activities, procedures, records etc. Statistically, there is always a possibility that one or more problematic issues/areas will remain unidentified during the course of this audit. The absence of non-compliance in any area or activity does not necessarily imply that no lapses or non-compliance exist.

The assessment programme is in Appendix 2.

3.0 Assessment Findings

3.1 Summary of Findings

The findings of the third Annual Surveillance Assessment were presented during the on-site closing meeting. There were four major nonconformity reports (NCR) being raised on the Saremas 1 CU's compliance against the requirements of the RSPO MY-NI. The details of the NCR and the corrective actions taken are as in Appendix 3.

The detailed findings of the assessment on the CU's compliance with the requirements of the RPSO MYNI are as follows:

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making	1.1.1	Records of requests and responses must be maintained. <i>Major.</i>	Yes	<p>Saremas 1 CU continued to maintain a comprehensive system with respect to this criterion. Nearby longhouses such as Tuai Rumah Brain & Tuai Rumah Golan and Orion Fresh Sdn Bhd (FFB supplier) were invited to view and comment on environmental, social and legal information made available at the CU but there were no response from them.</p> <p>At the visited sites, Saremas 1 Mill, the following books were presented to the auditors - a Record Book of stakeholder or other interested party who had viewed / obtained document related to RSPO and Record of Visitation by government agencies such as DOE and DOSH. From the record sighted it was found that Saremas 1 CU had not received any request for such information from external stakeholders.</p> <p>At the Saremas 1 Estate, the stakeholders list has been updated on 31 December 2013.</p> <p>There was also documented communication between Saremas 1 CU and Sarawak Forestry Corporation (SFC), Sarawak Forestry Department (SFD) and University Malaysia Sarawak (Unimas) to assess the HCV area at the Saremas 2 (Division D). The latest communication was evident through meeting dated 13-28 January 2014.</p> <p>The system was transparent and the record was maintained and updated by the Saremas HCV Manager. All the records were kept at the visited estates and mills.</p>
C 1.2 Management documents are publicly available, except where this is prevented by commercial	1.2.1	Land titles / user rights (C 2.2)	Yes	Saremas 1 CU continued to hold and update copies of all the documents listed under Criterion 1.2 and ensured that all the documents were made available at the visited estates and mills.
	1.2.2	Safety and health plan (C 4.7)	Yes	Occupational Safety & Health program was sighted for 2013 & 2014 and verified. Implementation found to be satisfactory.
	1.2.3	Plans and impact assessments relating to environmental and	Yes	Documents such as HCV monitoring assessment and Social impacts were made available at the visited estates and mills.

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:-		social impacts (C 5.1, 6.1, 7.1, 7.3)		Significant Environmental Aspects and Impacts and Evaluation of Significant were last reviewed on 12th March, 2014.
	1.2.4	Pollution prevention plans (C 5.6)	Yes	Pollution Prevention Plan was last revised in 2012.
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	Detail of complaints and grievances for Saremas 1 POM, Saremas 2 (Division D) Estate and Saremas 1 Estate were recorded in the Complaint Form, Request Form, verbally and through stakeholders meeting with internal and external stakeholders; Joint Consultative Committee-Public Stakeholders (JCC-PS), Social and Welfare Committee, Community Based Development Committee (CBDC), and, Women and Children Committee. All the documents were made available at the visited estates and mill.
	1.2.6	Negotiation procedures (C 6.4)	Yes	Saremas 1 CU has established a standard of procedure for handling any complaints and grievances by following 'Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation' and 'Consultation and Communication - Procedure for collective negotiations and resolution of disputes or grievances'. All the documents were made available at the visited estates and mill.
	1.2.7	Continuous improvement plan (C 8.1)	Yes	The 'HCV monitoring and management plan 2014' and 'Action plan for social impact assessment 2014' have been established and were made available at the visited mill and estates.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. <i>Major</i>	No	<p>Saremas 1 CU had continued to comply with legal requirements as per indicator. Guided by the established procedure, the annual evaluation of compliance has been carried out concurrently with the review of legal register on 13th March, 2014 by Wilmar's Sustainability Department. The list of applicable legal and other requirement was made available during the assessment. It was noted RSPO ILO was newly registered in the legal list on 13th March, 2014.</p> <p>The Legal register list covers legal requirements such as following:</p> <p>a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc.</p>

			<ul style="list-style-type: none"> b) Occupational Safety and Health Act 1994 (NADOOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc. c) Environment Quality Act 1974 (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulation 1978, Scheduled Waste Regulation 2005 etc. d) Fire Services (Fire Service Act 1988 & Fire Certificate Regulation 2001) e) Housing and Amenities (Worker's Minimum Standard of Housing and Amenities Act 1990) <p>The Saremas 1 Estate has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were :</p> <ul style="list-style-type: none"> i) Unfired Pressure vessel (Air Compressor) ii) License Medical Assistant Qualification iii) <i>Permit Barang Kawalan Berjadual (Diesel, Petrol. Baja)</i> <p>The Saremas 1 POM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were:</p> <ul style="list-style-type: none"> a) MPOB license b) DOE Licence/ <i>Jadual Pematuhan:</i> c) Licenses for Steam Boilers, unfired pressure vessel (UPV) d) Calibration for weighbridges <p>Despite all of the compliance, based on site verification at Saremas 1 POM, Suai Estate and Saremas 1 Estate, there was no certified competent person to conduct the management of scheduled wastes. It was also found that there is no DOE's written approval obtained for one unit of generator set at Suai Estate. Therefore, a nonconformity report (NCR VS 1) was assigned to these issues.</p>
2.1.2	A documented system, which includes written information on legal requirements. <i>Minor</i>	Yes	<p><u>Saremas 1 POM</u> A comprehensive Legal Register has been established and updated accordingly The Acts updated are as follows:</p> <ul style="list-style-type: none"> i) Environmental Quality Act 2012 (A 1441) ii) Occupational Safety & Health (Class – Packaging & Labelling of Hazardous Chemicals Regulation, 2013) iii) Factory and Machinery Act (Act A1268) <p><u>Saremas Estate</u> A comprehensive Legal Register has been established and updated accordingly The Acts updated are as follows :</p> <ul style="list-style-type: none"> i) Environmental Quality Act 2012 (A 1441)

				ii) Occupational Safety & Health (Class – Packaging & Labelling of Hazardous Chemicals Regulation, 2013).
	2.1.3	A mechanism for ensuring that they are implemented. <i>Minor</i>	Yes	<u>Saremas 1 POM</u> Monitoring of the validity of licenses/permits/certificate of fitness (CF) and Compliance to the Legal requirements and applicable acts through Mill Compliance Exercise – Assessment done by Mill Manager – Evidence verified. <u>Saremas Estate</u> Monitoring of the validity of licenses/permit and Compliance to the Legal requirements and applicable acts through Estate Compliance Exercise – Assessment done by ESH officer – Evidence verified.
	2.1.4	A system for tracking any changes in the law. <i>Minor</i>	Yes	Changes to law and regulation are monitored by the centralised Sustainability Department.
C 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1	Evidence of legal ownership of the land including history of land tenure. <i>Major</i>	Yes	There is no land dispute. Saremas 2 (Division D) Estate and Saremas 1 Estate continued to be the legal owner and have relevant proof of ownership of the land in the assessed estates. Land titles for all the estates were made available.
	2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] <i>Major</i>	Yes	Based on verification of the land title of Saremas 2 (Division D) and Saremas 1 Estate, terms of land use was found to be compliance.
	2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained. <i>Minor</i>	Yes	During the site inspection, it was evident that Saremas 2 (Division D) and Saremas 1 Estate had maintained the boundary markers using red coloured wooden pegs.
	2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict	Yes	No disputes case reported at the Saremas 2 (Division D) and Saremas 1 Estate. The boundaries of the estates with the neighbouring estate companies had been clearly mapped. It was noted that there was no conflict or dispute over the land. The boundaries of the estates with the longhouses communities had also been clearly mapped. A site visit to boundaries adjacent with smallholders' land belonging to longhouse owners

		resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. <i>Minor</i>		confirmed through consultation that there is no dispute with the CU. It was noted that one of the longhouses, situated in the Saremas Sendirian Berhad premise. However, Saremas Sendirian Berhad has allowed the occupants of the longhouse to live there with certain conditions as stated in the MoU agreement dated on 04 August 2008.
C 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.	2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. <i>Major</i>	Yes	As described under Indicator 2.2.4, there was no land dispute and therefore no land within Saremas 2 (Division D) and Saremas 1 Estate had been encumbered by customary rights. The use of the land for oil palm by Saremas 1 CU had not diminished the legal rights, or customary rights, of the communities and other users.
	2.3.2	Map of appropriate scale showing extent of claims under dispute. <i>Major</i>	Yes	Since there was no case involving land disputes in Saremas 1 CU, this indicator is therefore not applicable.
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). <i>Minor</i>	Yes	This Indicator is not applicable as there was no land dispute with the CU.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term	3.1.1	Annual budget with a minimum 2 years of projection <i>Major</i>	Yes	Annual budget is available for 4 years projection (2014 to 2017) at SUai Estate. It was noted that the estate continued to be committed to long-term economic and financial viability. The annual budgets are prepared on an annual basis before the end of current year. The yearly budget and projections where the cost of production was reviewed annually

economic and financial viability.				and compared against expenditure for each year was an on-going process. The parameters monitored remained essentially unchanged and included Capital (CAPEX) and Operating costs. The operating expenditure included expenditure for Replanting, Mature and Immature Oil Palm upkeep, Administration cost, Housing and Machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training.
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. <i>Minor</i>	Yes	Replanting program, which is revised at least once/year for Suai Estate projected for 5 years is available (FY 2014 to 2018). No replanting in 2013.

