



**PUBLIC SUMMARY
FOURTH SURVEILLANCE ASSESSMENT
FOR RSPO P&C CERTIFICATION**

**SIME DARBY PLANTATION SDN BHD
RSPO MEMBERSHIP NO. : 1-0008-04-000-00**

**DERAWAN CERTIFICATION UNIT
BINTULU DISTRICT,
SARAWAK, MALAYSIA**

**CERTIFICATE NO. : RSPO 0019
DATE OF FIRST CERTIFICATION: 30TH DECEMBER 2011
AUDIT DATE: 2ND – 6TH NOVEMBER 2015**

Prepared by:

SIRIM QAS International Sdn. Bhd.
Building 4, SIRIM Complex
No. 1, Persiaran Dato' Menteri, Section 2
40700 Shah Alam, Selangor Darul Ehsan
MALAYSIA
Tel: 603 5544 6479
Fax: 603 5544 5600
Website: www.sirim-qas.com.my

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1.0 SCOPE OF THE CERTIFICATION ASSESSMENT

1.1 Introduction

The certification unit (CU) being assessed in this surveillance was the Derawan CU of the Sime Darby Plantation Sdn Bhd (SDPSB). The Derawan CU comprises the Derawan Palm Oil Mill, Derawan, Sahua, Takau and Damai Estates.

The Derawan CU was first certified against the requirements of the RSPO MY-NI: 2014 by Control Union Certification on 30th December 2011. The certification of the CU was then transferred to SIRIM QAS International Sdn Bhd (SIRIM QAS International) on 8th October 2013.

The Derawan Palm Oil Mill has a processing capacity of 40 metric tonnes (MT) of fresh fruit bunches (FFB) per hour. As the Derawan CU was fully developed, Principle 7 of the RSPO Principles and Criteria (P&C) was therefore not applicable.

1.2 Location of Mill and Estate

Derawan CU which comprises one palm oil mill and four oil palm estates are all located in Bintulu, Sarawak, Malaysia. The map of the Derawan CU (mill and estates) is shown in **Attachment 1** while their coordinates are as detailed in the **Table 1** below:

Table 1
Location of Mill and Estate

Operating Unit	Latitude	Longitude
Derawan Palm Oil Mill	3° 23'24 732" N	113° 20'43 500" E
Derawan Estate	3° 23 '59 23"N	113° 20'33 62" E
Sahua Estate	N3.49674°	E113.387°
Takau Estate	3° 23'59 23" N	113° 20'33 62" E
Damai Estate	N3.47099°	E113.398°

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

1.3 Production Volume for All Certified Products

The actual and estimated tonnage (MT) of crude palm oil (CPO) and palm kernel (PK) produced by the Derawan CU is as shown in **Tables 2** and **3** respectively.

Table 2
Actual Production of CPO and PK (MT) by Derawan CU
(November 2014 to October 2015)

FFB Received	157,163.54
FFB Processed	151,907.90
Total CPO Production	32,032.29
Total PK Production	6,825.85
Certified CPO Claimed – Identity Preserved	0.0
Certified PK Claimed – Identity Preserved	0.0
Non-Certified CPO	32,032.29
Non-Certified PK	6,825.85

Table 3
Projected Production of CPO and PK (MT) by Derawan CU
(November 2015 to October 2016)

FFB Received	144,074.56
FFB Processed	143,994.56
Total CPO Production	31,650.75
Total PK Production	6,915.47
Certified CPO to be Claimed – Identity Preserved	31,650.75
Certified PK to be Claimed – Identity Preserved	6,915.47
Non-Certified CPO	0.0
Non-Certified PK	0.0

1.4 Certification Details

The details on the certification of the Derawan CU are as follows:

Parent company: Sime Darby Plantation Sdn Bhd

Certificate number: RSPO 0020

The date of certification : 8th October 2013

1.5 Description of The Supply Base

The FFBs were sourced from the CU's own estates that had been certified. Details of the FFB contribution from each estate to the DPOM are shown in the following **Tables 4** and **5**:

Table 4
Actual FFB Received from Supplying Estates by DPOM
(November 2014 – October 2015)

Estates	FFB Production	
	Tonnes	Percentage
Derawan Estate	33,868.51	22.30
Sahua Estate	47,034.53	30.96
Takau Estate	39,685.04	26.12
Damai Estate	31,319.82	20.62
Outside	-	-
Total	151,907.90	100.00

Table 5
Projected FFB Received from Supplying Estates by DPOM
(November 2015 – October 2016)

Estates	FFB Production	
	Tonnes	Percentage
Derawan Estate	30,730.00	21.80
Sahua Estate	48,835.21	34.65
Takau Estate	35,952.05	25.51
Damai Estate	25,419.92	18.04
Outside	-	-
Total	140,937.18	100.00

1.6 Planting Profiles

The following Tables 6 to 10 describes the planting profiles for each of the estate in the Derawan CU:

Table 6
Percentage of Planted Area in the Derawan CU

Estate	Year of Establishment	Area (Ha)				Area (%)	
		Certified	Planted	Mature	Immature	Mature	Immature
Derawan	1993	2,405.00	2,044.77	1,307.24	737.53	63.93	36.07
Sahua	1995	2,041.03	2,041.03	2,041.03	0.00	100.00	0.00
Damai	1996	2,466.00	1,823.27	1,351.22	472.05	74.11	25.89
Takau	1995	2,033.67	2,033.67	1,671.24	362.43	82.18	17.82
Total		8,945.70	7,942.74	6,370.73	1,572.01		

Table 7
Planting Profile of Derawan Estate

Year of Planting	Planting Cycle (Generation)	Mature/Immature	Planted Area (ha)	Percentage of Planted Area (%)
1994	1 st	Mature	565.40	27.65
1995	1 st	Mature	561.65	27.46
1996	1 st	Mature	68.23	3.34
2012A	2 nd	Mature	111.96	5.48
2012B	2 nd	Immature	67.62	3.31
2013A	2 nd	Immature	123.75	6.05
2014A	2 nd	Immature	119.85	5.86
2014B	2 nd	Immature	119.23	5.83
2015A	2 nd	Immature	118.00	5.77
2015B	2 nd	Immature	83.24	4.07
2015C	2 nd	Immature	105.84	5.18
Total			2,044.77	100.00

Table 8
Planting Profile of Sahua Estate

Year of Planting	Planting Cycle (Generation)	Mature/Immature	Planted Area (ha)	Percentage of Planted Area (%)
1994	1 st	Mature	241.00	11.81
2013	1 st	Immature	606.96	29.74
2014	2 nd	Immature	1,162.07	56.94
2000	1 st	Mature	31.00	1.51
Total			2,041.03	100.00

Table 9
Planting Profile of Damai Estate

Year of Planting	Planting Cycle (Generation)	Mature/Immature	Planted Area (ha)	Percentage of Planted Area (%)
1996	1 st	Mature	259.78	14.25
1997	1 st	Mature	335.63	18.41
1998	1 st	Mature	755.80	41.45
2014	2 nd	Immature	102.95	5.65
2015	2 nd	Immature	369.10	20.24
Total			1,823.27	100.00

Table 10
Planting Profile of Takau Estate

Year of Planting	Planting Cycle (Generation)	Mature/Immature	Planted Area (ha)	Percentage of Planted Area (%)
1995	1 st	Mature	1,671.24	82.18
2013	2 nd	Immature	184.11	9.05
2014	2 nd	Immature	178.32	8.77
Total			2,033.67	100.00

1.7 Time Bound Plan for Other Management Units

SDPSB has been a member of the RSPO since 6th September 2004 and was committed to achieve full compliance with the requirements of the RSPO P&C in all aspects of its estate operations. SDPSB was committed to certify all of its 60 Strategic Operating Units (SOUs) or CUs (in Malaysia and Indonesia) as outlined in its time bound action plan. All of its SOUs had already been certified, except for one (1) in Indonesia, which was still pending to solve on social issue.

