



**PUBLIC SUMMARY
RECERTIFICATION
FOR RSPO P&C CERTIFICATION**

**PPB OIL PALMS BERHAD
RSPO MEMBERSHIP NO: 1-0011-04-000-00
SAREMAS 1 CERTIFICATION UNIT**

Bintulu, Sarawak, Malaysia

**Certificate Number: RSPO 0006
Date of First Certification: June 2010
Audit Date : 27 – 30 April 2015**

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Table of contents

Page

	List of Abbreviations.....	3
1.0	Description of the organization	
1.1	Type (mill, estate and mill etc).....	4
1.2	Location (map and GPS), mill and or hectarage statement.....	4
1.3	Description of supply base (fruit sources).....	5
1.4	Date of plantings and cycle.....	5
1.5	Other certification held (ISO etc).....	6
1.6	Organisational information / contact person.....	6
1.7	Tonnage certified.....	7
2.0	Assessment Process	
2.1	Assessment methodology (program, site visits).....	7
2.2	Date of next surveillance visit.....	8
2.3	Qualification of Lead Auditor / Auditor.....	8
2.4	Certification Body.....	9
2.5	Outline of how stakeholder consultation was managed.....	9
3.0	Assessment Findings	
3.1	Summary of Findings.....	11
3.2	Identified Non-conformities.....	72
3.3	Issues Raised by Stakeholders	79
4.0	Assessment Recommendation and Date of Closing Non-conformities	79

List of Appendix

			Page
Appendix 1	:	Location Map of Saremas 1 Certification Unit	80
Appendix 2	:	Audit Plan.....	81

List of Abbreviations

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

RSPO RECERTIFICATION AUDIT REPORT

A. INTRODUCTION :

1.0 Description of the organization :

1.1 Type (mill, estate and mill etc)

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

It was assessed for continuing certification against the RSPO Principles and Criteria for Sustainable Palm Oil Production MYNI: 2014 and Supply Chain Certification System Requirements, (SCCS). This assessment is the Recertification Audit (RA) conducted by SIRIM QAS International Sdn. Bhd. (SIRIM QAS International) from 27th – 30th April 2015.

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

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

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

The total combined land area of the three estates (3) estates is 13,568.81 Ha of which 10,551.83 ha were planted with oil palm. There was no change in the combined land area for all the three estates but an exclusion from title area of 23.86 ha (from plantable area) at Saremas 1 Estate due to acquisition from the government for cross country Petronas Gas Pipeline Project during December 2011 replanting.

1.2 Location (map and GPS), mill and or hectare statement

Saremas 1 Palm Oil Mill and the estates are located in Miri District, Sarawak, Malaysia. Its operation office is located within the Saremas Sdn Bhd office Complex, at Saremas 1 estate. The official address of S2 is KM 18 off KM 115, Bintulu-Miri Road, Miri, Sarawak, Malaysia. The location map of Saremas 1 CU (mill and estates) is shown in Appendix 1 while their coordinates are detailed in table below.

Location and addresses of mills and estates

Mill/Estate	Year of establishment	Area (Ha)		GPS Location (Office)	
		Titled	Planted	Latitude	Longitude
Saremas POM		NA	NA	N3°31'32.10"	E113°44'38.86"
Saremas 1 Estate	1987	6,009.18	4,613.80	N3°31'18.61"	E113°45'23.48"
Suai Estate	1978	5,669.90	4,688.04	N3°35'41.22"	E113°44'21.88"
Saremas 2 (Div. D) Estate	2000	1,889.73	1,249.99	N3°30'22.42"	E113°47'55.56"
Total		13,568.81	10,551.83		

1.3 Description of supply base (fruit sources)

The FFB is sourced from company owned estates, Saremas 1, Saremas 2 (Div. D) and Suai Estate.

Workforce Composition

The total and composition of the workforce at Saremas 1 CU at the point of this assessment is as shown in Table 2.

Workers Composition

Operating Unit	Number of workers		Total
	Local	Foreigner	
Saremas POM	24	82	106
Saremas 1 Estate	180	696	876
Suai Estate	79	541	620
Saremas 2 Estate (Div D)	19	564	583
Total	302	1,883	2,185

1.4 Date of plantings and cycle

Percentage of planted area in Saremas 1 Estate by age and planting cycle

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1995	1 st	Mature	375.07	8.13
1996	1 st	Mature	456.76	9.90
1999	1 st	Mature	5.30	0.11
2000	1 st	Mature	31.86	0.69
2004	1 st	Mature	49.27	1.07
2010	2 nd	Mature	884.77	19.18
2011	2 nd	mature	307.73	6.67
2012	2 nd	Immature	815.64	17.68
2013	2 nd	Immature	1,108.49	24.03
2014	2 nd	Immature	578.91	12.55
Total			4,613.80	100.00

Percentage of planted area in Suai Estate by age and planting cycle

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
1992	1 st	Mature	1,002.16	21.38
1993	1 st	Mature	561.70	11.98
1994	1 st	Mature	630.53	13.45

1998	1 st	Mature	322.16	6.87
1999	1 st	Mature	46.92	1.00
2000	2 nd	Mature	296.54	6.33
2001	2 nd	Mature	272.04	5.80
2002	2 nd	Mature	274.25	5.85
2003	2 nd	Mature	252.71	5.39
2004	2 nd	Mature	224.03	4.78
2005	2 nd	Mature	161.53	3.45
2006	2 nd	Mature	75.62	1.61
2012	2 nd	Immature	144.44	3.08
2014	2 nd	Immature	423.41	9.03
Total			4,688.04	100.00

Percentage of planted area in Saremas 2 (Division D) Estate by age and planting cycle

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2000	1 st	Mature	151.25	12.10
2002	1 st	Mature	248.32	19.87
2003	1 st	Mature	180.13	14.41
2004	1 st	Mature	214.28	17.14
2005	1 st	Mature	204.43	16.35
2006	1 st	Mature	171.30	13.70
2007	1 st	Mature	80.28	6.42
Total			1,249.99	100.00

1.5 Other certification held (ISO etc)

PPB Oil Palms- Saremas 1 CU also certified for ISCC since 2012 and ISO22000 since 2014.

1.6 Organisational information / contact person

PPB Oil Palms has a regional office in Bintulu, Sarawak, which is responsible for overseeing the S1 CU and other plantation management units in Sarawak. The correspondence address are as detailed below:

Address:

PPB Oil Palms Berhad
Sarawak Operations,
Lot 964, Sublot 7,
Taman Seaview Commercial Centre,

1.7 Tonnage certified

Actual annual CPO and PK tonnage of Saremas 1 POM

Actual FFB received and CPO & PK dispatch by Saremas 1 POM of the last reporting period (March 2014 – February 2015)

	Total (MT) (March 2014 – February 2015)
FFB Received	200,768.17
FFB Processed	200,753.98
CPO Produced	43,731.75
PK Produced	7,841.10
Certified CPO sold as Mass Balance	None. All certified CPO was sold under other sustainability certification.
Certified PK sold Mass Balance	3,429.08
CPO sold as non-certified	3,756.89
PK sold as non-certified	681.57

Projected FFB received and CPO & PK dispatch by Saremas 1 POM for the next reporting (March 2015 – February 2016)

	Total (MT) (March 2015 – February 2016)
FFB Received	202,524.00
FFB Processed	202,524.00
CPO Production	49,258.00
PK Production	9,628.00
Certified CPO to be sold as Mass Balance	41,574.00
Certified PK to be sold Mass Balance	8,464.00
CPO to be sold as non-certified	7,684.00
PK to be sold as non-certified	1,164.00

2.0 Assessment Process

2.1 Assessment methodology (program, site visits)

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

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

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

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

The assessment programme is in Appendix 2.

2.2 Date of next surveillance visit

The next surveillance audit will be conducted within nine (9) to twelve (12) month from the date of last audit.

2.3 Lead Auditor / Auditor

Audit Team	Role/Area of RSPO Requirement	Qualification and Experience
Khairul Najwan bin Ahmad Jahari	Audit Team Leader/ Forester	<ul style="list-style-type: none"> Collected more than 100 auditor days in auditing Forest Management Certification (FMC – MC&I 2002, Natural Forest and Forest Plantation) 7 years working experience in Forest related areas as a researcher with FRIM since 2001 Successfully completed accredited Lead Assessor training for ISO 14001: 2004, ISO 9001:2008 and OSH 18001, March 2009. Successfully completed and passed the RSPO Lead Assessor Course – 2011. B.Sc. of Forestry (Forest Management)
Mohd Hafiz Bin Mat Hussain	Auditor / Estate Operation	<ul style="list-style-type: none"> Over 100 days of auditing experience, having audited on: ISO 9001, ISO 14001, RSPO & MSPO. 4 years' experience in oil palm estate Successfully Completed RSPO Lead Assessor Course – 2014 Successfully completed ISO 14001 EMS RABQSA/IRCA approved Lead Assessor – 2013 Successfully completed ISO 9001 QMS RABQSA/IRCA approved Lead Assessor – 2013 Successfully completed OHSAS 18001 OHSMS RABQSA/IRCA accredited Lead Assessor Course – 2013 B.Sc. (Hons) Plantation Management And Technology
Valence Shem	Auditor/ Environmental issues	<ul style="list-style-type: none"> Collected more than 250 Auditor days in auditing ISO 14001 and RSPO Nine years' experience in Oil Palm Plantation management Successfully completed IEMA accredited Lead Assessor training for ISO 14001: 2004 B.Tech. (Hons) Industrial Technology Successfully completed and passed the RSPO Lead Assessor Course – 2011.
Jagathesan a/l Suppiah	Auditor / Occupational Safety & Health and Environmental issues	<ul style="list-style-type: none"> More than 23 years working experience in Manufacturing concerns at various Managerial position, Managing Operation, Quality Assurance & Regulatory Affairs and Quality & Process Control Disciplines Experience of carrying out audits on more than 700 companies around Malaysia for the past 15 years for various schemes i.e. ISO 9000, ISO 13485, ISO 14000, OSHAS 18000 and GMP/FDA regulations

		<ul style="list-style-type: none"> • Successfully completed Lead Assessor training for ISO 9001, ISO 14000, OSHAS 18001, ISO 13485 and RSPO • Bachelor of Chemical Science (Hons)
Ismail Bin Ibrahim	Auditor/ Forester	<ul style="list-style-type: none"> • Principal auditor, SIRIM QAS International Sdn Bhd (2007-present)-prepares procedures and guidelines on auditing for forest management and chain of custody certification. • Assists the Section Head, Food Agriculture and Forestry Section, SIRIM QAS International on accreditation of the forest and RSPO certification programmes. • Conducts audits for chain of custody and RSPO supply chain. • Attended and successfully passed the Lead Auditor Course on ISO 9001 and ISO 14001 by SIRIM Training Services Sdn Bhd • Attended and successfully completed the training on RSPO Supply Chain Certification System Standard.

2.4 Certification body

SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), and the United Kingdom Accreditation Services (UKAS). SIRIM QAS International has vast experience in conducting assessment related to RSPO assessment. We have certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. We have also conducted pre assessment against RSPO Principle and Criteria.

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

2.5 Outline of how stakeholder consultation was managed

SIRIM QAS International Sdn Bhd (SIRIM QAS International) initiated the stakeholder consultation by announcing the invitation in both websites of RSPO and SIRIM QAS International on 18th March 2015 and 24th March 2015 respectively. In addition, SIRIM QAS International had also sent invitations through letters to all the relevant stakeholders 1 month before the audit date, including government agencies, estates and local communities.

3.0 Assessment Findings

3.1 Summary of findings

The findings of the Recertification Audit were presented during the on-site closing meeting. There were **2 major and 7 minor nonconformity reports (NCR)** raised on the Saremas 1 CU. It was noted that Saremas 1 CU was guided by their Estate/Mill Quality Management System documents for their operations. Findings and details of the NCRs and corrective actions taken against each of the RSPO MY-NI indicators are reported below.

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 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	The Saremas 1 CU continues to implement the procedure for responding to any communication as outlined in their RSPO System documents. The system required response to all communication within a certain time frame. Action may then be taken to fulfil the request or for decision to be made by relevant person-in-charge. All communications were logged and registered. Nearby longhouses were invited (letter dated 3 Feb 2014) to viewing and commenting on environmental, social and legal information that related to RSPO criteria at the Saremas 1 CU.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	It was found peoples from Rumah Tapu had request the information relevant to RSPO Criteria. The record of request and responses was maintained in Saremas 1 Estate. The estate also has established mechanism to channel such queries through regular meetings with stakeholders. Various issues were heard by the management and decisions made for subsequent action. The following visits by the regulators verified; i) DOSH visit monitoring Log maintained – last visit: 22 nd Dec, 2014 – to carry out periodic Boiler & machinery Inspection - recommendation has been taken into consideration. ii) DOE visit monitoring Log maintained – last visit – 17 th Feb, 2015 – Inspection of Schedule Waste Management -mitigating actions taken for matters identified. iii) Fire Department - visit dated 21 st May, 2015 – positive recommendation.
C 1.2 Management documents are publicly available,	1.2.1	Land titles/user rights (Criterion 2.2);	Yes	Copies of all the documents listed under Criterion 1.2, including land titles were made available at the visited estates and mills.

except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	Occupational health and safety plans (Criterion 4.7);	Yes	Occupational Safety & Health program was sighted for 2014 & 2015 and verified. Implementation found to be satisfactory; <ul style="list-style-type: none"> 2015 Occupational Safety & Health Plan established Dec, 2014 (JKKP IS 127/438/2/7897) Safety and Health Manual - rev 2 e/d : 8th April, 2015
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Social impacts assessment was updated on 8 April 2015. It was noted all the action was based on communication during the audit. Minutes of meeting was verified during the audit.
	HCV documentation summary (Criteria 5.2 and 7.3);	Yes	HCV documentation summary including action plan 2014/2015 was made available during the audit.
	Pollution prevention and reduction plans (Criterion 5.6);	Yes	Pollution prevention and reduction plans are publicly available. Cross refer to Criterion 5.6.
	Details of complaints and grievances (Criterion 6.3);	Yes	Detail of complaints and grievances for Saremas 1 POM, Saremas 1 Estate and Suai Estate were recorded in the Complaint Form, Request Form, verbally and through stakeholders meeting with internal and external stakeholders; Joint Consultative Committee-Public Stakeholders (JCC-PS), Social and Welfare Committee, Community Based Development Committee (CBDC), and, Women and Children Committee. All the documents were made available at the visited estates and mill.
	Negotiation procedures (Criterion 6.4);	Yes	Saremas 1 CU has established a standard of procedure for handling any complaints and grievances by following 'Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation' and 'Consultation and Communication - Procedure for collective negotiations and resolution of disputes or grievances'. All the documents were made available at the visited estates and mill.
	Continual improvement plans (Criterion 8.1);	Yes	Continual improvement plans are publicly available. Cross refer to Criterion 8.1.
	Public summary of certification assessment report;	Yes	The public certification summary of Saremas 1 CU for 4 th surveillance had been published in the SIRIM QAS International website

		Human Rights Policy (Criterion 6.13).		Saremas 1 CU has established Human Right Policy dated June 2014 and has been communicated to all levels of workforce and operations on 6 th March 2015. The policy that has been translated to Bahasa Malaysia was displayed on the notice board at muster ground.
C 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. Minor Compliance	No	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 was not available at Saremas 1 CU. Therefore Minor NCR MH01- 2015 was raised.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	Yes	The CU was comply with most of the applicable local, national and ratified international laws and regulations. As per the requirement in the land titles all land is utilised for Agricultural purposes. Relevant licences and permits such as MPOB license, Trading Licence, Energy Commission and Domestic Trade Ministry for diesel and fertilizer storage were valid as below; Saremas 1 –Estate; i) Air Compressor Receiver – Reg : SW PMT 2147 – validity : 21/3/2014 – DOSH Cert : PMT – SW 40731 ii) Air Compressor Receiver – Reg : SW PMT 2352 – validity : 21/3/2014 – DOSH Cert : PMT – SW 40733. DOSHS visit monitoring Log maintained – last visit : 22 nd Dec, 2014 – Annual Machinery Inspection. Positive comments made on the 'Maintenance of records'. Recommendation made - has been taken into consideration.