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

Clause	Indicators	Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1 Documented Standard Operating Procedures (SOP) for estates and mills. <i>Major</i>	Yes	<p><u>Suai Estate</u> Agriculture Manual & Standard Operating Procedure for Oil Palm is in place for estate operation, Version 3/2011.</p> <p><u>Saremas 1 POM</u> Mill Capacity – 60 mt/ hr</p> <p>The POM is in the process of being certified to ISO 22000 : 2005 – Food safety Management System</p> <p>Safety / Standard Operating Procedure – 31 procedures in place</p> <p>Sample the following Procedures / Practices :</p> <ul style="list-style-type: none"> a) Reception b) Sterilizer Operation c) CPO processing Operation d) Workshop e) Laboratory f) Despatch g) Mass Balance CPO / PK h) Traceability

				<p>The unit will follow the following documentation as their SOP:</p> <ul style="list-style-type: none"> a) Standard Operating Manual b) Pictorial Safety Standard
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a minimum of 12 months. <i>Minor</i>	Yes	<p><u>Suai Estate:</u> E.g. of monitoring records: Weeding, circle and path spray at Block 061. Annual program is available including date of completion.</p> <p>For manuring it is confirmed that the fertilizers issued out is tally thru verification of Store Issue Chit.</p> <p><u>Sampled the following Records Saremas 1 POM:</u></p> <ul style="list-style-type: none"> a) Daily FFB grading sheet - Daily record – verified Jan – March, 2014 b) Kernel Plant Log sheet – Daily record – verified Jan – March, 2014 c) Press Station Log Sheet - Daily record – verified Jan – March, 2014 d) Log Sheet - Daily record – verified Jan – March, 2014 e) Daily Chemical Usage for Boiler - verified Jan – March, 2014 f) Kernel Analysis - verified Jan – March, 2014 g) FFA monitoring - verified Jan – March, 2014 <p>The concerned records are being maintained for > 12 months.</p>
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations. <i>Minor</i>	Yes	<p><u>Suai Estate</u> Fertilizer recommendation was given by Head of R&D Department of Wilmar. 2013 fertilizer application recommendation was made on 6/10/2012 (verified thru e-mail between R&D and Suai Estate based on foliar sampling and yield analysis).</p> <p>For mature area fertilizer dosage per palm was found to be in line with the recommendation with compound fertilizers (such as NPK Super K & NK3) and straight fertilizers (such as SOA, MOP, RP, KS, B). For immature, Agriculture Manual was referred to i.e. with combination of straight fertilizers (SOA, B, MOP) & compound fertilizers (NPK Yellow).</p> <p>Manuring programme was established thereafter with total mt for each field. Actual applied in 2013 found to be in line with program.</p>
	4.2.2	Evidence of periodic tissue and soil sampling to monitor	Yes	<p><u>Suai Estate</u> Foliar sampling result is available together with the fertilizer recommendation. The description of nutrient (N, P, K, Mg, Ca & B) content is reported in % of dry matter and</p>

		changes in nutrient status. <i>Minor</i>		ppm. The analysis was done by a third party laboratory. Soil analysis last conducted on Dec 2007 by Dr. Param.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. <i>Minor</i>	Yes	<u>Suai Estate</u> For 2013, there were 23 Blocks identified to be applied with EFB with a total area 961 Ha. As at the end of year, 74% of the area has been completed based on EFB application record 2013.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps). <i>Minor</i>	Yes	<u>Suai Estate</u> Based on Slope Classification map provided by Survey Department of PPB Oil Palms, dated 11/8/2008, 0-6 98%, 6-12 2%. No slope more than 25° (and larger than 20 Ha), otherwise will be excluded from being developed (planting) based on Wilmar Agriculture Manual Chapter 3 Land Clearing and Preparation, Part 1: Undulating to Steep Land Standards # 2.
	4.3.2	Avoid or minimize bare or exposed soil within estates. <i>Minor</i>	Yes	<u>Suai Estate</u> Bare ground is not allowed in PPB's practice. Item 1.1 of WAM, Chap 6 Upkeep and Maintenance of Oil Palm, Part 2: Upkeep of Mature Oil Palm requires full ground cover in the inter-row to be maintained. During the site visit at Suai Estate, it was observed that no bare ground and soft vegetation was sufficiently maintained in the field.
	4.3.3	Presence of road maintenance programme. <i>Minor</i>	Yes	<u>Suai Estate</u> Road maintenance programme is available for year 2013 and 2014. Activities include grading, compacting and road patching. Progress is reported in "Rekod Bulanan Operasi Pembaikan Jalan untuk Suai Estate" which includes the info of work done chainage Based on the estate's progress report, Suai has achieved around 63% of its 2014 program.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. <i>Minor</i>	Yes	<u>Suai Estate</u> No peat soil in Suai Estate based on soil map prepared by Param Agricultural Soil Surveys (M) Sdn. Bhd.
	4.3.5	Best management practices should be in place for other fragile and problem	Yes	No fragile or problematic identified at this CU.

		soils (e.g. sandy, low organic matter and acid sulphate soils). <i>Minor</i>		
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	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. <i>Major</i>	Yes	<p>Saremas 2 (Division D) has continued to protect the water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones for Sg. Batu (Batu river). This practice was in conformance with the Riparian Zone Management Guidelines (Sarawak Operations).</p> <p>During the site inspection at Saremas 2 (Division D) it was confirmed that the riparian buffer zone boundary had been identified with signboard erected at Sg. Batu. Oil palm trees in buffer zone were ring sprayed with red paint at the trunk along the river bank to differentiate them with the other non-riparian zone oil palm trees.</p> <p>Site visit along river bank of Sg. Batu found no traces of agrochemical spraying along the riparian zone. The natural vegetation and bushes had grown up. All in all, the boundary marker for buffer zone was sufficient and maintained.</p>
	4.4.2	No construction of bunds/weirs/dams across the main rivers or waterways passing through an estate. <i>Major</i>	Yes	The auditors assessed that there was no construction of bridges/weirs/dams across the rivers at Sg. Batu in the Saremas 2 (Division D) Estate. All waterways flowed without any obstruction.
	4.4.3	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 (Cross reference to C 5.1 and 8.1). <i>Major</i>	Yes	<p>It was observed that Saremas 1 CU continued to monitor the water quality in its rivers. Water samples were taken at specific points that is, inlet, midstream and outlet in Sungai Sawai in Suai Estate to determine the quality of the water in accordance to approval conditions as spelt out by the NREB Sarawak. The results of the analysis done once in every three months by ESI Laboratory showed that the water quality met the standard requirement within acceptable level index of class III Category, Water Quality Index (WQI), Interim National Water Quality Standard 2006 (INWQS) of the DOE, which reflected the estate current activities did not create any negative impacts.</p> <p>Based on verification of the quarterly report sent to the DOE on effluent discharge quality to the river, it was confirmed that the CU met all the regulated limit of parameters such as BOD, pH, AN, TN, OG and SS.</p>
	4.4.4	Monitoring rainfall data for proper water	Yes	The rainfall data was recorded daily through the Rain Gauge Station at Suai Estate and records of rainfall from 2008 to 2014 were available to the auditors. The data collected

		management. <i>Minor</i>		was then used as an input for developing water management plan for the palm oil mill and planning field operation such as the timing for application of fertilizer and planting of oil palm trees in the estate.
	4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed). <i>Minor</i>	Yes	Saremas 1 CU continued to monitor the amount of water being used by its mills and the estates. It was observed that the records of the mill's daily water use (liters of water per ton of FFB) as well as the monthly and daily water consumption in the estates were being kept.
	4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. <i>Minor</i>	Yes	Saremas 1 CU continued to manage water drained into the protected areas by construction of oil trap system, that is, at the outlet of the drain from the workshop, banded chemical and oil stores, segregation of recycle waste, oil spill control and emergency preparedness as found in Suai Estate.
	4.4.7	Evidence of water management plans. <i>Minor</i>	Yes	Saremas 1 POM -Water Management Plan in place, dated Jan, 2008 – Reviewed on 14th March, 2014
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1	Documented IPM system. <i>Minor</i>	No	<u>Suai Estate</u> There is a documented IPM system in WAM, Chapter 8 Plant Protection – identification of pest, monitoring of population, recommendation of treatment if necessary. Cultural control method including planting of beneficial plants (Cassia cobanensis, Antigonon leptopus, Tunera subulata, Euphorbia heterophylla), biological control (such as Granulosis virus, Cordyceps militaris), Physical control (hand picking or trapping). However, with reference to Wilmar Agricultural Manual (ver. 3/2011), Chapter 8, Plant Protection, it was found that there was no written basis in initiating rat baiting at immature (non-production) area. Therefore, an NCR (VS 2) was assigned to this lapse.
	4.5.2	Monitoring extent of IPM implementation for major pests. <i>Minor</i>	Yes	<u>Suai Estate</u> Major pest is rat. Census is carried selectively based on in-field detection and observation. There has been no significant presence of bagworm or other leaf eating caterpillars ever since the last assessment.
	4.5.3	Recording areas where pesticides have been used.	Yes	<u>Suai Estate</u> In 2013, Suai Estate has applied rat baits in 6 Blocks. Rat population census is done using Fresh Rat Damage Assessment form which has the information about percentage

		<i>Minor</i>		of damage.
	4.5.4	Monitoring of pesticide usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. <i>Minor</i>	Yes	<u>Suai Estate</u> Pesticides consumption is recorded in "Chemical Issue by Block" on monthly basis. Downward trending was observed in comparison with yearly consumption.
C 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.	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. <i>Major</i>	Yes	<u>Saremas 1 Estate</u> Justifications of agrochemicals (Pesticide and Herbicide) used such as BM Tricalon 250, Roxrane, Glyphosate IPA, Kenlon, Icon, Ellytech, and Sodium Chlorate Vacuum Salt were described in the Safety and Health Manual – Handling Agriculture Chemical – Standard and Safe Operating procedure. SOP for safe agrochemicals usage have been established, the safety aspects and the precaution that needs to be practiced are incorporated in the respective SOPs.
	4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). <i>Major</i>	Yes	All pesticides used are those officially registered under the Pesticide Act 1974, The estates had used only class III & class IV pesticides. No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium. Revised Chemical register sighted and reviewed – which includes pesticides, fertiliser, water treatment, Oil & lubricants. Among pesticides registered are Dimethyl amine, Glyphosate isopropylamine, Glufosinate Ammonium, Cypermethrin, Tetramethylthiuram disulphide.
	4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. <i>Major</i>	Yes	<u>Saremas 1 Estate</u> 2 Chemical stores are in place - 1 for storing manure and 1 for storing Pesticides. The stores are equipped with showers, wash area and a PPE storage area. Adequate 'Safety Signage' has been placed in the store. An equipped 'Spill Kit' is in place, to handle any emergencies. Colour code is used to distinguish the 'Chemical Class'. No Class I chemicals are in use. Mainly class III and IV chemicals are being used.