1.8 Organizational Information/Contact Person

The details of the contact persons are as shown below:

Name : Muhammad Irsan Bin Azmi
 Designation : Manager, KKS Derawan
 Address : P.O. Box 2324, 97011 Bintulu, Sarawak, Malaysia
 Telephone : 086-477313
 Fax : 086-477313
 E-mail : muhammad.irsan.azmi@simedarby.com

2.0 ASSESSMENT PROCESS

2.1 Certification Body

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

SIRIM QAS International has vast experience in conducting assessments on palm oil mills (POMs) and oil palm estates for certification of management system against the requirements of the ISO 9001, 14001 & OHSAS 18001. SIRIM QAS International was approved as a RSPO certification body on 21st March 2008. Since then, SIRIM QA International had conducted many assessments on RSPO sustainable production of palm oil and supply chain certification in Malaysia.

2.2 Qualifications of Lead Assessor and Assessment Team

The assessment team consisted of four assessors. The details of the assessors and their qualifications are detailed below:

Assessment Team	Role/ Area of RSPO Requirement	Qualifications and Experiences
Mohd Razman Salim	Overall Team Leader / Workers & community issues, HCV, habitats & ecology and related legal issues.	<ul style="list-style-type: none"> • Successfully completed IRCA accredited Lead Assessor training for OHSAS 18001, ISO 9001 and ISO 14001. • B. Sc. Forestry, Universiti Putra Malaysia.
Zulkefli Haron	Assessor/Supply chain	<ul style="list-style-type: none"> • Successfully complete an RSPO-endorsed RSPO Supply Chain Certification Systems training course. • Successfully complete Lead Auditor Training ISO 9001 and ISO 14001. • Certificate OSH Officer. • B.Sc. (Hons) Forest Resources Management, University of Tennessee, USA • M. Sc. Wood Industries Technology, Universiti Pertanian

		Malaysia.
Selvasingam T. Kandiah	Assessor/GAP and environmental issues	<ul style="list-style-type: none"> • B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Bangalore, India. • A planter with Kumpulan Guthrie Berhad, with 1 year experience in Liberia and 2 years in Estate. Department in the HQ, Kumpulan Guthrie Berhad. • Experience in Managing: <ul style="list-style-type: none"> • Nursery : Rubber and Cocoa • Immature Area : Cocoa Replant, Rubber Replant, Oil Palm Replant & Oil Palm New Clearing • Mature Area: Cocoa, Rubber & Oil Palm.
Mohd Zulfakar Kamaruzaman	Assessor/Environmental and safety issues related to mill and plantation	<ul style="list-style-type: none"> • 4 years working experience related to oil palm plantation. • Successfully completed IRCA accredited Lead Assessor training for ISO 9001 and ISO 14001. • B. Sc. Forestry at Universiti Putra Malaysia.

2.3 Assessment Methodology

The main objectives of this surveillance were to:

- verify the Derawan CU's continued compliance against the RSPO MYNI:2014 and the DPOM against the requirements of the RSPO Supply Chain Certification Standard, November 2014;
- verify the effectiveness of implementation of corrective actions to address the minor NCRs raised during the previous surveillance; and
- make appropriate recommendations based on the findings of this surveillance on the continued certification of the Derawan CU for sustainable production of palm oil products and the DPOM for supply chain.

The surveillance assessment was guided by the sampling formula of $0.8 \sqrt{y}$. The sites assessed during this surveillance audit were DPOM, Derawan, Sahu, Damai and Takau Estates.

The assessment team had carried out field and office visits to verify the CU's conformance against the RSPO-MYNI: 2014. There were also site visits to HCV habitats, labour lines, storage areas and other workplaces.

Common systems were identified and specific evidences were recorded for the estate. Interviews, particularly those with employees, local communities and suppliers were conducted formally as well as informally, without the presence of the CU's management personnel. In addition, records as well as other related documentation were also being reviewed. The assessment programme is as in Attachment 2.

2.4 Date of Next Surveillance Visit

The next surveillance assessment should be conducted within 12 months but not sooner than 9 months after the date this surveillance was conducted.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

The findings of this surveillance assessment were presented during the on-site closing meeting. There were two (2) major and two (2) minor nonconformity reports (NCRs) being raised on the Derawan CU's compliance against the requirements of the RSPO MYNI: 2014. The details of these NCRs and the corrective actions taken to address them are presented as in Attachment 3.

In addition, all the minor NCRs raised during the previous surveillance audit had also been satisfactorily closed out following the verification of the implemented corrective actions. The assessment team had accepted the corrective action plan and found it to be adequate in addressing the minor NCRs. The details on these NCRs and their status are shown in Attachment 4.

The detailed findings of the assessment on the CU's compliance with the requirements of the RSPO MYNI:2014 and the RSPO Supply Chain Certification Standard, November 2014 are as follows:

PRINCIPLE 1: COMMITMENT TO TRANSPARENCY

Criteria	Indicators		Comply Yes/No	Findings
1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	Yes	Derawan CU had continued to implement the communication procedure it had established for estates and mill. However, during the audit, the CU had not received any request for information from any of its stakeholders. Management documents, like those relating to environment, social and legal issues, were made available to the public. SDPSB had continued to use the internet for disseminating public information relating to land titles, safety and health and pollution prevention plans and the procedure for complaints and grievances were available through SDPSB website at http://plantation.simedarby.com The CU had continued to maintain stakeholders list on contractors, vendors/suppliers, government agencies, schools, local communities, etc. The CU had also continued to implement the same communication procedure and maintain records on requests for information and documents related to safety and environment criteria. The DOSH logbook maintained by the CU was verified and found to be in good order.
	1.1.2	Records of requests for information and responses shall be maintained.	Yes	The estates had identified personnel responsible for complaints and records of communication were identified and maintained. Record on internal communication was still being kept in the 'Buku Aduan'. Record on official letters received from the relevant authorities such as the DoE and Labour Department and the CU's responses were still being maintained in the communication file.
1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Management documents that are made available to the public shall include, but are not necessarily limited to:	Yes	Documents pertaining to land ownership were still made available to the public.
		• Land titles/user rights (Criterion 2.2);		
		• Occupational health and safety plans (Criterion 4.7);	Yes	Occupational health and safety plans were also made available.
		• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	Yes	Up-dated Environmental Impact Assessments on DPOM (1/10/2015), Sahua Estate (19/11/2015) and Damai Estate (19/11/2015) and a Significant Environmental Aspects and Impacts Register were made available. Social and environmental impact assessment and its relevant plans were still being made available.
		• HCV documentation summary (Criteria 5.2 and 7.3);	Yes	The Derawan CU had continued to use the 'Action Plan for Biodiversity of Sime Darby Plantation Ladang Sahua' as their HCV documentation summary.
		• Pollution prevention and reduction plans (Criterion 5.6);	Yes	Action plan to mitigate pollution was also made publicly available.

