



**PUBLIC SUMMARY
4TH RSPO SURVEILLANCE ASSESSMENT**

AUDIT DATE: 13th – 17th APRIL 2015

**PPB OIL PALMS BERHAD
SRI KAMUSAN CERTIFICATION UNIT
SANDAKAN, SABAH, MALAYSIA**

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List of Abbreviations

BOD	Biochemical Oxygen Demand
B.Sc.	Bachelor of Science
CA	Collective Agreement
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CU	Certification Units
DID	Drainage and Irrigation Department, Malaysia
DOE	Department of Environment
DOSH	Department of Occupational Safety and Health
EAI	Environmental Aspect Identification
EB	Executive Board
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EIE	Environmental Impact Evaluation
EMP	Environmental Management Plan
EPD	Environmental Protection Department (Sabah)
EPF	Employees Provident Fund
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened Species
FFB	Fresh Fruit Bunch
FMA	Factory and Machinery Act
FSC	Forest Stewardship Council
GAP	Good Agricultural Practice
GPS	Global Positioning System
Ha	Hectares
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISO	International Organization for Standardization
JCC	Joint Consultative Committee
MSDS	Material Safety Data Sheet

MPOA	Malaysian Palm Oil Association
MPOB	Malaysia Palm Oil Board
MYNI	Malaysia National Interpretation
MYNI – WG	Malaysia National Interpretation – Working Group
NADDOPOD	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
PIR	Public Information Request
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PTW	Permit To Work
QMS	Quality Management System
RSPO	Roundtable on Sustainable Palm Oil
SIA	Social Impact Assessment
SOCISO	Social Security Organization
SOP	Standard Operating Procedure
UKAS	United Kingdom Accreditation Services
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health

1.0 Scope of Surveillance Assessment Report

1.1 Introduction

The certification unit (CU) of Sri Kamusan Palm Oil Mill (Sri Kamusan POM), a wholly-owned subsidiary company of PPB Oil Palms Berhad (PPB) was assessed 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 the Sri Kamusan POM, 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 5th to 9th May 2014.

Sri Kamusan POM commenced its operations in 2005 with a processing capacity of forty (40) metric tonnes of FFBs per hour. The total combined land area of the six estates is 14,258.1 hectares (Ha) of which **7,636.12** Ha had been planted with oil palm.

1.2 Location of Mill and Supply Base

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

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

Mill/Estate	Year of establishment	Area (Ha)		GPS Location (Office)	
		Titled	Planted	Latitude	Longitude
Sri Kamusan POM	2005	NA	NA	N6°12'14"	E117°17'27"
Sri Kamusan Estate	1999	2,832.00	1,565.91	N6°12'31"	E117°19'17"
Hibumas 1 Estate	2001	2,449.38	1,829.77	N6°13'12"	E117°32'53"
Hibumas 2 Estate	2000	3,472.62	2,121.48	N6°16'16"	E117°28'23"
Jebawang Estate	2003	403.80	324.32	N6°18'48"	E117°24'28"
Sekar Imej Estate	2004	3,642.00	1,011.24	N6°15'52"	E117°16'54"
Sapi Sugut Estate	2004	1,458.30	585.53	N6°14'34"	E117°17'09"
Total		14,258.10	7,438.25		

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

1.3 Production Volume of All Certified Products

Table 2: Actual FFB Contribution by each Estate and other sources to Sri Kamusan POM of the last reporting period (April 2014 to May 2015)

Operating Unit	FFB Contribution	
	MT	%
Sri Kamusan Estate	42,744.73	13.13
Hibumas 1 Estate	44,795.58	13.76
Hibumas 2 Estate	47,007.22	14.44
Jebawang Estate	8,958.53	2.75
Sekar Imej Estate	14,568.22	4.47
Sapi Sugut Estate	9,773.98	3.01
Outsiders (non-certified)	157,699.83	48.44
Total	325,548.09	100

Table 3: Projected FFB Contribution by each Estate and other sources to Sri Kamusan POM for the next reporting period (April 2015 to May 2016)

Operating Unit	FFB Contribution	
	MT	%
Sri Kamusan Estate	46,493.75	12.95
Hibumas 1 Estate	49,243.75	13.72
Hibumas 2 Estate	51,510.00	14.35
Jebawang Estate	8,980.00	2.50
Sekar Imej Estate	21,727.50	6.05
Sapi Sugut Estate	13,586.75	3.79
Outsiders (non-certified)	167,380.00	46.63
Total	312,428.00	100

Table 4: Actual FFB received and CPO & PK dispatch by SKPOM of the last reporting period (April 2014 – May 2015)