	4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. <i>Major</i>	Yes	<p><u>Saremas 1 Estate</u> MSDS for chemicals used are in place – MSDS file reviewed – MSDS in BM / English maintained. MSDS displayed in the store’ The following Awareness training provided: i) ‘Chemical Handling, PPE, MSDS & SSOP’ – dated 22/03/2013 – for ‘Store Keeper & Store Clerk’ conducted by ESH officer – Training Records for the following workers were verified.</p>
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. <i>Major</i>	Yes	<p><u>Suai Estate</u> Based on latest CHRA conducted by an authorised assessor, sprayers need to go for periodically health surveillance. However, referring to his e-mail to PPB dated 11/9/2013, since glyphosate is not classified as organophosphate pesticide, sprayers can be exempted from the health surveillance.</p>
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. <i>Major</i>	Yes	<p>Pregnant and breast-feeding women are not allowed to work with pesticides. MA is responsible to check and determine whether female workers. At Saremas 1 Estate, there were no Pregnant or breast-feeding women involved with pesticides handling and spraying.</p>
	4.6.7	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated.	Yes	<p>Based on chemical register of Saremas 1 Estate and POM, No Type 1A or 1B chemical evidenced used. No illegal agrochemicals (stated by local and international laws) in particular Paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium.</p>

		Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. <i>Minor</i>		
	4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. <i>Major</i>	Yes	Aerial spraying is not a practice in this CU.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. <i>Minor</i>	Yes	No buyers have requested for testing of chemical residues in CPO. However, Saremas 1 POM had proactively conducted the Pesticides residue and Trace Metal testing. – Results noted to be within control Limit.
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are maintained for either a minimum of 5 years or starting November 2007. <i>Minor</i>	Yes	<u>Saremas 1 Estate</u> Pesticides consumption is recorded in 'Chemical Usage Record' and monitored in a monthly basis. Summary of Monthly Chemical usage - Comparison unit usage per hectare – monitoring is carried out – a stable usage is noted.
C 4.7 An occupational	4.7.1	Evidence of documented		

health and safety plan is documented, effectively communicated and implemented.		Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). <i>Major</i>		
		<u>The safety and health (OSH) plan shall cover the following</u>		
	a)	A safety and health policy, which is communicated and implemented	Yes	<u>Saremas 1 Estate & Saremas 1 POM</u> Safety and Health Manual – 2nd Rev, 12/12/2011 endorsed by the Group Plantation Head and the Group CSR Head. Occupational Health & Safety Policy in place endorsed by the Group Plantation Head and the Group CSR Head. Mr. Lau Puong Hie has been appointed as the Safety and Health Coordinator to oversee 'Health & Safety' programs within the organization at Saremas level.
	b)	All operations have been risk assessed and documented.	Yes	<u>Saremas 1 Estate & Saremas 1 POM</u> HIRARC has been reviewed, dated 14/3/2014 Operations have been risk assessed and documented. Mitigation and Improvement plan are implemented.
c)	An awareness and training programme which includes the following specifics for pesticides : i. to ensure all workers involved have been adequately trained in a safe working practices (See also C 4.8)	Yes	<u>Saremas 1 Estate & Saremas 1 POM</u> Training and Briefing provided for workers involved in accidents to educate them on safe working practices to ensure applicable precautions are adhered.	

	ii. all precautions attached to products should be properly observed and applied to the workers.										
d)	<p>The appropriate personal protective equipment (PPE) are used for each risk assessed operation.</p> <p>i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning.</p>	Yes	<p><u>Saremas 1 POM</u> Based on the HIRARC carried out the PPE types for the various station are identified using the ' PPE usage form' List of Personal Protective Equipment (PPE) Provided – identifies the type of PPE for the respective station. Verified for</p> <ul style="list-style-type: none"> i) Sterilizer station – Safety Helmet, Semi leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff. ii) Lab – Respirator (double Cartridge) Nitrile Glove (chemical penetration), safety boots, Ear plug. <p><u>Saremas 1 Estate</u> Based on the HIRARC carried out the PPE types for the various station are identified using the ' PPE Distribution Records' The following verified:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Work Station</th> <th>PPE provided</th> </tr> </thead> <tbody> <tr> <td>Sprayers</td> <td>Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron.</td> </tr> <tr> <td>Manuring</td> <td>Apron, Wellington Boots, Dust Mask</td> </tr> <tr> <td>Harvester</td> <td>Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots</td> </tr> </tbody> </table>	Work Station	PPE provided	Sprayers	Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron.	Manuring	Apron, Wellington Boots, Dust Mask	Harvester	Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots
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e)	The responsible person (s) should be identified.	Yes	<p><u>Saremas 1 POM</u> Safety and Health Committee organization Chart available. With Workers and Management representation.</p> <p><u>Saremas 1 Estate</u> Safety and Health Committee organization Chart available – Jan 2014. With Workers and Management</p>								

	f)	There are records of regular meetings between the responsible person(s) and workers where concerns of workers about health and safety are discussed.	Yes	<p><u>Saremas 1 POM</u> Quartely Safety & Health Committee meeting held – chaired by Mill Manager, discussion on the following:</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Mill Inspection Report <p>Verified the following Minutes: 20/2/2014, 7/12/2013, 12/08/2013, 28/06/2013 (verified held every 3 months once)</p> <p><u>Saremas 1 Estate</u> Quartely Safety & Health Committee meeting held – chaired by Estate Manager, discussion on the following:</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Mill Inspection Report (verified held every 3 months once)
	g)	Accident and emergency procedures should exist and instructions should be clearly understood by all workers.	Yes	<p><u>Saremas 1 POM</u> Emergency Response Plan (ERP) – has been established The following addressed: Incident reporting, Bund Breakage, Suicide Attempt & prevention, Bush Fire, Fire Breakout in Mill, Chemical spillage, Flood, Poisoning, Workplace and Violence.</p> <p>Fire drill – A Day drill was carried out on 7/8/2013 & 22/3/2013. Drill supervised by: Mill Engineer. Safety briefing provided by Electrician.</p> <p>The use of Permit to Work in Confined space (PTW CS) to inform external Contractors of the Safe practices and precautions to be adhered.</p> <p><u>Saremas 1 Estate</u> Emergency Response Plan (ERP) – established The following addressed: Incident reporting, Injury Illness Requiring Medical Attention, Suicide Attempt & prevention, Bush Fire, Chemical and Fertilizer spillage, Flood, Poisoning, Workplace and Violence.</p>
	h)	Workers trained in First Aid should be present in both field and mill operations.	Yes	<p><u>Saremas 1 POM</u> Internally trained First Aiders by Medical Assistant – staff from various station have been trained Sighted the following 'First Aid Training' Provided - carried out for office, Lab and Mill operators – 'Injury & Bleeding' handling – conducted by medical Assistant.</p>

				<p><u>Saremas 1 Estate</u> First Aiders have been trained, their name List reviewed. and the relevant training records sighted. 'Training Basic First Aid' – Conducted by Medical Assistant.</p>
	i)	First Aid equipment should be available at worksites	Yes	<p><u>Saremas 1 POM</u> 'First Aid Kit' is maintained in work station identified in '<i>Nama-nama yang mengendalikan Peti Pertolongan Cemas</i>' and '<i>Pelan Laluan Kecemasan</i>' The First Aid Kits are checked on a monthly basis and replenished by Medical Assistant.</p> <p><u>Saremas 1 Estate</u> First Aid Kits were maintained with the relevant custodian identified in '<i>Nama-nama yang mengendalikan Peti Pertolongan Cemas</i>'. The First Kit are checked on a monthly basis and replenished, by Medical Assistant.</p>
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. <i>Major</i>	Yes	Incidents and Accidents records are maintained, recorded in JKPP 6 & 8 forms and reviewed in the safety committee meeting
	4.7.3	Workers should be covered by accident insurance. <i>Major</i>	Yes	<p><u>Saremas 1 POM</u> Local Workers – covered by SOCSO Verified through '<i>Jadual Caruman Bulanan</i>' Jan & Feb 2014.</p> <p>Foreign Workers – covered by Workmen Compensation provided as per Compensation Act 1952 – through ETIQA Insurance</p> <p><u>Saremas 1 Estate</u> Local Workers – covered by SOCSO Verified through '<i>Jadual Caruman Bulanan</i>' Jan & Feb 2014.</p> <p>Foreign Workers – covered by Workmen Compensation provided as per Compensation Act 1952 – through ETIQA Insurance.</p>
C 4.8 All staff, workers, smallholders and contractors are appropriately trained.	4.8.1	A training programme (appropriate to the scale of the organization) that includes regular assessment of	Yes	<p>All field workers (sprayer and manuring) have been briefed on HCV awareness during morning muster. HCV briefing also had been briefed to new field worker during Induction Course.</p> <p>Saremas 1 CU also has assigned Mr John Alit to be in charge on HCV. He also directed by Saremas 1 CU to monitor and enhance his knowledge on wildlife survey of terrestrial mammals and birds in Saremas Oil Palm area with current research study which</p>