		<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	Yes	Records of complaints were still being maintained. However, the CU had not received any complaint or grievance.
		<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); Major Compliance 	Yes	The same document "Procedure on Handling Social Issues" was still being referred on negotiation, should there be a case.
		<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	Yes	SDPSB had continued to regularly monitor and review on their key activities at the mill and estates, and initiated action plans for continuous improvement on environment, safety, health and welfare as well as social contribution to workers and community.
		<ul style="list-style-type: none"> Public summary of certification assessment report; 	Yes	Public summary of certification assessment report was made available at http://www.sirim-qas.com.my/attachments/article/442/Public%20Summary-3rd%20Surveillance-Derawan%20CU.pdf
		<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	Yes	The policy on human rights which had been established was still being adhered.
1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.	Yes	The same code on ethical conduct and integrity (Kod Etika Kerja) which had been documented and distributed to all staffs and workers was still made available and communicated to all level of the workforce during orientation/induction programme.

PRINCIPLE 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Criteria	Indicators		Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available.	Yes	Derawan CU had continued to comply with the legal requirements as prescribed in this indicator. An annual evaluation of compliance had continued to be carried out concurrently with a review on the legal register. It had been verified that the CU had valid licences and permits.
	2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.	Yes	Derawan CU had continued to maintain a legal register on the applicable legal requirements related to its operations. The legal register which was updated by PSQM had included the amended Immigration Act 1959 – Revised 1975, Holiday Act 1951, Passport Act 1996, Class Regulation 2013, Estate Hospital Assistants (Registrations) Act 1990 and Medical Assistants (Registrations) Act 1977.
	2.1.3	A mechanism for ensuring compliance shall be implemented.	Yes	The estates had continued to implement the documented system to ensure compliance with all legal requirements. The compliance with legal requirements was evaluated on an annual basis.
	2.1.4	A system for tracking any changes in the law shall be implemented.	Yes	The tracking on changes in the laws was still being done by PSQM Department, Group Compliance Office based at Sime Darby Berhad (SDB) headquarters in Kuala Lumpur. The same system of tracking changes in the law as outlined in

				the Estate/Mill Quality Management System, Level 2: Standard Operating Manual, Appendix 5.2.4: Procedure for Legal and Other Requirements dated 10 December 2008 was still being implemented.
2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.	Yes	Derawan CU still kept copies of legal land ownership documents as well as those on quit rent and payment. These were sighted during the surveillance. Sime Darby Land Department was still in process of changing the land title of the Sahu Estate from Sahu Enterprise Sdn Bhd to Sime Darby Plantation (Sarawak) Sdn Bhd.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.	Yes	Boundary pegs were still being maintained along all boundaries between these estates.
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).	Yes	There were no disputes over land ownership.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.	Yes	There were no land conflicts.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).	Yes	There were no conflicts or disputes over land.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	Auditor has verified through Stakeholders Meeting and interview with other oil palm plantation companies that there was no conflict raised due to violence action taken by Derawan CU to maintaining peace.
2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).	Yes	There were no recognized legal, customary and user rights.
	2.3.2	Copies of negotiated agreements detailing the process of free, prior and	Yes	There were no recognized legal, customary and user rights.

		informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	Yes	There were no recognized legal, customary and user rights.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	Yes	There were no recognized legal, customary and user rights.

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

Criteria	Indicators		Comply Yes/No	Findings
3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.	Yes	The estates had continued their commitment to long-term economic and financial viability. The annual budgets for 2015/16 to 2019/2020 were sighted.
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.	Yes	The annual replanting programmes until 2036/2037 were sighted.

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

Criteria	Indicators		Comply Yes/No	Findings
4.1 Operating procedures are appropriately documented, consistently implemented and monitored.	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.	Yes	The estates had continued to use and implement the various Manuals it had i.e. the Plantations Quality Management System (PQMS) Manual, Standard Operating Manual and Procedures (SOP), Agriculture Reference Manual (ARM), "Guidelines On River Management" manual, Sustainable Plantation Management System (SPMS) Manual, ESH Management System Manual, Occupational Safety and Health Manual, Pictorial Safety Standards, and Security Guidelines. For the estates, besides the PQMS, technical guidelines as listed in the Agricultural Reference Manual were still being followed.
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place.	Yes	The various mechanisms which had been in place for checking the implementation of procedures had consistently been followed.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.	No	Records of monitoring and the actions taken by both Damai and Sahuia Estates were maintained and kept for a minimum of 12 months. However, it was observed that the DPOM's LEV in the laboratory had not undergone the annual inspection before the expiry period. Hence, a minor NCR MRS 01 2015 was raised.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).	Yes	There was no third party FFB supplier.
4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.	Yes	Both Estates had continued to practise the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost applications. Fertiliser application was still being carried based on the recommendation made by the agronomist from Sime Darby Research Sdn. Bhd.
	4.2.2	Records of fertiliser inputs shall be maintained.	Yes	Fertiliser application program was still being monitored using records like program sheets, bin cards, Field Cost book and Manuring Structured Block Supervision (MSBS) forms.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.	Yes	From the Agronomist reports it was observed that both estates had continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status. Soil maps were made available to the auditors.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues.	Yes	Both estates still had a nutrient recycling strategy in place. Palm fronds were being stacked in the fields to decompose and by applying EFB & compost.

4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available.	Yes	Based on the soil maps provided, there was no fragile/marginal soil in both estates visited.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.	Yes	The same management strategy was still in place for planting on slopes between 9 and 25 degrees as prescribed in the Slope & River Protection Policy – Buffer Zone & 25 degree slope and in item 8 Section 4 – Land Preparation for Terracing in ARM Manual.
	4.3.3	A road maintenance programme shall be in place.	Yes	It was noted that roads were still being well maintained in both estates. Accessibility was good made possible through regular maintenance as required in the road maintenance programmes.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.	Yes	There were no peat soils in both estates visited.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.	Yes	There were no peat soils in both estates visited.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).	Yes	There were no fragile and problem soils in both estates visited.
4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place.	Yes	Both estates had in place and had continued to implement their water management plans. Plans for 2015/2016 were sighted. The water management plans had focused more towards soil water conservation, pollution prevention and domestic use.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	No	The Derawan CU had continued to protect the water courses and wetlands including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estates. However during a site visit at buffer zone area for Sg. Similajau in the Blok 5-96DB, it was found that the boundary mark for the buffer zone area was not clear. In addition, there was a sign of spraying activities in this buffer zone area. A major NCR MRS 02 2015 was therefore raised.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).	Yes	DPOM still had its Effluent Treatment Plant (ETP) in place. The DOE's approved disposal method for the mill was through land irrigation. The ETP had continued to be regularly maintained through desludging process to ensure efficiency.
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.	Yes	DPOM had continued to monitor its water usage per tonne FFB processed and this was being recorded in the Summary of Process and Boiler Water Consumption.
4.5 Pests, diseases, weeds and invasive	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored.	Yes	The estates had continued to implement the integrated pest management (IPM) system as prescribed in the Agricultural