	Total (MT)
FFB Received	325,548.09
FFB Processed	325,548.09
CPO Produced	69,101.48
PK Produced	13,454.65
Certified CPO sold as Mass Balance	35,627.80
Certified PK sold Mass Balance	6,937.04
CPO sold as non-certified	33,473.68
PK sold as non-certified	6,517.61

Table 5: Projected FFB received and CPO & PK dispatch by SKPOM for the next reporting (April 2015 – May 2016)

	Total (MT)
FFB Received	358,921.75
FFB Processed	358,921.75
CPO Production	78,962.79
PK Production	16,151.48
Certified CPO to be sold as Mass Balance	42,139.19
Certified PK to be sold Mass Balance	8,619.38
CPO to be sold as non-certified	36,823.60
PK to be sold as non-certified	7,532.10

1.4 Certification Details

Parent company : PPB Oil Palms Berhad
 RSPO Membership Number : 1-0011-04-000-00
 Member since : 28/09/2004
 Certificate Number : RSPO 0011
 Date of previous assessment : 5th to 9th May 2014
 Date of certification : 13th May 2010

1.5 Description of Fruit Supply Base

The planting profiles of all the directly managed supply bases are stated in Table 6 to Table 11.

Table 6: 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%

Table 7: 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%

Table 8: Hibumas 2 Estate

Year of Planting	Planting Cycle	Maturity Status	Planted Area (ha)	Percentage of Planted Area
2000	1 st Generation	Mature	488.8	23.04%
2005	1 st Generation	Mature	751.59	35.43%
2006	1 st Generation	Mature	803.4	37.87%
2007	1 st Generation	Mature	77.69	3.66%
Total			2,306.22	100%

Table 9: 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 10: 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			1011.24	100%

Table 11: 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%

1.6 Organisational Information / Contact Person(s)

PPB Oil Palms Berhad through its Headquarter in Sandakan is responsible for overseeing Sri Kamusan CU and other management units in Sabah. The correspondence address and contact persons are as detailed below:

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. Asrif Mahmud
Designation : Group Manager
Address : Km 238 off Jalan Nangoh Pitas, Labuk Sugut, Sandakan, Sabah, Malaysia.
Telephone : +089-259105/019-8839011
Fax : +089-259102
E-mail : asrif.mahmud@my.intl.com

2.0 Assessment Process

2.1 Certification Body

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

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

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

2.2 Assessment Team Members

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

Member of the Assessment Team	Role/area of RSPO requirements	Qualifications
Mohd Razman Salim	Assessment Team Leader / Workers & community issues, HCV	<ul style="list-style-type: none"> Auditing various schemes i.e. OHSAS 18001, RSPO P&C and MC&I 6 years' experience in Forest Management, HCVF and ecology Successfully completed Lead Assessor Course for ISO 9001, ISO 14001, OHSAS 18001 and RSPO P&C B.Sc.Forestry - Universiti Putra Malaysia
Valence Shem	Assessor / Supply Chain and environmental issues	<ul style="list-style-type: none"> Nine years' experience in Oil Palm Plantation management Successfully completed IEMA accredited Lead Assessor training for ISO 14001: 2004 B.Tech. (Hons) Industrial Technology Successfully completed and passed the RSPO Lead Assessor Course in 2011.
Mohd Hafiz Mat Hussain	Assessor / Occupational Safety & Health issues	<ul style="list-style-type: none"> 4 years experience in Oil Palm Plantation. Successfully passed ISO 9001, OHSAS 18001 & ISO 14001:2004 Lead Auditor Course. B.Sc. (Hons) Technology in Plantation Management – University Teknologi Mara.
Selvasingam T Kandiah	Assessor / Good Agriculture Practice	<ul style="list-style-type: none"> B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Banglore, India (1969-1973) A Planter with Kumpulan Guthrie Berhad (1995-2002 – retired)

		<ul style="list-style-type: none"> • Inclusive of One year in Liberia and • 2 years in Estate Department in Guthrie head quarters • Experience in Managing: <ul style="list-style-type: none"> i) Nursery: Rubber and Cocoa ii) Immature Area: Cocoa Replant, Rubber Replant, Oil Palm Replant & Oil Palm New Clearing iii) Area: Cocoa, Rubber & Oil Palm.
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2.3 Assessment Methodology and Programme

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

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

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

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

The assessment programme is in Attachment 2.

3.0 Assessment Findings

3.1 Summary of Findings

The findings of the fourth Annual Surveillance Assessment were presented during the on-site closing meeting. There were three major and two minor nonconformity reports (NCR) being raised on the Sri Kamusan CU's compliance against the requirements of the RSPO MY-NI. The details of the NCR and the corrective actions taken are as in Attachment 3.