		<p>training needs and documentation, including records of training for employees are kept. <i>Major</i></p>	<p>collaborated with Department of Zoology, Faculty of Resource Science and Technology, UNIMAS from 2013.</p> <p>Also being recently agreed with Sarawak Forestry Corporation was an HCV collaboration that include among others awareness training, technical advice, support and monitoring programme for the HCVs identified areas including wildlife ranger training for 10 staffs of Saremas 1 CU.</p> <p><u>Saremas 1 POM (Environmental & Safety related Training)</u> 2013 -2014 – Training Schedule sighted – Approved by Mill Manager</p> <ul style="list-style-type: none"> i) ‘PPE use’ Training – dated: 22/03/2013 - Internally Conducted by Management for all relevant workers – sighted training records ii) .‘Chemical Handling’ – Internally conducted by management for Lab workers – sighted training records. iii) ‘Log out Tag’ – dated 11- 23/09/2013 - Conducted by Mill Engineer for Workshop employees- sighted training records. <p><u>Saremas 1 Estate (Environmental & Safety related Training)</u> 2013 - 2014 – Training Schedule sighted – Approved by Estate Manager.</p> <ul style="list-style-type: none"> i) ‘SSOP for Harvesting’ – Internally Conducted by Management for all relevant workers – sighted training records ii) ‘RSPO SCCS – dated: 21/1/2014 – Internally conducted – sighted training records. <p>‘SSOP for Slashing’ - Conducted by ESH officer attended by Slashing Workers. – Sighted records.</p>
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Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY

Clause	Indicators	Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are	5.1.1 Documented aspects and impacts risk assessment that is periodically reviewed and updated. <i>Major</i>	Yes	<p><u>Suai Estate</u> Method of identification of environmental aspect and impact was done by using “Identification of EAI & Evaluation of Significance form”. This was last reviewed on 12/3/2014.</p> <p><u>Environmental aspect and impact identified and mitigation measures:</u></p> <ul style="list-style-type: none"> • Leachate from application of EFB – Riparian zone Management Guidelines (Sarawak Operations), dated 13th June 2011, prepared by Sustainability Unit

identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.				<p>and avoid application near to water course which guided by SSOP EFB Mulching, Clause 5.1.8 – not to apply EFB close to water course.</p> <ul style="list-style-type: none"> • Soil erosion from replanting – SSOP for replanting, Clause 26.1.4 planting on steep slope >25° and rocky area, establishment of ground cover such as mucuna and soft vegetation, terrace construction, <i>tapak kuda</i>. – water quality is monitored thru EMR. There are 7 sampling points for Suai Estate. Last report was 4th quarter 2013. 11 parameters were checked. • Potential spillage from generator servicing & maintenance and machinery maintenance – Pollution Prevention Plan, 2008 which includes the utilization of spill kits, oil trap. • Consumption of diesel by genset – to replace to new unit if the old unit is no longer economical, consistently serviced. The effectiveness can be reflected through diesel consumption records by genset i.e. in 2012 8.17 lt/hr, 2013 8.93 lt/Ha • Pollutants to land from solid waste – recycle program, secure landfill (guideline of landfill) and pollution prevention plan. In 2013, Suai has sold paper 30 kg, plastic 73 kg, glass 89 kg, empty chemical containers 620 kg, scrap iron 5.05 mt to various recycle vendors.
	5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. <i>Minor</i>	Yes	Refer to Indicator 5.1.1.
C 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	5.2.1	Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings. <i>Major</i>	Yes	<p>The HCVF Scoping Assessment of Saremas 1 & 2, Segarmas and Kaminsky Estates of PPB Oil Palm Berhad in Sarawak was prepared by a consultant on 8 July 2008, had covered all the HCV on ERTs species within the residual forested areas of the estates including its management and action plan. This ASA4 sampled only Saremas 2 (Division D) Estate and Saremas 1 Estate. There was only HCV4 area had been identified in the Saremas 2 (Division D) Estate, which were the river buffer zone along Sg Batu and forested area named as Bukit Durang Conservation Area.</p> <p>The auditor had verified that the Saremas 1 CU had identified, maintained and monitored the HCV4. It had conserved 768.23 ha of riparian zone, river and forested area which provided basic services of natural water flow control and as biological diversity refuge. The HCV map was also made available.</p>

<p>be identified and their conservation taken into account in management plans and operations.</p>				<p>Saremas 1 CU has co-operated with researchers at the Universiti Malaysia Sarawak (UNIMAS) in order to improve their monitoring effort on the living flora and fauna especially on the endangered, rare and threatened species within the oil palm plantation and forested area (Bukit Durang Conservation Area located within Saremas 2 Estate and Segarmas Estate) by doing wildlife survey of terrestrial mammals and birds using camera trapping method from November 2013 to January 2014. Based on the survey progress report dated on 24/02/2014, report revealed that 24 species were identified.</p> <p>14 out of 24 species recorded were protected and listed in the Wild Life Protection Ordinance 1998. They were also found Sun Bear (<i>Helarctos malayanus</i>) which was listed in Appendix I of CITES. And 3 species which were listed in Appendix II of CITES; Water monitor (<i>Varanus salvator</i>), Banded Palm Civet (<i>Hemigalus derbyanus</i>) and Pangolin (<i>Manis javanica</i>).</p>
	5.2.2	<p>Management plan for HCV habitats (including ERTs) and their conservation. <i>Major</i></p>	Yes	<p>Mr. John Alit as the responsible officer on the HCV will further discuss and clarify with researchers from UNIMAS at the end of March 2014 on their finding especially for the four species listed in CITES before included those species in their HCV management and action plan for monitoring and protecting those species. He also plans to get assistance from Sarawak Forest Corporation (SFC) to train his HCV patrol staffs.</p> <p>Saremas 1 Estate and Saremas 2 Estate have listed their HCV monitoring and management action plan for 2014 such as:</p> <ul style="list-style-type: none"> • Monitored the collaboration project with UNIMAS on the baseline inventory and wildlife identification and monitoring • Conduct 3 days training for HCV patrol staffs as an Honorary Ranger • Monitoring to ensure no encroachment. • No plantation activities permitted • Clear signage and boundary marking area • Enrichment planting of native forest tree species and fruit tree along riparian buffer zone and gap area in the forested conservation area <p>Furthermore, riparian buffer zone and gap area in the forested area had been enhanced with enrichment planting activities. This activity had been conducted at the Saremas 2 (Division D) about 0.34 ha and Saremas 1 (Division 2 and Division 5) about 1.02 ha.</p> <p>Seedlings of forest tree species such as <i>Dryobalanops beccarii</i>, <i>Shorea longisperma</i>, <i>Azadirachta</i> spp, <i>Shorea leprosula</i>, <i>Neolamarckia cadamba</i>, etc. have been planted. These seedlings were collected from the HCV area and germinated at nursery Saremas 1 Division 5.</p>

	5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. <i>Minor</i>	Yes	<p>During site visit, it was seen that Saremas 2 (Division D) Estate had shown commitment to discourage illegal or inappropriate hunting or collecting activities. Warning signage was strategically placed along boundaries especially with smallholders (entrances of each estate) and at HCVs areas and they had been maintained legibly.</p> <p>Posters on protected animals were also observed being displayed at the guard posts and at Saremas 2 (Division D) Estate. However, there was no animal or ERTs sighted during monitoring activities at the Saremas 2 (Division D) Estate.</p> <p>Mr John Alit and his team have conducted HCV area monitoring activities at the Saremas 2 (Division D) Estate on 27 November 2013 to prevent any illegal activities such as illegal logging, hunters, encroachment, water pollution, forest fire, etc.</p>
C 5.3 Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.	5.3.1	Documented identification of all waste products and sources of pollution. <i>Major</i>	Yes	<p>Environmental Impact Assessment, Management Action Plans and Continuous Improvement Plan.</p> <p>Identified recyclable wastes – aluminium, glass, paper, sent to recycle centre.</p> <p>Identified recyclable wastes – paper, glass, plastic, scrap metal. For paper, glass and plastic – sent to centralised collection centre which is the estate. For scrap metal, sent by the mill itself to recycle centre.</p>
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. <i>Minor</i>	Yes	<p>For Saremas 1 POM, the SOP for handling of environmental aspects has been established. An example, handling of waste oil and handling of diesel and petrol is documented clearly with the procedures.</p> <p>The identified Schedule Waste are being identified and are being disposed in a periodic manner:</p>
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). <i>Minor</i>	Yes	<p>Saremas 1 CU continued to use mill waste, EFB, as organic supplements in the field, that is, EFB mulching in all new plantings, marginal areas and along roadsides (3-5 rows of palm trees from the road).</p>
C 5.4 Efficiency of energy use and use of renewable energy is maximized.	5.4.1	Monitoring of renewable energy use per tonne of CPO or palm product in the mill. <i>Minor</i>	Yes	<p>Monthly monitoring of renewable energy (renewable energy/ ton CPO Processed) is available. Monthly biomass production has been recorded for fiber, shell and EFB. Fiber and shell will be used as the boiler fuel.</p> <p>For FY2012-2013, the renewable energy (renewable energy/ ton CPO Processed) is being monitored.</p>