			<p>Saremas 1 - POM;</p> <ul style="list-style-type: none"> i) Fire Prevention & Protection Certificate – as per Fire Service (Fire Certificate) Regulation 2001 – No : JBPM : SK/7/12/2014 – valid till : 25/05/2015 ii) Boiler – Reg: SW PMD 1284 – validity: 3rd Sept, 2015 – DOSH Cert: PMD – SW 4808. iii) Boiler – Reg: PMD 11295 – validity: 2nd Dec, 2015 – DOSH Cert: PMD – SW 5242. iv) Sterilizer – Reg: SW PMT 1862, SW PMT 1861 – validity : 2/12/2015 – DOSH Cert No : PMT – SW 41699 & PMT – SW 41698 v) Vacuum Deairator – Reg: PMT 62805 – validity : 2/06/206 – DOSH Cert : PMT – SW 42843 vi) Air Receiver – Reg: SW PMT 1077 – validity : 2/06/2016 – DOSH Cert – PMT - SW 42839 <p>Regulatory Monitoring carried out;</p> <ul style="list-style-type: none"> i) DOE visit monitoring – latest visit 17th Feb, 2015 – ‘Clean the Final Discharge point’ – Concern addressed – report d/d: 13th March, 2015 – verified report. ‘Jadual Pematuhan’ – DOE Sarawak – d/d: exp 30th June, 2015 – recommendation are being carried out. ii) Bomba visit – Log reviewed – No adverse comment – 21st May, 2015 iii) DOSH – visit Log – latest visit – 3rd March, 2015 – recommendation has been taken into consideration. Operation of Boiler PMD 11200 has been put on hold pending repair of the 5 boiler tubes.(notice no : 024201) <p>Suai –Estate;</p> <ul style="list-style-type: none"> i) Air Compressor Receiver – Reg : SW PMT 2238 – validity : 22/12/2014 – DOSH Cert : PMT – SW 40893 <p>DOSH visit monitoring Log maintained – last visit 7th Nov, 2013 – Annual Machinery Inspection. Positive comments made on the ‘Maintenance of records’.</p>
	2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained</p> <p>Minor Compliance</p>	<p>Yes</p> <p>List of applicable legal and other requirements named (Register of Legal and Other Applicable Requirement for PBB Oil Palms Berhad (Sarawak Operation) was made available during the assessment. Refer to latest legal register dated 17th September 2014. Documented procedure has been established and implemented, refer to S1/EMSP 02/ (01)/1206, rev: 1, dated 22/12/08. The latest Acts updated are as follows :</p>

				i) Medical Assistant Act 180, 1977 – New LROP – 13 th June, 2014 ii) Class Regulation, 2013 – Replace 5.1 CPL Regulation 1997 – 17 th Sept, 2014 iii) Genset DOE Written Approval – New LORP – 22 nd April, 2015 iv) Environmental Quality (Sewage and Industrial Effluents) Regulations 1979 – Has been removed.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	As in 2.1.2 both Saremas 1 CU have documented systems for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. There is evidence of compliance to legal requirements which has been evaluated on an annual basis. The compliance check was carried out in 17 th Sept, 2014. These compliances are ensured by Internal & External Audits, PA visits, VA visits and by RSPO Audits.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	Tracked through reviewing the LROR
C 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. Major Compliance	Yes	Saremas 1 Estate and Saremas 2 (Division D) Estate and continued to be the legal owner and have relevant proof of ownership of the land in the assessed estates. Land titles for all the estates were made available.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	Yes	Saremas 1 CU's neighbors to Rumah Sabang and Rumah Marudi. Marking pegs found remain to identify boundary. Generally, the visited boundaries and reserves marking noted visibly maintained.

	2.2.3	<p>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).</p> <p>Minor Compliance</p>	Yes	<p>To date, there were two issues of land claims at Saremas 1 CU's, which is from Iban and Penan communities.</p> <p>1) There are "Land Claim" from Iban from Rumah Sugai, Sungai Lamaus, Ulu Niah for Tanah Adat Rumah Sugai Ulu Niah Miri Sarawak. The 1st letter of claim from representative of Rumah Sugai was sent to the Saremas 1 CU on 11/07/2014. The Saremas 1 CU has demonstrated their efforts, follow his own procedure, to conduct the 1st meeting between the Saremas 1 CU and Committee of Rumah Sugai which was held on 29/10/2014. This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU. The minutes of meeting were verified.</p> <p>On 12/12/2014, the representative from Rh Sugai, was sent the letter and the documents to the Saremas 1 CU. Generally the documents were related to the hectares claimed, the colonial maps and the list of the head of family that staying at Rumah Sugai which is 41 head of family included Tuai Rumah.</p> <p>On 7/2/2015, the GM Group Sustainability of Wilmar, was replied the letter from the Rumah Sugai to verify on the basis of the land claim included the hectare claimed and official appointment their chairman and representatives for community mapping. However, the replied letter from Rumah Sugai has yet to be received by the Saremas 1 CU until the assessment was carried out.</p> <p>In general, The Saremas 1 CU has followed on their own procedure to handle this land claims from Rumah Sugai, Sungai Lamaus, Ulu Niah for Tanah Adat Rumah Sugai Ulu Niah Miri Sarawak.</p> <p>2) The second claim was from land claim from Penan Community of Jambatan Suai. Two groups from the same origin of Kampung Ugos, Kampung Long Suva'ak Kampung Mareng and Kampung Penan Muslim wrote in a complaint dated 23 September 2014 and 1 December 2014 to Saremas 1 CU regarding the land claim.</p> <p>Additional proof of legal acquisition of title and evidence of fair compensation were in progress, which is in line with RSPO guidelines and PPB Oils Palms (Wilmar)</p>
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				procedures.
	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. Major Compliance	Yes	<p>The requirements for acceptable conflict resolution process was implemented and accepted by the parties involved. There are still in verification stage before the forming of Task Force Committee for Iban.</p> <p>Minutes of meeting shows the both Saremas 1 CU's and Penan Community of Jambatan Suai were agreed to resolve the issues in line with RSPO requirements. Several meeting were held by both parties on 28 October 2014, 20 January 2015 and 25 February 2015, and was verified by the auditor during the audit.</p>
	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). Minor Compliance	Yes	<p>There are still in the verification stage before form Task Force Committee. However, on 29/10/2014, the Saremas 1 CU conducted the 1st meeting between the Saremas 1 CU and Committee of Rumah Sugai. This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU.</p>
	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	<p>There are still in the verification stage before form Task Force Committee. However, on 29/10/2014, the Saremas 1 CU conducted the 1st meeting between the Saremas 1 CU and Committee of Rumah Sugai. This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU.</p>

<p>C 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.</p>	2.3.1	<p>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).</p> <p>Major Compliance</p>	Yes	<p>There are still in the verification stage before form Task Force Committee. However, on 29/10/2014, the Saremas 1 CU conducted the 1st meeting between the Saremas 1 CU and Committee of Rumah Sugai. This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU.</p>
	2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>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;</p> <p>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;</p> <p>c) Evidence that the legal,</p>	Yes	<p>The Saremas 1 CU was conducted the 1st meeting between the Saremas 1 CU and Committee of Rumah Sugai which was held on 29/10/2014 to discuss on the "Land Claim" raised by Rumah Sugai, Sungai Lamaus, Ulu Niah for Tanah Adat Rumah Sugai Ulu Niah Miri Sarawak</p> <p>This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU. The minutes of meeting were verified.</p> <p>On 12/12/2014, the representative from Rh Sugai, was sent the letter and the documents to the Saremas 1 CU. Generally the documents were related to the hectares claimed, the colonial maps and the list of the head of family that staying at Rumah Sugai.</p> <p>On 7/2/2015, the GM Group Sustainability of Wilmar, was replied the letter from the Rumah Sugai to verify on the basis of the land claim included the hectare claimed and official appointment for their chairman and representatives for community mapping. However, the replied letter from Rumah Sugai has yet to be received by the Saremas 1 CU until the assessment was carried out.</p> <p>In general, The Saremas 1 CU has followed on their own procedure to handle this land claims from Rumah Sugai, Sungai Lamaus, Ulu Niah for Tanah Adat Rumah Sugai Ulu Niah Miri Sarawak. This process are still in the verification stage before form Task Force</p>

		<p>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.</p> <p>Minor Compliance</p>		Committee
	2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	Yes	<p>SIA Assessment Report for Saremas 1 CU entitled "Scoping SIA Saremas 1 and 2, Segarmas and Kaminsky Estates" was prepared in 2008 is still the basis for managing social issues in the Saremas 1 CU. The report was prepared with the participation of the relevant stakeholders, such as the estate workers and the neighbouring long-house communities; Rumah Brian, Rumah Golan & Rumah Tapu. It was conducted on 10/6/2008 by Independent Sustainability Advisor.</p> <p>The issues raised by local communities include use of lands within the estates, FFB pricing, transportation for school children, work opportunities and tanks for water storage. The workers, on the other hand, raised concerns on the housing conditions, conditions of the crèche, drainage systems and trained and qualified medical officer.</p>
	2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>		<p>There are still in the verification stage before form Task Force Committee regarding on the land claim raised by representative from Rumah Sugai. The Saremas 1 CU has conducted the 1st meeting on 29/10/2014 between the Saremas 1 CU and Committee of Rumah Sugai. This meeting was attended by 39 representative from Rh Sugai, NGO from TAHABAS and 8 representatives from Saremas 1 CU. The minutes of meeting were verified.</p> <p>On 12/12/2014, the representative from Rh Sugai, was sent the letter and the documents to the Saremas 1 CU. Generally the documents were related to the hectares</p>

				<p>claimed, the colonial maps and the list of the head of family that staying at Rumah Sugai.</p> <p>On 7/2/2015, the GM Group Sustainability of Wilmar, was replied the letter from the Rumah Sugai to verify on the basis of the land claim included the hectare claimed and official appointment for their chairman and representatives for community mapping. However, the replied letter from Rumah Sugai has yet to be received by the Saremas 1 CU until the assessment was carried out.</p> <p>In general, The Saremas 1 CU has followed on their own procedure to handle this land claims from Rumah Sugai, Sungai Lamaus, Ulu Niah for Tanah Adat Rumah Sugai Ulu Niah Miri Sarawak. This process are still in the verification stage before they form Task Force Committee.</p> <p>Minutes of meeting dated on 28 October 2014, 20 January 2015 and 25 February 2015 shows the Penan Community of Jambatan Suai was represented by their own choosing, including legal counsel personnel.</p>
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Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	Yes	<p>Saremas 1 CU were committed to long-term economic and financial viability had annual budgets for the financial year 2015 and projections up to financial year 2018.</p> <p><u>Saremas 1 Estate:</u> A documented business plan with three years projection is available for verification. The business plan normally came from top management and later disseminated to the operating units. The communication mainly through various management meetings. Through verification of meeting minutes, among the proposed plans are;</p> <ul style="list-style-type: none"> • expenses are spent based on necessity • to plant 60% of the replanting area with clonal palms • to aim higher OER

				<ul style="list-style-type: none"> to improve the quality of FFB and CPO and reduce production losses to gauge the supply & demand of market better by obtaining updated industry information
	3.1.2	<p>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.</p> <p>Minor Compliance</p>	Yes	<p>The replanting programme for the next five years had been prepared as sighted in the 'Replanting programme 2014 to 2020'. This programme is reviewed once a year and is incorporated in their annual financial budget. The programme was being implemented as scheduled.</p>

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	<p>Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	Yes	<p>Saremas 1 CU's adopted and used Agricultural Manual & SOP For Oil Palm updated 2011. Both estates had consistently implemented and monitored most good agricultural practices, as below:</p> <ul style="list-style-type: none"> a) Chapter 4: Establishment and Maintenance of Legume Covers b) Chapter 5: Part 1: Oil Palm Planting And Supplying/Replacement Part 2: Oil Palm Planting Density and Pattern c) Chapter 6: Upkeep and Maintenance of Oil Palm d) Chapter 7: Harvesting of Fresh Fruit Bunches e) Chapter 8: Plant Protection-Pest and Disease Management f) Chapter 10 : EFB Mulching <p>Procedures available are related to Good Agriculture Practices:</p> <ul style="list-style-type: none"> Agriculture Manual & Standard Operating Procedure for Oil Palm. Version 3/2011. Environmental Management System Procedures [SSB/EMSP 01-34/(00)/0108, dated January 2008]

				<p>Saremas 1 – POM</p> <p>The POM is certified to ISO 22000 : 2005 – Food safety Management System – obtained in 22th August, 2012 – by Intertek (Cert No : 14191205005) 19 food safety procedures has been established Certified to ISCC – Reg No : ISCC – Reg – 1432 – by SGS - Certificate noted. Food safety Procedures – 22 in place Safety & Standard Operating Procedures – 33 procedures in place SPOM1 – SSOP -000 Version : 01 – Latest Review : Version 01</p> <p>Generally satisfactory.</p>
	4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>Minor Compliance</p>	Yes	<p>Mechanism to ensure consistency is through various supervisions such as Plantation Advisor visit (once in 2 years), Group Visiting Advisor (GVA) annual visit, Plantation Head visit, Agronomic annual visit, quality checking on field operations, etc.</p> <p>Internal Audit carried out as follows : Saremas 1 Mill – 7th February, 2015 Suai Estate – 16th February, 2015 Saremas 1 Estate – 12th February, 2015</p>
	4.1.3	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.</p> <p>Minor Compliance</p>	Yes	<p>The records of the Internal Audit and the corresponding Mitigating action are being maintained.</p> <p><u>Saremas 1 Estate</u> Records of monitoring are available. Among the records sampled are:</p> <ul style="list-style-type: none"> • PA Visit Report – last report was on June 2014 • Group VA's Report – last report was June 2014 • PH visit report – last report was on 21/10/2014 • Agronomist Visit Report – last report was 8/9/2014 • Harvesting quality report – last report was on 25/3/2015 • Fertilizer application audit <p><u>Suai Estate</u> Records of monitoring are available. Among the records sampled are:</p> <ul style="list-style-type: none"> • PA Visit Report – last report was on August 2014 • Group VA's Report – last report was 18/3/2015

				<ul style="list-style-type: none"> Harvesting quality report – last report was on 25/4/2015 Fertilizer application audit
	4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).</p> <p>Major Compliance</p>	Yes	<p>The Mill maintains comprehensive records of the origin of all third- party sourced Fresh Fruit Bunches (FFB). Verified summary of FFB Stakeholders list, referencing 3rd party FFB suppliers – MPOB License and hectrage.</p> <p>Daily supply of the FFB from the respective 3rd party suppliers are monitored via ‘ Daily Production report’ – which references ‘Month to date’ and ‘Year to Date’ data. Verified Records for the month of Dec, 2014, Jan & Feb 2015 – satisfactorily maintained.</p>
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	<p>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.</p> <p>Minor Compliance</p>	Yes	<p>Agriculture Manual & Standard Operating Procedure for Oil Palm. Version 3/2011:</p> <ul style="list-style-type: none"> Chapter 4 – Establishment and Maintenance of Legume Covers Chapter 6, Part 3 – Oil Palm Manuring Chapter 10 – EFB Mulching
	4.2.2	<p>Records of fertiliser inputs shall be maintained.</p> <p>Minor Compliance</p>	Yes	<p><u>Saremas 1 Estate:</u> Recommendation of fertiliser inputs was done by the Head of R&D Department. Latest recommendation report was on 24/9/2014 for 2015 manuring programme. Fertiliser application rate per palm (dosage) varies from field to field. Recommended dosage for mature palm is around 8 - 12 kg/palm/year using straight, compound and straight fertilisers (NPK, KS, Borate, NK3, RP, SOA and MOP) and recommended dosage for immature palm is around 5-10 kg/palm/year using straight and compound fertiliser (NPK Yellow, RP, KS, SOA, Borate and MOP).</p> <p><u>Suai Estate:</u> Recommendation of fertiliser inputs was done by the Head of R&D Department. Latest recommendation report was on 26/9/2014 for 2015 manuring programme. Fertiliser application rate per palm (dosage) varies from field to field. Recommended dosage for</p>

				mature palm is around 8-12 kg/palm/year using straight, compound and mixture fertilisers (NPK, KS, Borate, NK3, RP, SOA and MOP) and recommended dosage for immature palm is around 5-10 kg/palm/year using straight and compound fertiliser (NPK Yellow, RP, KS, SOA, Borate and MOP).
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	Yes	<u>Saremas 1 & Suai Estate:</u> Foliar sampling result is available together with the fertilizer recommendation. The description of nutrient (N, P, K, Mg, Ca & B) content is reported in % of dry matter and ppm. Sample received on 2/7/2014, report produced on 5/7/2014. Soil analysis was last conducted on Dec 2007. The purpose of the analysis was to produce a semi-detailed soil map of the Estate at a scale of 1:25,000 and characterize the soils in the estate with a view of grouping the soils into management groups for oil palm cultivation and to highlight problems if any, in their management. Such improved management practices it is hoped will help increase productivity and economic returns.
	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. Minor Compliance	Yes	The strategy is spelt out in the Agriculture Manual & Standard Operating Procedure for Oil Palm, Chapter 6, Part 2 – Upkeep of mature oil palm – management of frond stacking Chapter 9 – Replanting – the management of oil palm residue such as chipped trunks Chapter 10 – EFB Mulching At Saremas 1 & Suai Estate, EFB mulching was mainly done at immature area at 25 mt/Ha rate. However, the application is limited by accessibility due to unfavourable terrain such as steep slope and flood prone areas. Progress of EFB mulching is recorded in “EFB Mulching Statistic” which has the information about the quantity of EFB and location applied.
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	Yes	No fragile/marginal soils at Saremas 1 and Suai Estate based on soil survey report by Dr. Param. Majority of the soils at Saremas 1 Estate are of Bedup Series (48%), Semarak Series (41%) and Kenchor Series (3%). Bedup Series soil type is brownish yellow to strong brown sandy clay, Semarak Series soil type is brownish yellow fine sandy clay. Whereas the major soil at Suai Estate are of Bedup Series (53%), Semarak Series (38%) and Kenchor (4%).