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

PRINCIPLE 1: COMMITMENT TO TRANSPARENCY				
Clause	Indicators		Comply Yes/No	Findings
C 1.1 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	Sri Kamusan CU has continued to maintain a comprehensive system with respect to this criterion. Request Form for their stakeholders or other interested party who has viewed / obtained document related to RSPO and Record of Visitation by government agencies such as Department of Environment (DOE) and Department of Occupational, Safety and Health (DOSH) were maintained. From the record sighted such as Public Information Request (PIR) form, Complaints Form and Request Form, it was found that DOSH has requested an audiometric test report for genset operator (Adlee Bin Ramad-710725-12-5043) dated 26 March 2015 at Sri Kamusan Estate. The estate has sent the report on 31 March 2015 through an email. The communication between Sri Kamusan Estate and DOSH were according to the procedure. While for Hibumas 1 Estate and Sri Kamusan POM, there were no requested information from their external stakeholders.
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	Hibumas 1 Estate, Sri Kamusan Estate and Sri Kamusan POM have continued to maintain a comprehensive system with respect to this criterion. Record of complaints and grievances also were made available and detail of complaints and grievances for Hibumas 1 Estate and Sri Kamusan Estate were recorded in the Complaint Form, Request Form and Public Information Request (PIR) Form.
C 1.2 Management documents are	1.2.1	Land titles/user rights (Criterion 2.2);	Yes	Sri Kamusan CU also has informed all their stakeholders (Example: Kg Tangkangit, Sayongmas Sdn Bhd, Ikatan Kayangan Sdn Bhd etc.) through an 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. Land titles documents for Sri Kamusan

<p>publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			Estate and Hibumas 1 Estate as required in this Criterion were made available at the estate office.
	Occupational health and safety plans (Criterion 4.7);	Yes	Safety and Health Manual revision 2, dated on December 2011. Cross refer to C 4.7.
	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Continual improvement plan for social was made available at the visited estates and mill. Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM were continued to hold and update documents such as Social impacts “Social Impact Assessment for Sugut Region Estates (PPB Oil Palms Berhad), Beluran, Sabah, Malaysia – Sri Kamusan Estate and Mill Social Impact Assessment Report, October 2010” were made available at the visited estates and mills. While. plans and impact assessment relating to environmental is publicly available. Cross refer to Criterion 5.1.
	HCV documentation summary (Criteria 5.2 and 7.3);	Yes	HCV documentation summary was made available at the Sri Kamusan Estate and Hibumas 1 Estate.
	Pollution prevention and reduction plans (Criterion 5.6);	Yes	Pollution prevention and reduction plans were made publicly available. Cross refer to Criterion 5.6.
	Details of complaints and grievances (Criterion 6.3);	Yes	Record of complaints and grievances were made available at the visited mill and estates. Detail of complaints and grievances for Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM were recorded in the Complaint Form, Request Form and Public Information Request (PIR) Form. Complaint Form and Request Form were used by internal stakeholders (staffs and workers). While Public Information Request (PIR) Form was used by external stakeholders.
	Negotiation procedures (Criterion 6.4);	Yes	Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM have established a standard of procedure for handling any complaints and grievances by following 'Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation' and 'Consultation and Communication - Procedure for collective negotiations and Resolution of disputes or grievances'. All the documents were made available at the visited estates and mill.
	Continual improvement plans (Criterion 8.1);	Yes	Construction of 10 blocks of housing amenities for workers at Sri Kamusan CU still in progress with current completion at 90%.

				Continual improvement plans were made publicly available. Cross refer to Criterion 8.1.
		Public summary of certification assessment report;	Yes	The public certification summary of Sri Kamusan CU for 3rd surveillance has been published in the SIRIM QAS International website: http://www.sirim-qas.com.my/attachments/article/364/PS-Sri%20Kamusan%20ASA%203%20Rev%201.pdf
		Human Rights Policy (Criterion 6.13).	Yes	Human rights policy was made available at the visited estates and mill.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	No	Auditor found that the code of ethical conduct and integrity has been established by management. However, there was no evidence to show that management has communicated the policy to all levels of the workforce and operations. Thus, a Minor NCR – MRS 01 2015 was raised by auditor.