	5.4.2	Monitoring of direct fossil fuel use per tonne of CPO or kW per tonne palm product in the mill (or FFB where the grower has no mill). <i>Minor</i>	Yes	A slight increase in diesel usage noted due to increase in activity.
C 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.	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003. <i>Major</i>	Yes	No open burning observed in Saremas 1 Estate or POM.
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched. <i>Minor</i>	Yes	<u>Suai Estate</u> Based on the company's Agriculture Manual, the estates are required to fall, chip and leave to rot all the old palms during replanting activity. During this visit, there was no replanting activity going on. Replanting will only be started in June 2014 at Suai Estate.
	5.5.3	No evidence of burning waste (including domestic waste). <i>Minor</i>	Yes	No evidence of 'waste burning' noted in Saremas 1 CU. Domestic wastes are 'land filled', visited 'Land fill' area maintained in a satisfactory manner.
C 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). <i>Major</i>	Yes	Currently under control. No management plan to reduce because the current figure is within the regulated limit by EU i.e. 1,120 kg CO ₂ /mt CPO.
	5.6.2	Plans are reviewed annually. <i>Minor</i>	Yes	Annual reviews are being carried out.
	5.6.3	Monitor and reduce peat subsidence rate	Yes	Based on the soil map presented by the CU, there is no peat soil area in this CU.

		through water table management. (Within ranges specified in C 4.3). <i>Minor</i>		
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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 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.	I 6.1.1	A documented social impact assessment including records of meetings. <i>Major</i>	Yes	<p>The SIA report entitled “Scoping SIA Saremas 1 and 2, Segarmas and Kaminsky Estates” was prepared in 2008 is still the basis for managing social issues in the Saremas 1 CU. The previous audit reported that the Report was prepared with the participation of the relevant stakeholders, such as the estate workers and the neighbouring long-house communities.</p> <p>The issues raised by local communities include use of lands within the estates, FFB pricing, transportation for school children, work opportunities and tanks for water storage. The workers, on the other hand, raised concerns on the housing conditions, conditions of the crèche, drainage systems and trained and qualified medical officer.</p> <p>The estates and mills are constantly monitoring the housing conditions and making the necessary upkeep and maintenance works upon requests by the workers. Qualified medical officers have already been employed by the estates.</p> <p>Local communities have requested Saremas 1 Mill to pay their FFB by cash after sending their FFB to mill. However, the mill not agreed with the request due to company’s account and payment procedure where all payments will be pay at the end of month by cheque. Explanation and discussion had been conducted by Saremas 1 CU on 15 March 2014 with local communities. So, end of the meeting, all the local communities understand and will follow the payment standard procedure of Saremas.</p>
	I 6.1.2	Evidence that the assessment has been done with the participation of affected parties. <i>Major</i>	Yes	The previous audit report highlighted that, in addition to estate workers, representatives from five long-house communities participated in the assessment. The inputs from the participants were incorporated in the ‘Action Plan for Social Assessment 2014’.

	I 6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. <i>Minor</i>	Yes	<p>A number of stakeholders' consultations were held by the CU to gather inputs in the process of reviewing and updating the Action Plan for Social Impact Assessment 2014. Meetings were held with canteen operators, contractors, suppliers on 25/2/14 (JCC-PS Committee); with smallholders from long houses on 15/3/14 (CBDC Committee) and workers (Social and Welfare Committee) on 20/2/14.</p> <p>The agenda for the CBDC meetings with contractors, suppliers and workers representatives were RSPO issues, safety and health and HCV. FFB pricing was the main agenda in the meeting with longhouse community leaders. Issues discussed with canteen operators such as briefing on RSPO requirements, pricing of items sold, check cashing charge, price tags, rent, rules of goods sold and cleanliness. Canteen operators have been reminded for more responsible when selling goods with reasonable price and followed all stated clauses in the agreement contract. The estates and mills had regular meetings with staffs and workers through the Social and Welfare Committee. The meeting had highlighted a few social issues which may not be peculiar to one estate but could be prevalent in the CU. Such issues include goods price, gambling, drinking, PATI, clean water, etc.</p> <p>Action Plan for Social Impact Assessment 2014 for Saremas 1 Estate as listed below:</p> <ul style="list-style-type: none"> i) Look at offered price structure of FFB pricing by Orion Fresh (Agent for FFB Buyer) is low in lieu of cash payment ii) Consult with workers to establish the controlled items of goods sold at canteen iii) Monitor issue on drinking problems or being intoxicated among workers iv) Gambling issue among workers are on the rise and seek management intervention <p>The Saremas 1 CU had also discussed the New Wage Order under the Wages Council Act 1947 (Act 195) which immediate effective from 1st January 2013 with their staff and workers at the Saremas Conference Room on 13 Mac 2013 with workers, security and conductor representatives during Welfare and Social meeting (<i>Jawatankuasa Kebajikan & Sosial</i>).</p> <p>Saremas 1 CU has handled all the raised issues from estates and mills collectively based on the minute meeting of JCC-PS, CBDC and Social and Welfare Committee. Those issues have been incorporated in the existing 'Social Impacts Action Plan year 2014' and appropriate mitigation measures are planned, implemented and monitored.</p>
C 6.2	I 6.2.1	Documented	Yes	The previous audit has reported in some details the consultation and communication

<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		<p>consultation and communication procedures. <i>Major</i></p>		<p>procedures used by the CU in handling internal and external communications. The document concerned is labelled as Document No 'RSPO 6.2- Consultation and Communication Procedure' which was prepared by the RSPO Unit of PPB Oil Palms Bhd.</p> <p>The CU has continued to use internal communication techniques, such as morning assemblies, notice boards and posters, suggestion boxes and complaint forms. External communication has been effected mainly through mail correspondence. Also, the CU has started to use the JCC-PS and CBDC meetings to serve as a forum to discuss issues of interest to the estates, local government agencies and local communities (long houses).</p> <p>Generally, the CU has abided by its procedures in responding to internal and external communications. Evidence of compliance can be observed in the various files of correspondence, particularly with government agencies.</p>
	I 6.2.2	<p>A nominated plantation management official at the operating unit responsible for these issues. <i>Minor</i></p>	Yes	<p>As spelled out in the communications procedure, the estate manager is the person appointed to handle communication matters. Saremas 1 Estate Manager and Chief Clerk had been appointed by General Manager dated 02 January 2013 as the officer in-charge of communication. While for Saremas 1 POM, the Mill Manager and Chief Clerk have been appointed on 6 March 2014.</p>
	I 6.2.3	<p>Maintenance of a list of stakeholders, records of all communication and records of actions taken in response to input from stakeholders. <i>Minor</i></p>	Yes	<p>The estates/mills continued to maintain stakeholder lists which comprised of government agencies, contractors/suppliers (including FFB suppliers for mills), neighbouring estates and local communities.</p> <p>In the case of Saremas 1 POM, for example, 153 materials suppliers, 50 FFB suppliers, 8 local communities (long house), 10 transporters, 20 government agencies, 3 schools, 9 buyers, 15 contractors, 3 insurance companies, 3 recruiters for Indonesian worker, 6 neighbouring estates, 3 scheduled waste companies, and 5 panel doctors were listed in the stakeholders list. There were no changes on stakeholders list until 31/12/2013.</p> <p>Evidence of communications with outside and inside stakeholders had been found in the various communication files kept by the estate/mill. Files on external communication were kept according to the agencies or parties communicated, for examples, Department of Safety and Health, and Department of Environment, and so forth. In addition, minutes of the various meetings held with internal and external stakeholders were kept for records and reference.</p>

C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	6.3.1	Documentation of the process by which a dispute was resolved and the outcome. <i>Major</i>	Yes	In the event of a dispute, the CU will manage it through the "Dispute and Grievances Procedure" (Document PPB/RSPO 6.3(2.2)/(1)) which was issued on 22 August 2013. The procedure starts with the receipt of complaint from any party, its investigation, proposed solutions and acceptance of the solutions or otherwise. If the proposed solution was rejected, the dispute will be brought for third party arbitration. Grievance or dissatisfaction and request for services on the part of the employees can be conveyed through the "Borang Aduan (Complaints Form)"- Document RSPO/C6.3(01)/0111 and the "Borang Permohonan (Request Form)"- Document RSPO/C6.2(00)/0611. PPB Oil Palms Berhad also had established a standard operating procedure on 'Grievances and Complaint (SOP-CC, Version 001) effective from 01 January 2008.
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. <i>Minor</i>	Yes	The CU reported that in the past there had not been any disputes, in any form. The domestic inquiry files were examined to find out whether or not the decisions of the panels of the enquiry had been contested. However, there was none. The workers interviewed also reported that no dispute had taken place in the CU. Housing complaints from the workers had been handled quite satisfactorily by the estate/mill. Interviews with workers revealed that they were quite happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education and clinic services.
	6.3.3	The system is open to any affected parties. <i>Minor</i>	Yes	Saremas 1 CU has welcomed any complaints and grievances from their stakeholders through complaints form, grievance form, JCC-IS meeting, CBDC meeting and etc. So that, they can received any opinion or suggestion in order to improve their social responsibilities to all stakeholders.
C 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	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. <i>Major</i>	Yes	In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" which was adopted in November 2008. Essentially, the procedure described how to check for legal status of the lands in question and laid out the criteria in deciding who should be compensated and the amount of compensation. Based on this audit, there was no issue of land claims involving the estates and mills.
	I 6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and	Yes	Since last audit, there was no claim for compensation made against Saremas 1 Estate and Saremas 1 POM by the local communities. If there were any cases related to compensation, the procedure for calculating and distributing fair compensation would be carried out at the company level as stated in their standard operating procedure 'Consultation and Communication – Procedure for collective negotiations and resolution of disputes or grievances' (SOP-CC, Version 001) effective date on 01 January 2008.

views through their own representative institutions.		implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal versus communal ownership of land. <i>Minor</i>		
	I 6.4.3	The process and outcome of any compensation claims is documented and made publicly available. <i>Minor</i>	Yes	There was no issue raised related to the compensation claims.
C 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.	I 6.5.1	Documentation of pay and conditions. <i>Major</i>	Yes	A sample of five contracts of employment both for foreign and local workers were examined at the Saremas 1 Mill: It is a legal requirement for such contracts to be in written form. (Rule 2 of Labour Rules (Sarawak) 2005.) The contract states the wage rate, work days, overtime, annual leave, public holidays and contributions to SOCSO for local workers, among others. The pay slips of a few workers were also seen at each estate/mill and each one was found to show correctly their monthly earnings. The monthly pay also conformed to the requirements of the Minimum Wages Order 2012 which specify that the basic pay should not be less than RM800.00 per month or RM30.77 per day had been verified by auditor.
	I 6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and	Yes	The employment contract is in both English and Bahasa. However, the pay slip is in English and its computations are quite complicated. The CU has already translated the pay slip into Bahasa Malaysia as well as explained it to the workers. A sample of employment contract for local worker stated the working hours, employee provident fund, annual leave, medical benefits and sick leave, insurance scheme, retirement, etc.

		conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. <i>Minor</i>		
	I 6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). <i>Minor</i>	Yes	The CU still maintains its policies on housing, water and electricity supply as reported in the previous audit. Religious, medical, educational and child care facilities are still offered as before. Housing inspections are carried out by members of the health and safety committee as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Their reports are presented to the main committee for information and actions, if necessary. Visits made to the line sites show that the houses and their environment are in respectable conditions.
C 6.6 The employer	6.6.1	Documented minutes of meetings with	Yes	As reported in previous audit, the workers are not unionised. However, workers' representatives have been appointed as members of the Joint Consultative Council and

<p>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.</p>		<p>main trade unions or workers representatives. <i>Major</i></p>		<p>the Social and Welfare Committee in the estates. Both the committees meet quite regularly. For example, 1) Joint Consultative Committee – Public Stakeholder – twice a year (24/2/14 & 27/2/14) 2) Social & welfare Committee – Once in 4 month (11/3/14, 20/12/13, 17/9/13, 21/6/13, 19/3/13) 3) Community Base Development Committee (CBDC Meeting) – once a year (15/3/14) 4) Women & Children Committee – Once in 4 months – 16/12/13, 12/6/13 & 14/3/13</p>
	6.6.2	<p>A published statement in local languages recognizing freedom of association. <i>Minor</i></p>	Yes	<p>A published statement on freedom of workers to join union is available publicly in all estates/mill. The statement reads, among others, that the workers are allowed to join any registered organizations or associations and also foreign workers are not allowed to hold any positions in the organizations or associations. The statement is signed by the Assistant General Manager – Sarawak Operations.</p>
<p>C 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.</p>	6.7.1	<p>Documented evidence that minimum age requirement is met. <i>Major</i></p>	Yes	<p>Verification through employment card and copies of passports of 24 female and 72 men workers (72 foreigners & 24 local) at as 6 March 2014 at the Saremas 1 Mill confirmed that there was no record of persons under age of eighteen, the minimum working age under Malaysian Labor Laws (Am. Act A238).</p> <p>Verification through employment card and copies of passports of foreign workers at as February 2014 at the Saremas 1 Estate with total of worker about 579 (male and female) confirmed that there was no record of persons under age of eighteen, the minimum working age under Malaysian Labor Laws (Am. Act A238).</p> <p>The CU adheres to the child labour policy as espoused by the International Labour Convention which states, among others, that those under 18 years must not be employed to work in hazardous jobs.</p>
<p>C 6.8 Any form of discrimination</p>	6.8.1	<p>A publicly available equal opportunities policy. <i>Major</i></p>	Yes	<p>As reported in previous audit, the equal opportunity policy is publicly available in the estates/mill. The policy statements emphasise on worker information, recruitment and selection, training, employee development, terms of service and records of service. This</p>

based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. <i>Minor</i>	Yes	<p>policy is posted on notice boards for the understanding of the public and workers.</p> <p>The terms of employment, work assignments, housing policy and other requirements have not been found to be discriminatory. Interviews with workers and other stakeholders at the Saremas 1 Mill and Saremas 1 Estate also revealed that the CU has not discriminated its staffs and workers. Migrant workers receive similar pay, stay in the same house, and enjoy similar medical benefits as their local counterparts.</p>
	C 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.	6.9.1	A policy on sexual harassment and violence and records of implementation. <i>Major</i>	Yes
	6.9.2	A specific grievance mechanism is established. <i>Major</i>	Yes	<p>Saremas 1 Mill has followed standard operating procedure on handling grievance / social issues which was established by PPB entitled 'Anti Sexual Harassment' – SOP-SH, Version 001, effective on 1/1/2008 has been published with standard report form named 'Grievance/Complaint Form for Sexual Harassment'. Chairman of Women and Children Committee - Session 2013 (appointed as chairman from 2013 until 2014), Ms. Catherine Joseph at the Saremas 1 Mill has been appointed on 12/6/13 for 2 years. She was responsible in managing any raised issue on social. 21 AJK including chairman for Women and Children Committee.</p> <p>Ms. Nuraini Abdullah has been appointed as Chairman of Women and Children Committee by Saremas 1 Estate Manager from 01/10/12 until now. 13 AJK including Chairman (10 local & 5 foreigner). Total committee member of Woman and Children Committee is 274. The meeting will be conducted by monthly basis and the latest meeting has been held on 16/12/13 (4th meeting in 2013).</p>

				As mentioned above, the grievance procedure was available in the SOP. However, it had not been put to test because there had been no incidence on sexual harassment.
C 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented. <i>Major</i>	Yes	Saremas 1 Estate has publicly displayed FFB pricing mechanism at the notice board. Their smallholders (local community) can refer to the notice board if they query on the FFB price. Based on CBDC meeting minute on 15 Mac 2014, smallholders were satisfied with offered FFB price from Saremas 1 Mill. Long-term contracts of two FFB suppliers were also examined. During interviewing with two transport contractors, they have kept the contract agreement which stated pricing mechanisms, job specifications and payment systems.
	6.10.2	Current and past prices paid for FFB shall be publicly available. <i>Minor</i>	Yes	Past and current price of FFB had been displayed at the noticeboard beside the weighing bridge at the Saremas 1 Mill.
	6.10.3	Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. <i>Minor</i>	Yes	The interviewed contractors understand the stated pricing mechanisms, job specifications and payment systems. They are legal as both parties have put their signatures.
	6.10.4	Agreed payments shall be made in a timely manner. <i>Minor</i>	Yes	Based on interview with contractors from Saremas 1 Mill, they told auditor that any payments to supplier and contractor were made in a timely manner which is between 25 or 26th monthly. If the payment cannot be paid as agreed, the estate and mill clerk will inform them first. The interviewed long house heads have informed auditor that smallholders from their long house communities will received payment of FFB by cheque at the end of month if they have send their FFB to Saremas mill. The cheque payment method was followed Saremas CU's payment procedure (SOP).
C 6.11 Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities. <i>Minor</i>	Yes	The CU had played some roles in the socio-economic development of the local long-house communities. The Saremas 1 CU had provided some employment, medical services, school buses, roads, water tanks and oil palm seedlings to the these communities. In addition, the estates had also given advisory services on the plantation and management of oil palm crops. Example: Saremas 1 Mill has made contribution to local communities development:

				<ol style="list-style-type: none"> 1) Employment of 46 local people from long house (39% from 119 total staff and workers) 2) Mill also buying FFB from smallholders in order to support local communities economies/earn of living <p>Saremas 1 Estate also has contributed which focusing on the local facilities:</p> <ol style="list-style-type: none"> 1) Employed 27 local people from long houses 2) Maintenance of access road at the estate and local communities area from their house (main road) to their farm/palm oil estate 3) Bus transportation to school, SK Suai, SMK Suai & SMK Subis 4) Setup landfill around their house for organic dump site from their daily consumption 5) Free charge for using company's tractor during burial event 6) Improved the water quality of Sg. Simbau (<i>coliform</i>) which been using by the local communities for their daily used
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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Saremas 1 CU has no plan for any new planting and no new development of area was observed during the visit. Thus Principle 7 is not applicable.

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

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.	8.1.1	Minimise use of certain pesticides (C4.6). <i>Major</i>	Yes	The following chemicals are no longer used. Parquet (herbicide) and Ally 20F (herbicide) Ancome Amine 60 (herbicide) – Class II Herbicide, Pestac (Insecticide) – Class II Insecticide
	8.1.2	Environmental impacts (C5.1). <i>Major</i>	Yes	Environmental Aspect and Impact & Evaluation, dated 14/2/2014 carried out. Significant Impacts identified and mitigation actions initiated on a continuous basis. The risk assessment of the yet to be commissioned Bio gas plant is yet to be carried out in detail.
	8.1.3	Maximizing recycling and minimizing waste or by-products generation. <i>Major</i>	Yes	Saremas 1 POM – A Biogas plant has been constructed and is in the commissioning stage.

MY NIWG commits to demonstrate progressive improvement to the following but not limited to:	8.1.4	Pollution prevention plans (C5.6). <i>Major</i>	Yes	Pollution Prevention Plan (Waste identification and Mitigation Plan) – dated, 1/3/2008 Concerning the below have been established: Plastic and chemical waste, Empty Fruit Bunches, Fibre, Processing Machinery, Liquid waste, Petrol, Oil & Lubricant (POL), Chemical, Chemicals, Domestic and office waste, Toilet & Kitchen waste, used oil & grease, Metal waste & welding rod, used batteries, oil drum and Schedule waste monitoring.
	8.1.5	Social impacts (C6.1). <i>Major</i>	Yes	Concrete house was provided for workers and equips the new line sites with various facilities such as medical centre, canteen, sports facilities and etc. at the Saremas 1 Estate. Each unit of the labour line too had been equipped with electricity and treated water supply without any charges. Saremas 1 Estate also had quarterly monitored total coliform count in the Sg. Simbau. The Environmental Monitoring Report had been reviewed by management to take further action in order to reduce the quantity of total coliform. Water sample from river were sent to a registered laboratory under Natural Resources & Environmental Board (NREB) for laboratory analysis on 23/1/2013, 30/4/2013, 13/8/2013 & 25/10/2013. All the interviewed workers were very happy with these facilities. Other improvements in the fields included the following: <ol style="list-style-type: none"> 1. Job employment opportunities in estate and mill for local communities. 2. Maintenance of access road for the local community. 3. Computer center is still under construction for IT education for children of staffs and workers 4. School bus provided for children of staffs and workers. 5. Standby transport for emergency cases from Saremas 1 CU to external clinic/hospital
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. <i>Minor</i>	Yes	The existing mechanism to capture the performance and expenditure continued to be used. It was not limited to social and environmental aspects but being extended to occupational safety and health matters.

