



SIRIM QAS INTERNATIONAL SDN. BHD.
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

File Ref. : EP09760004

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

CLIENT : PPB OIL PALMS BHD – SRI KAMUSAN CERTIFICATION UNIT

TYPE (MILL, ESTATE AND MILL ETC): Estate and Mill

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

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
Sri Kamusan Certification Unit	Sri Kamusan POM	N6°12'14"	E117°17'27"	Km 238 off Jalan Nangoh Pitas, Labuk Sugut, Sandakan, Sabah, Malaysia
	Sri Kamusan Estate	N6°12'31"	E117°19'17"	
	Hibumas 1 Estate	N6°13'12"	E117°32'53"	
	Hibumas 2 Estate	N6°16'16"	E117°28'23"	
	Jebawang Estate	N6°18'48"	E117°24'28"	
	Sekar Imej Estate	N6°15'52"	E117°16'54"	
	Sapi Sugut Estate	N6°14'34"	E117°17'09"	

AUDIT DATE : 15-19 February 2016

DURATION : 20 auditor days

STANDARD :

- (a) National Interpretation of RSPO Principles and Criteria For Sustainable Palm Oil Production, 2014.
- (b) RSPO Supply Chain Standard, 2014

SCOPE OF REGISTRATION (specify sites, tonnages and/or approved processes) :
Production of Crude Palm Oil and Palm Kernel Using Mass Balance Model

NO. OF EMPLOYEES (Applicable to the scope of activities audited) : 915

The following attachments form part of this report:

Non-conformity Report(s)



List of additional site(s)



Report by Audit Team Leader

Name : Mohd Razman Salim

Signature :

Date : 09 May 2016

Acknowledgement by Client's Representative

Name : **Edrin Anak Moss**

Signature :

Date : **9/5/2016**

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Table of contents

1.0 Description of the organisation.....	5
1.1 Type (mill, estate and mill etc).....	5
1.2 Location (map and GPS), mill and or hectarage statement.....	5
1.3 Description of supply base (fruit sources).....	6
1.4 Date of planting and cycle.....	6
1.5 Other certification held (ISO etc).....	7
1.6 Organisational information / contact person.....	8
1.7 Tonnage certified.....	8
2.0 Assessment Process.....	8
2.1 Assessment methodology (program, site visits).....	8
2.2 Date of next surveillance visit.....	9
2.3 Audit Team Members.....	9
2.4 Certification body.....	9
2.5 Stakeholder consultation.....	9
2.6 Progress and Changes.....	13
3.0 Assessment Findings.....	14
4.0 Details of Non-conformities raised.....	75
4.1 Status of Non-conformities Previously Identified.....	75
4.2 Issues Raised by Stakeholders.....	75
4.3 Noteworthy Positive and Negative Observation.....	75
4.4 Date of Next Audit.....	75
5.0 Audit Conclusion.....	75
6.0 Recommendation.....	76
7.0 Formal Sign-Off Recertification Audit Findings.....	77
Attachment 1: Map of Sri Kamusan CU.....	78
Attachment 2: RSPO Recertification Assessment Plan.....	79
Attachment 3: Status of Non-conformities Previously Identified.....	86

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Abbreviations:

ARM	Agriculture Reference Manual
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 Unit
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EARA	Environmental Auditors Registration Association
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 Machineries 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
IEMA	Institute for Environmental Management and Assessment
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
IRCA	International Register of Certificated Auditors
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet
MOA	Memorandum of Alliance or Agreement
MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADOPOD	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

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

RSPO	Roundtable on Sustainable Palm Oil
SDPSB	Sime Darby Plantation Sdn Bhd
SIA	Social Impact Assessment
SOCSSO	Social Security Organisation
SOP	Standard Operating Procedure
SPIEU	Sabah Plantation Industry Employees Union
TQEM	Total Quality Environment Management
UNFCCC	United Nations Framework Convention for Climate Change
UKAS	United Kingdom Accreditation Services
USA	United States of America
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
VOPS	Voluntary Oil Palm Seedlings
WWF	World Wide Fund for Nature

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

1. Description of the organisation

The Sri Kamusan Palm Oil Mill (Sri Kamusan POM) certification unit (CU) is a wholly-owned subsidiary company of PPB Oil Palms Berhad (PPB) was audited for certification against the RSPO Principles and Criteria for Sustainable Palm Oil Production MYNI (RSPO MYNI) in December 2010 and was certified in 2011. The CU comprised of the Sri Kamusan POM and six of its estates, namely the Sri Kamusan Estate, Hibumas 1 Estate, Hibumas 2 Estate, Jebawang Estate, Sekar Imej Estate and Sapi Sugut Estate. The present assessment did not cover the Independent smallholdings that had been supplying fresh fruit bunches (FFBs) to the mill. The last surveillance assessment was conducted on 13th to 17th April 2015. The focus of the assessment team was to determine Sri Kamusan CU conformance against the RSPO P&C MYNI as well as to verify the actions taken on the previous assessment findings.

The Sri Kamusan POM commenced its operations in 2005 with initial processing capacity of forty (40) metric tonnes of FFBs per hour and later the mill has obtained approval from the Department of Environment (DOE) to increase its capacity to sixty (60) metric tonnes. However, the upgrading has yet to start. Biogas plant is in progress and expected to complete by Sept 2016. The total combined land area of the six supply base is 14,258.10 hectares (Ha) of which 7,438.25 Ha had been planted with oil palm.

1.1 Type (mill, estate and mill etc)

Estate and mill

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

Sri Kamusan CU covers one palm oil mill and six oil palm estates, all located at Km 238 off Jalan Nangoh Pitas, Labuk Sugut, Sandakan, Sabah, Malaysia. The locations and area details of the mill and estates are shown in Table 1.

Table 1 : Location of Sri Kamusan CU's mill and estate

Certification Unit	Mill / Estate	Location		
		Latitude	Longitude	Address
Sri Kamusan CU	Sri Kamusan POM	N6°12'14"	E117°17'27"	Km 238 off Jalan Nangoh Pitas, Labuk Sugut, Sandakan, Sabah, Malaysia
	Sri Kamusan Estate	N6°12'31"	E117°19'17"	
	Hibumas 1 Estate	N6°13'12"	E117°32'53"	
	Hibumas 2 Estate	N6°16'16"	E117°28'23"	
	Jebawang Estate	N6°18'48"	E117°24'28"	
	Sekar Imej Estate	N6°15'52"	E117°16'54"	
	Sapi Sugut Estate	N6°14'34"	E117°17'09"	

1.3 Description of supply base (fruit sources)

The FFB is sourced from company owned estates that are certified and a small percentage from smallholders. Details of the FFB actual and projected contribution from each source to the CU are shown in the following tables.

Table 2: Actual FFB Contribution by each Estate and other sources to Sri Kamusan POM from the last reporting period (February 2015 to January 2016)

Estates	FFB Production	
	Tonnes	Percentage (%)
Sri Kamusan Estate	34,451.88	12.15
Hibumas 1 Estate	34,637.09	12.21
Hibumas 2 Estate	36,933.32	13.03
Jebawang Estate	7,021.88	2.48
Sekar Imej Estate	13,043.77	4.60
Sapi Sugut Estate	8,214.27	2.90
Outsiders (non-certified)	149,169.67	52.62
Grand Total	283,471.88	100

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Table 3: Projected FFB Contribution by each Estate and other sources to Sri Kamusan POM for the next reporting period (February 2016 to January 2017)

Estates	FFB Production	
	Tonnes	Percentage (%)
Sri Kamusan Estate	35,600.00	11.07
Hibumas 1 Estate	37,600.00	11.69
Hibumas 2 Estate	48,300.00	15.02
Jebawang Estate	8,850.00	2.75
Sekar Imej Estate	17,500.00	5.44
Sapi Sugut Estate	10,500.00	3.26
Outsiders (non-certified)	163,320.00	50.77
Grand Total	321,670.00	100.00

Table 4: Actual FFB received and CPO & PK dispatch by Sri Kamusan POM of the last reporting period (February 2015 to January 2016)

	Total (MT)
FFB Received	283,471.88
FFB Processed	283,528.14
CPO Produced	62,696.90
PK Produced	12,220.55
Certified CPO sold as Mass Balance	0
Certified CPO sold under ISCC	30,121.99
CPO sold as non-certified	32,924.43
Certified PK sold Mass Balance	5,740.39
PK sold as non-certified	6,442.85

Table 5: Projected FFB received and CPO & PK dispatch by Sri Kamusan POM for the next reporting (February 2016 – January 2017)

	Total (MT)
FFB Received	321,670.00
FFB Processed	321,670.00
CPO Production	70,767.40
PK Production	14,475.15
Certified CPO to be sold as Mass Balance	34,837.00
Certified PK to be sold Mass Balance	7,125.75
CPO to be sold as non-certified	35,930.40
PK to be sold as non-certified	7,349.40

1.4 Date of planting and cycle

The certified area and planting profiles for each estate is detailed in the following tables:

Table 6 : Planted and certified area of Sri Kamusan CU

Estate	Planted (ha)	Certified (ha)
Sri Kamusan Estate	1,565.91	2,832.00
Hibumas 1 Estate	1,829.77	2,449.38
Hibumas 2 Estate	2,121.48	3,472.62
Jebawang Estate	324.32	403.80
Sekar Imej Estate	1,011.24	3,642.00
Sapi Sugut Estate	585.53	1,458.30
Total	7,438.25	14,258.10

Table 7: Planting profile for Sri Kamusan Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2000	1 st Generation	Mature	390.47	24.94
2002	1 st Generation	Mature	386.93	24.71
2003	1 st Generation	Mature	788.51	50.35
		Total	1,565.91	100.00

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Table 8: Planting profile for Hibumas 1 Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
1999	1 st Generation	Mature	1,068.72	58.41
2000	1 st Generation	Mature	201.87	11.03
2001	1 st Generation	Mature	224.67	12.28
2004	1 st Generation	Mature	125.41	6.85
2006	1 st Generation	Mature	139.60	7.63
2007	1 st Generation	Mature	69.50	3.80
Total			1,829.77	100.00

Table 9: Planting profile for Hibumas 2 Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2000	1 st Generation	Mature	488.80	23.04
2005	1 st Generation	Mature	751.59	35.43
2006	1 st Generation	Mature	803.40	37.87
2007	1 st Generation	Mature	77.69	3.66
Total			2,121.48	100

Table 10: Planting profile for Jebawang Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2003	1 st Generation	Mature	324.32	100
Total			324.32	100

Table 11: Planting profile for Sekar Imej Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2004	1 st Generation	Mature	185.13	18.31
2005	1 st Generation	Mature	135.91	13.44
2007	1 st Generation	Mature	121.63	12.03
2008	1 st Generation	Mature	377.82	37.36
2009	1 st Generation	Mature	190.75	18.86
Total			1,011.24	100.00

Table 12: Planting profile for Sapi Sugut Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2004	1 st Generation	Mature	158.94	27.14
2005	1 st Generation	Mature	426.59	72.86
Total			585.53	100

1.5 Other certification held (ISO etc)

Besides RSPO P&C MYNI certification, Sri Kamusan POM has also obtained 3rd party certification for the following:

- 1) MS 1480:2007 Food Safety According to HACCP System
- 2) MS 1514:2009 Good Manufacturing Practice (GMP) for food
- 3) ISO 22000:2005 Food Management system related to production of CPO and PK

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

1.6 Organisational information / contact person

Address:

PPB Oil Palms Berhad,
Sabah Operations,
Lot 1A, KM 15, Jalan Labuk,
Locked Bag 34,
90009 Sandakan,
Sabah, Malaysia.

Contact person (at Sandakan):

Mr. Kiaw Che Weng
General Manager
Phone : +6089 670227 / +6089 670228
Fax : +6089 670260
E-mail : chewing.kiaw@my.wilmar-intl.com

Contact person (at Sri Kamusan):

Name : Mr. Colman Ng Pin Wah
Designation : Group Manager
Address : Km 238 off Jalan Nangoh Pitas, Labuk Sugut, Sandakan, Sabah, Malaysia.
Telephone : +089-259105
Fax : +089-259102
E-mail : colman.ngpinwah@my.wilmar-intl.com

1.7 Tonnage certified

The projection of certified CPO and PK dispatch for certification by Sri Kamusan Palm Oil Mill from February 2016 to January 2017, are as shown below:

Table 13: Projection certified CPO and PK dispatch by Sri Kamusan Palm Oil Mill
from February 2016 to January 2017

Certification Unit	Tonnage Claimed for Certification (MT)	
	CPO	PK
Sri Kamusan Palm Oil Mill Certification Unit	34,837.00	7,125.75

2. Audit process

2.1 Audit methodology (program, site visits)

The RSPO Recertification Audit of Sri Kamusan CU was conducted from 15 -19 February 2016. The main objective of the audit was to verify the CU's conformance to the requirements of certification standard, the RSPO P&C MYNI: 2014 and RSPO Supply Chain Certification System (SCCS) Requirements, 2014. The planning of the Recertification Audit was guided according to the RSPO Certification Systems Document.

The audit covered the Sri Kamusan palm oil mill and two of its supply base. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The two supply base covered during the audit were Sekar Imej Estate and Hibumas 2 Estate. The audit included on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, relevant settlers, employees, contractors and other relevant stakeholders were also conducted during the audit.

Details of the audit programme are as in **Attachment 2** of this report.

2.2 Date of next surveillance visit

The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

PUBLIC SUMMARY REPORT RSPO RECERTIFICATION AUDIT

2.3 Audit Team Members

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Mohd Razman Salim	Lead Auditor / Occupational Health & Safety, and Conservation scopes	<ul style="list-style-type: none"> • Possessed B.Sc.Forestry (Hons) from University Putra Malaysia with more than 6 years of working experience in the Forest Management, forest, HCVF and ecology.
Mohd Zulfakar Kamaruzaman	Auditor / Social	<ul style="list-style-type: none"> • Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation. Successfully completed IRCA accredited Lead Assessor training for QMS, EMS and OHSMS.
Selvasingam Kandiah T.	Auditor Good Agricultural Practices (GAP)	<ul style="list-style-type: none"> • Holds a B. Sc. (Hons) Agriculture. Had work as a planter with Kumpulan Guthrie Berhad for more than 10 years) including one year in Liberia and 2 years in Estate Department in Guthrie head quarters
Jagathesan Suppiah A/L	Auditor / Occupational Health & Safety, environmental and supply chain related to mill and plantation	<ul style="list-style-type: none"> • Possess a Bachelor of Chemical Science & Minor in Management (Hons). Had carried out audits for various scheme such as ISO 9001, ISO 13485, ISO 14001, OSHAS 18001 and GMP/FDA regulations for the past 15 years.

2.4 Certification body

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

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and accredited by ASI on 27 September 2014.

2.5 Stakeholder consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites in January 2016. In addition, SIRIM QAS International had also sent invitations through letters to the relevant stakeholders, including government agencies and Non-Governmental Organisations (NGOs). This was followed-up by telephone calls.

Meetings with the relevant stakeholders were arranged during the on-site audit. The consultation with the government agencies had involved meetings and discussions with the relevant departments mainly to solicit information as well as verification on the CU's compliance with the applicable laws and regulations related to its operations. The consultations with the NGOs were held to seek their comments mainly on the CU's compliance with those criteria related to the social and environmental issues.

The method of consultation with the settlers, contractors and the CU staffs were carried out through

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

random sampling and included both the supply base and the mill. The consultations by the auditors with the local communities were held at two different venues, that is at the CU office and the other was by visiting the settler's home/village during the times that were convenient to them. The intention was to solicit their views on the impact of the mill and estate operations on their economics and socio-cultural lives.

During this recertification audit, there were two (2) comments received from stakeholders on Sri Kamusan CU as stated in the table below.

Table 14: List and comments from Stakeholders for Sri Kamusan Certification Unit

List Of Stakeholders	Comment Highlighted	Verification
Department Of Labor, Sandakan	<p>The CU has provided work opportunities to local communities. Foreigners were employed for specific task such as harvesters. Minimum wages has been followed by the CU including providing insurance policy for workers, medical assessment, etc.</p> <p>Houses and amenities in the CU have followed Minimum Houses & Amenities Act. The CU also has provided basic facilities such as clinic with free services, recreation area, free transportation for children to go to school.</p>	<p>As verified by auditors, the CU has complied with Malaysian legal and regulation especially on Minimum Wages Order, Minimum House and Amenities Act, Employment Act, SOCSO and Occupational Health & Safety Act.</p> <p>The CU also has provided free services and amenities for their employees and local communities as part of their CSR projects.</p>
Water Supply Department, District Of Sandakan	<p>i) Based on monitoring, Sg. Muanad and Sg. Segaliud have been polluted by palm oil from palm oil mill. These rivers water supply for Beluran and Segaliud Water Treatment Plant.</p> <p>ii) In order to avoid river pollution from palm oil mill, these mills need to use systematic and efficient method for controlling mill's waste such as Sludge Lagoon</p> <p>iii) SIRIM could conduct continuous monitoring on palm oil mill to prevent river pollution</p>	<p>i) During site review at Sri Kamusan POM, auditor has verified that the nearest river is Sg. Sugut which has been confirmed through record verification from 'Jadual Pematuhan Lesen – No.: 003465' from Department of Environment (DOE) (Validation period: 1/7/2015 - 30/6/2016). The mentioned river, Sg. Muanad and Sg. Segaliud are located about 60 KM and 78 KM from Sri Kamusan POM. Based on effluent and water sampling analysis report dated 5/2/2016, 30/12/15 and 5/11/2015 (parameter: BOD, COD, TSS, TS, AN, TN, O&G, pH and water temperature), the report has concluded that 'all parameter level for final discharge from the effluent treatment plant complied with the limits stipulated under the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulation 1977 and P.U.(A)342/1977. The water samples were taken on monthly basis at three points at (i) final discharge (after effluent treatment plant), (ii) up stream (Sg. Sugut) and (iii) downstream (Sg. Sugut) as written in the 'Jadual Pematuhan Lesen'.</p> <p>ii) The mill has diverted its waste such as decanter cake to sludge pond. The mill has also appointed a competent person to operate the effluent system.</p> <p>iii) SIRIM has conducted annual assessment through RSPO P&C MYNI Standard in order to verify the mill's compliance on national legal such as Environmental Quality Act and other regulations.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

2.6 Progress and Changes

a) Changes to certified products in accordance to the production the previous year

No changes were observed concerning certified products.

b) Progress and Changes of Time bound plan

(i) Changes and reasons for the changes see below

	Yes	No	<u>If yes, state reasons/justifications</u>
- acquisitions/disposals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- emergence/re-emergence of land disputes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
- labour conflicts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

(ii) Overall comment in terms of acceptance or non acceptance on the changes in timebound plan (including details of non adherence or the conditions justifying a time-bound plan have changed),

PPB owned and operates 6 palm oil mills in Sabah and 2 palm oil mills in Sarawak respectively. The fruits for the 6 mills in Sabah were supplied by 13 oil palm estates while 4 estates supplied their fruits to the 2 mills in Sarawak. PPB has been on schedule with the time bound plan for the certification of all the CUs. To-date, all the 8 CUs (palm oil mills) had been certified to the RSPO MY-NI P&C.

SIRIM QAS International Sdn.Bhd. (SIRIM QAS International) had been involved with the certification of five of the CUs.

c) Progress of all associated smallholders certification

All associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, are audited within 3 years from when their fruit was first included in the mill certification.

If no, please state reasons No associated smallholders.

☐ Yes ☒ No

d) New acquisition

Any new acquisition which has replaced primary forests or HCV areas

☐ Yes ☒ No

e) Other changes (e.g. organisational structure, new contact person, addresses, etc.).

Observed no significant changes, except common practices of changes (rotation) of few key personnel among the operating units.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

3.0 Assessment Findings

The findings of the assessment were highlighted and discussed during the on-site assessment. There was no non-conformity raised on the Sri Kamusan CU against the requirements of the RSPO P&C MYNI:2014 RSPO Supply Chain Certification System (SCCS) Requirements, 2014.