	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. Minor Compliance	Yes	The planting practice at slopes is spelt out in Agriculture Manual & Standard Operating Procedure for Oil Palm, Chapter 3, Part 1 (Land Clearing and Preparation, Undulating to Steep Land). Among the practice which shall be carried out are establishment of riparian reserve at natural waterways, establishment of cover crop, construction of terrace and construction of bunds at 20 m intervals along the terrace.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	Yes	Road maintenance programme is available for year 2015. Among the activities grading & compacting, road patching & gravelling and culvert & drain maintenance. Based on observation during the site visit, most roads were in good condition.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	Yes	No peat soil based on soil survey reported. In Suai Estate there is some scattered 60 Ha of Mukah series [50-150cm organic deposit. Dark brown, mainly undecomposed fibric material with pieces of wood. Very poorly drained. Organic deposit]. The soil management recommended by the soil surveyor which is controlled drainage and flood mitigation was adequately implemented by Suai Estate.
	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. Minor Compliance	Yes	Not applicable since no peat soil at Saremas 1 Estate.
	4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Yes	Not applicable since no peat soil at Saremas 1 Estate.

C 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. Minor Compliance	Yes	<u>Saremas 1 Estate:</u> Water management plan is available which was established in 2008 and revised in 2014. The plan includes workers awareness and education programme, ensuring piping system is in good condition and drought contingency plan.									
	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	Yes	Visit to Saremas 1 CU observed that both continued to protect riparian buffer zones. No sign of spraying and manuring were observed. There was no activity related to replanting observed.									
	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). Minor Compliance	Yes	Saremas 1 - POM Based on the effluent final discharge analysis, all the parameters have been complied with. Analysis was done once and every month and submitted to the authority on quarterly basis. The following parameters (BOD, TSS, Ammonical Nitrogen, Total Nitrogen, Oil & Grease, pH, COD, Total Suspended Solids) are checked by independent Lab, ESI Laboratory Sdn. Bhd Quarterly report to DOE has been forwarded The following record has been reviewed and report dated: 6 th April, 2015, 6 th January, 2015, 4 th April, 2014 were sighted during the audit.									
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Yes	Saremas1 – POM Water consumption per tonne of FFB is being monitored Verified the following Water consumption Data <table border="1"> <thead> <tr> <th>Month</th><th>2014 Average</th><th>Jan, 2015</th><th>Feb, 2015</th><th>March, 2015</th></tr> </thead> <tbody> <tr> <td>Water consumption to FFB processed (m³/ MT)</td><td>0.87</td><td>1.31</td><td>1.56</td><td>1.51</td></tr> </tbody> </table>	Month	2014 Average	Jan, 2015	Feb, 2015	March, 2015	Water consumption to FFB processed (m ³ / MT)	0.87	1.31	1.56
Month	2014 Average	Jan, 2015	Feb, 2015	March, 2015									
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				A slight increasing in trend noted (normal trend for the early part of the year)								
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	Yes	Among the IPM available are: <ul style="list-style-type: none">• Beneficial plants such <i>tunera</i>, <i>antigonon</i>, <i>cassia</i> and avoid over-spraying of soft vegetation in order to provide host the natural predator for leaf-eating pest• Single layer EFB mulching and chipping & spreading of oil palm trunks during replanting to be in accordance to specs to prevent breeding ground for rhino beetles• manually uproot and chip the ganoderma infected palms and exposed it to sunlight to reduce the spread of ganoderma								
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	Latest training on IPM implementation was conducted on 17/12/2014 by EMU. It was attended by 55 field operation staff from the associated estates. The training covered mainly on establishing and maintenance of beneficial plants.								
C 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. Major Compliance	Yes	Saremas 1 – Estate Justification in SOPs on the use of Agrochemicals – established 24 th Jan, 2008 Group Manager R&D Agrochemicals (Pesticide and Herbicide) used – Registration has been established – d/d :16 th March, 2015. Safety and Health Manual – 2nd Rev, 12/12/ 2011 - Chap 7 – Handling Agriculture Chemical – Standard and Safe Operating procedure. – The concerned policy described. Agriculture Manual & Standard Operating & Standard Operating Procedure – d/d : March, 2011 SOP for safe agrochemicals usage have been established, the safety aspects and the precaution that needs to be practiced are incorporated in the respective SOPs, the following PPB SWK PLT / SSOP / (2) / 0315 reviewed – Latest Revised March, 2015 <table><tr><td>PPB SWK PLT/ SSOP(2)/0315</td><td>Spraying</td></tr><tr><td>PPB SWK PLT/ SSOP(3)/0315</td><td>Manu ring</td></tr><tr><td>PPB SWK PLT/ SSOP(4)/0315</td><td>Poisoning Palm Tree</td></tr><tr><td>PPB SWK PLT/ SSOP(6)/0315</td><td>Transportation and Handling of Chemicals, Fertilizers and Chemical Wastes.</td></tr></table>	PPB SWK PLT/ SSOP(2)/0315	Spraying	PPB SWK PLT/ SSOP(3)/0315	Manu ring	PPB SWK PLT/ SSOP(4)/0315	Poisoning Palm Tree	PPB SWK PLT/ SSOP(6)/0315	Transportation and Handling of Chemicals, Fertilizers and Chemical Wastes.
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				PPB SWK PLT/ SSOP(9)/0315	Pre- Mixing of Herbicides																				
				PPB SWK PLT/ SSOP(11)/0315	Poison Spraying																				
				PPB SWK PLT/ SSOP(12)/0315	Destroying of Palm effected with Ganoderma.																				
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. Major Compliance	Yes	<p>Saremas 1 – Estate Register of Chemical Hazardous to Health – has been established / reviewed periodically – latest review d/d: 16th March, 2015 by Competent Safety & Health Manager.</p> <p>Pesticides selected used are those officially registered under the Pesticides Act 1974 (Act 149) and in accordance with USECHH act.</p> <p>Pesticides consumption is recorded in 'Record of Monitoring of Pesticide Usage' and monitored in a monthly basis. Summary of Monthly Chemical usage - Comparison unit usage per hectare for Y2014 was verified.</p> <p>A slight increase in trend noted in the Active Ingredient (AI) usage / hectare. Pesticide consumption records are maintained since 2010. Retention period of records > 5 years</p> <table><tr><th>Pesticides</th><th>Class</th><th>MSDS</th><th>Usage</th></tr><tr><td>Glyphosate Isopropylamine</td><td>III</td><td>Ava</td><td>Herbicide</td></tr><tr><td>Dimethylamine Salt</td><td>II</td><td>Ava</td><td>Herbicide (currently not in usage, but stock available in store)</td></tr><tr><td>Metsulfuron - Methyl</td><td>IV</td><td>Ava</td><td>Herbicide</td></tr><tr><td>ICON 2.5 EC (Lambda – cyhalothrin)</td><td>III</td><td>Ava</td><td>Insecticide</td></tr></table>			Pesticides	Class	MSDS	Usage	Glyphosate Isopropylamine	III	Ava	Herbicide	Dimethylamine Salt	II	Ava	Herbicide (currently not in usage, but stock available in store)	Metsulfuron - Methyl	IV	Ava	Herbicide	ICON 2.5 EC (Lambda – cyhalothrin)	III	Ava	Insecticide
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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	Yes	<p>Saremas 1 CU continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques.</p> <p>Pesticide is used on a 'case to need' purpose.</p> <p>Pesticides consumption is recorded in 'Record of Monitoring of Pesticide Usage' and monitored in a monthly basis. Summary of Monthly Chemical usage - Comparison unit</p>																						

		industry's Best Practice.		usage per hectare for Y2014 is being monitored.'
		Major Compliance		
	4.6.4	<p>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).</p>	Yes	<p><u>Saremas 1 - Estate</u> Register of Chemical Hazardous to Health reviewed – d/d: 16th March, 2015 there is no chemical from Type 1a or 1b or listed by the Stockholm or Rotterdam Conventions is used in the Estate. Sighted policy statement by Managing Director d/d : 14/08/2007 stating no use of 'Herbicide Paraquat'</p> <p><u>Suai - Estate</u> Register of Chemical Hazardous to Health reviewed – d/d: 11th Feb, 2015 there is no chemical from Type 1a or 1b or listed by the Stockholm or Rotterdam Conventions is used in the Estate. Sighted policy statement by Managing Director d/d : 14/08/2007 stating no use of 'Herbicide Paraquat'</p> <p>Agriculture Manual – Upkeep of Immature Oil Palm – states ' Non-use of Paraquat'</p>
		Minor Compliance		
	4.6.5	<p>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</p>	Yes	<p>Pesticides handlers, mixers and sprayers were adequately trained on the handling of the pesticides (chemicals). Appropriate safety and application equipment is being provided and used. Precautions attached to the pesticides are being explained to the workers.</p> <p>Pesticide handling workers are trained based on the CU's Chemical Handling Procedure Safe Pesticide spraying procedure and PPE handling procedure.</p>

		Criterion 4.7).		
		Major Compliance		
	4.6.6	<p>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.</p> <p>Major Compliance</p>	Yes	<p>All pesticides were stored in accordance with the legal requirement as well as recommendation by manufacturer as per applicable MSDS. The stores are equipped with showers, wash area and a PPE storage area.</p> <p>Adequate 'Safety Signage' have been placed in the store.</p> <p>Triple rinsing activities was continually implemented for Empty Pesticide container. Triple rinsed container has to be pierced and stored prior disposing.</p> <p>All information regarding the chemicals and its usage, hazards, trade and generic names were available in both English & in most cases, Bahasa Malaysia and understood by workers. The MSDS / SDMS for concerned pesticides used including were available in both English and in most cases, Bahasa Malaysia.</p> <p>Relevant information of the agrochemical used by estate workers, largely via morning muster and the use of Safety Pictorial poster, were conveyed and understood by all interviewed during the spraying activities and fertilizer application. It was also verified in the training records that training in chemical handling especially to the sprayers, had been conducted with the aim of disseminating the correct information and ensuring understanding regarding the usage and hazards of the agrochemicals.</p>
	4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>Minor Compliance</p>	Yes	<p>Handling Agriculture Chemical – Standard and Safe Operating procedure. – described. SOP for safe agrochemicals usage have been established, the safety aspects and the precaution that needs to be practiced are incorporated in the respective SOPs,</p>
	4.6.8	<p>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.</p> <p>Major Compliance</p>	Yes	<p>There was no evidence of any Aerial spraying found in both estates.</p>

	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). Minor Compliance	Yes	<p>Interview during site visit with workers who handle the chemical, noted that they were regularly trained and were found to be aware of safety standards and SOPs.</p> <p>Saremas 1 CU has conduct training related to IPM Implementation. The training was conducted on 17/12/2014 who attended by Mgrs, Assistant Mgrs, Field Conductors. This training was trained by Eco-Management Unit (EMU) Department.</p>
	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). Minor Compliance	Yes	<p>Saremas 1 CU has the procedure for triple rinsing of all its empty agrochemical containers as a method of disposal. Based on interview with the workers, the procedure is fully understood by them. After triple rinsing is done, the containers will be punctured and kept in a store, which later are sent to recycling vendors. The waste water from the triple rinsing will be reused in chemical mixture.</p>
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	<p>Saremas – Estate CHRA was conducted in 9th July, 2012– JKPP HIE 127 / 171-2 (71) - Medical Surveillance recommendation for workers directly handling Pesticide ‘- Monthly internal check by MA and Yearly check by OHD Doctor.</p> <p>Medical Surveillance carried out by OHD (Reg ref: HQ /08/DOC/00/489) – Klinik Yek (DOSH Registration No: JKPP KES 127 / 669 / 1(194)) d/d : 15/12/2014. the ‘Spraying Operators’ medical surveillance report reviewed.</p> <p>Suai – Estate CHRA was conducted in 9th July, 2012 – JKPP HIE 127 / 171-2 (71) - ‘ Medical Surveillance recommendation for workers directly handling Pesticide ‘- Monthly internal check by MA and Yearly check by OHD Doctor.</p> <p>Medical Surveillance carried out by OHD (Reg ref : HQ /08/DOC/00/489) – Klinik Yek (DOSH Registration No : JKPP KES 127 / 669 / 1(194)) d/d : 15/12/2014. The following ‘Spraying Operators’ medical surveillance report reviewed.</p>
	4.6.12	No work with pesticides shall		

		be undertaken by pregnant or breast-feeding women Major Compliance	Yes	<p>Saremas 1 – Estate 26 female Sprayers Pesticides Sprayers undergo monthly medical check, with the Medical Assistant–up which includes pregnancy check. The Female Sprayers Health Record verified.</p> <p>Suai – Estate 45 female Sprayers Pesticides Sprayers undergo monthly medical check, with the Medical Assistant –up which includes pregnancy check. The Female Sprayers Health Record verified.</p>
<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	<p>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.</p> <p>Major Compliance</p>	Yes	<p>Saremas 1 – POM & Estate & Suai Occupational Health and Safety Policy – d/d : September, 2010 2015 Occupational Safety & Health Plan established Dec, 2014 by Safety & Health Officer</p> <p>Saremas 1 – POM</p> <p>Chemical Health Risk Assessment -d/d ; 9/7/2012. Chemical Exposure recommendation Report is reviewed taking into consideration the progress made in implementing the recommendation – The construction of LEV (Fume Hood) is in progress -</p> <p>Medical Surveillance Report (Use and Standard of Exposure of Chemicals Hazardous to Health Regulations 2000) – d/d 2nd Feb, 2015 (Occupational Safety and Health Clinic) Medical Surveillance carried out as per recommendation Medical records of workers sampled</p> <p>Medical Surveillance Report Recommendation report is being reviewed as to their completion status – review sighted.</p> <p>Positive Noise Exposure Monitoring (under Factories and Machinery (Noise Exposure) Regulation, 1989. Report Ref no: CK/MO/120-2002/14 d/d: 7th July, 2014.</p> <p>Recommendations provided were acted upon.</p> <p>Saremas 1 – POM Audiometry Testing Programme (under Factories and Machinery (Noise Exposure)</p>