RSPO Supply Chain at the palm oil mill – Mass Balance Model –Module E

Item No	Requirement	Findings
<p>E.1 E.1.1</p>	<p>Documented procedures The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.</p> <p>E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p><u>E.1.1.a</u> Saremas 1 Palm Oil Mill (S1 POM) has a document entitled 'SOP for Supply Chain And Traceability (SOP)', describing the supply chain system and the procedures it had been implementing to address the relevant requirements of the RSPO Supply Chain Certification Systems (SOP-Mill-023), Revision 3, dated 01/01/2013). The SOP was sighted and found all elements were covered.</p> <p><u>E.1.1.b</u> Mr. Donald Stephen Jalani was appointed as a RSPO Management Representative (MR). Based on interviewed conducted; it was found that his knowledge regarding RSPO certification process was adequate.</p> <p><u>E.1.2</u> Stated in SOP-Mill-023 (page 6) All Certified FFB come from PPB own estate and non-certified FFB come from big/small holder surrounding area. S1 POM had prepared "Quarterly Report of Incoming Sustainable Raw Material" for year 2013 and 2014 to monitor incoming certified and non-certified FFB. The report was sighted and found adequate.</p>
<p>E.2 E.2.1</p> <p>E.2.2</p>	<p>Purchasing and goods in The facility shall verify and document the volumes of certified and non-certified FFBs received.</p> <p>The facility shall inform the CB immediately if there is a projected overproduction.</p>	<p><u>E.2.1</u> Acompanying docs for FFB delivery:</p> <ul style="list-style-type: none"> • FFB dispatch chits (sampled S2 11028), – info on date, Division no., Lorry no., time, block/ramp no., no. bunches, estimated tonnes, mill tonnes. • Weighbridge ticket – weighbridge ticket serial no., DO no., Supplier's name, Commodity, DN no., lorry no., driver's name and weight. <p>Summerized in "Custom Report for Sales & Purchases" on daily basis.</p> <p>The method of recording of the CU was found to be adequate to capture the quantity of certified and non-certified FFB received. There was no overproduction for the last reporting period.</p>
<p>E.3 E.3.1</p>	<p>Record keeping The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.</p>	<p><u>E.3.1</u> S1 POM had maintained an up-to-date records and accessible. Documents sighted during the audit</p> <ul style="list-style-type: none"> • Training records

<p>E.3.2</p> <p>E.3.3</p> <p>E.3.4</p> <p>E.3.5</p>	<p>Retention times for all records and reports shall be at least five (5) years.</p> <p>a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.</p> <p>The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.</p> <p>In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	<ul style="list-style-type: none"> • Incoming FFB • Outgoing of CPO and PK records • Production records <p>For production, kernel stock volume in the kernel silos were measured by using sounding tape. Readings from sounding tape will be interpreted to mt referring to “sounding table” developed by a team in the company. This reference table must be approved by VMM (Mr. Loh Hee Yang).</p> <p><u>E.3.2</u> Para 10.0 of company’s SOP (Retention table) All record and report regarding RSPO SCCS will be kept for 5 years (Item 23.5 (d) of the company’s SOP). Tested for 2009, was available and found kept in a store inside fertiliser bags and softcopy in SAP system also retrievable)</p> <p><u>E.3.3</u> S1 POM had prepared “Quarterly Report of Incoming Sustainable Raw Material 2012” to monitor incoming certified and non-certified FFB on 3 monthly basis. The report was sighted and found adequate.</p> <p><u>E.3.4</u> Domestic Cotract # BEO/36P1211/009 is referred. Description of product is only PALM KERNEL, with model option specified.</p> <p><u>E.3.5</u> Not applicable – no outsource activity.</p>
<p>E.4</p> <p>E.4.1</p>	<p>Sales and good out</p> <p>The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information:</p> <p>a) The name and address of the buyer;</p> <p>b) The date on which the invoice was issued;</p> <p>c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)</p> <p>d) The quantity of the products delivered;</p> <p>e) Reference to related transport documentation.</p>	<p>All sale activities will be conducted by Willmar/PPB Office based at Singapore. All goods (CPO and PK) will be sent to Bintulu Edible Oil Sdn Bhd (part of Willmar/PPB group) for further processing.</p> <p>A Delivery Order was sighted and found all relevant requirement on E.4.1 were stated in the attached document. Invoice issued has the following information:</p> <ul style="list-style-type: none"> • Name of buyer • Address of buyer • Description of products • Quantity of products • DO number • Contract number

		<ul style="list-style-type: none"> • Truck number
E.5 E.5.1	Training The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Trainging on Supply Chain has been regularly conducted at Saremas 1 POM to enhance the relevant personnel on the standard requirments as well as effective implementation. The last training was conducted internally on 21/1/2014 by Wilmar's Sustainability Department. It was attended by seven staff from various areas such as administration, weighbridge clerks, security and engineer.
E.6 E.6.1	Claims The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	S1 POM has sold MB PK but not announced in the RSPO eTrace since such facility is not available yet.

3.2 Identified Non-conformities

Details of the non-conformities, corrective actions taken by Saremas 1 CU and assessors' verification of the corrective actions taken are in Appendix 3. All nonconformities have been closed out.

3.3 Status of Non-conformities Previously Identified

All previous nonconformities were verified for the corrective actions effectiveness. Corrective action has been taken and verified by the assessor. Details of the verified nonconformities are in Appendix 4.

3.4 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, surrounding villagers and contractors. Generally, all of the stakeholders had given positive feedback towards Saremas 1 CU.

3.5 Noteworthy Positive and Negative Observation

The level of awareness among the workers on the RSPO implementation was found to be improving. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements. The workers housing are kept clean and conducive. It was noted at the line-sites that the CU has also made an effort to encourage the reuse of old tyres as flower pots.

4.0 Assessment Recommendation and Date of Closing Non-conformities

No NCR recorded. Recommended to continue certification.

Minor NCR(s) recorded. Recommended to continue certification conditional upon acceptance of corrective action plans within 1 month of the date of this audit.

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

Major NCR(s) recorded. Proposed corrective action and evidence of implementation within 2 months of the date of this audit to be submitted to SIRIM QAS International Verification on major NCRs is required :

On-site audit of the following areas is recommended within 2 months (if applicable)

On-site audit not required. Records of implementation of corrective action to be submitted for verification

Note: The major NCRs raised during surveillance audit shall be addressed within 60 days or certificate shall be suspended. Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

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

Audit Team Leader:

VALENCE SHEM

(Name)



(Signature)

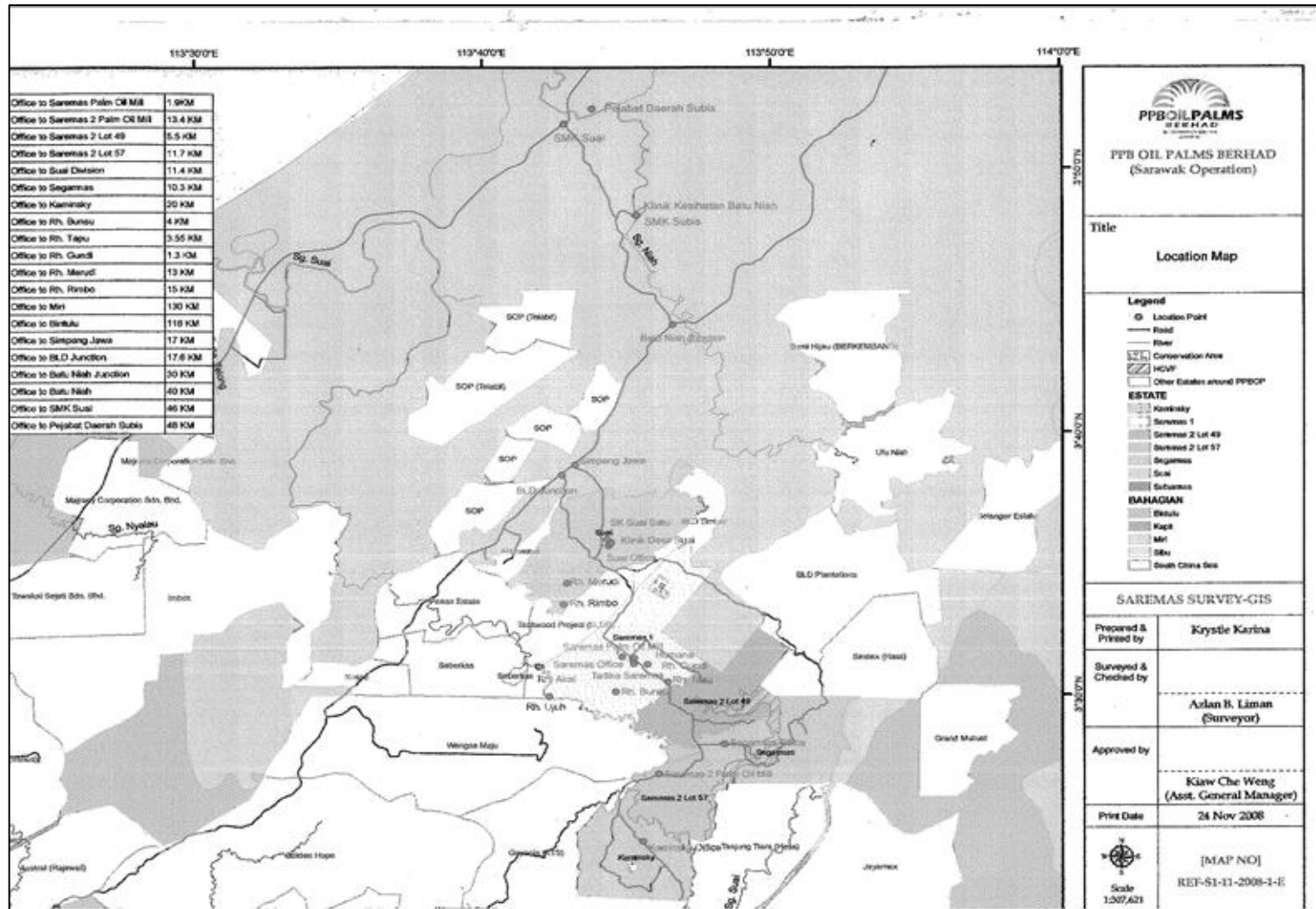
21/05/2014

(Date)

5.0 Date of Next Surveillance Visit

The next surveillance visit will be conducted within twelve months but not sooner than 9 months after this audit.