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	<p>Sri Kamusan CU had continued to maintain a comprehensive system with respect to this criterion. Request Form for their stakeholders or other interested party who had viewed / obtained document related to RSPO and Record of Visitation by government agencies such as DOE and DOSH were maintained.</p> <p>Sri Kamusan CU had been providing 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 by conducting annual stakeholder meeting. The last stakeholder meeting was conducted on 12 February 2016 at POM, 10 February 2016 at Sekar Imej Estate and attended by contractors, local communities and 3rd party of FFB suppliers/out growers. Records on requests for information or for these documents were maintained. There was a written SOP for stakeholders' consultation and a Public Information Request (PIR) Form was made available to any interested parties.</p> <p>Sri Kamusan CU also had informed all their stakeholders (Example: Kg Tangkangit, Sayongmas Sdn Bhd, Ikatan Kayangan Sdn Bhd etc.) through official letter dated 25 February 2015 to inform that the CU could provide them all information as they required such as land title, MPOB license, SOP etc.</p>
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	YES	<p>Hibumas 2 Estate, Sekar Imej Estate and Sri Kamusan POM had continued to maintain a comprehensive system with respect to this criterion. Record of complaint and grievances were made available and details of complaints and grievances for Hibumas 2 Estate and Sekar Imej Estate were recorded in the Complaint Form, Request Form and Public Information Request (PIR) Form.</p> <p>The following visits and requests by the regulators verified :</p> <ul style="list-style-type: none"> i) DOSH visit monitoring Log maintained – last visit : 5th Jan, 2016 – to carry out periodic Boiler & machinery Inspection - 2 recommendation made – Insufficient lighting at the workshop - matter rectified, Sterilizer wedge padlock needs to be changed – in progress of being carried out. ii) DOE visit monitoring Log maintained – last visit – 17th June, 2015 – Routine visit – request for document – Document needed has been provided. iii) Fire Department - Renewal of Fire Cert' – 3rd Dec, 2014.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>Fire Cert : JBPM : SB/7/201/2014 – validity : 11th Dec, 2015, Inspection for renewal being carried out on 17th Feb, 2016.</p> <p>It was found peoples from Kg Banang, Kg. Tampat, Kg. Mononood and Kampung Tegupi had request the information relevant to RSPO Criteria. The record of request and responses was maintained in Sri Kamusan CU. 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;</p> <p>i) DOSH visit monitoring Log maintained – last visit: 5th Jan, 2015 – to carry out water tube Boiler & machinery Inspection - recommendation has been taken into consideration.</p> <p>Records of requests for information and responses from stakeholders below was verified;</p> <ul style="list-style-type: none"> • Sabah Forestry Department, • Sabah Labour Department • Sabah DOSH Department, • Local Communities from Kg Tampat, Kg Banang, Kg Mononood and Kg Tegupi
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights (Criterion 2.2);	YES	Land titles documents for Hibumas 2 Estate and Sekar Imej Estate were available at the estate office.
		Occupational health and safety plans (Criterion 4.7);	YES	<p><u>Sri Kamusan Mill</u> Safety & Health Manual rev. 2, dated 8th April, 2015 – prepared by Ricky Godwin and approved by Mr. Edrin Moss – Sr Manager Sustainability. OH&S requirements are specified in the Environmental Safety & Health Plan for 2016 which was approved by the Mill Manager in December 2015. The progress of the programmes were monitored accordingly.</p> <p>Indicators specified in the 2015 Environmental safety & Health Plan have been carried out and their implementation were verified during the audit. In general, the programmes have been satisfactorily carried out.</p>
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	YES	<p>The EIA Action Plan has been established. The requirement for continual improvement of its environmental performance has been addressed.</p> <p>Social impacts assessment was updated on 5 Jan 2016 for the mill, 28 Jan 2016 for Hibumas 2 estate and 10 Feb 2016 for Sekar Imej Estate. The updated documents had included new actions plan which was developed based on meetings with stakeholders. Minutes of meeting was verified during the audit.</p>
		HCV documentation summary (Criteria 5.2 and 7.3);	YES	HCV documentation summary titled 'HCV Documentation Summary for Sugut Region' was made available at the Hibumas 2 Estate and Sekar Imej Estate
		Pollution prevention and reduction plans (Criterion 5.6);	YES	<p><u>Sri Kamusan POM</u> Pollution Prevention Plan 2016 has been established and approved by Mill Manager on 5th Jan,</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				2016.
		Details of complaints and grievances (Criterion 6.3);	YES	Details in the Complaint and Inquiry files in Sri Kamusan CU were examined. From the review, it was noted that there were no disputes or grievances recorded. The interviewed workers had also confirmed that there were no disputes in the Sri Kamusan CU. Minutes of meeting of the Workers Social and Welfare dated 11 th Dec 2015, Meeting Women and Children Committee dated 13 th Nov 2015 were verified and found no records on disputes.
		Negotiation procedures (Criterion 6.4);	YES	The procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" was established since November 2008. The procedure describes how to check for legal status of the lands in question and specified the criteria in deciding who should be compensated and the amount of compensation.
		Continual improvement plans (Criterion 8.1);	YES	The EIA Action Plan has been established. The requirement for continual improvement of its environmental performance has been addressed. Construction of 10 blocks of housing amenities for workers at Sri Kamusan CU still in progress with current completion at 95% and another 19 blocks have been budgeted for 2016. Continual improvement plans were publicly available. Cross refer to Criterion 8.1.
		Public summary of certification assessment report;	YES	The public certification summary of Sri Kamusan CU can be assessed through this link: http://www.sirim-gas.com.my/attachments/article/364/PS-Sri%20Kamusan%20ASA%203%20Rev%201.pdf
		Human Rights Policy (Criterion 6.13).	YES	A Wilmar Human Right Policy dated June 2014 has been signed off by Group Plantation Head and is available at Hibumas 2 estate, Sri Kamusan POM and Sekar Estate. The awareness among all levels of the workforce were conducted during the contract briefing, muster briefing and training. The attendance list and pictorial report were verified during the audit.
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	YES	A written policy committing to a code of ethical conduct and integrity in all operations and transactions, has been documented and communicated to all levels of the workforce. The policy is made available at Sekar Estate, Hibumas 2 Estate and Sri Kamusan POM. The memorandum to management and staff dated 13 May 2015 was verified during the audit. Therefore, previous audit finding NCR # MRS 01 2015 was closed.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

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	<p>Sri Kamusan POM, Hibumas 2 Estate and Sekar Imej Estate had continued to comply with the applicable local, national and ratified international laws and regulations. Relevant licences and permits such as foreign workers permits & passports, MPOB license, Trading Licence, Energy Commission approval and Domestic Trade Ministry license for diesel storage were valid.</p> <p><u>Sekar Imej Estate & Hibumas 2 Estate</u> SOP/ Legal / RSPO 2.1.4/3 - Legal Register has been established and updated accordingly. Last update was carried out on 18th Dec, 2015 where new scope of the SOP to the Operation of Sabah and Sarawak Estate and Mill Operations was included.</p> <p><u>Sri Kamusan Mill</u> The mill had continued to comply with legal requirements as per indicator. Guided by the established procedure, the annual evaluation of compliance has been carried out concurrently with the review of legal register updated by the Sustainability Department. The list of applicable legal and other requirement was made available during the assessment. The following legal requirements sampled for review :</p> <ul style="list-style-type: none"> a) Factories and Machinery Act 1967 (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc. b) Occupational Safety and Health Act 1994 (NADOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc. c) Environment Quality Act 1974 (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulation 1978, Scheduled Wastes Regulation 2005 etc. d) Fire Services (Fire Service Act 1984 & Fire Certificate Regulation 2001) <p>The POM has obtained and renewed license and permits as required by the law. Amongst the licenses or permit viewed were :</p> <ul style="list-style-type: none"> a) MPOB license: 500389204000 (validity period 1/4/2015 – 31/ 03/2016) b) DOE Licence/ <i>Jadual Pematuhan</i> : JPKKS/12/003465 for 40 MT/hr and method of land Irrigation as per 'Waste Management Plant Overall Layout' (validity : 1st July, 2015 - 30th June, 2016). <p>Quarterly Reports submitted to DOE – reports dated 11th Jan, 2015, 12th Oct, 2015, 8th July, 2015 and 13th April, 2015. The parameters monitored were pH, BOD, COD, TS, SS, O&G,</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

			<p>Ammonical Nitrogen & Total Nitrogen. All the monitoring results of the parameters were be within the regulatory limit.</p> <p>c) The following pressure vessel inspection were verified carried out by DOSH on 5th Jan 2016 :</p> <ul style="list-style-type: none"> i) Licenses for Steam Boiler No 1 capacity 30 Mt – Registration No – SB PMD 46 – validity 30th Dec, 2015 – DOSH inspection completed, waiting for new cert. ii) Licenses for Steam Boiler No 2 capacity 30 Mt – Registration No – SB PMD 2618 – validity 5th Oct, 2016 iii) Air Receiver – Registration No – SB PMT 611 – validity 1st Jan, 2016. – DOSH inspection completed, waiting for new cert iv) Condensate Separator – Registration No – SB PMT 610 – validity 1st Jan, 2016. – DOSH inspection completed, waiting for new cert. <p>‘Smoke Density Indicator’ for boiler 1 & 2 – Calibration by LKS (M) Sdn. Bhd Cal No : 110227 Cal date : 11th Dec, 2015</p> <p><u>Hibumas 2 Estate:</u></p> <ul style="list-style-type: none"> i. DOSH visit monitoring log maintained – last visit: 04/02/2016 ii. Genset – Licence No: SSD 016/2014-validity: 12/3/16 iii. Visiting Electrical Engineering (C.T. Engineering Services) Log Book maintained – Last visit: January 2016 iv. Lesen Untuk Menggaji Pekerja Bukan Pemastautin No. JTK.h.SDK.600-4/1/1/01261/003847 was valid until 23/05/2016. v. Permit Potongan daripada Gaji Pekerja No Siri 11(0753) SDK was valid until 29 December 2015, but sighted letter from Jabatan Tenaga Kerja Sabah to renew the permit at 22 January 2016. <table border="1"> <tr> <th>Licence & Permits</th> <th>Sr. No</th> <th>Valid Until</th> </tr> <tr> <td>MPOB</td> <td>503431302000</td> <td>31.12.2016</td> </tr> <tr> <td>Trading Licence</td> <td>A 211879</td> <td>31.12.2016</td> </tr> <tr> <td>Diesel & Petrol</td> <td>S004651</td> <td>07.05.2016</td> </tr> <tr> <td>Lesen untuk menggaji perkerja bukan pemastautin</td> <td>JKT.H.SDK600-4/1/1/01261/003847</td> <td>23.05.2016</td> </tr> <tr> <td>Permit potongan daripada gaji perkerja</td> <td>11(0753)SDK</td> <td>26.12.2016 *</td> </tr> </table> <ul style="list-style-type: none"> • applied for renewal on 22.01.2016 <p><u>Sekar Imej Estate:</u></p> <ul style="list-style-type: none"> i) Air Compressor Receiver – Reg: SB PMT 6606 – valid until 26/11/2016 ii) DOSH visit monitoring Log maintained – last visit on 27/8/15. iii) Genset – Licence No: SSD 538/2014, valid until 5/1/2017 	Licence & Permits	Sr. No	Valid Until	MPOB	503431302000	31.12.2016	Trading Licence	A 211879	31.12.2016	Diesel & Petrol	S004651	07.05.2016	Lesen untuk menggaji perkerja bukan pemastautin	JKT.H.SDK600-4/1/1/01261/003847	23.05.2016	Permit potongan daripada gaji perkerja	11(0753)SDK	26.12.2016 *
Licence & Permits	Sr. No	Valid Until																			
MPOB	503431302000	31.12.2016																			
Trading Licence	A 211879	31.12.2016																			
Diesel & Petrol	S004651	07.05.2016																			
Lesen untuk menggaji perkerja bukan pemastautin	JKT.H.SDK600-4/1/1/01261/003847	23.05.2016																			
Permit potongan daripada gaji perkerja	11(0753)SDK	26.12.2016 *																			

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<div>iv) Visiting Electrical Engineer (C.T. Engineering Services) Log Book maintained – last visit on January 2016</div> <div>v) Lesen Untuk Menggaji Pekerja Bukan Pemastautin No. JTK.H.SDK.600-4/1/1/01261/003039 was valid until 15/02/2016 sighted letter dated 18/1/2016 to renew the permit.</div> <div>vi) Permit Potongan daripada Gaji Pekerja No Siri 11(0762) SDK was valid until 1 February 2016, but sighted letter from Jabatan Tenaga Kerja Sabah to renew the permit at 20 January 2016.</div> <table><tr><td>Licence & Permits</td><td>Reference no.</td><td>Valid until</td></tr><tr><td>MPOB</td><td>515639002000</td><td>30.09.2016</td></tr><tr><td>Trading Licence</td><td>A 211877</td><td>31.12.2016</td></tr><tr><td>Diesel & Petrol</td><td>S004561</td><td>08.04.2016</td></tr><tr><td>Lesen untuk menggaji perkerja bukan pemastautin</td><td>JKT.H.SDK600-4/1/1/01261/003039</td><td>15.02.2016</td></tr><tr><td>Permit potongan daripada gaji perkerja</td><td>11(0762)SDK</td><td>01.02.2016 *</td></tr></table> <div>• applied for renewal on 20.01.2016</div>	Licence & Permits	Reference no.	Valid until	MPOB	515639002000	30.09.2016	Trading Licence	A 211877	31.12.2016	Diesel & Petrol	S004561	08.04.2016	Lesen untuk menggaji perkerja bukan pemastautin	JKT.H.SDK600-4/1/1/01261/003039	15.02.2016	Permit potongan daripada gaji perkerja	11(0762)SDK	01.02.2016 *
Licence & Permits	Reference no.	Valid until																				
MPOB	515639002000	30.09.2016																				
Trading Licence	A 211877	31.12.2016																				
Diesel & Petrol	S004561	08.04.2016																				
Lesen untuk menggaji perkerja bukan pemastautin	JKT.H.SDK600-4/1/1/01261/003039	15.02.2016																				
Permit potongan daripada gaji perkerja	11(0762)SDK	01.02.2016 *																				
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained Minor Compliance	YES	<div>At Sri Kamusan POM, Hibumas 2 Estate and Sekar Imej Estate, there is a documented system for identifying, tracking, updating changes in legal requirements and to monitor the status of their legal compliance. Each estate had developed its own Legal Register. The legal register had been established since 4 October 2011 and was updated by Sustainability Manager.</div> <div>There were evidences of compliance to legal requirements which have been evaluated on an annual basis. Both estates and mill had updated their legal registers on 1 December 2015 to include Factories & Machinery (Person-In-charge) (Amendments) 2014 and Environmental Quality (Clean Air) Regulations 2014.</div>																		
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	<div>The legal register has also been used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the CU had determined their status of legal compliance. Appropriate action is to be taken if there be any non-compliance found. Based on the verification of this exercise, the auditors confirmed that most non-compliance found have been acted upon.</div> <div>There was evidence of compliance to legal requirements which had been evaluated on an annual basis. The mechanism of ensuring implementation was by :</div> <div><div>i. Periodic reporting from operating units</div><div>ii. On site visits, inspections and discussions with relevant personnel</div><div>iii. Assessments and audits like internal & external Audits, PA visits, VA visits and by RSPO Audits</div><div>iv. Consultation with RSPO team & management.</div></div> <div>Legal Register as been updated on 18th Dec, 2015 and compliance verification was carried out by Sustainability Department. In general, the CU were found to be in compliance with the applicable</div>																		

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>legal requirements. Compliance monitoring was also carried out as follow :</p> <p>a) Self – Regulation – Each CU to forward a statutory quarterly compliance report, verified the following 2015 reports :</p> <p>i) 1st Q – on 6th April, 2015</p> <p>ii) 2nd Q – on 1st July, 2015</p> <p>iii) 3rd Q – d/d : 1st Oct, 2015</p> <p>iv) 4th Q – d/d : 6th Jan, 2016</p> <p>Verified to be satisfactory.</p> <p><u>Sri Kamusan Mill</u></p> <p>Legal Register as been updated on 18th Dec, 2015, compliance verification carried out by Sustainability Department to be in compliance.</p> <p>Moreover Compliance monitoring is also initiated with the following method :</p> <p>b) Self – Regulation – Each CU to forward a statutory quarterly compliance report, verified the following 2015 reports and all found to be satisfactory :</p> <p>(i) 1st Quarter : 2nd April, 2015</p> <p>(ii) 2nd Quarter : 4th July, 2015</p> <p>(iii) 3rd Quarter : 5th Oct, 2015</p> <p>(iv) 4th Quarter : 13th Jan, 2016</p> <p>During the audit the following reports were reviewed : PA's report on visits made in June 2015, RSPO & ISCC audit report (conducted in April 2015), Agronomic Report for January 2016 and monthly reports by in-house Medical Assistant on Environment, Safety and Health for April 2015 for Sri Kamusan CU, Head R&D report on visits made in June 2015 and Group VA's report on visit made in October 2014.</p>												
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	Changes to law and regulation are monitored by the central Sustainability Department in PPB. Various sources were referred to in obtaining information about the updates of legal requirements such as industrial association (e.g. MPOA, EMPA, SECA, etc.), seminar/conference, law books, government agencies websites, etc. Any changes/updates were then disseminated to the estates by the Sustainability Manager. Both estates had the SOP (SOP/Legal/RSPO2.1.4/3 02/(00)/1206) for tracking changes in law.												
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	<p>Evidence of legal ownership of the land including history of land tenure was verified during this audit. Each estate has provided with legal use of the land through a Country Lease signed by the Director of Lands and Surveys of Sabah following the payment of premium. This document was made available by all the individual estates. The land titles sighted were:</p> <table><tr><th>Estate</th><th>Area (Ha)</th><th>Country lease</th><th>Period</th></tr><tr><td>Hibumas 2 Estate</td><td>5,922</td><td>085340110</td><td>01.01.1998 – 31.12.2096</td></tr><tr><td>Sekar Imej Estate</td><td>3,642</td><td>085333982</td><td>01.01.2000 – 31.12.2098</td></tr></table>	Estate	Area (Ha)	Country lease	Period	Hibumas 2 Estate	5,922	085340110	01.01.1998 – 31.12.2096	Sekar Imej Estate	3,642	085333982	01.01.2000 – 31.12.2098
Estate	Area (Ha)	Country lease	Period													
Hibumas 2 Estate	5,922	085340110	01.01.1998 – 31.12.2096													
Sekar Imej Estate	3,642	085333982	01.01.2000 – 31.12.2098													

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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	<p>The physical markers such as boundary pegs and boundary stones along the perimeter adjacent to the state land and other reserves are available at site and visibly maintained between Hibumas 2 Estate and Paitan Forest Reserve and also neighbouring private oil palm companies such as IJM and Boustead oil palm plantation. All estates have maps to indicate the locations of the boundary pegs.</p> <p>The Sekar Imej Estate had also maintained and monitored its boundary pegs and boundary stones along the perimeter adjacent to Paitan Forest Reserve, Boustead and Stanvest Sdn Bhd oil palm plantation, local communities such as Kg. Mononod and Kg. Koiboton.</p>
	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance	YES	<p>There was no dispute on local community land by Hibumas 2 Estate and Sekar Imej Estate. However, auditor was informed by Hibumas 2 Estate that there is a local community known as Kg. Banang who has encroached and illegally in the Hibumas 2 Estate land which was conserved for flood area. Auditor has interviewed representatives from Kg. Banang during this audit in order to understand the issue. Auditor has confirmed that the conflict area is belong to Hibumas 2 Estate as stated in the land title.</p> <p>The villagers from Kg. Banang have planted oil palm in the conservation area which is functioning as flood area for Hibumas 2 Estate. Hibumas 2 Estate has conducted survey on 16/11/2015 and marked estate boundary in order to confirm estate boundary with Kg. Banang. Series of minutes of meeting between Hibumas 2 Estate and representatives from Kg. Banang (Nunun Bin Ajib) have been verified by auditor. Both parties have met several times to discuss on the land issue and to find solutions on the illegal encroachment by Kg. Banang. The meetings were carried out on 01/11/2015, 9/7/2015, 6/7/2015, 25/6/2015, 26/5/2015 and 8/4/2015. These were evidence in the Minutes of the Meeting.</p> <p>Sustainability Senior Manager from PPB has discussed this issue with Telupid District Officer and Beluran Land Office regarding this issue. The chronologies of the issues were as follow :</p> <ol style="list-style-type: none"> 1. In 1988, 17 people from Kg. Banang and Mr Nunun Ajib had applied for 270 acres of land. 2. In 1989, Sandakan Land and Survey Department commented that out of 270 acres land applied, 120 acres are state land and can be allocated to the applicant. 3. In 1996, Beluran Land Use Working Committee meeting supported the land application for only 120 acres. 4. Only in 1999, Beluran Land Office (thru Penolong Pemungut Hasil Tanah) send a letter to Director of Land and Surveyor in Kota Kinabalu the approval from Beluran Land Office of the application and seeking further action from Kota Kinabalu Land Office. 5. On 27/12/1999, Pengarah Jabatan Tanah dan Ukur Kota Kinabalu had requested comment from JuruUkur Daerah Sandakan, Ketua Pegawai Pertanian Bahagian Sandakan, Ketua Pegawai Perhutanan Wilayah Sandakan when the applicant was approved by Mesyuarat Jawatankuasa Kerja Penggunaan Tanah Daerah Beluran dated 16/10/1996 for agriculture at Kg. Benang, Sugut, 270 acres. 6. In April 2015, Kota Kinabalu Land and Surveyor suggested that all land application in the