				Regulation, 1989. Report Ref no : ATP2013042301 d/d : 23/4/2013 Hearing Conservative Programme Committee (HCP) has been formed and list of workers working in areas where the noise level is > 85 dB has been identified and informed accordingly.				
	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 properly observed and applied to the workers. Major Compliance	No	Saremas 1 – POM HIRARC has been established d/d : September, 2012 with the latest review carried out in 5/1/2014 rev : 1. – Amendment : Biogas plant commissioned in May, 2014 – Activities have been risk assessed and included in the HIRARC Latest amendment on aspects related to ‘Berkerja di Tempat Tinggi, Berkerja di Ruang Terkurung’ – reviewed. Saremas 1 & Suai Estate HIRARC has been established d/d: 1 st April, 2013 with the latest review carried out in 15/3/2015 rev : 3. Operations have been risk assessed and documented. The latest amendment on aspects related to ‘To change Risk Matrix to DOSH Format’ was reviewed. At Saremas 1 – Lorry (Reg QMX1070) which has been modified to transport workers, is being used to ferry primary school children of the workers to Sekolah Kebangsaan Suai. This operation has not undergone a proper HIRARC. The mechanism for Hazard identification, Risk Assessment and determining applicable Risk Control for ferrying school children using modified lorry transport has not been effectively carry out therefore major NCR JS01-2015 was raised				
	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	Yes	Saremas 1 – Estate Based on the HIRARC and SSOP established carried out the PPE types for the various station are identified using the ‘ PPE Protective Equipment’ The following verified : <table><tr><td>Work Station</td><td>PPE provided</td></tr><tr><td></td><td></td></tr></table>	Work Station	PPE provided		
Work Station	PPE provided							

		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. Major Compliance	<table><tr><td>Sprayers</td><td>Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron.</td></tr><tr><td>Manuring</td><td>Apron, Wellington Boots, Dust Mask</td></tr><tr><td>Harvester</td><td>Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots</td></tr></table> <p>Saremas 1 – POM</p> <p>Comprehensive Safety Related training provided The following Training reviewed. :</p> <table><tr><td>Training Type</td><td>Date</td><td>Training Provided To</td></tr><tr><td>PPE Training / Safety</td><td>26th Aug, 2014</td><td>Mill Operation workers</td></tr><tr><td>Chemical Handling Training</td><td>5th Dec , 2014</td><td>Lab Attendance</td></tr><tr><td>Fire Fighting Training</td><td>15th Sept, 2014</td><td>Mill Workers</td></tr><tr><td>Confine Space Training</td><td>11th Sept, 2014</td><td>Maintenance Workers</td></tr></table> <p>Based on the HIRARC and SSOP established carried out the PPE types for the various station are identified using the ' PPE Program' Monthly PPE check carried out by supervisor and their PPE stock replenished. The following PPE distribution verified :</p> <table><tr><td>Work Station</td><td>PPE provided</td></tr><tr><td>Loading Ramp operator</td><td>Safety Helmet, Safety Shoes, Safety Vest, Ear Plug</td></tr><tr><td>Lab Assistant</td><td>Safety Helmet, Safety Shoes, Safety Vest, Nitrile Gloves, Respirators, Face Mask, Goggles.</td></tr><tr><td>Sterilizer Operator</td><td>Safety Helmet, Safety shoes, Safety Vest, Ear, Plug, Leather hand Gloves.</td></tr></table> <p>Suai – Estate</p> <p>Based on the HIRARC and SSOP established carried out the PPE types for the various station are identified using the ' PPE Protective Equipment' are distributed based on Division The following activities were reviewed on the issuance of PPE : Chemical Spraying & Harvesting</p> <table><tr><td>Work Station</td><td>PPE provided</td></tr></table>	Sprayers	Respirator, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, Apron.	Manuring	Apron, Wellington Boots, Dust Mask	Harvester	Safety Helmet, Sickle Cover, Hand Glove. Wellington Boots	Training Type	Date	Training Provided To	PPE Training / Safety	26 th Aug, 2014	Mill Operation workers	Chemical Handling Training	5 th Dec , 2014	Lab Attendance	Fire Fighting Training	15 th Sept, 2014	Mill Workers	Confine Space Training	11 th Sept, 2014	Maintenance Workers	Work Station	PPE provided	Loading Ramp operator	Safety Helmet, Safety Shoes, Safety Vest, Ear Plug	Lab Assistant	Safety Helmet, Safety Shoes, Safety Vest, Nitrile Gloves, Respirators, Face Mask, Goggles.	Sterilizer Operator	Safety Helmet, Safety shoes, Safety Vest, Ear, Plug, Leather hand Gloves.	Work Station	PPE provided
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Sprayers	Mask, Nitrile Glove (Chemical Resistant) Goggles, Wellington Boots, and Apron. (issuance verified through PPE distribution record)							
Harvester	Safety Helmet & Sickle Cover (issuance verified through PPE distribution records)							
	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. Major Compliance	Yes	<p>Saremas 1 – Estate Safety and Health Committee organization Chart available – 23rd March, 2015. With Workers and Management representation –Interviewed - GIS Supervisor as Committee secretary.</p> <p>Quarterly Safety & Health Committee meeting held – chaired by Estate Manager, discussion on the following :</p> <ul style="list-style-type: none">i) Passing of previous minutes and arising matters.ii) Accident report (Monthly Accident statistics)iii) Estate Inspection Report <p>Verified the following Minutes: 23/3/2015, 27/11/2014, 20/08/2014, 27/05/2014 (verified held every 3 months once) – supported by slide show presentation.</p> <p>Saremas 1 – POM Safety and Health Committee organization Chart available – 10th April, 2015. With Workers and Management representation -Interviewed - Mechanical Engineer as Committee secretary.</p> <p>Quartely Safety & Health Committee meeting held – chaired by Mill Manager, discussion on the following :</p> <ul style="list-style-type: none">i) Safety Officers report.ii) Accident report (Monthly Accident statistics)iii) Mill Inspection Report (Supported photos on action to be taken – which are projected during meeting) <p>Verified the following Minutes : 16/3/2015, 22/12/2014, 26/08/2014, 27/05/2014 (verified held every 3 months once)</p> <p>Suai – Estate</p>				

				<p>Safety and Health Committee organization Chart available – 20th March, 2015. With Workers and Management representation –Interviewed – Material Management Clerk as Committee secretary.</p> <p>Quartely Safety & Health Committee meeting held – chaired by Estate Manager, discussion on the following :</p> <ul style="list-style-type: none"> j) Passing of previous minutes and arising matters. iv) Report from Clinic & Accident report (Monthly Accident statistics) v) Health, Disease and Environment Sub Committee report - Estate Inspection Report <p>Verified the following Minutes: 20/3/2015, 26/11/2014, 22/08/2014, 13/05/2014 (verified held every 3 months once) – supported by slide show presentation.</p>
	4.7.5	<p>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.</p> <p>Minor Compliance</p>	Yes	<p>Saremas 1 - POM Emergency Response Plan (ERP) – revised in 10/01/2012 The following addressed: Incident reporting, Bund Breakage, Suicide Attempt & prevention, Bush Fire, Fire Breakout in Mill, Chemical spillage, Flood, Poisoning, Workplace and Violence.</p> <p>Fire drill – A Day drill was carried out d/d: 1st April, 2015 time: 8.15 pm till 8.40 pm. The evacuation time was monitored: 3 minutes target – actual: 2min 40sec. Drill supervised by: Mill Engineer. Safety briefing provided by : Supervisor</p> <p>For 2014 – 15th Sept, 2014 – A Day fire Drill.</p> <p>The use of Permit to Work in Confined space (PTW CS) to inform external Contractors of the Safe practices and precautions to be adhered, the following verified. The use of Permit to Work (PTW) to inform external Contractors of the Safe practices and precautions to be adhered, verified.</p> <p>Suai - Estate Emergency Response Plan (ERP) – established - revised in 7th March, 2014 –ERP related to ‘ Bush Fire’ was added in The following addressed: Incident reporting, Bund Breakage, Suicide Attempt & prevention, Bush Fire, Fire Breakout in Mill, Chemical spillage, Flood, Poisoning,</p>

				<p>Workplace and Violence.</p> <p>The following fire drills were carried out</p> <ul style="list-style-type: none"> i) Fire and Emergency Drill – 24th Feb, 2015 – at Children Creech - Suai 1 ii) Fire and Emergency Drill – 25th Feb, 2015 – at Children Creech - Suai 2 iii) Fire and Emergency Drill – 24th Feb, 2015 – Workers Line - Suai 1 iv) Fire and Emergency Drill – 23rd Feb, 2015 – Workers Line - Suai 2 <p>Target evacuation time were established and actual time were followed . Drill supervised by : Sr Estate Assistant (on site commandant) Safety briefing provided by : – Sr Assistant</p> <p>Saremas 1 – POM ‘ First Aid Kit’ is maintained in 4 work station identified in ‘ Nama – nama yang mengendalikan Peti Pertolongan Cemas’ and ‘ Pelan laluan Kecemasan’ The First Kit are checked on a monthly basis and replenished, the latest check carried out on – 21st April,2015 by Medical Assistant, the following First Aid box at stations checked /verified for the content adequacy : Satisfactory</p> <p>‘First Aider training’ – d/d: 8th to 11th Dec, 2014 – Conducted by SHO – Conductors, Manddoors and Checkers.</p> <p>Suai – Estate ‘First Aid Kit’ is maintained in 42 work station identified in ‘Monthly First Aid Kit Inspection Record 2015’. The First Kit are checked on a monthly basis and replenished, the latest check carried out on – 20st April,2015 by Estate Assistant, the following First Aid box at stations checked /verified for the content adequacy : Satisfactory</p> <p>First Aiders – Training - Basic of Occupational First Aid, CPR and AED provided – d/d : 8th & 9th Dec, 2014 – Certificate sighted</p>
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	<p>Local Workers – covered by SOCSO – ‘Pertubuhan Keselamatan Sosial’ Verified through ‘ Jadual Caruman Bulanan’ Jan, Feb & March 2015.</p> <p>Foreign Workers covered by Workmen Compensation provided as per Compensation Act 1952 through policy No : KK – W0501757-WFC – Policy Period : 9th March, 2015 to 8th March, 2017- verified.</p>

	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	<p>Saremas 1 – Estate Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed.</p> <p>The following Accident instances were reviewed.</p> <ul style="list-style-type: none"> i) Accident -7th April, 2014 – Nature: Slipped harm cut on the sickle, – loss man-days – 5 days – JKKP 6 raised on the 11/04/2014. – Investigation carried out – corrective action proposed and implemented. ii) Accident – 15th Nov, 2014 – Nature : 'Tendon accidentally cut by Machete'- loss Man – Days'- 18 days – LKKP 6 raised on the 21/ 11/014 – Internal Investigation carried out – cause investigation carried out – corrective action proposed and implemented. – HIRARC on' slashing activities'updated accordingly – verified iii) Accident – 10th Oct, 2014 – Nature : Cut wound – loss Man days – 1 day – Internal investigation carried out – corrective action proposed and implemented. <p>JKKP 8 raised on 23/1/2015 – 57 Accidents recorded for 2014. – information has been forwarded to DOSH</p> <p>Weekly Cleanliness check carried out and reported by – Medical Assistant. Concerns are identified and appropriate actions initiated. The following records verified: 14/03/2015, 11/04/2015. 27/4/2015.</p> <p>Medical Surveillance Report - (VMO) Monthly Report - verified the following records: 14/12/2014, 30/11/2014, 19/10/2014, 20/09/2014.</p> <p>Saremas1 – POM Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed. Statistics Board being Maintained.</p> <p>JKKP 8 raised on 23/1/2015 – 16 Accidents recorded for 2014 - 2 accidents resulted in issuance of JKKP 6 -to date 2015 1 accident. The statistics has been forwarded to DOSCH.</p> <p>Suai – Estate Accident statistics are being maintained and periodically reviewed (quarterly basis)</p>
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				<p>during 'Health and Safety' committee meeting – minutes reviewed.</p> <p>JKKP 8 raised on 23/1/2015 – 44 Accidents recorded for 2014. – 1 accident requiring JKKP 6 – information has been forwarded to DOSH</p> <p>Weekly Cleanliness check carried out at Workers line and reported by – Estate Assistant. Concerns are identified and appropriate actions initiated. The following records verified for Division 2 verified : 6/02/2015, 13/02/2015, 21/02/2015, 4/03/2015</p> <p>Visiting Medical Officer (VMO) – Monthly Consultation and line site visit - verified the last visit took place on 22nd March, 2015</p>
<p>C 4.8</p> <p>All staff, workers, smallholders and contract workers are appropriately trained.</p>	4.8.1	<p>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.</p> <p>Major Compliance</p>	Yes	<p><u>All Auditors</u></p> <p>Saremas 1 – POM (Safety related Training) 2015 – Training Schedule sighted – Approved by Mill Manager The following training reviewed :</p> <ul style="list-style-type: none"> i) 'Safety related Training – d/d : 11th Jan, 2014 – Internally Conducted by Mill Engineer for all relevant workers – sighted training records ii) 'RSPO SCCS' – d/d : 14/1/2014 – Internally conducted by CSR Sabah – Weigh bridge controller, Mill Engineer, Document Controller – sighted training records. iii) Confine Space – d/d : 11th Sept, 2014 – Conducted by Mill Engineer – For Workshop & Biogas operators, Lab assistant – sighted training records.. iv) 'Boiler Shutdown' – d/d : 19th July, 2014 - Conducted by Mill Engineer - attended by Boiler operator, Supervisor and Mandoor – Sighted records. <p>Saremas 1 – Estate (Safety related Training) 2014 – Training Schedule d/d : 14/02/2014 sighted – Approved by Estate Manager. The following Training Reviewed :</p> <ul style="list-style-type: none"> i) 'SSOP for Harvesting' – d/d : 16/4/2014 – Internally Conducted by Management for all relevant workers – sighted training records ii) 'Safety & Cleanliness of Crèche' – d/d : 14/4/2014 – Internally conducted by Medical Assistant for 'Crèche Ayyahs & Parents' – sighted training records. iii) 'Accident Investigation & Reporting' – d/d : 11 - 12/ 03/2014 – Conducted by

				<p>GISM – attended by Assistant Managers – Pending Certificate. 'SSOP for Slashing' – d/d :6/ 05/2013 - Conducted by ESH officer attended by Slashing Workers. – Sighted records</p> <p>Suai – Estate (Safety related Training) 2015 – Training Schedule has been established with specific 'objectives' to be attained – Approved by Sr Estate Manager</p> <p>j) 'Training on SSOP on safety and Emergency' – d/d : 23rd February, 2015 – Internally Conducted by Sr Assistant for Manu ring and Spraying operators – sighted training records</p> <p>v) 'Safety Briefing on Risk' – d/d : 19th March, 2015 – Internally conducted by Sr Assistant – Manu ring and Spraying operators – sighted training records.</p> <p>vi) ' First Aider training' – d/d : 8th to 11th Dec,2014 – Conducted by SHO – Conductors, Mandoors and Checkers – sighted training records..</p> <p>vii) 'Safe working practices' – d/d : 17th March, 2015 - Conducted by Asst Managers - attended by Harvester – Sighted records.</p>				
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	No	<p>Saremas 1 – Estate</p> <p>The following Training records reviewed in Saremas 1 Estate, have not been updated in a timely manner as below;</p> <table><tr><th>Training Type</th><th>Training Record Update Status</th></tr><tr><td>'Integrated Pest Management' – d/d: 17th Dec,2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.</td><td>Staff individual Training Records not updated in a timely manner.</td></tr></table> <p>Saremas 1 – POM</p>	Training Type	Training Record Update Status	'Integrated Pest Management' – d/d: 17 th Dec,2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.	Staff individual Training Records not updated in a timely manner.
Training Type	Training Record Update Status							
'Integrated Pest Management' – d/d: 17 th Dec,2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.	Staff individual Training Records not updated in a timely manner.							