introduced species are effectively managed using appropriate Integrated Pest Management techniques.				Reference Manual (ARM) Section 15 - Plant Protection.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated.	Yes	Both estates had carried out training for the staff and workers involved on the IPM implementation.
4.6 Pesticides are used in ways that do not endanger health or the environment.	4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.	Yes	The use pesticides still required written justification as described in the Standard Operating Procedure (SOP) of all agrochemical in the Agricultural Reference Manual issue: 1 version: 3 dated 1/7/2011, and in the Safety Pictorial Book prepared by SDPB.
	4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	Yes	Both estates visited had records to show the types of pesticides being used with active ingredients and their LD50 and where these pesticides had been applied, the total quantity, number of applications and Ai/Ha.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.	Yes	As part of the IPM plans, management of both estates had established nectariferous beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i>) nurseries for continuous planting in order to attract natural predators and thus reducing use of insecticides.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).	Yes	Both estates had only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).	Yes	Records had shown that pesticides were being handled, used and applied by trained persons and as per the MSDS of the pesticides.

	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.	Yes	The chemical stores in both estates were observed to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. Record of the purchase, storage and use had been properly maintained. All of the stores had been well ventilated, had exhaust fans and secured. Only authorized personnel were allowed to handle the chemicals. All the chemicals were stored and segregated accordingly. Empty pesticides containers had been triple rinsed, holes punched in them and stored separately in the schedule waste store awaiting proper disposal.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts.	Yes	Pesticide applications were still being guided by SDPSB's ARM, Pictorial Guide, CHRA and by MSDS supplied by the manufacturer.
	4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.	Yes	There was no aerial spraying and there was no evidence to show that any had been carried out.
	4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).	Yes	Based on training record, the staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers had continued to be trained and that they had demonstrated a good understanding on the hazards involve and how the chemicals should be used.
	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).	Yes	Domestic and recycle wastes had continued to be segregated by the collector, and only domestic waste had been throw at the landfill. Recycle material such as cans, glass bottle, plastic bottle and paper were disposed to recycle area.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	Yes	The estates had continued to conduct annual medical surveillance for pesticide operators, and documented action to treat related health conditions.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.	Yes	It was evident that no work with pesticides had be undertaken by pregnant or breast-feeding women.
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.	Yes	Derawan CU had continued to adopt the SDPSB's Occupational Safety and Health (OSH) policy dated April 2011.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be	Yes	Derawan CU had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during this surveillance.

		properly observed and applied to the workers.		
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.	No	Briefings on chemical hazards had been given through awareness and training program to all workers involved in handling of dangerous chemicals. OSH awareness and various OSH training courses had been identified for each category of workers. This was to ensure all workers involved have been adequately trained on safe working practices. However during a site visit at the Damai Estate, it was observed that the harvesters had not used proper PPE. Hence, a major NCR # MZK 01 2015 was raised.
	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.	Yes	A Safety and Health Committee organization Chart 2015 was made available. It was noted that the Quarterly Safety & Health Committee meetings had been held as scheduled.
	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.	Yes	Emergency Response Plan (ERP) has been established and included in the Environmental Impact Assessment, Management Action Plan and Continuous Action Plan. Trained first aiders were still available at all work area both in the estates and mill. First Aid Kit was still made available and being maintained. Accident statistics had also been maintained and periodically reviewed during safety and health committee meetings.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance.	Yes	Derawan CU had continued to ensure all foreign workers (both mill and estate) had been covered by insurance as required under the Workmen Compensation Act 1952. All local workers were still covered by SOCSO as required under Employee's Social Security Act 1969.
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	Yes	Sahua and Damai Estates as well as DPOM had continued to record occupational injuries using Lost Time Injuries (LTI).
4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.	Yes	Derawan CU had continued to conduct training needs on RSPO P&C related elements. The annual training programme for both estates and mill were made available. All training records, including attendance list were also made available and well maintained.
	4.8.2	Records of training for each employee shall be maintained.	Yes	Records of training has been kept and compiled in the training record file.

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

Criteria	Indicators		Comply Yes/No	Findings
5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented.	Yes	Derawan CU had continued to use its documented environmental aspects/impacts register associated with their activities.
	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.	Yes	Significant environmental aspects and impacts had been identified from the environmental impact evaluation (EIE). Those activities which had been evaluated as significant were then monitored using the mitigation measures which had been established.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.	Yes	At the DPOM, based on the Environmental Impact Assessment, Management Action Plan and Waste Management Plan had been developed. Damai and Sahua Estates had established "Pollution Prevention Plans for 2015".
5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).	Yes	The CU had continued to use the assessment and identification result of 5-years Biodiversity Baseline Assessment Report. Based on this Report, the Derawan CU had identified HCV areas. Examples of HCV areas were the unplanted area, Similajau River, worship and water catchment areas. A total of 201.8 ha had been identified as HCV areas in the CU.
	5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.	Yes	The Sahua and Damai Estates had identified crocodile as a RTE specie. The Sahua Estate had continued to maintain all identified HCV areas and committed to discourage any illegal or inappropriate activities occurring in such areas.
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.	Yes	As mentioned in the findings on indicator 5.2.2, the Similajau River had been identified as HCV area, a habitat for crocodile in the Sahua and Damai Estates. The management of the CU had briefed all workers to protect the crocodile where hunting was not allowed. Sime Darby has also established their own disciplinary measures for staff or workers found to have captured, harmed, collected or killed a crocodile.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring:	Yes	There was an on-going monitoring on HCV and RTE conducted in Sahua and Damai Estates. The monitoring was

		<ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. 		conducted by the Assistant Manager on the identified HCV area and RTE.
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.	Yes	Not applicable. There was no local communities with rights living nearby the Derawan CU.
5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented.	Yes	Derawan CU had identified and documented all waste products and sources of pollution.
	5.3.2	All chemicals and their containers shall be disposed of responsibly.	Yes	All empty containers were still being recycled and collected by a dedicated supplier.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.	No	Although there was a waste management and disposal plan at the Sahu Estate, it was observed that there was a lack of implementation of this plan. A minor NCR MZK 02 2015 was therefore raised.
5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.	Yes	Derawan CU had established a plan on efficiency use of fossil fuels. The management had continued to monitor on a monthly basis the use of fossil fuel and its renewable energy.
5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> .	Yes	SDPSB had a policy of no open burning. As such, both of the estates had continued to practise zero burning.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i> .	Yes	SDPSB has a policy of zero burning during land preparation for replanting. As stated under the findings on indicator 5.5.1, there was no burning carried out in 2014 & 2015 during the replanting in Damai Estate.
5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Yes	DPOM as well as Sahu and Damai Estates had carried out environmental impact assessment on all polluting activities including gaseous emissions from genset, and transportation.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.	Yes	The environmental aspects on air pollution had identified and developed an action plan to reduce pollutants and GHG emission. The mill had already started on zero effluent discharge or composting or other methods of reducing these pollutants.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for	Yes	Derawan CU had continued using their own hybrid report for calculating its GHG emission and submitting the GHG

		these significant pollutants and emissions from estate and mill operations, using appropriate tools.		emission calculation report to RSPO Secretariat.
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PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS

Criteria	Indicators		Comply Yes/No	Findings
6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.	Yes	Derawan CU had continued to use its documented 5-years Baseline Social Impact Assessment (SIA). The CU had also continued to conduct stakeholders consultation / meeting annually to review on the social impacts of its operations.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.	Yes	The CU had continued to involve its stakeholders in the social impact assessment. Among the stakeholders involved were its neighbors, contractors, canteen operator, etc. Their participation in this impact assessment was indicated in the list of attendance in the "External Stakeholder Meeting report – Sarawak Zone.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	Yes	The CU had continued to review its 'Management Plan on Social Impact Assessment' for the respective operation units, monitor the status of previous actions and determine person in-charge and the completion dates for the planned actions.
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	Yes	As indicated in the findings on indicator 6.1.1, the social management plan had continued to be reviewed annually with the participation of the affected stakeholders mentioned in the findings on indicator 6.1.2.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).	Yes	The Derawan CU has no smallholder schemes.
6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.	6.2.1	Consultation and communication procedures shall be documented.	Yes	The CU had continued to use its documented "Procedure for External Communication" with external parties.
	6.2.2	A management official responsible for these issues shall be nominated.	Yes	DPOM, Sahu and Damai Estate had continued to task their Assistant Managers as the responsible person for dealing with social issues.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records	Yes	DPOM, Sahu and Damai Estates had updated the list of significant stakeholders such as the Jabatan Tenaga Kerja Sarawak, Jabatan Sosial dan Kebajikan Masyarakat Bintulu, Jabatan Imigresen and Jabatan Pengairan dan Saliran. The CU had continued to keep the list of its

		of actions taken in response to input from stakeholders, shall be maintained.		stakeholders, records of communication and actions taken in response to input from stakeholders.
6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	Yes	The CU had reaffirmed that its dispute system was open to any affected parties. Anonymity of complainants and whistleblowers was still being ensured where requested.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.	Yes	The CU had continued to use the documented process on resolving disputes and the outcomes of such dispute. However, Derawan CU had yet to receive a dispute.
6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.	Yes	The procedure concerning legal, customary or user rights, including identifying parties entitled to compensation was still being handled by Land Management Department of Sime Darby Berhad.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.	Yes	The compensation procedure as described in 'Appendix 3 of the SOP - would still follow that being implemented by the Sarawak land authority.
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.	Yes	There was no case of compensation claims and therefore there was no documentary evidence of participation of affected parties.
6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	6.5.1	Documentation of pay and conditions shall be available.	Yes	Pay and condition for employees were still being clearly documented in their employment contract.
	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them	Yes	Workers' employment contract had included the details on working hours, service period, medical facilities, housing, transportation allowance, maternity, sick and annual leave. In addition, briefings were given to the employees on the terms of services and calculation of payment. Based on random interviews held with the employees, it was found that they had been aware of the benefits of their employment.

		by a management official.		
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).	Yes	The CU had continued to provide adequate housing and domestic water supply, electricity, clinic and welfare amenities such as mosque, creche, kindergarten and playground for the children. Kids of Indonesian workers were sent to HUMANA school at Rajawali Estate. School bus was also being provided by the estate for local staff's children to the primary and secondary schools outside the CU. All facilities were provided without any charge.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.	Yes	Derawan CU had continued to operate sundry shop and canteen to help their staff and workers get basic food.
6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.1	A published statement in local languages recognising freedom of association shall be available.	Yes	The CU had continued to withhold the policy on freedom of association as documented in the Social Policy. The policy, written in Bahasa and English languages, was still being publicly displayed outside and inside the operating unit offices.
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.	Yes	There was no workers union formed in the CU. Nevertheless, the CU had continued to recognize workers' freedom to form a union. It was found that workers were still free to raise pertinent issues during routine meetings, or to their superiors or respective operating office.
6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	Yes	A documented list of employees had been verified. From the list, it was verified that no employee below the minimum age requirement had been employed.
6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.	Yes	The CU had continued with its social policy on equal opportunities. The policy was still being displayed inside and outside the operating unit office.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.	Yes	Based on random interviews held with local and foreign workers in the CU, it was found that there was no issue on discrimination based on race, ethnic and religion.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for	Yes	Based on verification on medical record of new employee for position as field workers, it was evident that the recruitment was based on education, qualification, and fitness necessary for the job.

		the jobs available.		
6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.	Yes	The CU had continued with its gender policy to prevent sexual harassment and violence cases again women, workers and communities. This gender policy and flowchart for handling social issue had been explained to all levels of workforce during gender committee meeting.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.	Yes	The CU had maintained its gender policy that also protects the reproductive rights especially of women.
	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.	Yes	There was specific grievance mechanism being used by the CU to protect the complainant. The Chairman of Gender Committee at each operating units was still responsible on handling and channeling issue to the management level.
6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.	Yes	The CU had continued to source certified FFB only from its own certified supply base. Thus, there was no purchasing of FFBs from outside suppliers.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).	Yes	See findings on indicator 6.10.1 above.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.	Yes	The suppliers/contractors at Derawan POM had been interviewed and they understood their contractual agreement as they had been dealing in business with the DPOM for quite a long time.
	6.10.4	Agreed payments shall be made in a timely manner.	Yes	Suppliers/contractors had affirmed that they usually received payments in the form of cheques the following month after they had delivered an order.
6.11 Growers and millers contribute to local sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.	Yes	The CU had continued to contribute to local development needs by employing the local people.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	Yes	The Derawan CU has no scheme smallholders.
6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.	Yes	There was no evidence of forced or trafficked labour being used in the Derawan CU.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.	Yes	No contract substitution had ever occurred in the Derawan CU.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be	Yes	The CU's social policy which had included a special labour policy for foreign workers had continued to be implemented. These included fair treatment on recruitment,

		established and implemented.		terms and conditions of work, provision of decent living, no contract substitution and post arrival programme.
6.13 Growers and millers respect human rights.	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Major Compliance Criteria 1.2 and 2.1).	Yes	The same policy on respect to human rights was still being observed by Derawan CU. The policy has been communicated at all levels of the workforce and operations.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Yes	Derawan CU has continued to provide education facilities for children of foreign workers through the HUMANA School.

PRINCIPLE 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Not applicable. The Derawan CU has no plan for any new planting and it was observed during this surveillance that there was no new development of area. Therefore, Principle 7 was not applicable.