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>said land to be revoke on the ground that the said land applied for is in a titled land.</p> <p>7. Juruukur Daerah Sandakan has issued an official letter dated 23 April 2015 to Penolong Pemungut Hasil Tanah Beluran to inform that the application of Mr Nunun Ajib and 17 applicants for the said land has been granted to no 085340110. Therefore, the application by Mr Nunun Ajib and 17 others was suggested to be rejected.</p> <p>8. Hibumas 2 Estate has made a police report on 24/04/2015 regarding the illegal encroachment by Kg. Banang on the estate land.</p>
	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>Hibumas 2 Estate and representatives from Kg. Banang have met to discuss on the land issue as mentioned in Indicator 2.2.3. The issue has also been brought to the land office in Beluran and Kota Kinabalu including a police report for further investigation by the government authority.</p> <p>At Sekar Imej Estate, there was no land conflict occurred between Sekar Imej Estate and neighbouring estates or local communities such as Kg. Koiboton, Kg. Mononod, Kg. Telidusen and Kg. Kinadaan as verified by auditor during interview with local communities. This was further confirmed through the verification of the minutes of the stakeholders meeting.</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	Both parties (Hibumas 2 Estate and Kg. Banang) have agreed to do inventory survey and marked estate boundary in order to confirm estate boundary with Kg. Banang. The inventory has started on 16/11/2015 and still in the progress. The map will be prepare once completed the inventory on the conflict area.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	Auditor has verified through stakeholders meeting and interviews with nearby communities (Kg. Banang, Kg. Sungai-Sungai, Kg. Mononod and Kg. Koiboton) and other oil palm plantation companies (Ikatan Kayangan SB, Sawit Kinabalu Berhad and Sayongmas SB) that there was no conflict raised due to action taken by Hibumas 2 Estate and Sekar Imej Estate to maintaining peace and order in their current and planned operations. Hibumas 2 Estate and Sekar Imej Estate only had employed watchmen in order to guard of their workers, staffs, children, their belongings and companies property.
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.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant	YES	Use of the land for oil palm does not diminish the legal, customary or user rights of other users. The plantation area is belong to Hibumas 2 Estate. There is an issue on customary or user rights at Hibumas 2 Estate as reported in Indicator 2.2.3, 2.2.4, 2.2.5 and 2.2.6. However, there was no dispute case at Sekar Imej Estate during this audit.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		authorities). Major Compliance		
	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, 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>	YES	<p>As mentioned in Indicator 2.2.3, a series of meeting has been conducted by both parties i.e. Hibumas 2 Estate and representatives from Kg. Banang. The discussion to resolve the problem is still in process. Communication with relevant authority such as Land Department and police have been made by Hibumas 2 Estate in order to solve the issue.</p> <p>At Sekar Imej Estate, there were no issues on customary or user rights at Sekar Imej Estate during this audit.</p>
	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>As verified by auditor, the land titled for Hibumas 2 Estate is valid. The estate is belongs to PPB for agricultural purposes. Therefore, the assessments of impacts and proposed benefit sharing and legal arrangements still in process with series of discussion and meeting between Hibumas 2 Estate and Kg. Banang.</p> <p>There were no issues on customary or user rights at Sekar Imej Estate during this audit.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	Communities from Kg. Banang is represented by their village head identified as Mr. Nunun Ajib. The representatives was chosen by the communities.
--	-------	--	-----	---

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	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	<p>Both Segar Imej and Hibumas 2 Estates continued to be committed to long-term economic and financial viability. The estates had established management plans for their current year's budgets and projections. The annual budgets and projections were prepared on an annual basis before the end of the current year.</p> <p>The cost of production were reviewed annually and compared against expenditure for each year. Among the parameters monitored include the capital expenditure (CAPEX) and operating costs. The operating costs included expenditure for replanting, upkeep of the oil palm, administration cost, upkeep of the housing and machinery, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training, etc.</p> <p>The budget for 2016 and projections until year 2024 were showed to the auditors. Some of the parameters provided in the projections were:</p> <p>Segar Imej Estate</p> <table><tr><td></td><td>2016</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td></tr><tr><td>Mature Ha</td><td>941.49</td><td>941.49</td><td>941.49</td><td>941.49</td><td>941.49</td></tr><tr><td>Immature Ha</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Total Planted Ha</td><td>941.49</td><td>941.49</td><td>941.49</td><td>941.49</td><td>941.49</td></tr><tr><td>FFB Tons</td><td>21,009</td><td>23,141</td><td>24,274</td><td>24,720</td><td>24,829</td></tr><tr><td>Yield/ Mature Ha</td><td>22</td><td>25</td><td>26</td><td>26</td><td>26</td></tr><tr><td>Cost/Ton FFB</td><td>293.27</td><td>274.18</td><td>265.39</td><td>262.16</td><td>261.38</td></tr><tr><td>Cost / Ha</td><td>6,544</td><td>6,739</td><td>6,842</td><td>6,883</td><td>6,893</td></tr></table>		2016	2017	2018	2019	2020	Mature Ha	941.49	941.49	941.49	941.49	941.49	Immature Ha	-	-	-	-	-	Total Planted Ha	941.49	941.49	941.49	941.49	941.49	FFB Tons	21,009	23,141	24,274	24,720	24,829	Yield/ Mature Ha	22	25	26	26	26	Cost/Ton FFB	293.27	274.18	265.39	262.16	261.38	Cost / Ha	6,544	6,739	6,842	6,883	6,893
	2016	2017	2018	2019	2020																																															
Mature Ha	941.49	941.49	941.49	941.49	941.49																																															
Immature Ha	-	-	-	-	-																																															
Total Planted Ha	941.49	941.49	941.49	941.49	941.49																																															
FFB Tons	21,009	23,141	24,274	24,720	24,829																																															
Yield/ Mature Ha	22	25	26	26	26																																															
Cost/Ton FFB	293.27	274.18	265.39	262.16	261.38																																															
Cost / Ha	6,544	6,739	6,842	6,883	6,893																																															

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				Hibumas 2 Estate
				2016
				2017
				2018
				2019
				2020
				Mature Ha
				Immature Ha
				Total Planted Ha
				FFB Tons
				Yield/ Mature Ha
				Cost/Ton FFB
				Cost / Ha
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	All planting in both estates had palms of the 1 st generation and were planted between 2000 and 2009. The palms being still young will not require replanting within the next 5 years. However, based on the estate's Long Range Replanting Program (LRPP), in Sehar Imej Estate replanting had been schedule to be carried out in 2029 over 164 Ha, and in 2030 over 273 Ha.

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	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	As for all PPB Oil Palm Berhad estates both Segar Imej and Hibumas 2 Estates continued to use the following documented SOPs: i. Wilmar International Limited, Agriculture Manual & SOP for Oil Palm 3/2011. ii. Safe Standard Operating Procedure for Oil Palm Plantations (SSOP) iii. Safety and Health Manual (updated in April 2015) and iv. the Financial Manual - Wilmar International Plantation Malaysian Operations Standard Operating Procedures Checklist 2013 (updated July 2014). The agriculture manual provided guidance on Pre-Development Survey, assessment and planting,

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>oil palm nursery, oil palm replanting practices, land clearing, establishment and maintenance of legume covers, oil palm planting, upkeep, FFB harvesting and etc.</p> <p>Both estates had introduced new SOPs and updated some policies and SOPs. They were:</p> <ul style="list-style-type: none"> i. New SOPs: <ul style="list-style-type: none"> Recruitment of Workers Recruitment, Selection, Hiring & Promotion ii. Updated SOPs: <ul style="list-style-type: none"> Legal & Other Applicable Requirement iii. Updated Policies: <ul style="list-style-type: none"> Code of Ethical Conduct & Integrity Wilmar Group Policy – Whistle Blowing Resolution <p><u>Sri Kamusan POM</u></p> <p>Mill Capacity – 40 mt/ hr</p> <ul style="list-style-type: none"> i) OER target 2016 – 22% . The average performance for 2015 is 21.93% ii) KER target 2016 – 4.5%. The average performance for 2015 is 4.29% <p>The POM is certified to ISO 22000 : 2005, HACCP & GMP on 22 August 2012 – by Intertek (Cert No : 14191205005). The system was last audited in August 2015</p> <p>Food safety procedures – 22 in place Safety / Standard Operating Procedure – 32 procedures in place The following SOPs were reviewed :</p> <ul style="list-style-type: none"> a) Raw water treatment – rev : 2 dated 28 January 2015 b) Safety at machine handling - rev : 2 , dated 6 January 2016 c) Working at heights rev : 1 d/d : 4 July, 2014 d) Effluent treatment rev : 1 d/d : 1 August, 2011 <p>Sample of the following procedures / practices were made and found to be satisfactory as they were understood by the staffs handling the activities. :</p> <ul style="list-style-type: none"> i) FFB Grading ii) Milling operation iii) Lab – QC & Monitoring Inspection
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	YES	<p>The checking mechanisms were carried out through internal audit, safety and health meeting and routine inspection (workplace inspection) by assistant manager, staff and hospital assistant.</p> <p>Both Hibumas 2 and Sekar Imej Estates had in place the mechanism to check consistent implementation of procedures. PA's reports on visits made in June 2015, RSPO & ISCC audit report in April 2015, Agronomic Reports and monthly reports by in-house Environment, Safety and Health personnel for January to March 2015 for Hibumas 1 Estate were reviewed by the audit team.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>At Sri Kamusan POM an internal audit was carried out on 21st – 22nd April 2015 by Ms. Asriani Abd Muin & Jumain (qualified internal auditor). 1NCR and 6 obs were raised. In general the audit has been satisfactorily carried out.</p> <p>Both Segar Imej and Hibumas 2 Estates had established a mechanism to check consistent implementation of the procedures. Both estates had SOPs and monitored good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel and by conducting assessments and audits like internal audits, PA visits and Agronomist/Head R&D visits and RSPO Audits. Records were made available to the audit team. Among the records reviewed include the Head R&D report on visits made in June 2015, Group VA's report on visit made in October 2014, RSPO & ISCC audit report in March 2015 and reports by in-house Environment, Safety and Health officer for January 2016.</p> <p>Generally both estates had well established <i>Nephrolepis biserrata</i> fern and soft vegetation in the inter rows of mature palm. Palms were well pruned and cut fronds stacked as per SOP. Roads in both estates were well maintained.</p> <p>The nursery for nectariferous beneficial plants was also sighted with <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i> and <i>Turnera sublata</i>.</p> <p>Random interview with the estate workers showed that they understood the requirements stated in the SOPs. For example, interviewed with 7 harvesters and 12 sprayers were made, and it was noted that the requirements for harvesting standards and chemicals usage had been properly implemented.</p>
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	<p>Records of monitoring and the actions taken by both Sekar Imej Estate and Hibumas 2 Estate were maintained and kept for a minimum of 12 months. Monthly costing and annual report on monitoring of all activities were made available. Among those records sighted at the estates included Work Program Sheets, field cost books for harvesting, weeding, bin cards, monthly progress & account report, rainfall data, pest census, etc.</p> <p>Both Estates maintained records of FFB quality control for individual harvesters. Harvesting rounds were monitored using harvesting interval records.</p>
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	YES	<p>Sri Kamusan POM has also received crops from various sources i.e. mainly from surrounding private oil palm plantation and smallholders. There was no official agreement between both parties. The third party could send their FFB to Sri Kamusan POM or any other palm oil mill. The audit team had verified the record of third-party FFB from Ikatan Kayangan Sdn Bhd, Sawit Kinabalu Berhad and Sayongmas Sdn Bhd. Interviewed with some representatives from the private oil palm plantation and smallholders were also made during this audit. The third parties have consistently contributed around 55% of the mill input.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

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	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. Minor Compliance	YES	<p>Fertiliser application was of paramount importance for maintenance of soil fertility and the estates continued to apply fertilisers as per EMU recommendations made by Head of R&D Department.</p> <p>In addition both Estates continued to manage soil fertility as per the SOPs in the Agriculture Manual Chapter 4, Part 3 of Chapter 6 and Chapter 10. The palms in these estates were planted from year 2000 to 2009 and soil fertility had been managed by recycling of bio-mass like frond stacking and EFB application (in some areas), water management in low lying areas, maintenance of soft weeds, Leguminos cover crops, and <i>Nephrolepis biserrata</i> in the interline.</p> <p>Annual Fertiliser recommendations are made based on annual foliar sampling. The rate of fertilisers per palm recommended for 2016 varied between 7.65 to 11.25 kg per palm. Fertiliser application program was monitored using 'Control Form For Fertiliser' and Control of Fertiliser Stock & Movement Form'.</p>
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	<p>Records of programs and applications of fertilisers were made available to auditors. Records showed that the main fertilisers applied were NPK, NK 12.6 / 24, RP, SOA, MOP, Kieserite and Borate. Records sighted showed that actual applied in 2015 was in line with program with a total of 1,198.00 and 2,164.30 tonnes of fertilisers were applied in Segar Imej Estate and Hibumas 2 Estate respectively.</p> <p>Fertiliser recommendation records sighted for the 2016 showed that 831.05 tons of fertilisers had been recommended for Sekar Imej Estate and 1,530.03 tons for Hibumas 2 Estate. At time of visit application had not commenced.</p>
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	<p>From the Agronomist/Head R&D reports it was established that the estates continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status. Annual foliar sampling, as for the SOP of EMU, for the nutrients N, P, K, Mg, Ca & B had been carried out in both estates and the results formed the basis for the fertiliser recommendations to maintain and to improve soil fertility. The last foliar sampling done was carried out in January 2016 by EMU in both estates the results of which would be the basis for the formulation of the fertiliser recommendation for 2017.</p> <p>Soil maps were made available to the auditors which were made based soil analysis conducted in 2009 in both Segar Imej and Hibumas 2 Estates. The soil analysis and maps were done by 'PARAM Agricultural Soil Survey (M) Sdn. Bhd.</p> <p>Analysis for soil organic carbon was carried out every 6 years as per International Sustainable Carbon Certification (ISCC) body and was last done in March 2015 on Segar Imej Estate and in June 2015 on Hibumas 2 Estate.</p>
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill	YES	Both estates had a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and by EFB application. Due to distance from the mill and having only matured Oil Palm only a limited amount of EFB application was programmed for both estates.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		Effluent (POME), and palm residues. Minor Compliance		<p>From records and weigh bridge tickets (Eg No. 888327 for 10.690 tons) it was noted that in 2015 in Segar Imej Estate 3,356 tons of EFB had been applied and in Hibumas 2 Estate 848 tons had been applied.</p> <p>There was no pome applied in both estates.</p>
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	N/A	<p>There were no fragile/marginal soils. Based on the soil maps of Param Agricultural Soil Survey (M) Sdn. Bhd. in 2009 the soil series in Sekar Imej Estate were Stom, Tanjong Lipat, Kumansi, Talisai, Tebok, Rasau, Gong Chenak, Gugut, Bukit Tuku, Kampong Pusu, Cherang Hangus, and Lunas.</p> <p>In Hibumas 2 they were Stom, Tanjong Lipat, Kumansi, Talisai, Terap, Kechor, Rasau, Gong Chenak, Bukit Tuku, Kampong Pusu, Cherang Hangus, Lunas and Halu.</p>
	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	<p>Both estates continued to have in place management strategy for plantings on slopes between 9 and 25 degrees. The procedure on land clearing and preparation for undulating to steep land had been covered in Chapter 3 of the Wilmar International Limited, Agriculture Manual and Standard Operating Procedure 2011.</p> <p>Segar Imej Estate had only 2.67% of areas 25deg and above while on Hibumas 2 there was none. 29.67% of Sekar Imej and 92.40% of Hibumas Estate were flat (<6deg) areas.</p> <p>Both these estates had been planted between 2000 and 2009 and it was observed that areas undulating and hilly had been terraced. Slopes especially along some road side had well established <i>Mucuna bracteata</i>.</p>
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	<p>During the field visit, it was noted road conditions were well maintained and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing, grading & compacting and culvert maintenance. The financial support for these programs were sighted in the annual budgets.</p> <p>Records showed that there were 332,758 meters of roads in Sekar Imej Estate and another 510,870 meters in Hibumas 2 Estate. It was observed during the visit that Main roads in both estates were well paved with stones (DCR). In Hibumas 2 Estate, 92% of the total roads were surfaced with gravel and stones.</p> <p>Both Estates had 2 Case Diggers, a Motor Grader, a Compacter each for road maintenance.</p>
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme	N/A	<p>There were no peat soils in both Sekar Imej and Hibumas 2 Estates.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		shall be in place. Major Compliance		
	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	N/A	There were no peat soils in both Sekar Imej and Hibumas 2 Estates.
	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	N/A	There were no other fragile and problem soils in both Sekar Imej and Hibumas 2 Estates.
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	<p>Water Management Plans 2015 for Sekar Imej and Hibumas 2 were made available to the audit team. The document was prepared and reviewed on yearly basis. The Plan had prescribed the objectives, water sources including catchment pond, rainfall records, water requirement, current water consumption, water quality and contingency plan.</p> <p>Rainwater harvesting was also implement in the workers quarters, workshop and store and the water was used for washing and chemical mixing.</p> <p>Rainfall records based on rain gauge reading were available on site. Records of rainfall data, for the last 10 years, to assist in the water management plans were sighted</p>
	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	<p>Riparian belts along the major rivers, Sg. Sugut at Hibumas 2 Estate was demarcated with appropriate signage. A standard procedure for protecting these buffers and consistent to regulation for all natural waterways has been established.</p> <p>Maps indicating the riparian buffer were presented at Hibumas 2 Estate and Sekar Imej Estate. The riparian buffer with a width of 20m along Sg. Sugut and Sg. Koiboton and Sg. Telidusen were inspected and was found to be intact with natural vegetation.</p> <p>Procedures on the maintenance and management of areas identified as riparian reserves, Chapter 3(1) 3.1.1 Guidelines for Riparian Reserve Identification and Marking included in the Agriculture Manual & Standard Operating Procedure for Oil Palm and Riparian Zone Management PPBOP Sabah Operation was verified.</p> <p>Width of riparian was also specified in the EIA report and in the manual guidelines for riparian reserve following Sabah Water Resource Enactment 1998 and Drainage and Irrigation Department guidelines 1998.</p>
	4.4.3	Appropriate treatment of mill effluent to required levels and	YES	Mill records of water monitoring for DOE submission in the ' <i>Borang Penyata Suku Tahunan</i> '. 1 st quarter report until 3 rd quarter reports were available for viewing. Sri Kamusan mill DOE license is

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance		<p>for land Irrigation and the requirement is for the BOD to be less than 20 mg/l. No discharge into 'Water Course', discharge into 'land Irrigation'. The latest quarterly report from was sampled and reviewed.</p> <p>The BOD results was below than the stipulated limit of 20 mg/l. – averaging approximately at 16 mg/l. Water sampling analysis on quarterly basis as stipulated in the procedure Parameters tested in the analysis are as follows : pH, BOD,COD, Suspended Solids(SS), Ammonical Nitrogen (AN), Total Nitrogen and Oil & Grease. Parameters of Effluent Discharge within specification. Sungai Sugut – upstream downstream monitoring Carried out by Chemsain Konsultant Sdn.Bhd – Inspection date : 11th Jan, 2015</p> <table><tr><td></td><td>BOD mg/L</td><td>TSS mg/ L</td><td>O & G mg/L</td><td>Ammonical Nitrogen</td><td>Total Nitrogen</td><td>Status</td></tr><tr><td>Upstream</td><td>< 1.00</td><td>17</td><td>< 1.50</td><td>0.45</td><td>1.19</td><td>Complying</td></tr><tr><td>Downstream</td><td>< 1.00</td><td>19</td><td>< 1.50</td><td>0.28</td><td>1.38</td><td>Complying</td></tr></table>		BOD mg/L	TSS mg/ L	O & G mg/L	Ammonical Nitrogen	Total Nitrogen	Status	Upstream	< 1.00	17	< 1.50	0.45	1.19	Complying	Downstream	< 1.00	19	< 1.50	0.28	1.38	Complying
	BOD mg/L	TSS mg/ L	O & G mg/L	Ammonical Nitrogen	Total Nitrogen	Status																			
Upstream	< 1.00	17	< 1.50	0.45	1.19	Complying																			
Downstream	< 1.00	19	< 1.50	0.28	1.38	Complying																			
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	YES	<p><u>Sri Kamusan POM</u> Monitoring of Water usage in mills being monitored The following sampled :</p> <table><tr><td>Month</td><td>Average 2015</td><td>Jan 2015</td><td>Feb 2015</td><td>March 2015</td><td>April 2015</td></tr><tr><td>Consumption Water (Lit) / mt FFB Processed</td><td>1.49</td><td>1.39</td><td>1.53</td><td>1.45</td><td>1.53</td></tr></table> <p>A general stable trend noted</p>	Month	Average 2015	Jan 2015	Feb 2015	March 2015	April 2015	Consumption Water (Lit) / mt FFB Processed	1.49	1.39	1.53	1.45	1.53									
Month	Average 2015	Jan 2015	Feb 2015	March 2015	April 2015																				
Consumption Water (Lit) / mt FFB Processed	1.49	1.39	1.53	1.45	1.53																				
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	<p>Both estates had in place documented IPM plans which covered Monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides.</p> <p>The estates continued to carry out monthly detection and observation of leaf eating pests, mammalian pests and diseases like Ganoderma and Stem Rot. These monthly detection and observations were carried by staff. Monthly census records for Bag Worms and Nettle caterpillars were sighted. Records showed no outbreak had been taken place.</p> <p>During 2015, no pesticides other than weedicides had been used. There was no rat baiting carried.</p> <p>It was noted that beneficial plants <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i> and <i>Turnera subla</i> for bagworm control had been planted in the fields and nurseries established in both estates.</p>																					

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	Training on IPM implementation was being carried out. The latest training was carried by the Manager EMU R & D department for both estates on 8 April 2015. Attendance records showed that the training was attended by senior and junior staff and workers.
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	Justification of all pesticides used had been demonstrated. The use of selective products that are specific to the target pest, weed or disease had been demonstrated in: i. SPO Manual – page 1-6 Justification in SOPs on the use of Agrochemicals ii. Agriculture Manual – Chapter 6 -upkeep and maintenance of oil palm.
	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	Both estates continued to record areas where pesticides had been used. Pesticides are used only when justified and areas used are recorded in store issue chits, bin cards, program sheets, SAP system, costing records and progress reports. Records of pesticides used by area, quantity used, hectares applied and Ai/Ha from 2011 were made available to auditors. No pesticides were used to control leaf eating pest and other insect pests, mammalian pest and rats in the last few years in both estates. Pesticides used were only for control of weeds. The total amount of pesticides used in 2015 was 3904 litres in Segar Imej Estate and 13,815 litres in Hibumas 2 Estate.
	4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance	YES	The estates as per the IPM plan continued to manage pests, other than weeds, at below threshold levels. No prophylactic spraying had been carried on both estates. The estates in order to minimise pesticide usage do not carry out calendar baiting of rats. Rat baiting would only be done as and when required and only in areas where census showed damage above threshold level. No baiting had been done over the last few years. Furthermore in order to minimise the use of weedicide only spraying of circle and paths had been carried. Spraying is only carried as per program. Weeds in the inter rows are mainly slashed with minimum spraying.
	4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such	YES	The chemical registers confirmed that the Hibumas 2 Estate and Sekar Imej Estate have used only class III and IV pesticides. The class 1A, 1B and paraquat were not used by Hibumas 2 Estate and Sekar Imej Estate. Auditor has verified the pesticides which currently used at the estate and stored in the chemical store at both estate are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Example of pesticide that used by the estates such as Sumithion (Class III), Kenlon (Class III), Supermo (Class III) and Basta (Class III).