				<p>Individual Training records maintained for each employee The records reviewed, which have been updated accordingly</p> <p>Suai - Estate</p> <p>Individual Training records maintained for each employee has not been updated accordingly :</p> <p>The following records reviewed :</p> <table border="1"><tr><th>Designation</th><th>Training Record Update Status</th></tr><tr><td>'First Aider training' – d/d: 8th to 11th Dec,2014 – Conducted by SHO – for Conductors, Mandoors and Checkers.</td><td>Staff individual Training Records not updated in a timely manner.</td></tr><tr><td>'Safe working practices' – d/d: 17th March, 2015 - Conducted by Asst Managers - attended by Harvester.</td><td>Updated Training records accordingly.</td></tr></table> <p>The mechanism for Capturing and Recording Training undergone by each employee is not effective. Therefore minor NCR JS02-2015 was raised</p> <p><u>Saremas 1 Estate:</u> Training records were available for spraying and manuring gangs. Last training conducted for spraying was on 12/11/2014 and 16/3/2015 for manuring.</p> <p><u>Suai Estate:</u> Training records were available for spraying and manuring gangs. Last training conducted for spraying was on 23/2/2015 and 20/10/2014 for manuring.</p>	Designation	Training Record Update Status	'First Aider training' – d/d: 8 th to 11 th Dec,2014 – Conducted by SHO – for Conductors, Mandoors and Checkers.	Staff individual Training Records not updated in a timely manner.	'Safe working practices' – d/d: 17 th March, 2015 - Conducted by Asst Managers - attended by Harvester.	Updated Training records accordingly.
Designation	Training Record Update Status									
'First Aider training' – d/d: 8 th to 11 th Dec,2014 – Conducted by SHO – for Conductors, Mandoors and Checkers.	Staff individual Training Records not updated in a timely manner.									
'Safe working practices' – d/d: 17 th March, 2015 - Conducted by Asst Managers - attended by Harvester.	Updated Training records accordingly.									

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are 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. Major Compliance	Yes	<p><u>Saremas 1 Palm Oil Mill</u></p> <p>Method of identification of environmental aspect and impact was done by using "Identification of EAI & Evaluation of Significance form, guided by Environmental Management System Procedures. This was last reviewed on early 2015 Mill Manager</p> <p>The mitigation measures are documented in "Significant EAI Mitigation Methods. Among the environmental aspects identified by the mill are:</p> <p><u>Air pollution:</u></p> <p><u>Boiler Operation</u></p> <ol style="list-style-type: none"> 1) Dark smoke from boiler. Mitigation: proper usage of burning fuel i.e. shell & fibre, boiler preventive maintenance. During the assessment, it was found that the dark smoke emission of boiler's chimney had exceeded the regulated limit in several times. The mill has identified and established an action plan which included, even distribution of burning fuels into the furnace, reduce the usage of wet shell, install roofing to prevent fibre get wet from rain water and regular maintenance, checking and cleaning of the smoke density meter. <ol style="list-style-type: none"> a) Smoke Density Meter – Serial Number : V 97140102200 – Cal Date 5th Nov, 2014 Due Date : 28th April, 2015 b) Smoke Density Meter – Serial Number : V 97130821098 – Cal Date 28th Oct, 2014 Due Date : 4th May, 2015 2) Smoke from generator set. Mitigation: preventive maintenance on engine room 3) GHG emission from ETP. Mitigation: Saremas I POM has constructed and commissioned a bio-gas plant which is operational. <p><u>Water pollution:</u></p> <ol style="list-style-type: none"> 1) Scheduled wastes generation from accidental spillage like machinery 2) Leachate from EFB stockyard. Mitigation: construction of bund (retention wall). 3) Waste water discharge from ETP <p><u>Soil contamination:</u></p> <p>Scheduled wastes generation – Mitigation: to be handled in accordance with EQA Scheduled Wastes regulations.</p> <p>The following Schedule Waste being generated and disposed :</p>

				<p>SW 305, SW 408, SW 410, SW 102, SW 417 The following Consignment Note for Schedule waste reviewed :</p> <ul style="list-style-type: none"> No. F 04850 – SW 305 – d/d : 14th April, 2015 No. F 04719 – SW 202 – d/d : 14th Sept, 2015 <p><u>Saremas 1 and Suai Estate</u> Method of identification of environmental aspect and impact was done by using "Identification of EAI & Evaluation of Significance form [PPB SWK PLT/EAI/(07)/0315]". This was last reviewed on 2/3/2015, which included the new building of water treatment plants and replanting activity. The mitigation measures are documented in "Significant EAI Mitigation Methods [PPB SWK PLT/EAI MIT/(07)0315]"</p> <p><u>Environmental aspect and impact identified and mitigation measures:</u></p> <ul style="list-style-type: none"> Leachate from application of EFB – avoid application near to water course which guided by SSOP EFB Mulching, Clause 5.1.8 – not to apply EFB close to water course. Soil erosion from replanting activity – terracing & platforms, cover cropping, sensible scheduling of development activities, conservation of riparian vegetation and conservation of water catchment area. The mitigations were guided by the Environmental Management Plan – Proposed Replanting of Saremas Oil Palm Plantation on Lots 1, 3 and 4, Sawai land District, Miri Division, Sarawak [NREB/6-1/2H/118, dated December 2010, Clause 5.3.1. Potential spillage from generator servicing & maintenance and machinery maintenance – Pollution Prevention Plan, 2008 which includes the utilization of spill kits, oil trap. <p>Pollutants to land from solid waste – recycle program, secure landfill (guideline of landfill) and pollution prevention plan.</p>
	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	Yes	<p>No identified impacts required change of the current practice for both mill and estates. Nonetheless, mitigation measures are developed in order to minimise the negative impacts. Among the mitigation measures developed were SOP, working instructions and engineering controls.</p>

		person/persons. Minor Compliance		
	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. Minor Compliance	Yes	Not applicable. No identified impact that requires changes in current practice.
C 5.2 The status of rare, threatened or endangered species 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). Major Compliance	Yes	<p>The HCVF Scoping Assessment of S1 CU, prepared by Envirollogic Consultants Sdn Bhd. on July 2008, had covered all the HCV on ERTs species within the residual forested areas of the estates including its management and action plan. This 3rd surveillance audit was sampled on Suai Estate only. There is only HCV4 area identified in Suai Estate, which is the river buffer zone along Sg Lamaus, Sg Sebanah and Sg Sawai. (Suai Estate – HCV dated September 2008)</p> <p>The auditor had verified that the S1 CU had identified, maintained and monitored the HCV4. It had conserved 97.14 ha of riparian zone area that provide basic services of nature water flow control as mention in indicators 4.4.1. The HCV map was also made available.</p> <p>Based on the HCVF Scoping Assessment, the status of ERTs in Saremas 1 CU was assessed. A total of 41 mammals and 36 bird species were noted found in the areas within Suai Estates and its adjacent land area. However there were only two mammals, Slow Loris (<i>Nycticebus coucang</i>) and Western Tarsier (<i>Tarsius bancanus</i>) and four species of birds; Cattle Egret, Reef Egret, Grey Imperial Pigeon and Black Hornbill identified as “Totally Protected” under the Sarawak Wild Life Protection Ordinance 1998</p>

				<p>(chap 26). The Saremas 1 CU had placed a camera trap to monitor these animals to improve the management plan.</p> <p>It was noted there was about 404.29 ha was identified as Native Settlement in Saremas 1 CU. During the audit it was found the Suai Estate had provide about 2.45 ha burial site for local communities, including Orang Iban and Christians. However this burial site was not declared as HCV area since the management decides as CSR to communities</p> <p>Saremas 1 CU has co-operated with researchers from Universiti Malaysia Sarawak (UNIMAS) in order to improve their monitoring effort on the living flora and fauna especially on the endangered, rare and threatened species within the oil palm plantation and forested area (Bukit Durang Conservation Area located within Saremas 2 Estate and Segarmas Estate) by doing wildlife survey of terrestrial mammals and birds using camera trapping method from November 2013 to January 2014. Based on the survey progress report dated on 24/02/2014, report revealed that 24 species were identified.</p> <p>14 out of 24 species recorded were protected and listed in the Wild Life Protection Ordinance 1998. They were also found Sun Bear (<i>Helarctos malayanus</i>) which was listed in Appendix I of CITES, and 3 species which were listed in Appendix II of CITES; Water monitor (<i>Varanus salvator</i>), Banded Palm Civet (<i>Hemigalus derbyanus</i>) and Pangolin (<i>Manis javanica</i>)</p>
	5.2.2	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	<p>The responsible officer of the HCV will further discuss and clarify with researchers from UNIMAS at the end of March 2014 on their finding especially for the four species listed in CITES before included those species in their HCV management and action plan for monitoring and protecting those species. He also plans to get assistance from Sarawak Forest Corporation (SFC) to train his HCV patrol staffs.</p> <p>Saremas 1 Estate and Suai Estate have listed their HCV monitoring and management action plan for 2015 with the collaboration project with UNIMAS on the baseline inventory and wildlife identification and monitoring.</p> <p>It was noted 40 staff including 10 persons from nearby long houses was appointed as qualified Wildlife Honorary Ranger since 18 March 2015. The effort of being ranger shows Saremas 1 CU commitment for conservation was evident.</p>
	5.2.3	There shall be a programme to regularly educate the workforce about the status of	Yes	<p>Programme to regularly educate the workforce about the status of these ERTs species, and appropriate disciplinary measures was instituted in accordance with company rules</p>

		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.		and national law if any individual working for the company is found to capture, harm, collect or kill these species. Yearly Work Plan 2015 for Saremas 1 CU, including POM was made available during the audit. The effectiveness of this programme will be verified during the next surveillance audit.
		Minor Compliance		
	5.2.4	<p>Where an action plan has been created there shall be ongoing monitoring:</p> <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. 		<p>An Action plan for year 2015 was produced and on-going monitoring and awareness activities were conducted by monthly basis at Saremas 1 CU as below;</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that affected by Saremas 1 estate was documented and reported. • Erecting pegs to mark the HVC area and boundaries (on Dec 2014) • Setting up camera traps as part of monitoring ERTs in conservation area • Monitoring to ensure no encroachment • Awareness training on ERTs & flora, socialization an buffer zone (on 31 March 2015) • Riparian monitoring and rehabilitation continuously • Collaboration project with University of Malaysia Sarawak (since 15 Feb 2014) • Honorary ranger training by SFC on 6-8 May 2014 • Planting of flood prone or riparian species alongside rivers with Kelempayan trees • Repainting or clearing ferns around marked buffer zone • Monitoring by field conductor, latest records on 30.1.2015 and 27.2.2015; <ul style="list-style-type: none"> ○ Riparian zone at Sg Lamaus ○ Boundary with Kampung Ampau and Clarence ○ Map of monitoring ○ Replacing broken HCVs signboard <p>Series of reports were produced after the collaboration such as;</p> <ul style="list-style-type: none"> • Report of Amphibians Recorded at Saremas Oil Palm Plantation
		Minor Compliance		

				<ul style="list-style-type: none"> • Checklist of Anurans at Bukit Durang, Saremas Oil Palm Plantation • Floristic Composition of Saremas 1 HCV Forest • Report on Wildlife Survey of Terrestrial Mammals and Birds in Saremas
	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. Minor Compliance	Yes	There is no HVC area set-asides with existing right of local communities. Therefore this indicator not applicable at Saremas 1 CU.
C 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. Major Compliance	Yes	Identification of wastes was done and mitigation plan had been established thereafter. This had been documented in the company's "Pollution Prevention Plan (Waste Identification and Mitigation Plan)". Among the wastes products identified were domestic waste from household, scrap iron, empty chemical containers, scheduled wastes and mill wastes such as boiler ash, POME, EFB, fibre & shell, decanter cake, etc.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	All empty chemical containers were triple rinsed & punctured and sent to recycle vendor. Since the last assessment, Saremas 1 Estate has delivered 1,640 kg of empty chemical containers for recycling in one consignment on 14/2/2015 while Suai Estate had sent 1,770 pieces to the same vendor.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	No	Among the disposal plan established and implemented were application of mill wastes as fertiliser, sending the recyclable wastes to recycling centres and disposal of scheduled wastes through authorised vendors. However, the method of handling domestic wastes landfill at Saremas 1 Estate (located next to the mill's Anaerobic Pond #1, was not in accordance to the estate's referred guideline [Guidelines for Landfill Establishment for Domestic Wastes in PPBOP Sarawak Operations (Trench with sandwich cover method)]. It was observed that the solid wastes were spread on the open ground and covered by soils which were taken from other places. Therefore, NCR VS01/2015 was assigned.

C 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. Minor Compliance	No	<u>Saremas 1 and Suai Estate</u> There was no evidence that a plan to improve the efficiency of fossil fuel usage. Therefore NCR VS02/2015 was assigned.
C 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</i> ' 2003. Major Compliance	Yes	Based on the visit at the replanting area, it is confirmed that there was no evidence of open burning found.
	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</i> ' 2003. Minor Compliance	Yes	Not applicable.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that	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	The assessment of all polluting activities had been conducted through Environmental Impact Assessment and Environmental Aspect & Impact Evaluation (see Indicator 5.1.1). The environmental aspects for air pollution have been identified and mitigation measure/management plan has been established thereafter. Nonetheless, the assessment can be further improved by including the GHG emission from the mill and estates activities.

<p>these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and</p>				
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monitored.				
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	Although the GHG emission has yet to be included in the CU's Environmental Aspect and Impact Evaluation, the Saremas 1 POM had already had its a bio-gas plant. Methane gas from the ETP pond was captured and used at the bio-gas plant. This reduces the emission of GHG to the environment. Significant pollutants and greenhouse gas (GHG) emissions are being identified, and plans to reduce or minimise them are in place and being monitored.
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	Yes	Saremas 1 CU has been using the RSPO's PalmGHG calculator for calculating its GHG emission. The CU has also submitted its calculation report to RSPO Secretariat for review by the Emission Reduction Working Group (ERWG).

Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	SIA Assessment Report for Saremas 1 CU entitled "Scoping SIA Saremas 1 and 2, Segarmas and Kaminsky Estates" was prepared in 2008 is still the basis for managing social issues in the Saremas 1 CU. The report was prepared with the participation of the relevant stakeholders, such as the estate workers and the neighbouring long-house communities; Rumah Brian, Rumah Golan & Rumah Tapu. It was conducted on 10/6/2008 by Independent Sustainability Advisor. The issues raised by local communities include use of lands within the estates, FFB pricing, transportation for school children, work opportunities and tanks for water storage. The workers, on the other hand, raised concerns on the housing conditions,

and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				conditions of the crèche, drainage systems and trained and qualified medical officer. The estates and mills are constantly monitoring the housing conditions and making the necessary upkeep and maintenance works upon requests by the workers. Qualified medical officers have already been employed by the estates.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The representatives from five long-house communities were participated in the assessment. The inputs from the participants were incorporated in the 'Action Plan for Social Impact Assessment 2014-2015'.
	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. Major Compliance	Yes	A number of stakeholders' consultations were held by the CU to gather inputs in the process of reviewing and updating the Action Plan for Social Impact Assessment 2014-2015. Meetings were held with canteen operators, contractors, suppliers on 4/3/2015 (JCC-PS Committee); with smallholders from long houses on 31/3/2015 (CBDC Committee) and workers (Social and Welfare Committee) on 8/4/2015. Action Plan for Social Impact Assessment 2014-2015 for Saremas 1 CU was established as listed below: i) Conduct meeting to determine the actual grouses on FFB sale to the mills and engage Orion Fresh to facilitate FFB purchase. ii) Conduct meeting to determine the actual grouses on the transport for the school children. iii) Explained on the company recruitment policy do not discriminate, transparent and fair. iv) Explain on the water piping v) Monitored the drainage system at labor line. vi) Introduction of company controlled items (foods & provisions sold at canteen) vii) Monitor the drinking water issue
	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	Yes	Saremas 1 CU was reviewed the action plan on yearly basis, the latest reviewed on 8/4/2015.

		includes the participation of affected parties Minor Compliance		
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). Minor Compliance	Yes	Not applicable for Saremas 1 CU.
C 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. Major Compliance	Yes	Document No: RSPO 6.2 – Consultation and Communication Procedure was established and prepared by the RSPO Unit of PPB Oil Palms Bhd. This procedure used by the CU in handling internal and external communications. The CU used internal communication techniques, such as daily assemblies, internal circulars and memos, notice board and posters, suggestions boxes and complaint forms. External communication has been effected mainly through mail correspondence, Public Information Request (PIR), complaint and grievances form and requisition form. Also, the CU has started to use the JCC-PS and CBDC meetings to serve as a forum to discuss issues of interest to the estates, local government agencies and local communities (long houses). In general, the CU was followed the procedure in responding to internal and external communications.
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	Yes	As spelled out in the communications procedure, the estate manager is the person appointed to handle communication matters. Saremas 1 POM, Mill Manager and Chief Clerk have been appointed on 6 March 2014, for Saremas 1, Sr Manager and Chief Clerk, and Suai Estate, Sr. Manager had been appointed, dated 02 January 2013 as the officer in-charge of communication.
	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	No	The estates/mill maintained stakeholder lists which comprised of government agencies, contractors/suppliers (including FFB suppliers for mills), neighbouring estates and local communities. Saremas 1 CU established and updated list of stakeholders on March 2015, for

		<p>parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>		<p>example, 125 materials suppliers, 8 FFB Suppliers (Own Estate), 58 FFB suppliers (Small holders), 13 local communities (long house), 10 transporters, 20 government agencies, 3 schools, 9 buyers, 15 contractors, 3 insurance companies, 3 recruiters for Indonesian worker, 6 neighbouring estates (BLD POM, BLD Plantations Sdn Bhd, Gayanis Peringkat 1 – 4: owned by KTS, etc.), 1 services supplier, 5 scheduled waste companies, and 5 panel doctors were listed in the stakeholders list. There were some changes on stakeholders list until March 2015.</p> <p>Evidence of communications with outside and inside stakeholders had been found in the various communication files kept by the estate/mill. Files on external communication were kept according to the agencies or parties communicated, for examples, Department of Environment dated 17/2/2015 and Department of Safety and Health dated 3/3/2015. In addition, minutes of the various meetings held with internal and external stakeholders were kept for records and reference.</p> <p>The meeting with smallholders/committee from long houses was held on 31/3/2015, however during consultation with representative from Long House Tapu at Saremas 1 CU, the issue on the acknowledgement for previous minute of meetings was raised. The Saremas 1 CU did not communicate on the confirmation of receipt for the previous minutes of meeting to the committee members (committee from long house). Therefore NCR MH02- 2015 was raised.</p>
<p>C 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>	6.3.1	<p>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.</p> <p>Major Compliance</p>	Yes	<p>In the event of a dispute, the CU will manage it through the “Whistle Blowing Policy” which was issued on 22/4/2013 (Version 1) and “Dispute and Grievances Procedure” (Document PPB/RSPO 6.3(2.2)/(1)) which was issued on 22 August 2013 (Revision No: 0). The procedure starts with the receipt of complaint from any party, its investigation, proposed solutions and acceptance of the solutions or otherwise. If the proposed solution was rejected, the dispute will be brought for third party arbitration. Grievance or dissatisfaction and request for services on the part of the employees can be conveyed through the “Borang Aduan (Complaints Form)”- Document RSPO/C6.3(01)/0111 and the “Borang Permohonan (Request Form)”- Document RSPO/C6.2(00)/0611.</p>
	6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	Yes	<p>No issue of dispute since 2013 until March 2015.</p>

<p>C 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.</p>	6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	Yes	<p>In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" which was adopted in November 2008. Essentially, the procedure described how to check for legal status of the lands in question and laid out the criteria in deciding who should be compensated and the amount of compensation.</p>
	6.4.2	<p>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.</p> <p>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.</p> <p>Minor Compliance</p>	Yes	<p>Based on this audit, there are issues raised by Iban and Penan communities who were ask for compensation from the CU for trespassing on their land. However the process for land claim from Iban and Penan communities is in the progress and they were take an action beyond the law. The land claim process were still in the early process and the task form committee has yet to be developed.</p>
	6.4.3	<p>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.</p>	Yes	<p>There are land claims raised by the Penan communities (Jambatan Suai) and Iban Communities (Ulu Niah). There are still waiting for replying from the communities to cause of action. The flow/progress of the compensation claim raised were according to the procedure. Refer to indicator 2.2</p>

		Major Compliance		
C 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. Major Compliance	Yes	<p>A sample on contracts of employment both for foreign and local workers were examined at the Saremas 1 CU.</p> <p>It is a legal requirement for such contracts to be in written form. (Rule 2 of Labour Rules (Sarawak) 2005). The contract states the wage rate, work days, overtime, annual leave, public holidays and contributions to SOCSO for local workers, among others.</p> <p>The pay slips of a few workers were also seen at each estate/mill and each one was found to show correctly their monthly earnings. The monthly pay also conformed to the requirements of the Minimum Wages Order 2012 which specify that the basic pay should not be less than RM800.00 per month or RM30.77 per day had been verified by auditor.</p>
	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 by a management official. Major Compliance		The employment contract and pay slips are in both English and Bahasa. The CU also take an additional efforts to explained it to the workers although it both in English and Bahasa. A sample of employment contract for local worker stated the working hours, employee provident fund, annual leave, medical benefits and sick leave, insurance scheme, retirement, and etc.
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical,educational and	Yes	The CU established its policies on housing, water and electricity supply. Religious, medical, educational and child care facilities are also offered to workers. Housing inspections are carried out on weekly basis by members of the health and safety

		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). Minor Compliance		committee as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). The latest housing inspection at Saremas 1 POM were conducted on 22/4/2015. Their reports are presented to the main committee for information and actions, if necessary. Visits made to the line sites at Saremas 1 POM, Suai Estate and Saremas 1 Estate show that the houses and their environment are in respectable conditions.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	Yes	The CU has made efforts to monitor on their canteen operators through the meeting. The latest JCC Meeting - Public Stakeholder for Canteen Operator was conducted on 8/4/2015 to discuss on the price, GST and check clearing rate. All the canteen operator for Saremas 1 attended the meeting.
C 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	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	The published statement was established and approved by AGM- Sarawak Operations. An official published statement in Bahasa Melayu and languages understood by the workers recognizing freedom of association was made available and being exhibited in public places at all estates/mill. The statement reads, among others, that the workers are allowed to join any registered organizations or associations and also foreign workers are not allowed to hold any positions in the organizations or associations. The workers are not unionised and will be informed on freedom of association during signing of employment contract. The workers' representatives have been appointed as members of the Joint Consultative Council and the Social and Welfare Committee in the estates. Both the committees meet quite regularly. The workers whom were consulted had confirmed that they were aware of their rights to join a union. For example, <u>Saremas 1 POM</u> 1) Social & welfare Committee – Once in 4 month (13/4/2015, 13/9/2014, 12/6/2014, 11/3/2014) 2) Women & Children Committee – Once in 4 months (24/4/2015, 19/9/2014,

free association and bargaining for all such personnel.				<p>20/6/2014 and 20/3/2014)</p> <p><u>Suai Estate</u></p> <ol style="list-style-type: none"> 1) Social & welfare Committee – (23/3/15, 14/8/14, 26/2/14) 2) Women & Children Committee – (25/3/15, 17/12/14, 17/10/14, 11/7/14, and 14/4/15) <p><u>Saremas 1 Estate</u></p> <ol style="list-style-type: none"> 1) Social & welfare Committee – (15/4/15, 20/2/14) 2) Women & Children Committee – (10/4/15, 20/3/14)
	6.6.2	<p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	Yes	<p>The minutes of meetings were available during this audit.</p> <p><u>Saremas 1 POM</u></p> <ol style="list-style-type: none"> 1) Social & welfare Committee – Once in 4 month (13/4/2015, 13/9/2015, 12/6/2015, 11/3/2015) – Agenda: Issue at Linesite, Safety & Health, Others. 2) Women & Children Committee – Once in 4 months (24/4/2015, 19/9/2014, 20/6/2014 and 20/3/2014) – Agenda: Awareness on Sexual harassment/reproductive, child abuse, RSPO Awareness and Others. <p><u>Suai Estate</u></p> <ol style="list-style-type: none"> 1. Social & welfare Committee – (23/3/15, 14/8/14, 26/2/14) – Agenda: Issue at Linesite, Safety & Health, Others. 2. Women & Children Committee – (25/3/15, 17/12/14, 17/10/14, 11/7/14, and 14/4/15) - Agenda: Awareness on Sexual harassment/reproductive, child abuse, RSPO Awareness and Others. <p><u>Saremas 1 Estate</u></p> <ol style="list-style-type: none"> 1) Social & welfare Committee – (15/4/15, 20/2/14) – Agenda: Issue at Linesite, Safety & Health, Others. 2) Women & Children Committee – (10/4/15, 20/3/14) - Agenda: Awareness on Sexual harassment/reproductive, child abuse, RSPO Awareness and Others.

C 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	<p>The child labour policy (September 2010) is publicly available at the visited estates and mill. The policy statements emphasise on child under 18 years must not be employed to work in hazardous jobs. This policy is posted on notice boards for the understanding of the public and workers.</p> <p>Verification through employment card and copies of passports of foreign workers as at March 2015 for the Saremas 1 POM with total of workers about 98 (72 foreigner and 26 local) and for Suai Estate with total of workers about 541 confirmed that there was no record of persons under age of eighteen, the minimum working age under Malaysian Labor Laws (Am. Act A238).</p>
C 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. Major Compliance	Yes	The equal opportunity policy (September 2010) is publicly available at the visited estates and mill. The policy statements emphasise on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards for the understanding of the public and workers.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	The terms of employment, work assignments, housing policy and other requirements have not been found to be discriminatory. Interviews with workers at the Saremas 1 POM, Suai Estate and Saremas 1 Estate revealed that the CU has not discriminated its staffs and workers. Migrant workers receive similar pay rate, stay in the same house, and enjoy similar medical benefits as their local counterparts.
	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 the jobs available. Minor Compliance	No	The recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available at Saremas 1 CU was not evident. Therefore NCR MH03 -2015 was raised.

C 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. Major Compliance	Yes	A policy named Sexual Harassment, Violence and Abuse, Reproductive Rights Policy dated June 2014 was available during the audit. The Saremas 1 CU was displayed the policy at notice board in the office. The briefing on sexual harassment at workplace and reproductive right was discussed during the Women & Children Committee Meeting. The minutes of meetings were verified.
	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. Major Compliance	Yes	A policy named Sexual Harassment, Violence and Abuse, Reproductive Rights Policy dated June 2014 was available during the audit. The Saremas 1 CU was displayed the policy at notice board in the office. The briefing on sexual harassment at workplace and reproductive right was discussed during the Women & Children Committee Meeting. The minutes of meetings were verified.
	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. Minor Compliance	No	A specific grievance mechanism which respects anonymity and protects complainants where requested has yet to be established, implemented, and communicated to all levels of the workforce at Saremas 1 CU. Therefore NCR MH04-2015 was raised.
C 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. Minor Compliance	Yes	Saremas 1 POM displaying current and past FFB prices at notice board near to weighbridge.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and	Yes	Saremas 1 POM has publicly displayed FFB pricing mechanism at the notice board. Their smallholders (local community) can refer to the notice board if they query on the

		pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance		FFB price. Based on CBDC meeting minute, smallholders were satisfied with offered FFB price from Saremas 1 Mill. During interviewing with the contractors, they have kept the contract agreement which stated pricing mechanisms, job specifications and payment systems.
	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. Minor Compliance	Yes	The interviewed contractors for Saremas 1 CU understand the stated pricing mechanisms, job specifications and payment systems. These contracts are written in the English language. They are legal as both parties have put their signatures.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Based on interview with contractors from Saremas 1 Mill, Saremas 1 Estate, they told auditor that any payments to supplier and contractor were made in a timely manner which is from 20 th – 25 th monthly. If the payment cannot be paid as agreed, the estate and mill clerk will inform them first. Tuai Rumah Tapu long houses has informed the auditors that smallholders from their long house communities will received payment of FFB by cheque at the end of month if they have send their FFB to Saremas mill. The cheque payment method was followed Saremas CU's payment procedure (SOP).
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Yes	The CU had played some roles in the socio-economic development of the local long-house communities. The Saremas CU had provided some employment, medical services, school buses, roads, water tanks and oil palm seedlings to the these communities. In addition, the estates had also given advisory services on the plantation and management of oil palm crops. Example: Saremas 1 CU has employed local people from long house: 1) Employed 18 local people from long houses (Suai Estate) 2) Employed 69 local people from long house (Saremas 1 Estate) Saremas 1 Estate also has contributed which focusing on the local facilities: 1) Donation for Gawai Festival Celebration for 2014 2) Donation for Fire victim at longhouse (Rumah Akai)

				3) Donation of HDPE Water Tanks to Local Community (Rumah Tapu) 4) Offer pre-school (kindergarten) educations 5) Provide school bus (transport). 6) Maintenance of access road at the estate and local communities area from their house (main road) to their farm/palm oil estate. 7) Selling oil palm seedlings at subsidized rate and provide agriculture advosiry (training & site visit) 8) Buy their FFB on cash term basis payable twice a month at comparable price. 9) Conduct motivation talk 10) Conduct computer courses to local school children. 11) Provide training attachment 12) Provide IPAS Training Sponsorship 13) Free charge for using company's tractor during burial event
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	Yes	Saremas 1 CU has make an efforts to improve smallholder productivity by providing agriculture advisory; trainings and also carry out site visit.
C 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. Major Compliance	Yes	Saremas 1 CU has established policy named "No Deforestation, No Peat, No Exploitation Policy" dated 5 th December 2013. The policy was explained well on the child labour, forced and bonded labour.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	At Saremas 1 CU, noted that no contract substitution occurred. The activity or operation at the estate was done by their own workers. Verified the master list of workers at Suai Estate shown that the total number of workers are 571 (Local 30, foreigner 541) and all of them are legalise.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be	No	A special labour policy and procedure have yet to be established and implemented. Therefore NCR MH05-2015 was raised

		established and implemented. Major Compliance		
C 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 Criteria 1.2 and 2.1). Major Compliance	Yes	Saremas 1 CU has established Human Right Policy dated June 2014. Suai Estate has been communicated to all levels of workforce and operations on 6 th March 2015. The policy that has been translated to Bahasa Malaysia was displayed on the notice board at muster ground.
	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. Minor Compliance	Yes	Saremas 1 CU has provided a school named Community Learning Centre (CLC) to the workers children. The CLC was managed by management of Saremas 1 Estate. Saremas 1 CU has been provided busses for the transportation of the children going to the CLC.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