Location map of Saremas 1 Certification Unit, Miri, Sarawak, Malaysia



Assessment Programme

Day 1: 17 March 2014 (Monday)			
Time	Activities / areas to be visited		
0830-0930	<u>Opening Meeting with Saremas 1 (CU)</u> <ul style="list-style-type: none"> • Introduction and briefing on surveillance assessment objectives, scope, methodology, criteria and programmes by the Audit Team Leader • Briefing on the organization background and implementation of RSPO (including actions taken to address assessment findings of Annual Surveillance 2013) and progress of Time Bound Plan by the management representative 		
	Valence	Razman	Jagathasan
0930-1300	Site visit and assessment at Saremas 1 POM relating to Supply Chain implementation including the model used	Site visit and assessment at Saremas 2 (Division D) relating to estates boundary, HCV, workers & local community such as SIA and management plans Assessment on related indicators of P1, P2, P3, P4, P6, P8	Site visit and assessment at Saremas 1 Estate relating to occupational safety & health and environment Assessment on related Indicators of P1, P2, P3, P4, P5, P8
1300-1400	Lunch break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day 2: 18 March 2014 (Tuesday)			
Time	Activities / areas to be visited		
	Valence	Razman	Jagathasan
0830-1300	Site visit and assessment at Saremas 2 Estate (Division D) relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at Saremas 1 POM on responsible social considerations Assessment on related indicators of P1, P2, P3, P6, P8	Continue assessment at Saremas 1 Estate.
1300-1400	Lunch break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day 3: 19 March 2014 (Wednesday)			
Time	Activities / areas to be visited		
	Valence	Razman	Jagathasan
0830-1300	Site visit and assessment at Suai Estate relating to Good Agricultural Practice and environment Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at Saremas 1 Estate relating to estates boundary, HCV, workers & local community such as SIA and management plans Assessment on related Indicators of P1, P2, P4, P5, P6, P8	Site visit and assessment at Saemas 1 POM relating to Good Milling Practices, occupational safety & health and environment Assessment on related Indicators of P1, P2, P3, P4, P5, P8
1300-1400	Lunch break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day 4: 20 March 2014 (Thursday)			
Time	Activities / areas to be visited		
	Valence	Razman	Jagathasan
0830-1300	Continue assessment at Suai Estate.	Continue assessment at Saremas 1 Estate.	Continue assessment at Saremas 1 POM.
1300-1400	Lunch break		
1400-1700	Continue assessment	Continue assessment	Continue assessment

Day 5: 21 March 2014 (Friday)			
Time	Activities / areas to be visited		
	Valence	Razman	Jagathasan
0830-0930	Continue assessment of any outstanding issues.		
0930-1100	Audit Team discussion, preparation on audit findings and issuance of NCR (if any)		
1100-1300	Closing meeting – presentation of assessment findings		

Detail of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
Indicator 2.1.1	Major	1) Based on site verification at Saremas 1 POM, Suai Estate and Saremas 1 Estate, there was no certified competent person to conduct the management of scheduled wastes. 2) There is no DOE's written approval obtained for one unit of generator set [Perkins, Type MJB225 MA4, Serial No.: MZ 17739, 100kVA] at Suai Estate.	Evidence submitted by Saremas 1 CU: 1) List of four personnel whom are approved by the CU top management to attend the course for certified environmental professional in scheduled waste management. The course will be conducted on 16 th to 20 th of June 2014 at Port Dickson, Negri Sembilan by a DOE's endorsed training provider. A copy of the training brochure has also been submitted to the assessor for verification. 2) A consultant has been appointed to carry out the process of obtaining DOE's written approvals for all the 3 units of generator sets on 12/4/2014. The DOE (Kuching, Sarawak) has also been informed through a letter dated 2/5/2014 about the appointment of the consultant. Copies of the appointment letter and notification letter to the DOE have been submitted to the assessor for verification. The assessor found the evidence to be adequate and satisfactory. Since the process of obtaining the evidence that the appointed personnel has undergone the competent person for handling scheduled wastes (e.g. certificate) and the generator sets written approval will take longer time than the completion of this report, therefore this shall be further verified in the next assessment. Status: Closed.
Indicator 4.5.1	Minor	With reference to Wilmar Agricultural Manual (ver. 3/2011), Chapter 8, Plant Protection, there was no written basis in initiating rat baiting at immature (non-production) area.	Saremas 1 CU has established a new rat baiting procedure for immature area. A draft copy of this procedure was submitted to the assessor on 20/5/2014 for verification. The assessor found that the procedure was satisfactory. Saremas 1 CU should be able to implement the procedure after being endorsed by Wilmar's Head of R&D which is expected to be in August 2014. The effective implementation of this procedure shall be verified in the next assessment. Status: Closed.

Status of Non-conformities Previously (2013) Identified

P & C Indicator	Specification Major/Minor/OFI	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 2.1.1	Major	<p>The following were lapses found:</p> <ol style="list-style-type: none"> 1) S1 POM did not comply with every condition imposed in respect of every category of licence as specified in the licence in accordance with the Seventh Schedule, Regulation 21 (2) MPOB (Licensing) Regulations 2005. All the four Indonesian FFB Graders were not trained by MPOB. 2) S1 POM did not comply with FMA (Noise Exposure) Regulations 1989 Clause 21 to conduct a baseline audiogram within six months from the day the employee commences work. Only 16 workers out of 95 had undergone a baseline audiogram 3) S1 POM Safety and Health Committee had not investigated a repeated accident case (same nature of accident) involving the same person and a near-miss incident. An apprentice welder (Satriono Tarming) experienced eye injury during welding for not putting on appropriate PPE on 19-10-2012 and again on 26-01-2013. An FFB Grader was almost hit by an unlit moving shovel (headlight broke down) at 7.30 p.m. 22-11-2012 4) Insufficient Internal Combustion Engine Driver. Only one Grade 2 ICE available at Suai Division. 	<ol style="list-style-type: none"> 1) Mill FFB grader will be sent for a FFB grading training conducted by MPOB. Next available date is 11 –13 June, 2013 2) SPOM 1 will conduct baseline audiogram to all mill personnel. Work Order M200330 was issued to Global Green OSH Services Sdn Bhd on 21 June 2013. 3) Accident investigation had been conducted on 2 May 2013 for accident involving welding and near miss accident in the area of FFB grading. 4) Suai division will send personal to attend the ICE grade 2 examinations. Application letter for 17 candidates to sit for the examination had been sent to DOSH Sabah on 21 June 2013 and PPB request DOSH to inform date and venue of examination should all the 17 applicants be accepted. 	<ol style="list-style-type: none"> 1) The FFB graders had undergone training for the training conducted by MPOB on 11-13 June 2013. Certificate of attendance were available at the mill. 2) Audiogram test by the said consultant had to be postponed due to tight schedule. The test is expected to be carried out in July 2014. 3) Investigations reports were available on site and corrective actions have been implemented to prevent recurrence. 4) Out of the 17 candidates, 7 have passed the examinations for grade 2 ICE driver. Saremas 1 CU will send another batch to participate the course. As at this assessment, there were 2 Grade 1 ICE drivers in Suai. The CU is planning to upgrade those Grade 2 ICE drivers to Grade 1 in near future. <p>Status: Closed</p>

Indicator 4.6.5	Major	<p>A sprayer, Rejaning Abd. Rahman was not referred to VMO for further observation.</p> <p>It was found a sprayer, Rejaning Abd. Rahman was stopped by Mr. Tom, the Estate Hospital Assistant, from continuing work as a sprayer for the month of Jun, July and August and was not referred to VMO / or OHD.</p> <p>However she continued as a sprayer from September onwards.</p>	The said sprayer will be referred to VMO and OHD for further evaluation before allowing her for spraying work.	<p>The said sprayer had been referred to VMO for evaluation on 16/4/2013. The worker was reported to be fit to work</p> <p>Status: Closed</p>
Indicator 4.7.1	Major	Inadequate coverage of risk assessment activity. The Hazard Register (last reviewed 30 September 2012) had not included welding activity and driving of (unfit) shovel in the dark / dark areas.	To include the welding and driving of shovel in the dark / dark areas in the HIRARC register. The Hazard Register had been revised on 6 May 2013.	<p>The Hazard Register to reflect the identification of driving shovel after dark or in dark areas had been updated and proper control & preventive steps had been developed and effectively communicated to the relevant workers.</p> <p>Status: Closed</p>
Indicator 5.1.1	Major	The treated water from the Mill Water Treatment Plant for use by mill office and line site had not been identified and thus not recorded in the Identification of Environmental Aspect and Impact and Evaluation of Significance Form.	Record of water usage to be included in the Environmental Aspect Impact Register.	<p>Mitigation plan has been developed for off spec quality of surface water and treated water.</p> <p>Status: Closed</p>