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		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). Minor Compliance		
	4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance	YES	<p>Pesticides were handled only by trained personnel. Sprayers were trained on spraying methods and in the use of PPE "SSOP for Spraying. The latest was on 17 February 2015 for sprayers at Hibumas 2 Estate and 19 October 2015 at Sekar Imej Estate.</p> <p>Sprayers interviewed in the field during visit were found to use all appropriate PPE and were aware of all safety issues. Chemical were premixed before transported to the fields for spraying. The PPE issue records confirmed that PPEs were replaced as and required. MSDS for both pesticides and fertiliser used were made available to the auditors.</p>
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	YES	<p>At Hibumas 2 Estate and Sekar Imej Estate, two chemical stores are in place; chemical and fertilisers stores. The stores were equipped with showers, wash area and a PPE storage area. Adequate 'Safety Signage' had been placed in the store. An equipped 'Spill Kit' was in place, to handle any emergencies. Colour code was used to distinguish the 'Chemical Class'.</p> <p>The chemicals in use were from class III and IV chemicals which have been verified during site visit to chemical store.</p> <p>The chemicals used at Hibumas 2 Estate were:</p> <ul style="list-style-type: none"> i) Sumithion – Class III ii) Kenlon – Class III iii) Supermo 41 – Class III iv) Basta – Class III <p>The chemicals used at Sekar Imej Estate were:</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<ul style="list-style-type: none"> i) Glyphosate IPA – Class IV ii) Kenlon – Class III iii) Omite – Class III iv) Alion – Class III v) Blazer – Class III
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	At Hibumas 2 Estate and Sekar Imej Estate, HIRARC have been established in May 2013 with the latest review carried out in May 2013 rev: 5. All activity and operations have been risk assessed and documented including application of pesticides such as spraying of pesticide using Jerry Can, palm poisoning / trunk injection, chemical handling, chemical pre-mixing, pesticides spraying using tank and triple rinse of empty pesticides container.
	4.6.8	Pesticides shall be applied aurally 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. Major Compliance	YES	There was no evidence of any aerial spraying had been carried in Hibumas 2 Estate and Sekar Imej Estate.
	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	Hibumas 2 Estate and Sekar Imej Estate have conducted training on 'SSOP for Spraying' dated on 17/2/2015 and 19/10/2015 for all sprayers. Training records were sighted by auditor. And, there was no associated smallholders at Sri Kamusan CU.
	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	SJ & SS / SOP 4.1.1 – Labelling, Handling, Storage and Disposal of Schedule waste d/d : 2 nd October, 2012. Landfill Reviewed – satisfactorily maintained - Landfill open at 12 th Oct, 2015 and closed at 12 th Feb, 2016.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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>At Hibumas 2 Estate and Sekar Imej Estate,CHRA were conducted on 23 June 2015by Synergy Consultant (JKKP IH 127/171-2(71)), validity period: 23 June 2015 – 23 June 2020.</p> <p><u>Hibumas 2Estate</u> Medical Surveillance carried out by Dr. Henry Ong Ming Leong, OHD – Klinik Berkat Sdn. Bhd (DOSH Registration No.: JKKP KES 127 / 669 / 1(194)) dated 27/4/2015. The following spraying and welding operator’s medical surveillance report reviewed:</p> <table><tr><th>Name</th><th>Activity</th><th>Health Status</th></tr><tr><td>Ratna Hadaking</td><td>Sprayer</td><td>Fit to work</td></tr><tr><td>Kasma Sahbuddin</td><td>Sprayer</td><td>Fit to Work</td></tr><tr><td>Rina Hadaking</td><td>Sprayer</td><td>Fit to Work</td></tr><tr><td>Rosmini Muhadi</td><td>Sprayer</td><td>Fit to Work</td></tr><tr><td>Herman Madaming</td><td>Welding</td><td>Fit to Work</td></tr></table> <p><u>Sekar Imej Estate</u> Medical Surveillance carried out by Dr. Henry Ong Ming Leong ,OHD - Klinik Berkat Sdn. Bhd (DOSH Registration No.: JKKP KES 127 / 669 / 1(194)) dated 25/10/2015. The following ‘Spraying Operators’ medical surveillance report reviewed:</p> <table><tr><th>Name</th><th>Activity</th><th>Health Status</th></tr><tr><td>Esi Hadda</td><td>Sprayer</td><td>Fit to work</td></tr><tr><td>Pujinah Nayong</td><td>Sprayer</td><td>Fit to Work</td></tr><tr><td>Tamim Laukim</td><td>Sprayer</td><td>Fit to Work</td></tr><tr><td>Robert Lingki</td><td>Welding</td><td>Fit to Work</td></tr></table>	Name	Activity	Health Status	Ratna Hadaking	Sprayer	Fit to work	Kasma Sahbuddin	Sprayer	Fit to Work	Rina Hadaking	Sprayer	Fit to Work	Rosmini Muhadi	Sprayer	Fit to Work	Herman Madaming	Welding	Fit to Work	Name	Activity	Health Status	Esi Hadda	Sprayer	Fit to work	Pujinah Nayong	Sprayer	Fit to Work	Tamim Laukim	Sprayer	Fit to Work	Robert Lingki	Welding	Fit to Work
Name	Activity	Health Status																																			
Ratna Hadaking	Sprayer	Fit to work																																			
Kasma Sahbuddin	Sprayer	Fit to Work																																			
Rina Hadaking	Sprayer	Fit to Work																																			
Rosmini Muhadi	Sprayer	Fit to Work																																			
Herman Madaming	Welding	Fit to Work																																			
Name	Activity	Health Status																																			
Esi Hadda	Sprayer	Fit to work																																			
Pujinah Nayong	Sprayer	Fit to Work																																			
Tamim Laukim	Sprayer	Fit to Work																																			
Robert Lingki	Welding	Fit to Work																																			
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	YES	<p>Sprayers interviewed at Hibumas 2 Estate and Sekar Imej Estate were aware that pregnant and breast-feeding women should not work with pesticides. Records showed that they were examined by the MA on a monthly basis. Women found pregnant or breast-feeding were not offered any work with pesticides.</p> <p>Pregnant and breast-feeding women were not allowed to work with Pesticides & Hazardous Chemicals. Medical Assistant (MA) had conducted monthly medical checks and determine whether female workers were pregnant or not.MA also has transferred a pregnant women who work as sprayer to other department in order to prevent any contact with pesticides.</p>																																	
C 4.7 An occupational health and safety plan is documented, effectively communicated and	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its	YES	<p><u>Sri Kamusan POM</u> Occupational health and safety Policy has been established endorsed by Mr. Goh Ing Sing – Group Plantation Head & Mr. Jeremy Goon – Group CSR Head – updated : Sept, 2010. The policy had been communicated to all levels of the organisation through briefings and also being displayed prominently in Bahasa Malaysia and English on notice boards at mill and estate office and Muster Ground. Random interviewed with employees showed that they generally understood</p>																																	

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

<p>implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>		<p>effectiveness monitored. Major Compliance</p>	<p>the basic requirements of the policy.</p> <p>Occupational health and safety (OHS) management plan e/d : Dec, 2015 for the POM had been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans were acceptable.</p> <p>An occupational health and safety policy was made available at Hibumas 2 Estate and Sekar Imej Estate:</p> <ol style="list-style-type: none"> 1. Occupational Health & Safety Policy in place endorsed by Mr. Goh Ing Sing – Group Plantation Head and Mr. Jeremy Goon – Group CSR Head on September 2010 2. Safety and Health Policy endorsed by Mr. Kuok Khoon Hong- Chairman and CEO, Wilmar Group of Companies on 7 April 2015 <p>Hibumas 2 Estate and Sekar Imej Estate has briefed safety & health policy awareness to all staffs and workers on 10/4/2015.</p> <p>Sri Kamusan CU has appointed a person-incharge as Safety and Health Coordinator to monitor 'Health & Safety' programs within the organisation annually. Safety and Health Manual – 2nd Rev, 12/12/2011 endorsed by Mr. Goh Ing Sing – Group Plantation Head and Mr. Jeremy Goon – Group CSR Head</p> <p>Auditor has sighted a Safety & Health Plan at Hibumas 2 Estate and Sekar Imej Estate which have covered all activities such as training schedule, OSH meeting minute, workplace inspection, medical surveillance and air compressor inspection etc.</p>
---	--	--	---

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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	YES	<p><u>Sri Kamusan POM</u></p> <p>HIRARC has been established since 26/04/2013. The record was reviewed on 21st Jan, 2016 The OHS hazards and risks associated with the operations have been identified. The following activities have been included in the revised HIRARC :</p> <p>i) Biogas pond construction – updated 21st Jan, 2016</p> <p>ii) Drilling machine used in the Workshop –updated 21st Jan, 2016</p> <p>iii) Working in the confine space’ – updated 13th Jan, 2015.</p> <p>No accidents were recorded for the period under review.</p> <p>The following health and safety related actions undertaken by the mill and were reviewed by the audit team :</p> <ul style="list-style-type: none">• CHRA was conducted on 21st April, 2015 by Dr. Mohd Azizan bin Abdul Aziz – OHD - Health and safety registration : HQ /10/DOC/00/167 of DAB Oh Sdn. Bhd.• CHRA recommendation report was reviewed by taking into consideration the progress made in implementing the recommendation. The last update was on 10th Feb, 2016 by the internal RSPO team. Followed through with timeline, person in charge, status of completion and additional action to be taken. <p>Chemical Exposure Monitoring Report was carried out by DAB OH Sdn. Bhd on 11th Sept, 2015. The recommendation in the report is reviewed on a yearly basis taking into consideration the progress made in implementing the recommendation. Last update was on 26 Jan, 2016.</p> <p>Medical Surveillance Report inclusive of USECHH 1, USECHH 2, USECHH 3, USECHH 4, USECHH 5i and 5ii, NADOPOOD 7 dated 22nd April, 2015 carried out by - Klinik Mansor Sdn. Bhd (Occupational Safety and Health Clinic) – Dr. Ahmad Mansor bin Osir, a registered OHD. 19 workers were examine, and the results showed all normal. Lab operators exposed to n – Hexane were checked for Urine 2,5-Hexanedione, Urine Creatine.</p> <p>The medical records of the following workers were sampled :</p> <table><tr><th>No</th><th>Name</th><th>Station</th><th>Medical Status</th></tr><tr><td>1</td><td>Jaya bin Injah</td><td>Lab</td><td>Normal – fit for work</td></tr><tr><td>2</td><td>Juvita binti Anthony</td><td>Lab</td><td>Normal – fit for work</td></tr><tr><td>3</td><td>Maliau bin Rambakan</td><td>Maintenance - Welder</td><td>Normal – fit for work</td></tr><tr><td>4</td><td>Kamisah binti Ahmad</td><td>Lab</td><td>Normal – fit for work</td></tr></table> <p>Positive Noise Exposure Monitoring (under Factories and Machinery (Noise Exposure) Regulation, 1989 was carried out by Mr. Muhammad Taufik Yap bin Abdullah (JKKP HIE 127 / 5 / 3 -1 (No. 60). The report (Ref no : DOSH / Noise / SDK / (77) dated 13/05/2010) made some recommendations where they were acted upon</p>	No	Name	Station	Medical Status	1	Jaya bin Injah	Lab	Normal – fit for work	2	Juvita binti Anthony	Lab	Normal – fit for work	3	Maliau bin Rambakan	Maintenance - Welder	Normal – fit for work	4	Kamisah binti Ahmad	Lab	Normal – fit for work
No	Name	Station	Medical Status																					
1	Jaya bin Injah	Lab	Normal – fit for work																					
2	Juvita binti Anthony	Lab	Normal – fit for work																					
3	Maliau bin Rambakan	Maintenance - Welder	Normal – fit for work																					
4	Kamisah binti Ahmad	Lab	Normal – fit for work																					

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

			<p>Audiometry Testing programme (under Factories and Machinery (Noise Exposure) Regulation, 1989. Report Ref no : ATP2015042801 dated 24/4/2015– carried out by Klinik Mansor Sdn. Bhd (Occupational Safety and Health Clinic) – Dr. Ahmad Mansor bin Osir – OHD. Recommendation is being monitored with respect to their current status of completion. Latest review carried out on 26th Jan, 2016. 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 :</p> <table><tr><th>No</th><th>Name</th><th>Station</th><th>Protection initiated</th></tr><tr><td>1</td><td>Haris b. Ismail</td><td>Workshop</td><td>Ear Plug</td></tr><tr><td>2</td><td>Jikrol Saliwang</td><td>Boiler</td><td>Ear Muff</td></tr><tr><td>3</td><td>Kesran b. Burunai</td><td>Kernel Plant</td><td>Relocated to Security Post</td></tr><tr><td>4</td><td>Maria Gorenti</td><td>Loading Ramp close to the Sterilizer</td><td>Relocated to Grading</td></tr></table> <p>HIRARC for Hibumas 2 Estate and Sekar Imej Estate was established since May 2013 with the latest review carried out on 25 August 2015. All hazards and risks associated with the activity and operations have been assessed and documented. Latest amendment on aspects related to <i>'Penunggang & pembonceng motosikal di kawasan ladang kelapa sawit'</i> at Hibumas 2 Estate.</p> <p>Hibumas 2 Estate and Sekar Imej Estate have conducted Chemical Health Risk Assessment (CHRA) by registered OHD for employees who had exposed to chemical hazardous to health such as at chemical store, fertiliser store water treatment plant and workshop. The CHRA was carried out on 23 June 2015 and has recommended to both estates to conduct chemical exposure monitoring for employees such as sprayer and workshop technician (welding activity) who had exposed to chemical hazardous to health. This recommendation was included in the CHRA report by prepared by Industrial Hygiene Technician. Both estates has received a quotation from Chemsain Konsultant Sdn Bhd (registered Industrial Hygiene Technician) dated 26/01/2016 for this purpose. The monitoring will be conducted once approved by the management.</p>	No	Name	Station	Protection initiated	1	Haris b. Ismail	Workshop	Ear Plug	2	Jikrol Saliwang	Boiler	Ear Muff	3	Kesran b. Burunai	Kernel Plant	Relocated to Security Post	4	Maria Gorenti	Loading Ramp close to the Sterilizer	Relocated to Grading
No	Name	Station	Protection initiated																				
1	Haris b. Ismail	Workshop	Ear Plug																				
2	Jikrol Saliwang	Boiler	Ear Muff																				
3	Kesran b. Burunai	Kernel Plant	Relocated to Security Post																				
4	Maria Gorenti	Loading Ramp close to the Sterilizer	Relocated to Grading																				
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	No	<p>Based on the HIRARC carried out, the type of PPE for the various station were identified. Sri Kamusan POM, Hibumas 2 Estate and Sekar Imej Estate have distributed PPE to their workers. This was evident in the 'PPE Distribution Records'. The following was verified:</p> <ul style="list-style-type: none">i. Sterilizer station – safety helmet, semi leather hand glove, cotton gloves, safety shoes, safety vest and ear muff.ii. Laboratory – respirator (double cartridge), nitrile glove (chemical penetration), safety boots and ear plug.iii. Harvester - safety helmet, sickle cover, hand glove and safety bootsiv. Sprayers - respirator, nitrile glove (chemical resistant) goggles, safety boots and apron.v. Manuring - apron, safety boots and dust maskvi. Boiler- safety helmet, safety shoes, safety vest, ear plug, leather apron, face shield and leather hand glovevii. Sterilizer station – safety helmet, semi leather hand glove, cotton gloves, safety shoes,																				

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>viii. safety vest and ear muff. Laboratory – respirator (double cartridge), nitrile glove (chemical penetration), safety boots and ear plug.</p> <p>ix. Workshop - safety helmet, safety shoes, safety vest, ear plug and leather hand glove for welder.</p> <p>Training and briefing on the operations were provided to workers to educate them on safe working practices to ensure applicable precautions are adhered as mentioned in Indicator 4.8.1.</p>										
	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>Safety and Health Committee with representatives from workers and management had been established in the palm oil mill and the estates. For the POM, the committee is chaired by the Senior Mill Manager, and the secretary is the Assistant Mill Engineer. As for the estates, the committee is chaired by the Estate Manager.</p> <p>In the mill, the quarterly Safety & Health Committee meetings were held and among the agenda discussed were as follow :</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Hospital Assistant Report (Monthly Accident statistics) iii) Mill Health & Safety Inspection Report iv) Training & Safety related activities <p>The minutes of the meeting of the Health & Safety Committee meeting were reviewed:</p> <table border="1"> <tr> <td>Meeting</td><td>1/4</td><td>2/4</td><td>3/4</td><td>4/4</td></tr> <tr> <td>Date</td><td>27th Jan, 2015</td><td>9th April, 2015</td><td>15th Aug, 2015</td><td>16th Oct, 2015</td></tr> </table> <p>For Hibumas 2 Estate , the agenda are as follow:</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Estate Inspection Report iv) Estate activity <p>The minutes of the meeting conducted on 14/12/2015, 8/9/2015, 2/7/2015 and 19/3/2015 were reviewed and it can be concluded that the safety agenda had been adequately discussed.</p> <p>At Sekar Imej Estate, the discussion in the meeting include the following:</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Estate Inspection Report <p>The minutes of meeting conducted on 12/12/2015, 21/11/2015, 28/8/2015 and 4/4/2015 were reviewed and it can be concluded that the safety agenda had been adequately discussed.</p>	Meeting	1/4	2/4	3/4	4/4	Date	27 th Jan, 2015	9 th April, 2015	15 th Aug, 2015	16 th Oct, 2015
Meeting	1/4	2/4	3/4	4/4										
Date	27 th Jan, 2015	9 th April, 2015	15 th Aug, 2015	16 th Oct, 2015										