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

Clause	Indicators		Comply Yes/No	Findings
C 7.1 A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or	7.1.1	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. Major Compliance	N/A	Not applicable

operations, or expanding existing ones, and the results incorporated into planning, management and operations.	7.1.2	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. Minor Compliance	N/A	Not applicable
	7.1.3	Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. Minor Compliance	N/A	Not applicable
C 7.2 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations	7.2.1	Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. Major Compliance	N/A	Not applicable
	7.2.2	Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. Minor Compliance	N/A	Not applicable
C 7.3 New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or	7.3.1	There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be	N/A	Not applicable

more High Conservation Values		planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). Major Compliance		
	7.3.2	A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. Major Compliance	N/A	Not applicable
	7.3.3	Dates of land preparation and commencement shall be recorded Minor Compliance	N/A	Not applicable
	7.3.4	An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2). Major Compliance	N/A	Not applicable
	7.3.5	Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from	N/A	Not applicable

		proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). Minor Compliance		
C 7.4 Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided.	7.4.1	Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided. All new plantings should not be cultivated on land more than 300m above sea level unless specified by local legislation. Minor Compliance	N/A	Not applicable
	7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. Major Compliance	N/A	Not applicable
C 7.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with	7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed by these local peoples.	N/A	Not applicable

through a documented system that enables these and other stakeholders to express their views through their own representative institutions.		Major Compliance		
C 7.6 Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.	7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. Major Compliance	N/A	Not applicable
	7.6.2	A system for identifying people entitled to compensation shall be in place. Major Compliance	N/A	Not applicable
	7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. Major Compliance	N/A	Not applicable
	7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. Minor Compliance	N/A	Not applicable
	7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. Minor Compliance	N/A	Not applicable
	7.6.6	Evidence shall be available that the company has made adequate efforts to enable	N/A	Not applicable

		affected communities and rights holders to have access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. Minor Compliance		
C 7.7 No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.	7.7.1	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</i> ' 2003, or comparable guidelines in other regions. Major Compliance	N/A	Not applicable
	7.7.2	In exceptional cases where fire has to be used for preparing land for planting, 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</i> ' 2003, or comparable guidelines in other regions. Minor Compliance	N/A	Not applicable
C 7.8 <i>Preamble</i> New plantation developments are designed to minimize net	7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be	N/A	Not applicable

greenhouse gas emissions.		identified and estimated. Major Compliance		
	7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. Minor Compliance	N/A	Not applicable

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

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable 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.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <p>Major Compliance</p> <ul style="list-style-type: none"> a) Reduction in use of pesticides(Criterion 4.6); b) Environmental impacts (Criteria 4.3, 5.1 and 5.2); c) Waste reduction (Criterion 5.3); d) Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); e) Social impacts (Criterion 6.1); f) Encourage optimising the yield of the supply base 	Yes	<p>An Aspect and Impact assessment has been carried out, identifying the significant Environmental Impacts. Pollution Identification Environmental improvement action plan' has been established and is being monitored. It consist of a general Time table with the identification of the necessary function responsible. Commitment of Saremas 1 CU in conserving the environmental quality can be seen through various mechanisms which among others the installation of bio-gas plant, proper disposal of scheduled wastes, maintaining the efficiency of boilers operation, 3R activities and proper disposal of domestic wastes to name a few.</p> <p>As Saremas 1 CU is part of a well-established organisation, the yield performance has always been the top priority in ensuring long-term economic and financial viability. In general, various efforts have been done to optimise the yield of the plantation such as minimising crop losses, ensuring the soil fertility is maintained in good level and maintaining transportation facilities in good condition. Apart from that, the company is always keep itself updated with possible technological options especially in mechanization and better planting material.</p>

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

	Module E – CPO Mills: Mass Balance	
E.3	Documented procedures	
E.3.1	<p>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:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Saremas 1 Palm Oil Mill (Saremas 1 POM) had amended its procedures on its supply chain system to be in line with the revised RSPO Supply Chain Certification Standard, 21 November 2014. These procedures were described comprehensively in a series of documents as follows:</p> <ul style="list-style-type: none"> • SOP-MILL-018 Revision 4 dated 31 March 2015 on the mechanism and implementation of a MB supply chain system with respect to the incoming RSPO-certified fresh fruit bunches (FFBs) and the tracing of the RSPO certified crude palm oil (certified CPO) and palm kernel (PK) as well as the maintenance of a daily production record which keeps an 'account' on the quantity of RSPO certified and non-certified FFBs being processed, the CPO and PK produced and their deliveries as well as on the stock levels; • SOP-MILL-019 Revision 4 dated 31 March 2015 on traceability; • SOP-MILL-020 Revision 4 dated 31 March 2015 on management of record; • SOP-MILL-020 Revision 4 dated 31 March 2015 on internal audit; and • SOP-MILL-022 Revision 4 dated 31 March 2015 on management review.
	<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>The Chief Clerk of Saremas 1 POM had been appointed as the new person having overall responsibility on the implementation of the RSPO supply chain and International Sustainability on Carbon Certification (ISCC) traceability system. She had replaced the Mill Manager who had previously been directly in charge on the system. However, the Chief Clerk still reported to the Mill Manager.</p> <p>Based on the discussions held with the Chief Clerk, it was found that she had a good knowledge on the requirements of the RSPO Supply Chain Certification Standard specifically that related to the MB module and on the implementation of Saremas 1 POM supply chain system having been involved on its implementation since 2010 when the mill obtained its RSPO supply chain certification.</p>

E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs	<p>As mentioned in the findings on clause E.3.1, the document SOP-MILL-018 Revision 4 dated 31 March 2015 had described the procedures on the implementation of a MB supply chain system with respect to the incoming RSPO-certified fresh fruit bunches (FFBs), tracing of the RSPO certified crude palm oil (certified CPO) and palm kernel (PK) as well as the maintenance of a daily production record which keeps an 'account' on the quantity of RSPO certified and non-certified FFBs being processed, CPO and PK produced and their deliveries as well as on the stock levels.</p> <p>On the receiving of FFBs (certified and non-certified), the Mill Security was responsible to check on the seal and condition of incoming FFB by checking on the dispatch note issued by the supplying estate. The Weighbridge Clerk then referred to the list of RSPO certified supply base to determine the status of the estate for the in-coming FFBs.</p> <p>The processing of FFBs (certified and non-certified) was done based on their availability. The production of certified CPO and PK was traceable through the daily production record which keeps an account on the quantity of certified and non-certified FFBs being processed, CPO and PK being produced.</p>
E.4	Purchasing and goods in	
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received	<p>During the intervening period since the last audit (1 March 2014 to 31 March 2015), Saremas 1 POM had received a total of 216,894.78 MT of FFBs of which 201,504.40 MT were RSPO-certified while the remaining 15,390.38 MT were of non-RSPO certified.</p> <p>All of the RSPO-certified FFBs were supplied by the Saremas 1's supply base namely the Saremas 1, Suai and Saremas 2 (Division D) Estates. The non-RSPO certified FFBs were sourced from the outgrowers and small holders in the surrounding areas. The list of non-RSPO certified FFB suppliers was made available.</p> <p>The Daily Production Record and Calculation Sheet (Daily CPO and PK Production Record) provides a detailed daily account on the receipt of FFBs, production, delivery and stocks of CPO and PK as well as on the actual oil extraction rate (OER) and kernel extraction rate (KER).</p> <p>A total of 104 randomly selected FFB dispatch chits for RSPO-certified FFBs (8 for each month from March 2014 to March 2015) issued by the supplying estates on the</p>

		in-coming FFBs were verified. It was found that all dispatch chits were stamped with the words 'Product: Certified FFB' to indicate the certified status of the FFBs. They (dispatch chits) have also clearly indicated the name of the supplying estate and the quantity (number of bunches and weight in Kg) of the FFBs.
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage	The SOP on 'Record Keeping and Monitoring' requires the Mill Manager to inform the Sustainability Department if there would be a projected overproduction of RSPO-certified CPO or PK. Such information shall also be conveyed to the relevant certification body.
E.5	Record keeping	
E.5.1	<p>a) 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.</p> <p>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short (i.e. product can be sold before it is in stock).</p> <p>For further details refer to Module C.</p>	<p>Saremas 1 POM had continued to maintain the 'Daily Production Record' to keep an 'account' on the quantity of FFBs it received, processed and production of RSPO certified CPO and PK, actual oil extraction rate (OER) and kernel extraction rate (KER), delivery and stocks of certified FFBs, CPO and PK. The Daily Production Record ensures that the quantity of CPO and PK being delivered had not exceeded that produced by the mill. The ground information on the POM's production of CPO and PK and their stocks was channeled to the CSR Department and the Trading/Marketing Department in Kuala Lumpur and Singapore through the Mass Balance Record.</p> <p>Saremas 1 POM had used a fixed inventory period of 3 months to ensure the quantity of the certified FFBs being processed and the CPO and PK being dispatched were in balance. The delivery/dispatch of certified CPO and PK would be guided by the POM's annual projected production of RSPO certified CPO and PK in the CU's RSPO Certificate.</p>
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	Saremas 1 POM had not outsourced the crushing of palm kernel to an independent crusher. The RSPO certified PKs were dispatched to the Bintulu Edible Oil (BEO). BEO is not a sub-contractor to Saremas 1 POM but a subsidiary company of Wilmar International Limited.

3.2 Identified non conformances

Recertification Audit (2015) Details of Findings and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator 1.3.1 NCR #: MH01-2015	Minor	<p>Indicator: 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.</p> <p>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 was not available at Saremas 1 CU.</p>	<p>The full version of the code of ethical conduct and integrity was under review by top management.</p> <p>In view of that, the operating was not given a green light to communicate the policy to all level of the workforce and operation.</p> <p>The full version of code of ethical conduct and integrity was indorse by the top management on the 13th May 2015. The process of communicating the policy will be completed by October 2015.</p>	<p>The action plans was found to be acceptable, however the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>
Indicator 4.7.2 NCR #: JS01-2015	Major	<p>Indicator: 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 properly observed and applied to the workers.</p> <p>At Saremas 1 – Lorry which has been modified to transport workers, is being used to ferry primary school children of the workers to Sekolah Kebangsaan Suai 1. This operation has not undergone a proper HIRARC.</p>	<p>To conduct hazard identification, risk assessment and risk control for the usage of modified lorry to transport school children's. This has been conducted on the 1st June 2015.</p>	<p>The HIRARC for school bus and lorry (PPB SWK/PLT/HIRARC/ (0)/0505 was verified.</p> <p>Status: Closed</p>

Indicator 4.8.2 NCR#: JS02-2015	Minor	<p>Indicator: 4.8.2 Records of Training for each employee shall be maintained.</p> <p>The following Training records reviewed in Suai Estate, have not been updated in a timely manner.</p> <p>*undisclosed information</p> <table><tr><th>Name</th><th>Training Type</th><th>Training Record Update Status</th></tr><tr><td>*</td><td>'First Aider training' – d/d: 8th to 11th Dec, 2014 – Conducted by SHO – for Conductors, Mandors and Checkers.</td><td>Staff individual Training Records not updated in a timely manner.</td></tr></table> <p>The following Training records reviewed in Saremas 1 Estate, have not been updated in a timely manner.</p> <table><tr><th>Name</th><th>Training Type</th><th>Training Record Update Status</th></tr><tr><td>*</td><td>'Integrated Pest Management' – d/d: 17th Dec, 2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.</td><td>Staff individual Training Records not updated in a timely manner.</td></tr></table>	Name	Training Type	Training Record Update Status	*	'First Aider training' – d/d: 8 th to 11 th Dec, 2014 – Conducted by SHO – for Conductors, Mandors and Checkers.	Staff individual Training Records not updated in a timely manner.	Name	Training Type	Training Record Update Status	*	'Integrated Pest Management' – d/d: 17 th Dec, 2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.	Staff individual Training Records not updated in a timely manner.	<p>Lack of monitoring from the management. And no specific personnel to monitor the implementations.</p> <p>Assign training officer to ensure all training records (internal and external) been updated in employee personal file</p> <p>Periodical check from the Superior/Manager and Sustainability Unit. (Both corrective action will be an ongoing process.)</p>	<p>The action plans was found to be acceptable, however the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>
Name	Training Type	Training Record Update Status														
*	'First Aider training' – d/d: 8 th to 11 th Dec, 2014 – Conducted by SHO – for Conductors, Mandors and Checkers.	Staff individual Training Records not updated in a timely manner.														
Name	Training Type	Training Record Update Status														
*	'Integrated Pest Management' – d/d: 17 th Dec, 2014 – Conducted by Eco Management Unit – for Managers, Assistants & Field Conductors.	Staff individual Training Records not updated in a timely manner.														

Indicator 5.3.3 NCR#: VS01/2015	Minor	<p>Indicator 5.3.3 - A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Guidelines for Landfill Establishment for Domestic Wastes in PPBOP Sarawak Operations [Trench with sandwich cover method].</p> <p>The method of handling domestic wastes landfill at Saremas 1 Estate (located next to the mill's Aerobic Pond 1) was not in accordance to the established guideline.</p>	<p>Lack of management control on the implementation of the SOP.</p> <p>1. Saremas 1 to look for suitable place for domestic waste dumping site. Method of covering has to base on the company guidelines for landfill establishment for domestic waste.</p> <p>2. Specific personnel to assign to manage the landfill.</p>	<p>The action plans was found to be acceptable, however the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>
Indicator 5.4.1 NCR#: VS02/2015	Minor	<p>Indicator 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.</p> <p>There was no evidence that plan for improving efficiency of the use of fossil fuels has been established at Saremas 1 and Suai Estate.</p>	<p>Plan for improving efficiency of the use of fossil fuels was not part of the 2015 Environmental Objective and Target.</p> <p>To be complete by early July 2015</p>	<p>Saremas 1 CU has established 2015 Objectives & Target for optimizing/reducing on use of fossil fuel plan for each estate.</p> <p>The action plans was found to be acceptable, however the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>
Indicator 6.2.3 NCR#: MH02-2015	Minor	<p>Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties</p> <p>Indicator: 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 of actions taken in response to input from stakeholders, shall be maintained.</p>	<p>The secretary of the said meeting was not informed by the chairman for the minutes of the meeting to be acknowledged by the committee members.</p> <p>Committee secretary to ensure the acknowledged receipt of meeting minutes from all committee members including long houses. (Ongoing process)</p>	<p>The action plans was found to be acceptable, however the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>

		<p>The Saremas 1 CU did not communicate on the confirmation of receipt for the previous minutes of meeting to the committee members (committee from long house)</p> <p>During consultation with representative from Long House Tapu at Saremas 1 CU, the issue on the acknowledgement for previous minute of meetings was raised.</p> <ol style="list-style-type: none"> 1. Tuai Rumah Tapu Anak Galis 2. Nyayum Anak Jabu 3. Rantau Anak Tapu 4. Lanchang Anak Antas 		
<p>Indicator</p> <p>6.8.3</p> <p>NCR#: MH03-2015</p>	<p>Minor</p>	<p>Indicator 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 the jobs available.</p> <p>The recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available at Saremas 1 CU was not evident.</p>	<p>The procedure had been develop but did not included the prohibition of discrimination. PPB was solely guide by the existing Wilmar Equal Opportunity Policy.</p> <ol style="list-style-type: none"> 1. To revised the Training, Awareness and Competency procedure which to include the prohibition of discrimination. 2. To develop the recruitment, selection, hiring and promotion as a guide for the operations. 	<p>The training, awareness and competency procedure (PPB/HR01/(02)/2215) has been verified. The procedure been revise on 1/6/15 which to include the process of recruiting, selection, hiring and promotion will not base on race, caste, national origin, religion, disability, gender, sexual orientations, union membership, political affiliation or age.</p> <p>The evidence are found to be acceptable. However the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>

<p>Indicator</p> <p>6.9.3</p> <p>NCR#: MH04-2015</p>	<p>Minor</p>	<p>Indicator 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.</p> <p>A specific grievance mechanism which respects anonymity and protects complainants where requested has yet to be established, implemented, and communicated to all levels of the workforce at Saremas 1 CU.</p>	<p>The SOP need to be update to include anonymity of complainant.</p>	<p>The SOP for dispute and grievances (PPB/RSPO 6.3 (2.2)/(1)) has been verified. The procedure has been reviewed on 11/5/15, to include the scope of SOP: This procedure will not cover sexual harassment related complaint and to include the confidentiality requirement if deem necessary or requested by the complainant.</p> <p>The evidence are found to be acceptable. However the effectiveness of the implementation will be verified in the next surveillance audit.</p> <p>Status: Corrective action plan accepted</p>
<p>Indicator</p> <p>6.12.3</p> <p>NCR#: KN05-2015</p>	<p>Major</p>	<p>Indicator 6.12.3 - Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>A special labour policy and procedures have yet to be established and implemented at Saremas 1 CU</p>	<p>To develop the special labour policy and procedure.</p>	<p>The special labour policy and procedure has been verified. The procedure was established on 22/5/15.</p> <p>Status: Closed</p>

FOLLOW UP ON PREVIOUS NCR: 4th Surveillance Audit (2014) Detail of Findings and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
Indicator 2.1.1	Major	<p>1) Based on site verification at Saremas 1 POM, Suai Estate and Saremas 1 Estate, there was no certified competent person to conduct the management of scheduled wastes.</p> <p>2) There is no DOE's written approval obtained for one unit of generator set [Perkins, Type MJB225 MA4, Serial No.: MZ 17739, 100kVA] at Suai Estate.</p>	<p>1) A comprehensive List of Competent Person has been established d/d: 28th April, 2015. Listing the Name, Position & Competency for the various competency requirements. Mr. Lau Pong Hie has been appointed as the Certified Environmental Professional in Scheduled Waste Management – Certified by DOE d/d: 16th – 20th June, 2014 – in charge of Saremas 1 POM, Estate and Suai Estate.</p> <p>2) DOE's written notification has been granted on 17/11/2014 [ref.: AS(SWK)(B): 91/110/660/004(54)].</p> <p>Status: Closed</p>
Indicator 4.5.1	Minor	With reference to Wilmar Agricultural Manual (ver. 3/2011), Chapter 8, Plant Protection, there was no written basis in initiating rat baiting at immature (non-production) area.	<p>The rat baiting at immature area procedure has been approved by Wilmar R&D Head on 13/6/2014. However, until to-date, the estate has yet to use the procedure since the youngest immature palms have already had FFB. Thus, the rat baiting campaign was done by using the rat baiting procedure for mature palms.</p> <p>Status: Closed</p>

3.3 Issues raised by stakeholders

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

B. DETAILS OF NON-CONFORMITY REPORT :

Total no. of minor NCR(s) : 7 List : VS01-2015, VS02-2015, MH01-2015, MH02-2015, MH03-2015, MH04-2015 and JS02-2015

Total no. of major NCR(s) : 2 List : MH05-2015 and JS01-2015

D. RECOMMENDATION

☐ No NCR recorded. Recommended for certification.