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

Criteria	Indicators		Comply Yes/No	Findings
8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. 	Yes	<p>The estates had continued to be committed to reduce usage of pesticides. Soft weeds and <i>Nephrolepis bisserata</i> were being maintained and encouraged in the inter rows.</p> <p>The Derawan CU had also continued to practice the 3R (reduce, recycle, re-use) on waste management.</p> <p>Annual social management action plan was being maintained. DPOM also has budgeted their housing repairs, furnish, rubbish, septic tank, compound upkeep, mosquito forging, medical, funeral expense, family day, sports day, kindergarten, crèche etc.</p> <p>Sahua Estate also has budgeted in their capital expenditure management plan 2015/2016 where the estate has planned to improve their facilities such as water tank for workers quarters and crèche.</p> <p>Damai Estate has budgeted in their OPEX 2015/2016 to improve basic facilities in the estate such as school transport, kindergarten, workers medical etc.</p> <p>Sahua estate had since September 2014 introduced mechanical buffalo harvesting (SD2) in 80% of the estate to improve harvester productive.</p>

RSPO Supply Chain at the palm oil mill – Identity Preserved Model – Module D

4.2 General Chain of Custody Requirements for the Supply Chain

Module D – CPO Mills: Identity Preserved

D.1 Definition		
D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.	Yes	DPOM had used only certified FFBs from their own certified supply base and the mill was therefore producing certified CPO and PK of IP model.
D.2 Explanation		
D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	Yes	The estimated production tonnage for the next reporting period is 31,650.75 MT of CPO/IP and 6,915.47 MT of PK/IP.
D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).	Yes	DPOM has registered in e-Trace (Member ID: RSPO_P01000000306)
D.3 Documented procedures		
D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role 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 site's procedures for the implementation of this standard.	Yes	DPOM had revised their documented procedure entitled 'Standard Operating Procedure for Sustainable Supply Chain System Traceability' (Doc. no. SD/SOP/PSQM/01 Rev. 0 dated March 2015) in accordance with the RSPO Supply Chain Standard. Appropriate changes had also been made in the change from the previous Segregation to Identity Preserved model. The Asst Engineer had remained as the person with overall responsibility for and authority over the implementation of the supply chain requirements.
D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	Yes	The volume (tonnage) of FFB received and source was obtained from the weighbridge ticket and recorded in the FFB Received Book and also keyed into the computerised system. Incoming FFB was accompanied by the FFB Consignment Note with details of the estate, field, block number and tonnage. There was no non-certified FFB received based on the records.
D.4 Purchasing and goods in		
D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Yes	There was no projected overproduction.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	Yes	Record and balance of certified FFB and deliveries of PK are kept daily and monthly on a continuous basis and also three-monthly basis. From Nov 2014 to Oct 2015, records showed

		certified FFB received was 157,163.54 MT, and products delivered were 32,032.29 MT of CPO and 6,825.85 MT of PK. All the delivered products were however not sold as RSPO certified palm oil products.
D.5 Record keeping		
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Yes	DPOM received only certified FFB from their supply bases. However, during crop diversion period, they also received RSPO certified FFB from surrounding SOU. As no non-certified material was received, segregation was not required. Records sighted showed receipt of only certified FFB and corresponding production of certified oil palm products.
D.6 Processing		
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage.	Yes	There was no need for segregating certified and non-certified FFBs during processing, as the FFB received was all certified FFB. The output was therefore 100% segregated palm oil product (CPO).
D.6.2 The objective is for 100 % segregated material to be reached.	Yes	As the FFB received are all certified FFB, the product (CPO) was therefore 100% segregated.

3.2 Identified Non-Conformities

Details of the non-conformities, corrective actions taken by Derawan CU and assessors' verification of the corrective actions taken are as in Attachment 3. All major non-conformities have been closed out.

3.3 Status of Non-Conformities Previously Identified

All corrective actions taken to address the minor non-conformities raised during the previous assessment had been accepted and verified by the assessors. The details on the verified non-conformities are as in Attachment 4.

3.4 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, safety committee member, local community from the surrounding villagers and contractors. Generally, all of the stakeholders had given positive feedbacks on the Derawan CU although it has been noted that DPOM had received some complaints from their workers on issues like repair/maintenance of their quarters, the condition of the child care center and utilities supply. DPOM had recorded all complaints/grievances from their stakeholders and workers using the Grievance Form and all issues had been addressed accordingly.

3.5 Noteworthy Positive and Negative Observations

The level of awareness of the workers on the requirements of the RSPO P&C and implementation of activities related the certification was found to be improving. It was also observed that they had been 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. Positive observation was also noted during the audit on the improvement on the condition of housing and related amenities, the use of cover crops instead of herbicides, as well as on IPM implementation. However, there were areas which require action for improvement as raised in the non-conformities reports.

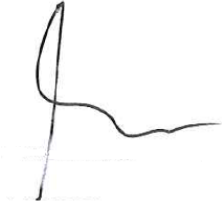
4.0 ASSESSMENT RECOMMENDATION

During this surveillance audit, the assessment team has raised two (2) major and two (2) minor NCRs on the Derawan CU against the requirements of the RSPO MYNI: 2014. The Derawan CU had taken the appropriate corrective actions to address these major NCRs. The assessment team had accepted and verified the corrective actions taken by the CU and had subsequently closed them out. The minor NCRs will be verified in the next surveillance audit.

In addition, based on the findings of the supply chain audit on the Derawan Oil Mill, it was found that the mill had fulfilled all the requirements for the IP module of the RSPO Supply Chain Certification Standard, November 2014. The auditor also recommends that the Derawan Oil Mill be allowed to maintain the RSPO Supply Chain Certificate.

5.0 ORGANIZATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

I, the undersigned, on behalf of SIRIM QAS International Sdn. Bhd. Acknowledge and confirm the contents of the assessment report and findings of the assessment.

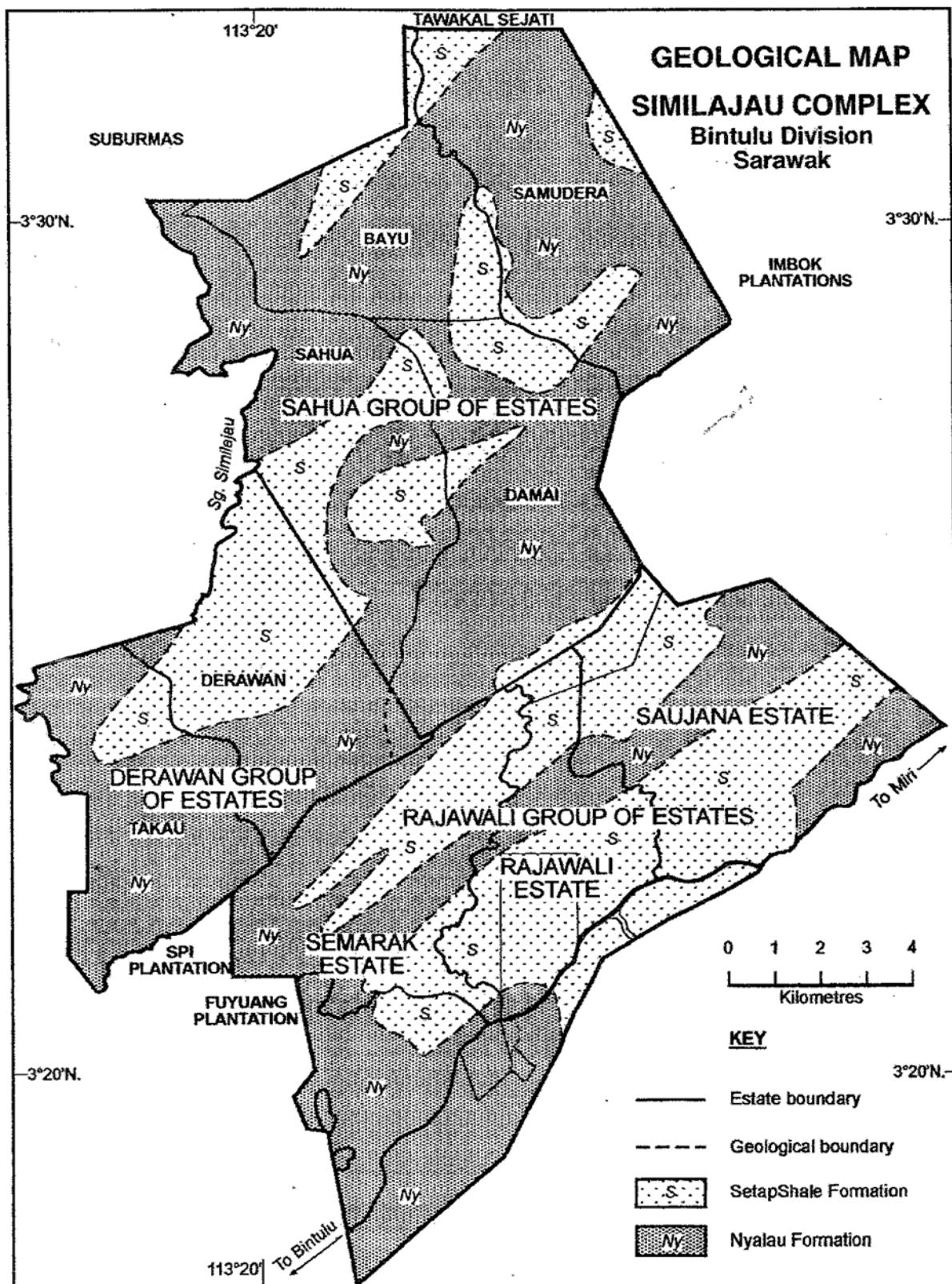
A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line and a small flourish.