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	YES	<p>Sri Kamusan POM</p> <p>Accident and Emergency procedures have been established, the following werer reviewed :</p> <p>i) Accident Internal inquiry procedure – rev: 2 dated 10th October, 2012</p> <p>ii) Emergency Response Plan – prepared 15th Nov, 2010 rev 2 addressing emergency situation the following emergencies procedures reviewed: Bund Break, Fire Breakout, CPO Pipe burst & fire, Flood. Chemical Spillage.</p> <p>First Aid & CPR training conducted by Mr. Sireedaran – Medical Assistant of Sri Kamusan Estate was conducted on 23rd Nov, 2015. The following First Aiders training were reviewed and first aid kits checked.</p> <table><tr><td>No.</td><td>Participant & Custodian for First Aid Kit</td><td>Station</td></tr><tr><td>1</td><td>Lee En Moi</td><td>Store</td></tr><tr><td>2</td><td>Noor Janah binti Omar</td><td>Office</td></tr><tr><td>3</td><td>Jaya Injah</td><td>Lab</td></tr><tr><td>4</td><td>Jasmin Ering</td><td>Engine Room</td></tr></table> <p>The first aid kit was checked on monthly basis and top-up was carried out accordingly. The latest check carried out on was in Jan, 2016 by Ms. Pelesia Peter, the Hospital Assistant.</p> <p>Accident statistics are maintained in the CU. Provision to record accidents, carry out cause investigation carried and initiating corresponding mitigation action taken are in place. There were no accidents recorded for 2015.</p> <p>The following emergencies preparedness activities were reviewed :</p> <table><tr><td>Activities</td><td>Date</td><td>Supervised by</td><td>Status</td></tr><tr><td>Fire Drill</td><td>18/2/2015</td><td>Mohd Sabri b. Duraman</td><td>Evacuation time of 5 minutes</td></tr><tr><td>Fire Drill</td><td>25/9/2015</td><td>Mohd Sabri b. Duraman</td><td>Evacuation time of 9.5 minutes</td></tr><tr><td>Boiler emergency shutdown</td><td>30/9/2015</td><td>Boiler Chargeman</td><td>Objective Met. Awareness training carried out.</td></tr><tr><td>Exhaust chamber explosion training</td><td>31/12/2015</td><td>Boiler Chargeman</td><td>Objective Met. Awareness training carried out.</td></tr></table> <p>The use of permit to work in confined space (PTW CS) to inform external contractors & internal workers of the safe practices and precautions to be adhered, the following verified.</p> <table><tr><td>PTW No</td><td>Date</td><td>Issuance to</td><td>Status</td></tr><tr><td>External 284</td><td>30th Dec, 2015</td><td>Bestland Transport – to transport EFB – approved accordingly</td><td>Continuous</td></tr></table>	No.	Participant & Custodian for First Aid Kit	Station	1	Lee En Moi	Store	2	Noor Janah binti Omar	Office	3	Jaya Injah	Lab	4	Jasmin Ering	Engine Room	Activities	Date	Supervised by	Status	Fire Drill	18/2/2015	Mohd Sabri b. Duraman	Evacuation time of 5 minutes	Fire Drill	25/9/2015	Mohd Sabri b. Duraman	Evacuation time of 9.5 minutes	Boiler emergency shutdown	30/9/2015	Boiler Chargeman	Objective Met. Awareness training carried out.	Exhaust chamber explosion training	31/12/2015	Boiler Chargeman	Objective Met. Awareness training carried out.	PTW No	Date	Issuance to	Status	External 284	30 th Dec, 2015	Bestland Transport – to transport EFB – approved accordingly	Continuous
No.	Participant & Custodian for First Aid Kit	Station																																													
1	Lee En Moi	Store																																													
2	Noor Janah binti Omar	Office																																													
3	Jaya Injah	Lab																																													
4	Jasmin Ering	Engine Room																																													
Activities	Date	Supervised by	Status																																												
Fire Drill	18/2/2015	Mohd Sabri b. Duraman	Evacuation time of 5 minutes																																												
Fire Drill	25/9/2015	Mohd Sabri b. Duraman	Evacuation time of 9.5 minutes																																												
Boiler emergency shutdown	30/9/2015	Boiler Chargeman	Objective Met. Awareness training carried out.																																												
Exhaust chamber explosion training	31/12/2015	Boiler Chargeman	Objective Met. Awareness training carried out.																																												
PTW No	Date	Issuance to	Status																																												
External 284	30 th Dec, 2015	Bestland Transport – to transport EFB – approved accordingly	Continuous																																												

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<table><tr><td>External 280</td><td>29th Dec, 2015</td><td>LAK –Service Weighbridge – approved accordingly</td><td>Completed - Hand over</td></tr><tr><td>External 001</td><td>1st Jan, 2016</td><td>Sri Sabmal Transport - to transport EFB – approved accordingly.</td><td>Continuous</td></tr><tr><td>Internal 001</td><td>1st Jan, 2016</td><td>Mill Filter – Nut elevator maintenance</td><td>Completed</td></tr><tr><td>Internal 014</td><td>3rd Jan, 2016</td><td>Mill Filter – Vacuum Dryer maintenance</td><td>Complete</td></tr></table>	External 280	29 th Dec, 2015	LAK –Service Weighbridge – approved accordingly	Completed - Hand over	External 001	1 st Jan, 2016	Sri Sabmal Transport - to transport EFB – approved accordingly.	Continuous	Internal 001	1 st Jan, 2016	Mill Filter – Nut elevator maintenance	Completed	Internal 014	3 rd Jan, 2016	Mill Filter – Vacuum Dryer maintenance	Complete
External 280	29 th Dec, 2015	LAK –Service Weighbridge – approved accordingly	Completed - Hand over																	
External 001	1 st Jan, 2016	Sri Sabmal Transport - to transport EFB – approved accordingly.	Continuous																	
Internal 001	1 st Jan, 2016	Mill Filter – Nut elevator maintenance	Completed																	
Internal 014	3 rd Jan, 2016	Mill Filter – Vacuum Dryer maintenance	Complete																	
				<p>The practice of using of JKKP 6, 7 & 9 forms are in place.No accidents recorded for 2015. Submission of JKKP 8 form is carried out in a timely manner.</p> <p>Hibumas 2 Estate has established an Emergency Response Plan (ERP) since 12 June 2010. The plan addresses the incident reporting, injury illness requiring medical attention, suicide attempt & prevention, bush fire, chemical and fertiliser spillage, flood, poisoning, workplace and violence. Clinic at Hibumas 2 Estate is managed by a Medical Assistant, licensed under the Ministry of Health, Sabah.</p> <p>Hibumas 2 Estate has conducted training on basic first aid on 9 March 2015. The training was conducted by the Medical Assistant for 18 staffs and workers.</p> <p>Fire drill and safety briefing was carried on 13/2/2015 with supervision by ESH Officer. The evacuation time was monitored. Accident statistics were maintained and periodically reviewed by quarterly basis during Health and Safety Committee meeting. Meeting minutes were reviewed.</p> <p>JKKP 8 form was sent to DOSH accordingly with 4 accidents recorded in 2015. Only 1 accident with 3 LTI recorded. Site inspection were carried out at Hibumas 2 Estate once in every three months. Records of inspection revealed that the inspection was carried out on 15/1/2016, 21/10/2015, 4/6/2015 and 31/1/2015. Areas of concern were identified and appropriate actions were initiated.</p> <p>At Sekar Imej Estate, 29 first aiders have been trained. Training on the basic first aid was carried out on 9/3/2015 by the Medical Assistant.</p> <p>Fire drill was carried on 10/4/2015. The evacuation time was monitored. The drill was supervised by the ESH Officer. Safety briefing was provided by ESH Officer. Accident statistics were maintained and periodically reviewed by quarterly basis during Health and Safety Committee meeting. Meeting minutes were reviewed.</p> <p>JKKP 8 was sent to DOSH accordingly– no accident recorded for 2015. Site inspection has been carried out once in three months on 12/12/2015, 21/11/2015, 28/8/2015 and 4/4/2015. Areas of concerns were identified and appropriate actions were initiated.</p>																

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				Visiting Medical Officer (VMO) Monthly Report - verified the following records 'VMO report'.																																											
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	<p><u>Sri Kamusan POM</u> Mill workers were provided with medical care and covered by accident insurance. The following health facilities are available to the Mill workers:</p> <p>i) Mill Clinic – on a 24 hrs stand by – manned by Hospital Assistant – Ms. Pelesia b. Peter – Licence to practice as per ‘Dresser Ordinance, 1928 JKN(SB)/1201/93/(58) , and assisted by 2 Assistance.</p> <p>ii) Health Clinic ‘Sungai Sungai’ – 20 km with ambulance facility</p> <p>iii) District Hospital Pitas – 125 km from Mill.</p> <p>HA visit log of Mill line site reviewed, carried out on a weekly basis - verified the following visits :</p> <table><tr><td>Visit Date</td><td>23rd Jan, 2016</td><td>15th Jan, 2016</td><td>24th Dec, 2015</td></tr><tr><td>Status</td><td>Satisfactory – with Comments</td><td>Satisfactory – with Comments</td><td>Satisfactory – with Comments</td></tr></table> <p>VMO visit log of Mill line site reviewed, carried out on a monthly basis. VMO - Dr. Henry Ong Ming Leong – registered occupational doctor – HQ/08/DOC/00/194. The following were reviewed :</p> <table><tr><td>Visit Date</td><td>13th Jan, 2016</td><td>12th Nov, 2015</td><td>9th Sept, 2015</td></tr><tr><td>Status</td><td>Satisfactory – with Comments</td><td>Satisfactory – with Comments</td><td>Satisfactory – with Comments</td></tr></table> <p>Local workers were covered by SOCSO. This was confirmed through the verification of ‘Jadual Caruman Bulanan’ Jan – 2016, Dec, Nov & Oct 2015 for the following workers:</p> <table><tr><td></td><td>Name</td><td>I/C No</td></tr><tr><td>a)</td><td>Miklo Tazi</td><td>920911 – 12 - 7363</td></tr><tr><td>b)</td><td>Nasir bin Befing</td><td>780524 – 12 - 5761</td></tr><tr><td>c)</td><td>Rafizah Guang</td><td>920718 – 12 - 6668</td></tr><tr><td>d)</td><td>Nusah bin Arib</td><td>910427 – 12 - 5711</td></tr></table> <p>Foreign workers were covered by the Workmen Compensation provided as per Compensation Act 1952, through ACE Jerneh Insurance Berhad (policy No.: KK – W0508180-WWF-EOO3 – WWF – expiry date : 31/12/2016). The policy is yearly renewed. Verified the policy coverage for the following workers :</p> <table><tr><td></td><td>Name</td><td>Passport No</td></tr><tr><td>a)</td><td>Joemar Maravilla Mondejar</td><td>EB 8523129</td></tr><tr><td>b)</td><td>Alimuddin bin Nepeng</td><td>A 6083948</td></tr><tr><td>c)</td><td>Aris Ismail</td><td>A 6083925</td></tr></table> <p>Hibumas 2 Estate</p>	Visit Date	23 rd Jan, 2016	15 th Jan, 2016	24 th Dec, 2015	Status	Satisfactory – with Comments	Satisfactory – with Comments	Satisfactory – with Comments	Visit Date	13 th Jan, 2016	12 th Nov, 2015	9 th Sept, 2015	Status	Satisfactory – with Comments	Satisfactory – with Comments	Satisfactory – with Comments		Name	I/C No	a)	Miklo Tazi	920911 – 12 - 7363	b)	Nasir bin Befing	780524 – 12 - 5761	c)	Rafizah Guang	920718 – 12 - 6668	d)	Nusah bin Arib	910427 – 12 - 5711		Name	Passport No	a)	Joemar Maravilla Mondejar	EB 8523129	b)	Alimuddin bin Nepeng	A 6083948	c)	Aris Ismail	A 6083925
Visit Date	23 rd Jan, 2016	15 th Jan, 2016	24 th Dec, 2015																																												
Status	Satisfactory – with Comments	Satisfactory – with Comments	Satisfactory – with Comments																																												
Visit Date	13 th Jan, 2016	12 th Nov, 2015	9 th Sept, 2015																																												
Status	Satisfactory – with Comments	Satisfactory – with Comments	Satisfactory – with Comments																																												
	Name	I/C No																																													
a)	Miklo Tazi	920911 – 12 - 7363																																													
b)	Nasir bin Befing	780524 – 12 - 5761																																													
c)	Rafizah Guang	920718 – 12 - 6668																																													
d)	Nusah bin Arib	910427 – 12 - 5711																																													
	Name	Passport No																																													
a)	Joemar Maravilla Mondejar	EB 8523129																																													
b)	Alimuddin bin Nepeng	A 6083948																																													
c)	Aris Ismail	A 6083925																																													

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>Local workers were covered by SOCSO. This was verified through the “<i>Jadual Caruman Bulanan</i>”. Foreign workers were covered by Workmen Compensation provided as per Compensation Act 1952, through ACE Jerneh Insurance Berhad – expiry date: 31 December 2016 with policy no.: KK-W0597596-WWF-E003.</p> <p><u>Sekar Imej Estate</u> Local workers were covered by SOCSO. This was verified through the “<i>Jadual Caruman Bulanan</i>”. Foreign workers were covered by Workmen Compensation provided as per Compensation Act 1952, through ACE Jerneh Insurance Berhad – expiry date: 31 December 2016 with policy no. KK-W0190696-WFM-R002.</p>
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	<p><u>Sri Kamusan POM</u> Accident statistics were being maintained and periodically reviewed (i.e. on quarterly basis) during the Health and Safety committee meeting. Accident free days without loss of man-days – 733 days. JKPP 8 prepared on 8th Jan, 2016 indicated no accidents had occurred for 2015. The form was submitted to DOSH as part of the annual report.</p> <p>i) Last accident recorded with ‘loss man-days’ was on 13/2/2014. ii) JKPP 6 – No issues raised for 2015</p> <p><u>Estates:</u> JKPP 8 form was sent to DOSH accordingly with 4 accidents recorded for 2015. For 2015, to date only 1 accident with 3 LTI recorded at Hibumas 2 Estate. While, at Sekar Imej Estate, there was no accident recorded for 2015.</p>
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	YES	<p><u>Sri Kamusan POM</u> Training programme has been established for 2016 covering all the staffs & workers. For 2015, the following training were conducted. Evidence of training (i.e. training records were reviewed by the audit team):</p> <p>i) ‘Scheduled waste handling’ – trained by Abd Sadid Mujin on 18th June, 2015 – for general workers; ii) ‘Chemical handling training’ - trained by Carlson Johnston (Mill Engineer) on 16th July, 2015 – for Lab, water treatment, boiler & store personnel; and iii) ‘Logout and Tagout’ - trained by Dickson bin Bichin (Electrical Chargeman) on 29th May, 2015 – for workshop, Kernel plant & electrical personnel.</p> <p><u>Estates:</u> A training program titled ‘Training Programme for Estate 2016 – Sekar Imej Estate’, and Hibumas 2 Estate have covered all aspects of PSPO P&C. For 2015, the following training were carried out:</p> <ol style="list-style-type: none"> 1. Road safety campaign – 20/8/2015 2. Training for motorcyclist in the estate – 13/8/2015 3. Training on MSDS & HIRARC – 16/2/2015 4. Briefing on safety and health policy and other companies policies – 10/4/2015 5. First Aid Kit Training – 9/3/2015 6. Chemical sprayer training – 17/2/2015

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>7. Training on triple rinse – 13/3/2015</p> <p>8. HCV awareness training and worker's rights – 12/2/2015</p> <p>9. Training on FFB harvesting and pruning – 15/1/2015</p> <p>10. Sexual harassment training – 16/1/2015</p>
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	<p>Training records with attendance lists were made available to the audit team. Sri Kamusan POM, Hibumas 2 Estate and Sekar Imej Estate have maintained training records as mentioned in 4.8.1 in their file such attendance list, training reports, memo and training hand-out.</p> <p><u>Sri Kamusan POM</u></p> <ul style="list-style-type: none"> (i) Woman and Children Training - 10th March 2015 (ii) A leaflet regarding Human Right and Sexual Harassment was distributed to all workers on 30 July 2014. (iii) Policy on human rights was communicated to all levels of the workforce and operations (iv) Social training for Women & Children's Committee on 2 February 2016 <p><u>Sekar Imej</u></p> <ul style="list-style-type: none"> (i) Chemical handling and spraying technique on 17.12.2015 (ii) On IPM & Ganoderma on 8.04 2015 and 23.09.2015 (iii) On harvesting & pruning on 20.10. 2015 (iv) On spraying on SSOP on 1.04.2015 and 19.10.2015 (v) On manuring on 1.04.2015 and 21.10.2015 (vi) Training on Safety and Health in Humana School, Creche - 25-26 /11 2015 (vii) Training on Human rights, HCV Awareness & Safety Briefing Talk - 11 February 2015 <p><u>Hibumas 2</u></p> <ul style="list-style-type: none"> (i) Chemical handling and spraying technique on - 18.02.2015 (ii) On IPM & Ganoderma on 8.04 2015 and 23.09.2015 (iii) On harvesting & pruning on 4.02. 2015 (iv) On spraying on SSOP on 5.04.2015 (v) On manuring on 6.02.2015 2015 (vi) Training human right 12 February 2015 (vii) 'Training on Breastfeeding' in 25 August 2015, (viii) Training on Woman & Children's Committee on 2 February 2016 and

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

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>Sekar Imej Estate</u></p> <p>i) Environmental Policy has been established since September, 2010. The policy is signed by the Head of Group CSR, Mr. Jeremy Goon.</p> <p>ii) No Deforestation, No Peat Policy is available since 5th December, 2013. The policy is signed by Mr. Kuok Khoon Hong, the Group CEO.</p> <p>Identification of Environmental Aspect and Impact and Evaluation of Significance for 2016 was updated by Jainuddin Nuani (Asst. Estate Manager) on 28th Jan, 2016 – with updated chemical usage based on Y2015 usage. Environmental Impact Assessment (EIA) Plan – updated on 2nd February, 2016 by Jainuddin Nuani and approved by Marcellus Robert – Estate Manager status established Person(s) in charge and mitigating actions recorded.</p> <p><u>Sri Kamusan POM</u> Identification of Environmental Aspect and Impact and Evaluation of Significance for 2016 updated - Mak Wing Seng (Asst Mill Manager) d/d : 21st Jan, 2016 – with the following aspects updates</p> <p>i) Construction of biogas plant</p> <p>ii) Greenhouse gas emissions.</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 person/persons. Minor Compliance	YES	<p><u>Sekar Imaj Estate</u></p> <p>Environmental Impact Assessment (EIA) Plan – updated on 2nd February, 2016 by Jainuddin Nuani and approved by Marcellus Robert – Estate Manager status established Person(s) in charge and mitigating actions recorded – a time table for monitoring has been established to be monitored on a timely basis.</p> <p><u>Sri Kamusan POM</u> Significant Environmental Aspects and Impacts Mitigation Plan (Methods) – has been established with the control measures in the form of Procedures, Equipment / Material, Training / Communication for each operating stations.</p>
	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	YES	A monitoring protocol was established by the client and the monitoring activities were done externally by Ekohandal Sdn. Bhd. Three records were cited onsite dated 13 th February 2015, 19 th May 2015 and 18 th September 2015. Noted that it has been carried out for the period between Nov 2014 and Oct 2015.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		environmental impacts. Minor Compliance		
<p>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.</p>	5.2.1	<p>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</p>	YES	<p>As reported in the previous surveillance audit, a report on HCV sites within the CU had been prepared. The High Conservation Value Assessment Report, which was prepared in September 2010, had identified HCV sites for each of the six estates. A public consultation was held on 29 June 2010 where 8 members of the local communities were represented in the meeting to discuss the findings in the report. An Action Plan for HCV Report was also prepared.</p> <p>Specific sites had been identified in each of the estate for protection of their high conservation values. Sites with external HCV1, HCV3 and HCV4 had been identified. There are no RTE species found in Sri Kamusan CU during the assessments.</p> <p>Maps demarcating these HCV sites had also been prepared. The audit team had inspected the sites protected in the Hibumas 1 Estate, Hibumas 2 Estate, Sri Kamusan Estate, Jebawang Estate, Sapi Sugut Estate and Sekar Imej Estate. It was observed that signage had been erected in all these HCV sites indicating the classes and that no activity was permitted in these areas.</p> <p>HCV1 is the forested area in the Sekar Imej Estate, Sapi Sugut Estate and Hibumas 1 Estate. For HCV3, the various ecosystems had been protected in the estates. The flood plain that had been demarcated as HCV site in Hibumas 1 Estate and Hibumas 2 Estate had been inspected and found marked on maps and demarcated on ground. This flood plain was part of the larger ox-bow lake system of the Sg. Sugut.</p> <p>The most common were sites classified under HCV4 for soil erosion control and water protection owing to the hilly terrain of all the estates. It was observed that all the steep areas had been left protected with no planting activities allowed.</p> <p>In term of HCV area, total area for conservation area (steep area), flood area and riparian reserves (Sg. Sugut) in Hibumas 1 Estate is 431.74 ha. This estate also adjacent with Kuala Bonggaya Forest Reserve & Kuala Labuk Forest Reserve.</p> <p>At Hibumas 2 Estate, the HCV area are freshwater swamp, riparian reserves (Sg. Sugut), flood area, steep and rocky area with total 751.41 ha. This estate is adjacent with Paitan Forest Reserve. Jebawang Estate has declared about 2.53 ha of conservation area.</p> <p>Sekar Imej Estate has conserved a riparian reserves known as Sg. Paitan and conservation area with total of 1,800.80 ha. The estate also adjacent with Paitan Forest Reserve. While at Sapi Sugut Estate, a total of 805.23 ha was classified as HCV which are conservation area and riparian reserves, Sg. Sugut. The estate is adjacent with Lingkabau Forest Reserve.</p> <p>Sri Kamusan Estate has declared a total of 684.17 ha which are conservation area and riparian reserves, Sg. Melapi.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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. Major Compliance	YES	<p>A summary of management actions had been proposed in the HCV Assessment Report. 'HCV Monitoring & Action Plan 2015-2019' had been identified for each estates. Latest review of HCV Action Plan for Jebawang & Hibumas 2 Estate dated 21/1/2016 HCV plan titled 'HCV Monitoring & Action Plan 2015-2019' has been reviewed 23/1/2016. Both documents were examined during the assessment. No RTE species were identified present at Hibumas 2 Estate and Sekar Imej Estate during this audit.</p> <p>List of activities as stated in the action plan for Hibumas 2 Estate as listed below:</p> <ol style="list-style-type: none"> 1. Maintenance of HCV signboards such as 'No hunting', 'No intruders', protected species (RTE) at the main gate / HCV areas / office 2. Re-paint the faded red marking at the riparian area and forest area 3. Awareness training for spraying activity at buffer zone area 4. Set up camera trap for monitoring on RTE species within the conservation area 5. HCV monitoring to ensure no encroachment
	5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	YES	Although there were no RTE species were identified at Hibumas 2 Estate and Sekar Imej Estate, the CU still conducting HCV training titled 'HCV Awareness' on 12/2/2015 for their field workers in order to create awareness among them.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: <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. Minor Compliance	YES	<p>Records on monthly monitoring was verified during the audit. The latest monthly records for HCV monitoring was conducted on 16/12/2015 at Hibumas 2 Estate and January 2016 at Sekar Imej Estate using 'Borang Monitoring HCV Sabah'.</p> <p>It was observed that signage had been erected at each estate to ban hunting. The entrances to each estate had gates and manned by guards. Regular patrols had been conducted and reported on the protection of these HCV sites. The staff and workers were also consulted on this and they were aware of the responsibility to protect endangered, rare and threatened species of forest flora and fauna in their areas. There were also posters put up at all estates offices.</p>
	5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be	YES	The HCV or land with slope more than 25° set-asides was within the Hibumas 2 Estate and Sekar Imej Estate. Sekar Imej has briefed local villagers from Kg. Mononod, Kg. Koiboton and Kg. Telidusen on encroaching activity at HCV area dated 17 December 2014. The villagers were not allowed to hunt on encroach HCV area without getting permission from Sekar Imej Estate and