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

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

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

☐ On-site audit of the following areas is recommended within 6 months (if applicable)

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

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

It is confirmed that all corrective actions taken have been satisfactorily verified. Recommended for certification.

Audit Team Leader : Khairul Najwan Ahmad Jahari

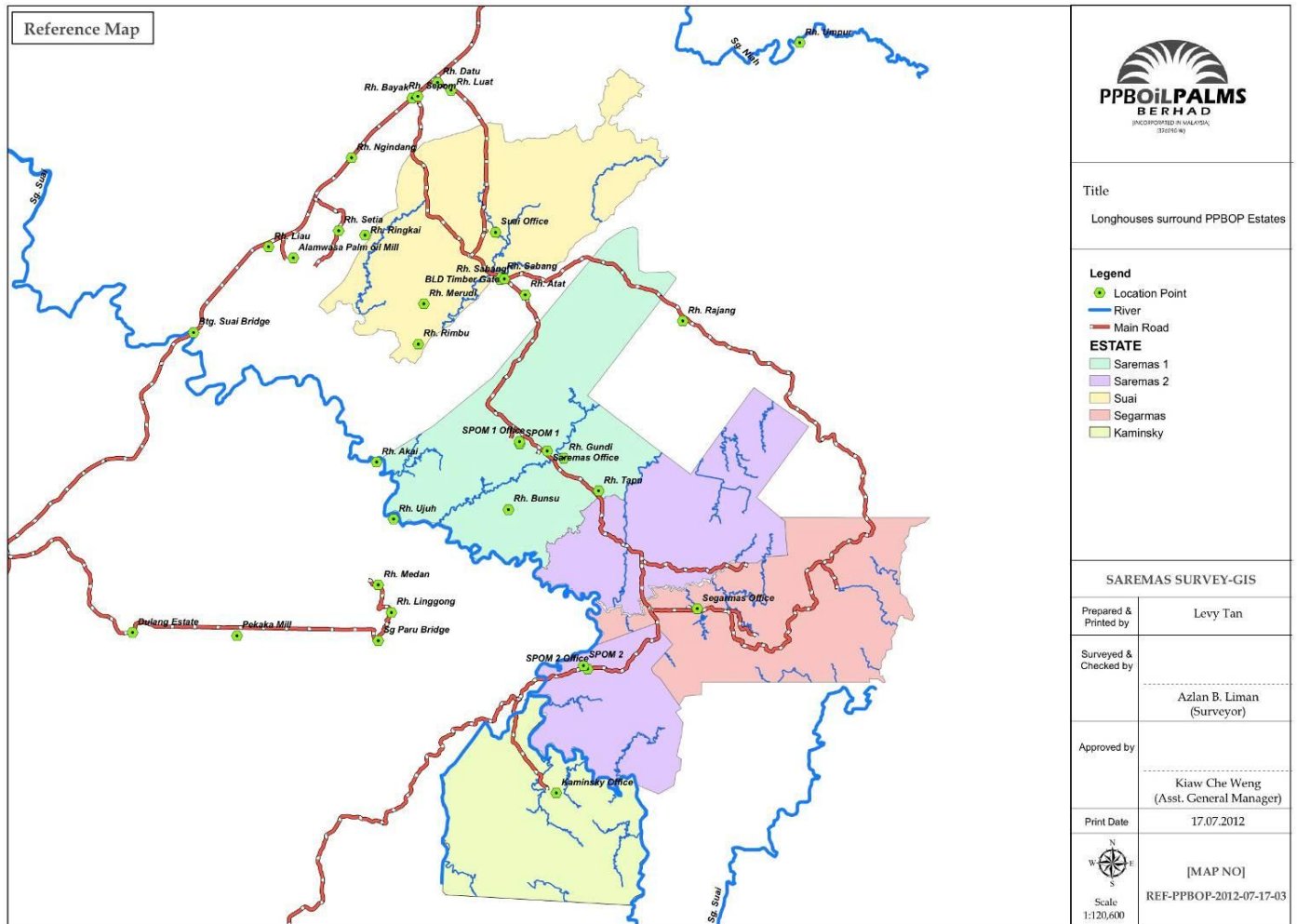
(Name)

(Signature)

1/9/2015

(Date)

Location map of Saremas 1 Certification Unit



Audit Plan**Day 1: 27 April 2015 (Monday)**

Activities /areas to be visited	Najwan	Valence	Jagathesan	Hafiz	Auditee
0930-1000	Opening Meeting at Saremas 1, audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes by audit team leader				Top mgmt & Committee Member
1000-1030	Briefing on the organization implementation of RSPO (including action taken to address main assessment findings)				Management Representative
1030-1300	<p>Site visit and assessment at Suai Estate relating to estates boundary and HCVs</p> <p>Coverage of assessment: P2 (C2.1, I2.2.3), P3, P4 (C4.1, C4.3, C4.4, C4.8), C5.2, P7 (C7.2 -C7.4), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Inspection of protected sites with HCV attributes Forested area Plantation Boundary, adjacent and neighbouring land use Riparian zone River system and Water bodies Source of water supply New planting 	<p>Site visit and assessment at Saremas 1 Estate relating to Time Bound and Good Agricultural Practice</p> <p>Coverage of assessment: P2 (C2.2.2), P3, P4 (C4.1 - C4.6, C4.8), P5 (C5.1), ,P7 (C7.2, C7.4, C7.7), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. 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, 	<p>Site visit and assessment at Saremas 1 Estate relating to occupational safety, management plan and environmental issues</p> <p>Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance findings. Commitments to transparency Laws and regulations Commitment to long-term economic and financial viability Safety & Health practice – witness activities at site Hazard identification and Risk Management Chemical management Chemical/ fertilizer store, workshop Interview with workers , 	<p>Site visit and assessment at Saremas 1 POM relating to local community issues such as SIA and management plans</p> <p>Coverage of assessment: P1(C1.2), P2(C2.1- C2.3), P3, P6 (C6.1 – C6.11), P7 (C7.1, C7.4, C7.5, C7.6), P8</p> <p>Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, assessment and management plans.</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Laws and regulations Land titles user rights Interview with Local communities and stakeholders Interview with Union representatives 	Guide/PIC

	<ul style="list-style-type: none"> Continuous improvement Other area identified during the assessment <p>Other area identified during the assessment</p>	<p>training and safe use of agro-chemicals.</p> <ul style="list-style-type: none"> Riparian zone River system and Water bodies Management and disposal of waste including pesticides containers New planting Continuous improvement <p>Other area identified during the assessment</p>	<p>safety committee and contractors</p> <ul style="list-style-type: none"> Facilities at workplace (water treatment plant, clinic & etc) Training and skill development programmes Local sustainable development Continuous improvement <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> Workers Issues Facilities at workplace (rest area, etc) Line site Facilities provided at line site (i.e. mosque, surau, community center, GPW, Tadika, provision shop & etc) New planting Continuous improvement <p>Other area identified during the assessment</p>	
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day 2: 28 April 2015 (Tuesday)

Activities /areas to be visited	Najwan	Valence	Jagathesan	Hafiz	Auditee
0900-1300	<p>Site visit and assessment at Suai Estate relating to estates boundary and HCVs</p> <p>Coverage of assessment: P2 (C2.1, I2.2.3), P3, P4 (C4.1, C4.3, C4.4, C4.8), C5.2, P7 (C7.2 -C7.4), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Inspection of protected sites with HCV attributes <ul style="list-style-type: none"> Forested area Plantation Boundary, adjacent and neighbouring land use Riparian zone River system and Water bodies Source of water supply New planting Continuous improvement Other area identified during the 	<p>Site visit and assessment at Saremas 1 Estate relating to Time Bound and Good Agricultural Practice</p> <p>Coverage of assessment: P2 (C2.2.2), P3, P4 (C4.1 - C4.6, C4.8), P5 (C5.1), ,P7 (C7.2, C7.4, C7.7), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. 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. Riparian zone River system and Water 	<p>Site visit and assessment at Saremas 1 POM relating to occupational safety, management plan and environmental issues</p> <p>Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance findings. Commitments to transparency Laws and regulations Commitment to long-term economic and financial viability Safety & Health practice – witness activities at site Hazard identification and Risk Management Chemical management Chemical/ fertilizer store, workshop Interview with workers , safety committee and contractors Facilities at workplace (water treatment plant, 	<p>Site visit and assessment at Suai Estate relating to local community issues such as SIA and management plans</p> <p>Coverage of assessment: P1(C1.2), P2(C2.1- C2.3), P3, P6 (C6.1 – C6.11), P7 (C7.1, C7.4, C7.5, C7.6), P8</p> <p>Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, assessment and management plans.</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Laws and regulations Land titles user rights Interview with Local communities and stakeholders Interview with Union representatives Workers Issues Facilities at workplace (rest area, etc) Line site Facilities provided at line 	Guide/PIC

	assessment Other area identified during the assessment	bodies <ul style="list-style-type: none"> Management and disposal of waste including pesticides containers New planting Continuous improvement Other area identified during the assessment	clinic & etc) <ul style="list-style-type: none"> Training and skill development programmes Local sustainable development Continuous improvement Other area identified during the assessment	site (i.e. mosque, surau, community center, GPW, Tadika, provision shop & etc) <ul style="list-style-type: none"> New planting Continuous improvement Other area identified during the assessment	
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day 3: 29 April 2015 (Wednesday)

Activities /areas to be visited	Najwan	Valence	Jagathesan	Hafiz	Auditee
0900-1300	<p>Site visit and assessment at Saremas 1 Estate relating to estates boundary and HCVs</p> <p>Coverage of assessment: P2 (C2.1, I2.2.3), P3, P4 (C4.1, C4.3, C4.4, C4.8), C5.2, P7 (C7.2 -C7.4), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Inspection of protected sites with HCV attributes Forested area 	<p>Site visit and assessment at Suai Estate relating to Time Bound and Good Agricultural Practice</p> <p>Coverage of assessment: P2 (C2.2.2), P3, P4 (C4.1 - C4.6, C4.8), P5 (C5.1), ,P7 (C7.2, C7.4, C7.7), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment findings. Laws and regulations Commitment to long-term economic and financial viability Good Agricultural Practice- witness 	<p>Site visit and assessment at Suai Estate relating to occupational safety, management plan and environmental issues</p> <p>Coverage of assessment: P1, P2,(C2.1), P3, P4 (C4.1, C4.7, C4.8), P8</p> <ul style="list-style-type: none"> Follow up from last surveillance findings. Commitments to transparency Laws and regulations Commitment to long-term economic and financial viability 	<p>Site visit and assessment at Saremas 1 Estate relating to local community issues such as SIA and management plans</p> <p>Coverage of assessment: P1(C1.2), P2(C2.1- C2.3), P3, P6 (C6.1 – C6.11), P7 (C7.1, C7.4, C7.5, C7.6), P8</p> <p>Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, assessment and management plans.</p> <ul style="list-style-type: none"> Follow up from last surveillance assessment 	Guide/PIC

	<ul style="list-style-type: none"> Plantation Boundary, adjacent and neighbouring land use Riparian zone River system and Water bodies Source of water supply New planting Continuous improvement Other area identified during the assessment <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> 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. Riparian zone River system and Water bodies Management and disposal of waste including pesticides containers New planting Continuous improvement <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> Safety & Health practice – witness activities at site Hazard identification and Risk Management Chemical management Chemical/ fertilizer store, workshop Interview with workers , safety committee and contractors Facilities at workplace (water treatment plant, clinic & etc) Training and skill development programmes Local sustainable development Continuous improvement <p>Other area identified during the assessment</p>	<ul style="list-style-type: none"> findings. Laws and regulations Land titles user rights Interview with Local communities and stakeholders Interview with Union representatives Workers Issues Facilities at workplace (rest area, etc) Line site Facilities provided at line site (i.e. mosque, surau, community center, GPW, Tadika, provision shop & etc) New planting Continuous improvement <p>Other area identified during the assessment</p>	
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment End of assessment & Travel to Miri (Overnight at Miri)	Continue assessment End of assessment & Travel to Miri (Overnight at Miri)	Guide/PIC

Day 4: 30 April 2015 (Thursday)

Activities /areas to be visited	Najwan	Valence	Jegathesan	Hafiz	Auditee
0830-1200	Site visit and assessment at Saremas 1 Estate relating	Site visit and assessment at Suai Estate relating to Time	-	-	Guide/PIC

	<p>to estates boundary and HCVs</p> <p>Coverage of assessment: P2 (C2.1, I2.2.3), P3, P4 (C4.1, C4.3, C4.4, C4.8), C5.2, P7 (C7.2 -C7.4), P8</p> <ul style="list-style-type: none"> • Follow up from last surveillance assessment findings. • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • New planting • Continuous improvement • Other area identified during the assessment <p>Other area identified during the assessment</p>	<p>Bound and Good Agricultural Practice</p> <p>Coverage of assessment: P2 (C2.2.2), P3, P4 (C4.1 - C4.6, C4.8), P5 (C5.1), ,P7 (C7.2, C7.4, C7.7), P8</p> <ul style="list-style-type: none"> • Follow up from last surveillance assessment findings. • 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. • Riparian zone • River system and Water bodies • Management and disposal of waste including pesticides containers • New planting • Continuous improvement <p>Other area identified during</p>			
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		the assessment			
1200-1300	Lunch Break				
1300-1500	Continue assessment				
1500-1600	Audit Team Discussion, preparation on audit findings and issuance of NCR (if any)				
1600-1700	Closing Meeting				Top mgmt & Committee Member

Day 1: 27 April 2015 (Monday)

Activities /areas to be visited	Ismail	Auditee
0830-1200	Assessment at Saremas 1 POM relating to Supply Chain implementation, which include: <ul style="list-style-type: none"> • General requirements • Doc. procedures • Purchasing & goods in • Outsourcing activity • Sales & goods out • Processing • Records keeping • Registration • Training • Claims • Mass balance 	Guide/PIC
1200-1300	Lunch Break	
1300-1600	Continue assessment	
1600-1700	Presentation of audit finding and issuance of NCR (if any)	Top mgmt & Committee Member