Mohd Razman Bin Salim

Lead Assessor

Date: 28 December 2015

Location Map of Derawan CU, Bintulu, Sarawak, Malaysia



Assessment Programme

Day 1: 2 November 2015 (Monday)				
Time	Activities / areas to be visited			
8.30 – 9.00 am	<u>Opening meeting at Derawan POM</u> Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organization Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at Derawan Certification Unit (i.e. mill & supply base) including changes 2) Time bound plan for Sime Darby Plantation Sdn Bhd. 			Top mgmt & Committee Member
	Razman & Subramanyam	Zulfakar	Selvasingam	
9:00 – 1:00 pm	<u>Sahua Estate</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Source of water supply • Occupational Safety & Health practice – witness activities at site • Interview with workers , safety committee and contractors • Continuous improvement • Line site • HCV & forest area • Boundary stones • River system and Water bodies 	<u>Sahua Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers • Facilities at workplace • Training and skill development programmes • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Continuous improvement 	<u>Damai Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 2: 3 November 2015 (Tuesday)				
Activities /areas to be visited	Razman	Zulfakar & Subramanyam	Selvasingam	
8.30 – 1.00 pm	<u>Damai Estate</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Source of water supply • Interview with workers , safety committee and contractors • Continuous improvement • Line site • HCV & forest area • River system and Water bodies • Boundary stones • Interview local communities and stakeholders • Occupational Safety & Health practice – witness activities at site 	<u>Damai Estate</u> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers • Facilities at workplace • Training and skill development programmes • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Continuous improvement 	<u>Damai Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each assessor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 3: 4 November 2015 (Wednesday)				
Activities /areas to be visited	Razman	Zulfakar	Selvasingam & Subramanyam	
8.30 – 1.00 pm	<u>Derawan POM</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Source of water supply • Interview with workers , safety committee and contractors • Continuous improvement • Line site • Interview local communities and stakeholders • Occupational Safety & Health practice – witness activities at site 	<u>Derawan POM</u> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Continuous improvement 	<u>Sahua Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each assessor
1.00–2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor

Day 4: 5 November 2015 (Thursday)					
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	Zulkefli Subramanyam &	
8.30 – 1.00 pm	<u>Derawan POM</u> Coverage of assessment: P1, P2 , P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Source of water supply • Interview with workers , safety committee and contractors • Continuous improvement • Line site • Occupational Safety & Health practice – witness activities at site 	<u>Derawan POM</u> Coverage of assessment: P1, P2, P4, P5, P6, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Facilities at workplace • Training and skill development programmes • Social Impact Assessment (SIA), management plan & implementation • Interview local communities and stakeholders • Local sustainable development • Continuous improvement 	<u>Sahua Estate</u> Coverage of assessment: P1, P2, P3, P4 ,P7, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc.) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	<u>Derawan POM</u> RSPO Supply Chain implementation including the model used <ul style="list-style-type: none"> • General Chain of Custody System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims 	Guide(s) for each assessor
1.00–2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide(s) for each assessor

Day 5: 6 November 2015 (Friday)				
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	
8.30 – 10.00 am	<u>Derawan POM</u> <ul style="list-style-type: none"> • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 			Guide(s) for each assessor
10.00 - 12.30 pm	<ul style="list-style-type: none"> • Closing meeting 			Top management & Committee member
12.30 – 3.00 pm	Break & Friday Prayer			
3.00 pm	<ul style="list-style-type: none"> • Audit team travel to Bintulu Airport (MH2747; 1905-2110) 			

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 4.1.3	Minor	<ol style="list-style-type: none"> Derawan POM has conducted LEV maintenance monitoring from January to July 2015 except for August, September and October 2015. LEV in the laboratory has not undergone the annual inspection before expiry period which was 1 July 2015 to confirm its efficiency. 	<ol style="list-style-type: none"> Derawan POM will conduct the LEV maintenance monitoring on monthly basis. The mill had conducted Annual LEV inspection on 13th November 2015. <p>Status: The effectiveness of the corrective action will be verified during next audit.</p>
Indicator 4.4.2	Major	<ol style="list-style-type: none"> During site review at buffer zone for Sg. Similajau in Blok 5 - 96DB, Damai Estate, auditor has found that boundary mark (white paint) was not maintained. And there was a sign of spraying activities in the buffer zone area. 	<p>Damai Estate has conducted buffer zone training for sprayer dated 16 November 2015. Auditor has received evidence that showed the estate has repainted boundary mark of the buffer zone area with white paint.</p> <p>Status : Closed</p>
Indicator 4.7.3	Major	In Damai Estate, harvesters in Field 96DB though provided with boots and safety helmets were not using them.	<p>Damai Estate has conducted refresher safety training on the personal protective equipment for the harvester dated 28 November 2015.</p> <p>Status: Closed</p>
Indicator 5.3.3	Minor	<ol style="list-style-type: none"> Sahua Estate: The hazard sign, waste code, date when the scheduled wastes are first generated, name address and telephone number of the estate not clearly labelled on the waste containers (i.e. spent lubricant oil and used rags). Sahua Estate: Kenlon tank from tractor was leaking and chemical dripping to the ground. 	<p>Sahua Estate will conduct training for the scheduled waste person in charge-The estate also will display hazard sign, waste code, date of first generation, name, address, and telephone number for the scheduled waste as per requirement. Monitoring and ensure the pesticide tanker will not leak anymore including provide sufficient tray during at the field to prevent any leakages.</p> <p>Status: The effectiveness of the corrective action will be verified during next audit.</p>