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance		authority department.
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	<u>Sekar Imej Estate & Sri Kamusan POM</u> Pollution Prevention Plan has been established identifying the source of waste / pollution, environment impact, Mitigation Plan and the Progress of the Mitigation steps taken.
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	YES	<u>Sekar Imej Estate</u> 'Triple Rinsing Procedure' – SOP –EST -00 dated 2 nd October, 2012 has been established. 'Triple Rinsing' 'Records for disposal in 2015 were maintained. The rinsed and punctured containers are sold to NEW GATE SDN. BHD. Sighted appointment letter by the Agricultural Department Malaysia dated 18 th March, 2011 to collect the empty chemical containers.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	YES	For the identified waste and pollutants, procedures and guideline were established as to guide the waste disposal activities and to reduce pollution on the routine operation. At the mill, the wastes have been disposed as follows; EFB were sent for mulching in the field, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted in timely manner as stipulated in the written approval. Effluent quality monitoring was also done on the monthly basis. Sample taken at final discharge point was sent for analysis. On the scheduled waste management, the established procedures - Handling of Scheduled Waste. Scheduled Waste were disposed through licensed Schedule Waste disposers - Petrojadi Sdn. Bhd, Lagenda Bumimas Sdn. Bhd The storage, management and disposal of the following scheduled wastes were reviewed, noted to be satisfactory. SW 305 – Spent Lubricant Oil SW 410 – Contaminated Rags & Filters SW 410 – Mixed Schedule waste. SW 102 – Used lead Acid Batteries SW 417 – Waste of Paints / Inks SW 408 – Contaminated Soils SW 404 – Clinical Wastes Reviewed scheduled wastes disposal – Lagenda Bumimas Sdn. Bhd. – Sixth Schedule dated : 12 th Feb, 2016 – handled satisfactory. <u>Sekar Imej Estate</u> Waste Management Plan has been Identification and established for 2016. Reviewed by Jainuddin Nuani (Asst Estate Manager)

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>Operation activities, Type of waste, Waste Handling measures have been identified and actions taken.</p> <p><u>Sri Kamusan POM</u> Pollution Prevention Plan has been established identifying the source of Waste / pollution, Environment Effected, Mitigation Plan and the Progress of the Mitigation steps taken.</p>																																
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	YES	<p><u>Sekar Imej Estate</u> Fossil fuel reduction / optimisation plan programme has included the monitoring of diesel consumption per tonnage of FFB processed. Data for Y2015 is as follows :</p> <table><tr><td>Month</td><td>Aug</td><td>Sept</td><td>Oct</td><td>Nov</td><td>Dec</td></tr><tr><td>Ratio</td><td>13.934</td><td>9.92</td><td>11.50</td><td>11.24</td><td>12.32</td></tr></table> <p>A slight improvement in usage was noted.</p> <p><u>Sri Kamusan POM</u> Environmental Management Program & Action plan – 2015 where the Fossil Fuel reduction / Optimisation Plan has been included. Program to reduce diesel consumption is in place by monitoring the diesel generator running hours. The following data was monitored:</p> <table><tr><td>Year</td><td>Diesel Consumption (Litre)</td><td>FFB Processed (MT)</td><td>Ratio</td></tr><tr><td>2012</td><td>119, 850</td><td>198,918</td><td>0.60</td></tr><tr><td>2013</td><td>102, 668</td><td>214,163</td><td>0.47</td></tr><tr><td>2014</td><td>65,600</td><td>281, 675</td><td>0.23</td></tr><tr><td>2015</td><td>60, 234</td><td>285, 717</td><td>0.21</td></tr></table> <p>Biogas plant is under construction to capture methane gas generated from the Effluent Treatment Plant. The biogas will be used in the biogas engine to produce electricity for mill and domestic use. The plant will be commission by end of 2016.</p>	Month	Aug	Sept	Oct	Nov	Dec	Ratio	13.934	9.92	11.50	11.24	12.32	Year	Diesel Consumption (Litre)	FFB Processed (MT)	Ratio	2012	119, 850	198,918	0.60	2013	102, 668	214,163	0.47	2014	65,600	281, 675	0.23	2015	60, 234	285, 717	0.21
Month	Aug	Sept	Oct	Nov	Dec																															
Ratio	13.934	9.92	11.50	11.24	12.32																															
Year	Diesel Consumption (Litre)	FFB Processed (MT)	Ratio																																	
2012	119, 850	198,918	0.60																																	
2013	102, 668	214,163	0.47																																	
2014	65,600	281, 675	0.23																																	
2015	60, 234	285, 717	0.21																																	
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	<p>There was no land prepared by burning in both estates. The estates had adhered to the policy as per the Agricultural Manual and SOP Item 4, page 51, Green Stacking (Zero Burning) which advocates zero burning for land preparation and as per their Environmental policy item 3 – "Practice zero burning in all plantation development activities and waste disposal..."</p>																																
	5.5.2	Where fire has been used for preparing land for replanting,	YES	<p>There was no evidence that fire had been used for land preparation in both estates. The adhered</p>																																

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		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		to the policy as mentioned under 5.5.1.
<p>C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognised 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</p>	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	<p><u>Sekar Imej Estate</u> Waste and Pollution – Identification, Prevention, Mitigation and Improvement Plan has been established since 15th Jan, 2010 by Eco Management Unit. A revision to the plan was made on 27th April, 2013. The proposed mitigation plans are being monitored on a yearly basis.</p> <p><u>Sri Kamusan POM</u> The chimney dust emission was being monitored. The following reports reviewed :</p> <ul style="list-style-type: none"> a) Chimney No. 1 – Report Ref No : GES / EM 15 / 760 – date of sampling : 13th October, 2015. b) Chimney No. 2 – Report Ref No : GES / EM 15 / 762 – date of sampling : 24th November, 2015.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and 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	<u>Sekar Imej Estate & Sri Kamusan POM</u> Greenhouse gas emissions are being identified from land conversation, crop sequestration, N2O from fertiliser, fuel consumption and peat oxidation. Plans to reduce or minimise them are in place.
	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	<u>Sekar Imej & Sri Kamusan POM</u> A monitoring system is in place and regular reporting on progress for significant pollutants and emissions from estate and mill operations and reports are submitted to RSPO. PalmGHG calculator version 2.1.1 version Registration certificate No.: RSPO 0011 is used to tabulate the GHG emission. Verified PalmGHG Summary Report submission on the : 4 th Feb, 2016.

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 and promote the positive ones are made, implemented and monitored, to demonstrate	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	YES	<p>The SIA report entitled “Impact Assessment for Sugut Region Estates (PPB Oil Palms Berhad), Beluran, Sabah, Malaysia – “Sri Kamusan Estate and Mill Social Impact Assessment Report” , “Sekar Imej and Sapi Sugut Estate Social Impact Assessment Report” and “Hibumas 2 / Jebawang social impact assessment report” was prepared in October 2010 by the Malaysian Environment Consultants Sdn Bhd. The report was prepared with the participation of the relevant stakeholders, such as Government Department and neighbouring villages communities; Beluran District Office, Beluran Forest Department, Agriculture Department, Kg. Melapi, Kg. Mononod, Kg Kaibuton, Kg Tampat, Kg Linayukan and etc.</p> <p>This assessment was conducted with full consultation with all the 6 communities living within the vicinity of the estates. In the SIA reports, records of meetings with stakeholders including types of stakeholders, target groups and dates of consultations were documented.</p> <p>The contents of the SIA reports included data collection method, general description of Sabah, its people at the study area, basic socio-economy of local communities, stakeholder analysis and</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

continual improvement.				<p>sampling methodology, findings of the assessment, views and aspirations of stakeholders, gender and marginalised group analysis and SWOT analysis. Among the issues raised by local communities, staffs and workers were road maintenance, deduction of OER, transportation for school children and work opportunities for local communities. The workers, on the other hand, raised concerns on the housing conditions, conditions of the crèche and etc.</p> <p>The audit team had held separate meetings with the representatives of the affected villages, NGOs, and government agencies. Records of these meetings including photographs of attendees and minutes were examined. The CU had created employment opportunities and economic spin-offs in the local economy.</p> <p>Workers and staffs have been provided with free furnished accommodation, free water supply and electricity, and free basic medical care. Other amenities provided were Humana schools for children of foreign workers, regulated transportation to place of work and town and transportation of children to school.</p>
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	<p>Records of meetings conducted by Hibumas 2 Estate (Minit Mesyuarat Stakeholder) with external stakeholders especially with contractors (Palm Mach, Syarikat, Pengangkutan Aman Damai Sdn Bhd etc.), Sykt Nursabuna, Head of Kampung Pulau and Head of Kg Tapat Sugut on 11 February 2016 were presented. Management had briefed participants on RSPO, HCV and riparian zone. No issue was raised by stakeholders. The Management Action Plan for SIA for Sekar Estate was reviewed on 10 February 2016, Hibumas 2 Estate on 28 January 2016 and Sri Kamusan POM on 5 Jan 2016.</p> <p>Sekar Imej Estate had identified 9 issues from internal stakeholders (plantation workers, staff and dependents) and smallholders, and 4 Issues from external stakeholders (contractors, suppliers, adjacent plantations, government agencies and others, village) as stated in their Management Action Plan for SIA. Among the issues raised from the SIA Management Action Plan generally on housing, education, healthcare, recreational facilities, cost of living, amenities (worship), wages & working conditions, health & safety, environment, social engagement with local communities, and enhancement of wildlife management. Representatives from villager's communities, namely Kg. Mononood, Kg. Kaiboton that lived surrounding Sekar Imej Estate. The inputs from the participants were incorporated in the 'SIA Management Action Plan'.</p> <p>Hibumas 2 Estate had invited Kg. Pulau and Kg. Tapat Sugut, Thien Brother (supplier), Palm Mach and Sykt Nusabuna during their Stakeholder Meeting (Mesyuarat bersama Pemegang Amanah) dated 11 February 2016.</p> <p>Sri Kamusan POM had invited their smallholders (Kg. Tangkangit, Kg. Agad and Kampung Simpang, neighbouring company who send their FFB to Sri Kamusan POM (Ikatan Kayangan Sdn Bhd, Borneo Samudera Sdn Bhd, Mulia Jayamas Sdn Bhd, IOI plantations and Sykt Pertanian Khoon Siah), suppliers (Chow Enterprise), contractors (Thien Brother) and MPOB Officer to Stakeholders Meeting dated 12 February 2016.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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	<p>Stakeholders meeting were held by the CU to get inputs for reviewing and updating the Management Action Plan for SIA 2015. The action plan had documented i) Impact parameter, ii) Issue, iii) Proposed plan, iv) Location, v) Person in charge, vi) Timeline and vii) Progress.</p> <p>Example of issues highlighted in the action plan: For Sekar Imej Estate:</p> <ol style="list-style-type: none"> 1. Upgrading of new permanent concrete housing 2. Provide clinic vehicle for clinic staff to conduct monitoring at linesite 3. Conduct price check on the estate grocery store due to GST 4. Mistakes in payment wages. 5. No recreational/ sport facilities 6. Water Quality Monitoring. <p>For Hibumas 2 Estate:</p> <ol style="list-style-type: none"> 1. Conduct price check on the estate grocery store due to GST 2. New house building to shift workers from 'Kongsi' 3. Minor road repair for Kg. Tampat and construct new road to Kg Tangkasui (as per request) 4. Monitoring water quality of Sg. Sugud which daily used for Kg. Tampat 5. Offered medical treatment for both villages if needed by them 6. Increase security control from intruders like Lahad Datu tragedy. Call ESSCOM for emergency cases. 7. Land title for Kampung Tampat, Kampung Banang and Kg Pulau <p>For Sri Kamusan POM:</p> <ol style="list-style-type: none"> 1. Plan to build new housing to replace old housing which were to small, insufficient, risk of landslide and insufficient of water tanks. To-date progress is 80% and estimated by April 2016 completed. 2. Futsal, badminton and sepak takraw courts to be build and provided with ping pong tables for workers 3. Record the rejection of unripe and empty FFB at weighbridge ticket due to complaint from some of private plantation companies such as Ikatan Kayangan Sdn Bhd, Borneo Samudera Sdn Bhd and Sayongmas Sdn Bhd. 4. Road maintenance for Kg Tangkangit as requested by them during Stakeholders Meeting.
	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	YES	The plans was reviewed on yearly basis and updated as necessary. In some cases where the review had concluded that changes should be made to current practices. The SIA management action plan (external and internal) was reviewed on 5 th January 2016 for Sri Kamusan POM, 28 th January 2016 for Hibumas 2 Estate and 10 th February 2016 for Sekar Imej Estate. The review was conducted with the participation of affected parties such as local communities and contractors.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		evidence that the review 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	For the time being, there was no smallholder schemes for Sri Kamusan CU. Only independent smallholders (Ikatan Kayangan Sdn Bhd, Borneo Samudera Sdn Bhd and Sayongmas Sdn Bhd) and nearby villagers at Sri Kamusan CU were sending their FFB to Sri Kamusan POM.
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	<p>Consultation and communication procedures used by the CU in handling internal and external communications is identified as Document No 'RSPO 6.2- Consultation and Communication Procedure' which was prepared by the RSPO Unit of PPB Oil Palms Bhd.</p> <p>The CU has continued to use the internal communication through morning assemblies, notice boards and posters, suggestion boxes and complaint forms. External communication has been mainly through mail correspondence. The CU has also use the Stakeholders Meeting to serve as a forum to discuss issues of interest to the mills, estates, local government agencies and local communities (villagers).</p> <p>Generally, the CU has complied with its procedures in responding to internal and external communications. Evidence of compliance can be observed in the various files of correspondence, particularly with government agencies.</p>
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES	<p>Mr. Jainuddin Nuani, the Assistant Manager had been appointed by the Sekar Imej Estate Manager on January 2016 to handle communication matters for Sekar Imej Estate.</p> <p>For Hibumas 2 Estate, Mr. Marcellus Robert had been nominated since January 2016 to take in charge of the consultation and communication with internal and external parties.</p> <p>For Sri Kamusan POM, Mr Saripuddin Hussain had been appointed by the General Manager as persons in charge of communication with stakeholders since 25 April 2013.</p>
	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. Minor Compliance	YES	<p>At Sekar Imej Estate, the stakeholders list has been updated on 28 January 2016. 90 materials suppliers and contractors, 4 village communities, 3 neighbouring estates, 38 government agencies, 2 schools and 14 panel doctors were listed in the stakeholders list.</p> <p>At Hibumas 2 Estate, the stakeholders list was updated on 28 January 2016. 3 Internal stakeholder, 13 villagers communities, 39 government agencies, and schools, 77 materials supplier and contractors, 1 scheduled waste companies, and 9 panel doctors were listed in the stakeholders list.</p> <p>At Sri Kamusan POM, 186 FFB suppliers (including smallholders), 13 villagers communities, 47 government agencies, and schools, 120 materials supplier and contractors, 2 insurance</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>companies, 1 scheduled waste companies, and 10 panel doctors were listed in the stakeholders list.</p> <p>Evidence of communications, complaints, grievances, disputes etc. with internal and external stakeholders could be tracks in the stakeholders meeting files which kept by the estate/mill. Files on external communication were kept according to the agencies or parties communicated, for examples, Department of Safety and Health, and Department of Environment, and so forth. And, records of action taken had been highlighted in the SIA Management Action Plan.</p>
<p>C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all 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 whistle-blowers, where requested.</p> <p>Major Compliance</p>	YES	<p>In the event of a dispute, complainants and whistleblowers, the CU will manage it through the "Whistle Blowing Policy" which was issued on 5/8/2015 (Version 3) and "Dispute and Grievances Procedure" (Document PPB/RSPO 6.3(2.2)/(1)) dated 11 May 2015. The procedure starts with the receipt of complaint from any party, its investigation, proposed solutions and acceptance of the solutions or otherwise. If the proposed solution was rejected, the dispute will be brought for third party arbitration. Grievance or dissatisfaction and request for services on the part of the employees can be conveyed through the "Borang Aduan (Complaints Form)"- Document RSPO/C6.3(01)/0111 and the "Borang Permohonan (Request Form)"- Document RSPO/C6.2(00)/0611. PPB Oil Palms Berhad had established a standard operating procedure on 'Grievances and Complaint' (PPB/RSPO 6.3 (2.2)/(1)), Therefore NCR #: MRS 02 2015 was closed.</p> <p>Sekar Estate, Hibumas 2 Estate and Sri Kamusan POM have welcomed any complaints and grievances from their stakeholders which can be raised through complaints form, grievances form, PIR form, stakeholders meeting and Woman & Children Committee meeting. So that, they can received any opinion or suggestion in order to improve their social responsibilities to all stakeholders.</p> <p>Sri Kamusan CU had also informed all their stakeholders through official letter dated 25 February 2015 to inform that the CU could provide them all information as they required such as land title, MPOB license, SOP etc. The letter also stated list of forms that were made available at the estate and mill if they want to make any complaints, grievances or disputes such as Complaint/Grievance Form, Request Form and Public Information Request Form.</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>The CU reported that in the past there had been no disputes, in any form. The domestic inquiry files were examined to find out whether or not the decisions of the panels of the enquiry had been contested. However, there was no case filed.</p> <p>There were also no grievances/complaints from employees except for their house maintenance. Housing complaints from workers have been handled quite satisfactorily by the estate/mill. Interviews with workers revealed that they were happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education and clinic services.</p> <p><u>Case 1:</u> Worker at Sri Kamusan POM has made a complaint on electric socket and the lamp were not</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>working at Block A-2 on 26/11/15. Action: Hibumas 2 Estate had fixed the electric socket and change the lamp on 28/11/15.</p> <p><u>Case 2 :</u> Worker at Hibumas 2 Estate has made a complaint on no padlock and lamp at Gate Parcel 6 on 3/12/15. Action: Hibumas 2 Estate had replaced the padlock and lamp on 4/12/15.</p> <p><u>Case 3:</u> 'Mess' Keeper make a complaint about fridge, piping system and toilet on 23/11/15. Action: Management of Sekar Imej Estate had fixed the piping system and toilet at 24/11/15.</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.	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES	A procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation were established. In the event, 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 30 July 2009. Essentially, the procedure describes how to check for legal status of the lands in question and lays out the criteria in deciding who should be compensated and the amount of compensation.
	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>As mentioned in 6.4.1, the procedure has addressed the determination of compensation. The process and outcome of any compensation claims is documented and made publicly available. Other than the land dispute mentioned in 6.3.2, there had not been any other issue of land claims involving the estate.</p> <p>Since last audit, there was no claim for compensation by the local communities made against Sekar Estate, Hibumas 2 Estate and Sri Kamusan POM. If there were any cases related to compensation, the procedure for calculating and distributing fair compensation would be carried out at the company level as stated in their standard operating procedure 'Dispute and Resolution Procedure' – RSPO 2.2.</p>
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be	YES	There was no issue raised related to the compensation claims at Sri Kamusan CU since the 3 rd Surveillance Audit in 2014. Therefore, this indicator was not applicable.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		documented, with evidence of the participation of affected parties, and made publicly available. 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>Pay slip for sprayer and harvester were verified by audit team. Their wages had followed minimum national wages where they have been paid at RM30.77 per day with total of RM800 per month (minimum). Employee's payslip (foreign worker for sprayer and harvester for Nov 2015 and employment agreement had been checked and verified;</p> <ul style="list-style-type: none"> i) Employee code for sprayer = HM/HME2/0612/1147 & HM/HME2/0612/1153 ii) Employee code for harvester = HM/HME2/0911/960 & HM/HME2/0108/198 <p>Six (6) contracts of employment for foreign workers were examined at the Sekar Estate and seven (7) contracts of employment both for foreign and local workers were examined at the Hibumas 2 Estate:</p> <p>A sample of eight contracts of employment both for foreign and local workers were examined at the Sri Kamusan POM:</p> <p>The local workers contract states the monthly salary, working days, allowance, overtime, annual leave, public holidays, medical benefits, income tax and contributions to SOCSO. While for foreign workers, the contract states contract period, wage rate, working days and working hours, overtime, public holidays, house accommodation, medical benefits, sick leave, annual leave, insurance and in Bahasa Malaysia.</p> <p>The pay slips of a few workers were also seen at each estate/mill and each one was found to show 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	YES	<p>The employment contract was in Bahasa Malayu for foreign workers and English for local workers. However, the pay slip is in English and its computations are quite complicated. The CU has explained the pay slip to the workers and has displayed the translation of pay slip in Bahasa at the estates and mill noticeboard. Sample of employment offer letter for local workers had been verified by auditor which stated the working hours, employee provident fund (for local only), annual leave, medical benefits and sick leave, insurance scheme, retirement, and etc. During interviewing the local workers and foreign as mentioned in 6.5.1, they were understood the content of their contract of employment and payslip statement.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		carefully to them by a management official. Major Compliance		
	6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance	YES	<p>The CU still maintains its policies on housing, water and electricity supply as reported in the previous audit where electricity and water consumption were subsidised. Religious, medical, educational - Humana School and child care facilities – Creche Ayah are still offered as before. Any maintenance and service for housing and facilities can be requests from mill and estates management with free of charge. During interview with foreign field workers at the Sekar Imej Estate revealed that they were really satisfied with the accommodation and other facilities that provided by the estate to them.</p> <p>Housing inspections were carried out by members of the health and safety committee as required by Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446). Weekly cleanliness inspection at Sekar Imej Estate were carried out and reported by Medical Assistant. Concerns had been identified and appropriate actions initiated. The following records verified: 9 September 2016, 15 October 2015, 12 November 2015, 10 Dec 2015 and 10 Jan 2016.</p> <p>Weekly cleanliness inspection at Hibumas 2 Estate were carried out and reported by Clinic Assistant. Concerns had been identified and appropriate actions initiated. The following records verified: 9 November 2015, 17 November 2015, 9 December 2015, 14 December 2015, 23 December 2015, 12 January 2016 and 19 January 2016.</p>
	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	<p>At Sekar Imej Estate, the manager had monitored adequacy of the food availability and the price at the Andima Enterprise (sundry shop that operate in the estate) twice a year. The latest monitoring was on January 2016.</p> <p>At Hibumas 2 Estate, the Kedai Runcit Aqua Enterprise (sundry shop that operate in the estate) was monitored once a year. The latest monitoring was carried out on January 2016 by the estate manager.</p> <p>At Sri Kamusan POM, the Kedai Runcit Usakal (sundry shop that operate in the estate) was monitored once a year. The latest monitored on January 2016 by estate manager.</p>
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	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	YES	An official policy on Human Right was published on June 2014. The policy was written in English and languages understood by the workers recognising freedom of association was made available and being exhibited in public places at all estates/mill. The statement included among others include, the workers are allowed to join any registered organisations or associations and also foreign workers are not allowed to hold any positions in the organisations or associations. The workers whom were consulted had confirmed that they were aware of their rights to join a union.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.				
	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	YES	<p>As reported in previous audit, the workers are not unionised. However, workers' representatives have been appointed as members of the Social and Welfare Committee and Women and Children Committee in the estates and mill.</p> <p>At Sekar Imej Estate, Mr. Jiman Arsyah Arif (Indonesia) is a permanent member in the Welfare and Social Committee 2016 and Asmi Ruma (Indonesia) is a permanent member in the Women and Children Committee 2016. At Hibumas 2 Estate, Mr. Hasyim Kandang (Indonesia) is a permanent member in the Welfare and Social Committee 2016 and Sudarmawati Alwi (Indonesia) is a permanent member in the Women and Children Committee 2016. Through these committees, the workers' issues both from local and foreign staffs and workers were brought to the attention of the management.</p> <p>At Sri Kamusan POM, Welfare and Social Committee has met on 11/12/2015. The chairman of tis committee is Mr. Saripuddin Hussain (Chairman). The Women and Children Committee had met on 13/11/2015, chaired by Liza Gung (Chairman).</p> <p>At the Sekar Imej Estate, Welfare and Social Committee has met on 19/12/2015, chaired by Jainuddin Nuani (Chairman) and Women and Children Committee met on 7/11/2015, chaired by Susana KK Diong (Chairman).</p> <p>At Hibumas 2 Estate, Welfare and Social Committee has met on 19 December 2015 chaired by Mr. Marcellus Robert and Women and Children Committee chaired by Puan Norhanih Abd Majid met on 15 September 2015.</p>
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 emphasis 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 January 2016 for Sekar Imej Estate with total of workers about 167 workers and for Hibumas 2 Estate with total of workers about 234 confirmed that there was no record of persons under age of eighteen, i.e. the minimum working age under Malaysian Labor Laws (Am. Act A238). For example, the</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				youngest worker at Sekar Imej Estate was Jodi bin Jay, 22 years old (foreign) and Jurita Basingan, 19 years old (local). At Hibumas 2 Estate, Mr Ilham Firman 20 years old (foreign) and Mr Mohd Abd Kadir bin Abdul, 19 years old (local) were among the youngest workers.
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 (dated September 2010) is publicly available in the estate and POM. 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 Sri Kamusan POM, Sri Sekar Estate and Hibumas 2 Estate revealed that the CU has not discriminated its staffs and workers. Foreign workers have received 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	YES	Sri Kamusan CU had demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs was available in "Recruitment selection, Hiring and Promotion" (PPB/HR/(0)/0752015) dated 7 May 2015 for staff and "Recruitment of Workers" PPB/HR/RSPO 6.12.3/220515 dated 22/5/2015 for workers.
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	The CU had established policy on sexual harassment. The policy was signed on June 2014 and is used as guide actions on in the incidence of sexual harassment cases in the estates/mill. The policy had been communicated to all staffs and workers during morning muster and training on 3 February 2016. Based on interview with female workers during site visit and at estate office, they were aware of the policy and had been briefed during Gender Committee Meeting. The policy also had been communicated to all staffs and workers during morning muster.
	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	The CU has established policy on reproductive rights which given their employee i) to decide freely and responsibly the number, spacing and timing of their children, and ii) to make decisions concerning reproduction free of discrimination, coercion and violence. Both policies, Sexual harassment and Reproductive rights were displayed at the visited estate, mill, clinic and worker's quarter noticeboard. Based on interview with female workers during site visit and at estate office found that they were aware of the policy and had been briefed during Gender Committee Meeting. The policy also had been communicated to all staffs and workers during morning muster. The Women and Children Committee had organised appropriate programmes and activities for their members. The CU had also conducted awareness training to prevent sexual harassment occurred at their mill and estates. Hibumas 2 Estate had conducted 'Training on breastfeeding' in 25 August 2015, Training on Woman & Children's Committee on 2 February 2016 and Family Day