Status of Non-conformities Previously Identified

Clause	Classification Major / Minor	Detail Non conformity	Corrective Action Taken	Verification by Assessor
Indicator: 2.1.1	Major	<p><u>Finding:</u> The following requirements were not fulfilled</p> <ol style="list-style-type: none"> 1) Environment Quality Act 1974, Section 49A – Air Pollution Control Equipment Competent Person & Scheduled Waste Manager. 2) Non-compliance to Workers Minimum Standards of Housing and Amenities Act 1990, Section 6(1)(a) <p><u>Objective evidence:</u></p> <ol style="list-style-type: none"> 1) There was no Air Pollution Control Equipment competent person and schedule waste manager available at SOU33. 2) The manner of treating the water has yet to be approved by the Director General. 	<p>Assistant Mill Engineer has received his certification for CERTIFIED ENVIRONMETAL PREOFSSIONAL IN SCHEDULED WASTE MANAGEMENT. No competent person for Air Pollution is necessary as mill do not have a scrubber system or air filter system. Nevertheless, mill has written letter to DOE Sarawak, `10/2/15 for further clarification, if any.</p> <p>KKS Derawan had clarified with JTK pertaining to own treating raw water for consumption.</p>	<ol style="list-style-type: none"> 1) Sighted that they appoint the competent person for scheduled waste name Mohammad Firdhaus bin Hajan and Amirul Akmal Daud. 2) Derawan CU has informed Bintulu Labour Department (JTK) that the mill has treated water and supply to their staffs and workers at Derawan POM, Takau Estate and Derawan Estate dated 14 January 2015. <p>Status: Closed out.</p>
Indicator 2.1.4	Major (Upgraded Minor)	<p><u>Finding:</u> No changes and updates incorporated in the legal register at all operating units.</p> <p><u>Objective evidence:</u> Legal register file was not updated with regards to</p> <ol style="list-style-type: none"> i) Environment Quality Act 1974, 49A on competence person (amendment 2012) ii) Code of Practice Confined Space 2010 iii) The Business, Profession and Trading Licensing Ordinance (Section 5, 23 & 24(2)) iv) CLASS (Classification, Labeling and Safety Data Sheet) Regulation 2013 iv) Medical Assistant (Registration) Act 1977 v) FMA1967, Person in Charge Regulations (Amendment) 2014 vi) Labour Ordinance, 1952 vii) Child Care Centre Act, 1984 viii) Immigration Act, 1975 ix) Industrial Relation Act, 1956. 	<p>PSQM - R&C will update the respective LORR.</p>	<p>As stated in the Standard Operation Manual, PSQM Department will undertake the responsibility of identifying, managing, updating and tracking the legal requirements. System for tracking any changes in the law is described in the company's procedure. Legal and Other Requirements Register (LORR) has been updated on 15 July 2015 based on the current changes in the law such as:</p> <ol style="list-style-type: none"> 1. Workers' Minimum Standards of Housing and Amenities Act 1990 2. Labour Ordinance of Sarawak 1952 3. Water Ordinance 1994 4. Sarawak River Ordinance, 1993 5. National Wage Consultative Council Act 2011, Minimum Wages Order 2012 <p>Status: Closed out.</p>

Indicator 4.1.2	Minor	<p><u>Finding:</u> The water monitoring records (domestic water and river water) were not properly maintained and kept for reference.</p> <p><u>Objective evidence:</u> The latest retrievable records for water monitoring were : 1) Test report ML192/13 dated 2/8/13 for domestic water analysis for Damai and Saha. 2) Test report IE 595/2014 dated 14/7/14 and IE 818/2014 dated 20/10/14 for monitoring of upstream and downstream Sg Takau (Derawan POM).</p>	Mill has filed all results for water monitoring (domestic and river water) and to keep all the records for a minimum of 12 months. Lab Supervisor will be responsible to ensure that all water analysis result are properly recorded and maintained.	<p>Sighted that water analysis reports have been kept and filed in the water treatment analysis file.</p> <p>Status: Closed out.</p>
Indicator 5.3.2	Minor	<p><u>Finding:</u> Operational plan has developed but was not appropriately implemented.</p> <p><u>Objective evidence:</u> It was found that the landfill area for the domestic wastes for Damai Estate was under the high voltage electrical lines neighboring field 98SD of Saha Estate, which would pose hazard to movement around the pit.</p>	Landfill relocated.	<p>Sighted that there no landfill area under the high voltage electrical lines. And the new landfill area has been relocated 10 km away from the house at Saha estate.</p> <p>Status: Closed out.</p>
Indicator 5.6.2	Minor	<p><u>Finding:</u> The annual reviewed plan was not updated</p> <p><u>Objective evidence:</u> Pollution prevention plan was not adequately reviewed issues pertaining to : - Plan for the Clean Air Regulations 2014 compliance in 5 years' time. - GHG emission monitoring and reduction plan - Plan for zero effluent discharge or composting or other method as per requirement in the latest "Jadual Pematuhan"</p>	Mill management has reviewed Pollution Prevention Plan especially on the issue related to Clean Air Regulation 2014 and effluent discharge. Mill also has included in mill budgetary FY 2015/2016 for usage of furrow system to complement current discharge to watercourse.	<p>Sighted that Mill management has reviewed Pollution Prevention Plan on the issue related to Clean Air Regulation 2014, GHG emission monitoring, and effluent discharge. Mill also has included in mill CAPEX FY 2015/2016 for usage of furrow system to complement current discharge to watercourse.</p> <p>Status: Closed out.</p>
Indicator 6.2.3	Major	<p><u>Finding:</u> 1. Some of relevant stakeholders were not listed. 2. Communication and action taken in response to complaints from workers were not evidently been recorded.</p>	<p>1) Stakeholders are already updated. 2) To update list of complaint by workers & contractor in the complaint form / books. To indicate in the status of</p>	<p>1) Derawan POM, Saha Estate and Damai Estate have updated their stakeholders list with additional of significant stakeholders. 2) Derawan POM has recorded any complaints/grievances from their</p>

		<p><u>Objective evidence:</u></p> <ol style="list-style-type: none"> Some of relevant stakeholders of Derawan Estate and Derawan Palm Oil Mill were not listed. Examples: <ol style="list-style-type: none"> <i>Jabatan Tenaga Kerja.</i> <i>Jabatan Kebajikan Masyarakat.</i> Immigration Department. Drainage and Irrigation Department. NEST (Nursery for Estate Toddlers). <i>Neighborhood committee.</i> School bus operators. There are complaints expressed from workers and the previous complaints from contractors of Derawan Palm Oil Mill, which records of communication and action taken to response yet to be evident. Examples: <ol style="list-style-type: none"> inconsistent (interrupted) electricity supply. inconsistent quality of supplied water (i.e. odour and murky). child care centre not adequately staffed, and short care hour. salary increment and payment of overtime issues. road condition issues at linesite. eyes fatigue and backache issues related to personnel working long hours using computer. previous issues of unpaid maintenance works / supplier services raised by contractors. 	<p>complaint (either in progress or completed). If completed, worker / contractor to sign.</p> <ol style="list-style-type: none"> Previous will be addressed accordingly. 	<p>stakeholders and workers using Grievance Form. Last year complaints made by staffs and workers have been addressed accordingly.</p> <p>Status: Closed out.</p>
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