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>on 15 September 2015. The management had also provide Crèche for employee's children without any fee. The committee also had conducted monthly inspection at the Crèche to monitor its safety and cleanliness of the childcare taker.</p> <p>At Sekar Imej Estate, the Women and Children Committee meeting was carried out on 7 November 2015 and 25 July 2015. The committee and clinic had also conducted training awareness of Safety and Health at Creche and Humana School on 25-26 November 2015. Monthly inspection at Crèche was carried out to check the safety, cleanliness and health of the children.</p> <p>At Sri Kamusan POM, social training for Women & Children Committee was carried out on 2 February 2016.</p>
	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	YES	<p>Sekar Imej Estate, Hibumas 2 Estate and Sri Kamusan POM have followed standard operating procedure for handling of grievances / social issues. The SOP was established by PPB titled as 'Anti Sexual Harassment' with standard report form called the 'Grievance/Complaint Form for Sexual Harassment'. Chairman of Women and Children Committee as mentioned in 6.9.1 was responsible in managing any issue raised on sexual harassment. The grievance mechanism had been explained to the committee. A flowchart procedure had been displayed at visited estates and mill noticeboard. The SOP contains the complaint and investigation procedure to handle sexual harassment in the workplace.</p> <p>In 2015, the Women and Children Committee at the Sri Kamusan POM, Sekar Imej Estate and Hibumas 2 Estate had conducted meeting on quarterly basis. The committee had briefed their members on the objectives of the establishment of the committee, mechanism to addressed particular issues related with women and children and also their annual programme.</p>
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	The pricing mechanism is documented and explained to FFB suppliers and daily prices were displayed on notice board of the mill. Since the last assessment, there was no complaint received from the FFB suppliers so far.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	YES	<p>There was a Stakeholders Committee Meeting being established at Sri Kamusan POM to discuss issues on pricing and contracts. The meeting was chaired by the Mill Manager. Members of the Committee are made up of representatives from the mill's management, purchasers and suppliers of FFB. Issues related to FFB transaction were raised and discussed in this Committee. Pricing mechanisms were discussed during briefing with stakeholders as evidenced in meeting minutes dated 12 February 2016 entitled 'Minit Mesyuarat Stakeholder' (Stakeholders Meeting).</p> <p>Interviews were carried out with Mr. Maris, Head of Kg. Tangkangit (independent smallholders - near to the mill) showed that they understood the business relationships between them and the mill. These stakeholders were satisfied on their FFB trading with the mill as payments were promptly made.</p>

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	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	<p>There was no agreement or contract between the mill and the third party FFB suppliers. They are free to sell their FFB to other surrounding mills (such as the IJM mill, Boustead mill, Fortuna Leong mill) or private collection centers in the region. There was also no contract on payment for FFB where it based on daily pricing from MPOB which is accessible via www.bepi.mpob.my and also via SMS. The final price is decided by PPB Sandakan Office using the formula entitled "Pengiraan Harga Untuk Pembelian FFB Estate Luar". Currently, there was no complaint regarding prices and other FFB related dealings between mill and suppliers were registered with the Mill Manager and reviewed by an internal mechanism.</p> <p>The outcome of the interview revealed that generally, they had been happy on their FFB trading with the mill. Among the comments received were that the prices offered by the CU had followed the MPOB's guidelines and payments were promptly made.</p>
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	<p>Based on interview with contractors from Sri Kamusan POM, Sekar Estate and Hibumas 2 Estate, the audit team was informed that any payments to supplier and contractor were made in a timely manner, i.e. every 15th of the month. If the payment cannot be paid as agreed, the estate and mill clerk will inform them first.</p> <p>Interviewed with the independent smallholders from Kg. Tangkangit also confirmed that they usually received payment of FFB by cheque at the end of month. The cheque payment method s as mentioned in the payment procedure (SOP).</p>
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	<p>Sri Kamusan CU had initiated consultations with the neighbouring external communities regarding contribution to local development. Usually the villagers through their head will communicate with management on ad-hoc basis. Contribution such as maintenance or repair the villagers' road and bridge were provided. However, during stakeholders meeting, there was no issue raised by them.</p> <p>Record showed Hibumas 2 Estate employed 98 local workers, out of which 234 (42%) were from local communities engaged in activities such as management, maintenance, harvesting, transportation, security, gardeners, crèche minders.</p> <p>Regular consultations with local communities such as Kg. Tapat and Kg. Tegupi had assisted the company in its efforts to contribute to local development. Sekar Imej Estate had carried out maintenance of access road at the estate and at the villagers' area. The Estate Management also provided piping line from water source to villagers at Kg. Menonood and offered jobs to villagers at the Kg. Menonood, Kg. Sungai-Sungai and Kg. Kaiboton.</p> <p>For Sri Kamusan POM, sighted that the POM had allocated budget for donation to schools and villagers as part of their contribution. The mill is also buying FFB from independent smallholders such as Kg Tangkangit in order to support local community's economies/earn of living.</p>
	6.11.2	Where there are scheme smallholders, there shall be	YES	There was no scheme smallholders at Sri Kamusan CU.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance		
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	There was no trafficked labour are used. This was verified through interview with several workers (chemical sprayers and harvesters), verification of their passport, contract agreements and work permit for field workers. The interviewed workers mentioned that they were employed voluntarily and freely, without the threat of a penalty. Workers has the freedom/right to terminate the employment contract without penalty given by company within 28 days. Evidence on no forms of forced or trafficked labour are used can be seen in "No Deforestation, No Peat, No Exploitation Policy, dated 5 Dec 2013, specific on Respect and Recognise the rights off all Workers including Contract, Temporary and Migrant Workers clause. Therefore NCR #: MRS 03 2015 was closed
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	There is no contract substitution occurred as stated in the labour policy and procedures was established and implemented as Recruitment of Workers" PPB/HR/RSPO 6.12.3/220515 dated 22 May 2015
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	A special labour policy and procedures was established and implemented as Recruitment of Workers" PPB/HR/RSPO 6.12.3/220515 dated 22 May 2015 to employ foreign workers.
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	A Wilmar Human Right Policy dated June 2014 has been signed off by the Group Plantation Head. The policy was verified at Sri Kamusan POM. The awareness among all levels of the workforce and operations were conducted during training. For Sekar Imej Estate staffs, the training was carried out on 10 th March 2015 and for Hibumas 2 on 12 February 2015. The attendance list and pictorial report were verified during the audit. A leaflet regarding Human Right and Sexual Harassment was distributed to all workers on 30 July 2014. The policy to respect human rights was documented and communicated to all levels of the workforce and operations at Sri Kamusan CU.
	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	YES	4 Humana and 2 Community Learning Centre (CLC) School and 10 Crèche were spread to all sri Kamusan CU to secure workers children access to education as moral obligation. A total of 240 children from 7 – 12 years old was schooling in CLC and Humana at Sri Kamusan CU. Site visit to Humana School found the infrastructure was well maintained with new paint and play ground was provided by Sri Kamusan CU.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

		these children access to education as a moral obligation. Minor Compliance		
--	--	---	--	--

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

There is no new planting in the CU. Hence, this principle is not applicable.

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

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		Comment on indicators are as below:
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	Both estates were committed to minimise the use of pesticides in spraying of the inter rows by slashing woody growths and by encouraging the growth of soft weeds and <i>Neprolepis biserrata</i> and by planting the leguminous plant, <i>Mucuna bracteata</i> .
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	Identification of Environmental Aspect and Impact and Evaluation of Significance for 2016 was updated by Mr.Jainuddin Nuani, the Assistant Estate Manager on 28 th Jan, 2016. An aspect associated with the chemical usage based on Y2015 usage was updated accordingly. The Environmental Impact Assessment (EIA) Plan was also updated on 2 nd February, 2016 by Mr. Jainuddin Nuani and approved by Mr. Marcellus Robert – status established Person(s) in charge and mitigating actions recorded.
	c)	Waste reduction (Criterion 5.3);	YES	Waste Management Plan has been established for 2016. The plan was reviewed by Mr. Jainuddin Nuani, the Assistant Estate Manager.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	Pollution and greenhouse gas (GHG) emission were identified in the Environmental Improvement Action Plan', where all waste products and sources of pollution were identified. The EIA plan has been reviewed through the Management Meeting carried out on 28 th Jan 2016.
	e)	Social impacts (Criterion 6.1);	YES	Sekar Imej Estate, Hibumas 2 Estate and Sri Kamusan POM will study various recommendations from SIA report, review record of complaints, setting targets, hold regular meetings with stakeholders, and periodically monitor and review their activities performances based on SIA Action Plan annually. Most of the monitoring and review records were based on SIA Action Plan.
	f)	Encourage optimising the yield of the supply base	YES	Both estates were committed to implement best agricultural practices, inclusive of <ul style="list-style-type: none"> • timely and proper fertiliser • maintain/conservate water by water management, • Improve on accessibility to maximise crop evacuation • Reduce/prevent surface run off to prevent leaching of fertilisers Harvester were also paid with incentive allowance

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

Item No	Requirement NOV 2014	Findings
E.1 E.1.1	Definition To verify : a) the volume of certified and uncertified FFB entering the mill b) the volume sales of RSPO certified The claim only the volume of oil palm products produced from processing of the certified FFB as MB	For the period from Feb. 2015 to Jan. 2016 a) The volume of certified FFB entering Sri Kamusan palm oil mill was 134,302.21 Mt while the volume of uncertified FFB was 149,225.93 Mt b) The sales volume of RSPO certified PK is 5,740.39 Mt while no sales for RSPO certified CPO
E 2 E..2.1	Explanation Estimate total tonnage of CPO and PK potentially produce in a year	The projection for period from Feb 2016 to Jan 2017 is as below : CPO = 34,837.00 Mt PK = 7,125.75 Mt
E. 2 E 2.2	Explanation The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform or book	Sri Kamusan mill has continued its e-Trace registration and as to date no transaction of RSPO certified CPO was made.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	and claim.	
E 3 E 3.1	Documented procedures 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: <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard. 	<ul style="list-style-type: none"> a) The Sri Kamusan palm oil mill has continued to implement documented procedure 'SOP Traceability' [doc No.: SKPOM/TA/03, rev. 3 dated 16/06/2015] and 'SOP Mass Balance' [doc No.: SKPOM/MB/01, rev. 3 dated 31/03/2015]. Both procedures described the implementation of the elements in the supply chain standard requirement 2014 Module E – CPO Mills : Mass balance. Among the documented requirements related to delivery of FFB to mill, delivery of CPO and PK to refinery, mass balance calculation, daily production report, checking validity of the certification of the suppliers. b) Pn. Arisia Maniano the mill's clerk has been appointed as RSPO SCCS traceability management representative (MR) since 12/9/2013. Her role is to assist the Senior Mill Manager (Mr Saripuddin) who has overall responsibility for and authority over the implementation of the Supply Chain Standard.
E 3.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Sri Kamusan palm oil mill has continued to implement documented procedure SKPOM/MB/01, Clause 1.5.1 and Clause 1.5.2.related receiving and processing respectively. This documented procedure has described on the following: <ul style="list-style-type: none"> 1) FFB despatch note from the estates brought by the lorry driver – to indicate the name of the estate, FFB weight, date of delivery, Field No. or collection ramp no., vehicle no and name of driver. 2) Weighbridge ticket from Sri Kamusan palm oil mill to indicate the mill weight, FFB despatch no., date of receipt, supplier estate and vehicle no.
E.4 E.4.1	Purchasing and goods in The site shall verify and document the volumes of certified and non-certified FFBs received.	The volume of certified and non-certified FFB received was recorded in the FFB Despatch Note. The total of FFB received was also recorded in the daily weighbridge report. In addition, the mill has established the FFB supplier list which included certified and non-certified FFB suppliers.
E 4.2	The site shall inform the CB immediately if there is a projected overproduction.	The established procedure "SOP Mass Balance – SKPOM/MB/01" has indicated that Mill Manager is responsible to inform the Sustainability Department (CSR) if there is any or over projected to be over production of certified CPO and PK .Record assessment was confirmed no over-production.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

E.5 E.5.1	Record keeping 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. 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. c) The site can only deliver Mass Balance sales from a 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)	a) The mill has continued to maintain a fixed inventory for 3 months period. Verification on the balance sheet was made and found to be accurate. b) It was confirmed that the volume of product delivered as RSPO certified product are deducted from the accounting system. Sighted the "Daily CSPO / CSPK Production Record", deductions were correctly made. As to-date all certified CPO has been sold under a different certification scheme c) Based on the inventory record show the delivery of MB sales from positive stock.
E 5.2	In cases where a mill outsources activities to an independent (not owned by the same organisation) 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.	Outsource activities only for CPO & PK transportation. The contracts were handled by the Contract Department at Wilmar HQ in Sandakan. There were no outsourcing activity with regards to the processing of the material or product.
E.4 E.4.1	Sales and good out The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) d) The quantity of the products delivered; e) Reference to related transport documentation.	The mill has continued to implement documented procedure related to sales of CPO and PK. [doc No.: "SOP Mass Balance" SKPOM/MB/01 , 31/10/2015, rev.32 dated 31/3/2015]. Verified sales documentation of certified RSPO PK dated 11/1/2016 and 22/1/2016 to Sandakan Edible Oils Sdn.Bhd. . All CPO and PK sale to Sandakan Edible Oils Sdn.Bhd. (company own refinery). Sighted the sales invoices issued for RSPO certified product has included name and address of the refinery; date deliver; product description, supply chain model i.e. Mass Balance, quantity of the products delivered as well as transportation documentation such as Borang MPOB L3, Sri Kamusan mill Weighbridge ticket, Kebenaran Mengangkut /arahan penghantaran from the transporter company, Deliver order from Sri kamusan plam oil mill.
E.5 E.5.1	Training The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Awareness training related to RSPO Supply Chain standard was carried out on 12/1/2016 by Officer from Sustainability Department (Mr Hanib Libon). Attendance list and training material was established. New weighbridge clerk Ms. Riana Aliamat had participated in the training.
E.6 E.6.1	Claims The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	As to date no claim was made.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

4.0 Details of Non-conformities raised

Total no. of minor NCR(s) :	0	List : NA
Total no. of major NCR(s) :	0	List : NA

4.1 Status of Non-conformities Previously Identified

Previous nonconformities were verified for the corrective actions effectiveness. Corrective actions had been taken, verified and closed by the assessors. Details of non-conformities provided in the **Attachment 3**.

4.2 Issues Raised by Stakeholders

There were various stakeholders interviewed during this assessment comprising of workers, surrounding villagers and contractors / suppliers. Generally, all of the stakeholders had given positive feedback towards Sri Kamusan CU. Details of comment from stakeholders provided in the Table 13.

4.3 Noteworthy Positive and Negative Observation

The level of awareness among the workers on the RSPO implementation was found to be improving. They are able to explain not only the operating procedure related to their work but also the impact of its deviation, the consequence for not following them and the importance in achieving conformity to the RSPO requirements. Full commitment from all levels especially from top management has resulted the CU has gained none non-conformities and has complied with all indicators in the RSPO P&C MYNI standard.

4.4 Date of Next Audit

The next surveillance audit will be conducted within 12 months but not sooner than 9 months after this audit.

5.0 Audit Conclusion

Generally, Sri Kamusan CU has continued and maintained the implementation of RSPO P&C certification in accordance with the requirements of the standard as well as the organisation's documented procedures. Positive observation was also noted during the audit generally on the social aspects, the practices of IPM, as well as environmental and safety and health management. Awareness on the RSPO has improved since the last audit.

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

6.0 Recommendation

☒

No NCR recorded. Recommended to continue certification.

☐

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

Note: Minor NCRs raised in the audit which are not addressed in the subsequent 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 2 months (if applicable)

☐

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

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

SINCE THERE WAS NO NON-CONFORMITIES HAS BEEN RAISED, CONTINUATION OF RSPO P & C CERTIFICATION WAS RECOMMENDED.

Audit Team Leader :

Mohd Razman Salim



19/02/2016

(Name)

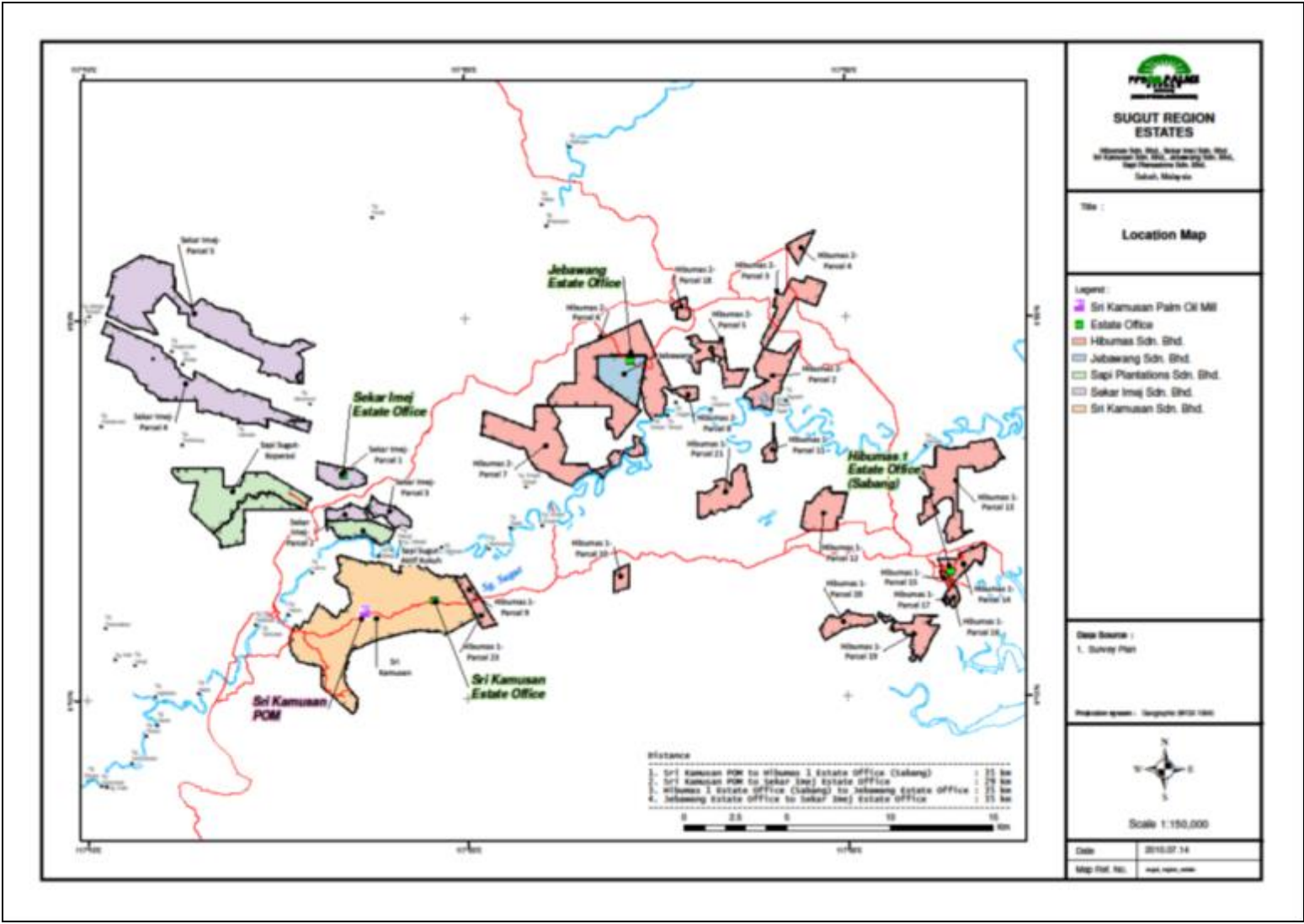
(Signature)

(Date)

PUBLIC SUMMARY REPORT RSPO RECERTIFICATION AUDIT

Attachment 1

Map of Sri Kamusan CU



**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Attachment 2

RSPO RECERTIFICATION AUDIT PLAN
--

1. Objectives

The objectives of the assessment are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last assessment
- (iii) To make appropriate recommendations based on the assessment findings

2. Date of assessment : 15th to 19nd February 2016

3. Site of assessment : Sri Kamusan CU
i) Sri Kamusan Palm Oil Mill
ii) Sekar Imej Estate
iii) Hibumas 2 Estate

4. Reference Standard:

- RSPO P&C MYNI: 2014
- RSPO Supply Chain Certification Standard, 2014
- Company's audit criteria including Company's Manual/Procedures

5. Audit Team

a) Lead auditor : Mohd Razman Salim
b) Auditor : Mohd Zulfakar Kamaruzaman
Ruzita Abd Ghani
Selvasingam T. Kandiah
Jagathesan A/L Supiah

(If there is any objection to the proposed audit team, the organisation is required to inform the Lead Assessor/RSPO Section Manager.)

6. Audit Method

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

PUBLIC SUMMARY REPORT RSPO RECERTIFICATION AUDIT

7. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed by submitting corrective action plans within 1 month. Another 2 months to submit evidence of implementation. In any event, the evidence of implementation shall be submitted prior to the expiry of the RSPO certificate. Failure to submit satisfactory corrective actions to resolve the major non conformity(ies) raised before the expiry of the RSPO certification will result in non-renewal of the certificate. A new application for RSPO certification will be required.

For minor non conformities raised, 1 month is given to submit corrective action plans to minor non-conformity. The timeframe for submitting the corrective action plans may be extended up to the period of the expiry date of RSPO certification. If corrective action plans to address the minor non-conformity(ies) are not submitted before the expiry of the RSPO certification, a recommendation for non-renewal of RSPO certification will be made.

8. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain. In the event that there be any legal requirements for disclosing any information concerning the organisation, SIRIM QAS International shall inform the organisation of the information to be disclosed.

9. Working Language : English and Bahasa Malaysia

10. Reporting

- | | | | |
|----|------------------------|---|---|
| a) | Language | : | English |
| b) | Format | : | Verbal and written |
| c) | Expected date of issue | : | Tentative date of issue of report not more than 30 days after the completion of the peer review process |
| d) | Distribution list | : | Client file |

11. Facilities Required

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

12. Assessment Programme Details: As shown below:

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Day 1: 15 February 2016 (Monday)				
Time	Activities / areas to be visited			
8.30 – 9.00 am	Opening meeting Lead Auditor to introduce audit team member, brief on audit objectives, scope, methodology, criteria and programmes Organisation Representative to brief on the following : <ol style="list-style-type: none"> 1) RSPO implementation at Sri Kamusan CU (i.e. mill & supply base) including changes 2) Time bound plan for PPB Oil Palms Berhad 3) Significant changes on organisation activities, machinery, supply bases capacity etc. 			Top mgmt & Committee Member
	Razman	Zulfakar	Selvasingam	
9:00 – 1:00 pm	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P4, P5, P7 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use • Riparian zone • Occupational safety & health practice – witness activities at site • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<u>Sri Kamusan POM</u> Coverage of assessment: P1, P2, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies • Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors • Linesite inspection • Training and skill development programmes • Continuous improvement 	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> • 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 • Chemical store/fertiliser • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide(s) for each auditor
1.00 – 2.00 pm	Break			
2.00 – 5.00 pm	Continue assessment			Guide(s) for each assessor
	# Ruzita and Jagathesan arrive at Sandakan Airport (MH2710; 10:30 – 13:15)			

Day 2: 16 February 2016 (Tuesday)						
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	Jagathesan	Ruzita	

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

8.30 – 1.00 pm	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P4, P5, P7 <ul style="list-style-type: none">• Laws and regulations• Land titles user rights• Inspection of protected sites with HCV attributes• Forested area, plantation boundary, adjacent and neighbouring land use• Riparian zone• Occupational safety & health practice – witness activities at site• Interview with workers , safety committee and contractors• Facilities at workplace• Training and skill development programmes• Continuous improvement	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P6, P8 <ul style="list-style-type: none">• Laws and regulations• Social Impact Assessment (SIA), management plan & implementation• Complaints and grievances• Consultation with relevant government agencies• Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors• Linesite inspection• Training and skill development programmes• Continuous improvement	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none">• 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• Chemical store/fertiliser• Plantation on hilly/swampy area• IPM implementation, training and safe use of agro-chemicals.• New planting• Continuous improvement	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none">• Laws and regulations• Environmental management – witness activities at site• Waste & chemical management• Training and skill development programmes• Continuous improvement	<u>Sri Kamusan POM</u> Coverage of assessment: Supply Chain Implementation including the Model used <ul style="list-style-type: none">• General Chain of Custody System Requirements for the supply chain• Documented procedures• Purchasing and goods in• Outsourcing activity• Sales and goods out• Processing• Records keeping• Registration• Training• Claims	Guide(s) for each auditor
1.00 – 2.00 pm	Break					
2.00 – 5.00 pm	Continue assessment					Guide(s) for each auditor
	#Need a vehicle for Ruzita. Stay at Sandakan town (Depart from Sandakan Airport to KLIA2 at 9:40 am on Wednesday morning)					

Day 3: 17 February 2016 (Wednesday)						
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	Jagathesan		
8.30 – 1.00 pm	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P4, P5, P7 <ul style="list-style-type: none"> • Laws and regulations • Land titles user rights • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and 	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P6, P8 <ul style="list-style-type: none"> • Laws and regulations • Social Impact Assessment (SIA), management plan & implementation • Complaints and grievances • Consultation with relevant government agencies 	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) 	<u>Sri Kamusan POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Occupational Safety & Health practice – witness activities at site 		Guide(s) for each auditor

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	<ul style="list-style-type: none"> neighbouring land use Riparian zone Occupational safety & health practice – witness activities at site Interview with workers , safety committee and contractors Facilities at workplace Training and skill development programmes Continuous improvement 	<ul style="list-style-type: none"> Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors Linesite inspection Training and skill development programmes Continuous improvement 	<ul style="list-style-type: none"> EFB mulching, POME application Chemical store/fertiliser Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. New planting Continuous improvement 	<ul style="list-style-type: none"> Interview with workers, safety committee and contractors Training and skill development programmes Continuous improvement 	
1.00–2.00 pm	Break				
	Continue assessment	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P6, P8 <ul style="list-style-type: none"> Laws and regulations Social Impact Assessment (SIA), management plan & implementation Complaints and grievances Consultation with relevant government agencies Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors Line site inspection Training and skill development programmes Continuous improvement 	Continue assessment	Continue assessment	Guide(s) for each auditor
2.00 – 5.00 pm	Continue assessment				Top management & Committee member

Day 4: 18 February 2016 (Thursday)					
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	Jagathesan	
8.30 – 1.00 pm	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P4, P5, P7 <ul style="list-style-type: none"> Laws and regulations 	<u>Sekar Imej Estate</u> Coverage of assessment: P1, P2, P6, P8 <ul style="list-style-type: none"> Laws and regulations 	<u>Hibumas 2 Estate</u> Coverage of assessment: P1, P2, P3, P4, P7, P8 <ul style="list-style-type: none"> Laws and regulations 	<u>Sri Kamusan POM</u> Coverage of assessment: P1, P2, P4, P5, P7, P8 <ul style="list-style-type: none"> Laws and regulations 	Guide(s) for each auditor

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

	<ul style="list-style-type: none"> Land titles user rights Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and neighbouring land use Riparian zone Occupational safety & health practice – witness activities at site Interview with workers, safety committee and contractors Facilities at workplace Training and skill development programmes Continuous improvement 	<ul style="list-style-type: none"> Social Impact Assessment (SIA), management plan & implementation Complaints and grievances Consultation with relevant government agencies Interview workers, GPW, local communities, stakeholders, independent smallholders and contractors Linesite inspection Training and skill development programmes Continuous improvement 	<ul style="list-style-type: none"> Commitment to long-term economic and financial viability Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) EFB mulching, POME application Chemical store/fertiliser Plantation on hilly/swampy area IPM implementation, training and safe use of agro-chemicals. New planting Continuous improvement 	<ul style="list-style-type: none"> Environmental management – witness activities at site Waste & chemical management Occupational Safety & Health practice – witness activities at site Interview with workers, safety committee and contractors Training and skill development programmes Continuous improvement 	
1.00–2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Top management & Committee member

Day 5: 19 February 2016 (Friday)					
Activities /areas to be visited	Razman	Zulfakar	Selvasingam	Jagathesan	
8.30 – 12.00 pm	<ul style="list-style-type: none"> Continue assessment on unfinished area Verification on outstanding issues Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 				Guide(s) for each auditor
12.00–3.00 pm	Break & Friday Prayer				
3.30 – 5.00 pm	<ul style="list-style-type: none"> Closing meeting 				Top management & Committee member

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

Attachment 3

Status of Non-conformities Previously Identified

P & C Indicators	Classification Major / Minor	Detail Non conformance	Corrective Action Taken	Verification by Assessor
Indicator 1.3.1	Minor	NCR #: MRS 01 2015 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.	Assessor has verified code of ethical conduct and integrity for Sri Kamusan CU. The code of conduct was indorse by the top management on the 13th May 2015. The process of communicating the policy will be completed by October 2015.	Sighted policy committing to a code of ethical conduct and integrity in all operations and transactions. The policy was made available at Sri Kamusan CU. It was also sighted a memorandum to management and staff dated 13 May 2015. Status: Closed
Indicator: 4.5.1	Major	NCR #: STK-1 2015 SOP on planting of Beneficial plants as per Table 8.10: Cultural Control Method in page 146 of the Wilmar International Limited Agricultural Manual & SOP for Oil Palm was not complied with. It was noted that in Hibumas 1 Estate only 5 plots of <i>Cassia cobanensis</i> were planted in 2014 and none in 2013 & 2015. While, in Sri Kamusan Estate only 4 plots of <i>Tunera spp</i> were planted in 2014 and none in 2015. Furthermore, at time of visit there were no plants/seedlings available in the Nurseries on both Estates.	Hibumas 1 Estate have planted 5 plots of <i>Cassia</i> in May and 30 plots of <i>Tunera</i> in April and May for 2015. While, Sri Kamusan have planted 19 plots of <i>Cassia</i> and 15 plots of <i>Tunera</i> in April and May for 2015. Both estates have established a beneficial plant planting programme 2015. A nursery for beneficial plant had been set - up to accommodate the planting.	It was noted that beneficial plants <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subla</i> for bagworm control had been planted in the fields and nurseries established in both estates. Status: Closed
Indicator: 5.4.1	Minor	NCR #: VS01/2015 There was no evidence that plan for improving efficiency of the use of fossil fuels has been established at Sri Kamusan and Hibumas 1 Estate.	The CU has established an environmental objective and target as their plan for improving efficiency of the use of fossil fuels which shall be implemented throughout the year. The documented objective and target was sent to the assessor through e-mail dated 26/5/2015 for verification.	At Sekar Imej Estate noted the fossil fuel reduction/optimisation programme where objectives & target for optimising / reduction on use of fossil fuel plan for 2016 has been established. At Hibumas 1 Sdn. Bhd - fossil fuel reduction/optimisation programme for 2015 has been established (HM1 / P5 4.1 Oat-Fossil/ (00) / 0415). The actions have been identified, initiated and the effectiveness was reviewed – by Mr. Aluddin Dullah – Sr. Assistant Manager. Sri Kamusan Estate - fossil fuel reduction/optimisation programme for 2015

**PUBLIC SUMMARY REPORT
RSPO RECERTIFICATION AUDIT**

				<p>(SKE / P5 4.1 Oat- Fossil/ (00) / 0415) was established. Actions have been identified, initiated and the effectiveness reviewed – by Mr. Fadlee Yunsir – Sr. Assistant Manager</p> <p>Status: Closed</p>
Indicator 6.3.1	Major	<p>NCR #: MRS 02 2015</p> <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>Management had amended their procedure entitled 'Dispute & Grievances Procedure - PPB/RSPO 6.3 (2.2)/(1)' dated 11 May 2015 by include the term on ensuring anonymity of complainant and whistleblowers where requested.</p>	<p>Sighted the "Whistle Blowing Policy" which was issued on 5/8/2015 (Version 3) and "Dispute and Grievances Procedure" (Document PPB/RSPO 6.3(2.2)/(1)) dated 11 May 2015.</p> <p>Status: Closed</p>
Indicator 6.12.3	Major	<p>NCR #: MRS 03 2015</p> <p>Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.</p>	<p>Management had established procedure entitled 'Recruitment of workers – PPB/HR/RSPO 6.12.3/220515' dated 22 May 2015.</p>	<p>Sighted a special labour policy and procedures named "Recruitment of Workers" PPB/HR/RSPO 6.12.3/220515 dated 22 May 2015 at Sri Kamusan CU.</p> <p>Status: Closed</p>