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	Sri Kamusan POM, Hibumas 1 Estate and Sri Kamusan Estate have 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 and Domestic Trade Ministry for diesel and fertilizer storage were valid. Site visits made to the workers' housing at the Sri Kamusan Estate has confirmed that the housing specifications has followed with Minimum Standards of Housing and

			<p>Amenities Act 1990. The houses were found to be sufficient to accommodate all the workers. Two foreign workers from Indonesian were interviewed during field visit. Both workers were legal workers and have valid passport and work permit with expiry date before 16 September 2017 and 17 March 2016. It was also stated in the work permit as Plantation workers.</p> <p>Hibumas 1 Estate:</p> <ul style="list-style-type: none"> i. MPOB licence No. 503431302000 was valid till 31/12/2015 ii. Permit Potong Daripada Gaji Perkerja No. 11(0643)SDK was valid until 1/05/2015 iii. Permit Barang Kawalan Berjadual for Fertiliser, Diesel & Petrol No. S004116 was valid until 1/05/2015 iv. Air Compressor Receiver – Reg: PMT 9416 – validity: 88/15 – DOSH Cert: SB-PMT-41878 v. DOSH visit monitoring Log maintained – last visit: 26/3/15 – audit document related to USECHH/CHRA/Audiometric vi. Genset – Licence No: SSD 016/2014-validity: 12/3/16 vii. Visiting Electrical Engineering (C.T. Engineering Services) Log Book maintained – Last visit: 26/1/15 <p>Among the evidence of compliance observed at Sri Kamusan, Hibumas 1 Estate and Sri Kamusan POM:</p> <ul style="list-style-type: none"> i) Written Approval for 2 units of generator set has been obtained on 22/5/2014 [Permit No.: APU.2(J65/074/14; & J66/075/14)] ii) Scheduled Wastes handling was found to be in accordance with the EQA Regulations iii) EIA terms and conditions were monitored once in every 4 months by an EPD's authorized consultant (Ekohandal Sdn. Bhd.). Compliance of conditions stipulated in the mill's DOE's <i>Jadual Pematuhan</i> [License No.: 001232, validity 1/7/2014 to 30/6/2015] <p>Sri Kamusan Estate:</p> <ul style="list-style-type: none"> i) Air Compressor Receiver – Reg: SB PMT 1635 – validity: 8/8/2015 – DOSH Cert: PMT – SB 40352 ii) DOSH visit monitoring Log maintained – last visit: 26/3/15. iii) Genset – Licence No: SSD 538/2014-validity: 15/10/2015 iv) Visiting Electrical Engineering (C.T. Engineering Services) Log Book maintained – Last visit: 26/1/15
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				<p>Sri Kamusan POM:</p> <ul style="list-style-type: none"> i. Fire Prevention & Protection Certificate – as per Fire Service (Fire Certificate) Regulation 2001 – No.: JBPM: SB/7/201/2014 – valid till: 11/12/2015 ii. Bomba visit Log Book verified – Latest visit review: 9/3/2015. iii. Boiler – Reg: SB PMD 46 – validity: 30/12/2015 – DOSH Cert: PMD – SB 6149 iv. Boiler – Reg: SB PMD 2618 – validity: 7/12/2015 – DOSH Cert: PMD – SB 6012 v. Sterilizer – Reg: SB PMT 12198 – validity: 4/5/2015 – DOSH Cert No: PMT – SB 40755 vi. Pressure Tank– Reg: SB PMT 12197 – validity until 4/5/2015 – DOSH Cert: PMT – SB 40758 vii. Air Receiver- Reg: SB PMT 12195 – validity until 4/5/2015 – DOSH cert: PMT-SB 40846 viii. DOSH visit monitoring Log maintained – last visit: 2/10/2015 – recommendation has been taken into consideration. ix. Gen set- Licence No: SSD 779/2013- validity:25/7/2015 x. Visiting Electrical Engineering (C.T. Engineering Service) Log Book maintained – Last visit :9/3/15 xi. Lesen Untuk Menggaji Pekerja Bukan Pemastautin No. JTK.h.SDK.600-4/1/1/01261/000461 was valid until 21/05/2015. Trading Licence A187587 was valid till 31/12/2015 xii. MPOB Licence No. 503746102000 was valid until 31/08/2015
	2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained</p> <p>Minor Compliance</p>	Yes	<p>At Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM, there were a documented system for identifying, tracking, updating the changes of legal requirements and to monitor the status of legal compliance. Each estate has developed its Legal Register. There was an evidence of compliance to legal requirements which has been evaluated on annual basis. Both estates and mill have updated their legal registers on 6 December 2014, 3 April 2015 and 16 January 2015 with Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013. Amendment for Factories and Machinerics (Person In-Charge)(Amendment) Regulation 2014 has yet to be update in the legal register, however the management was aware on that amendment. The legal register has been established since 16 July 2010 and was updated by Mr. Ricky – Sustainability Manager.</p>

	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	<p>The legal register has been used as guidance in carrying out the periodic evaluation of compliance exercise. Through this exercise, the certification unit will have the information about the status of legal compliance. Appropriate action shall be taken should there be any non-compliance found. Based on the verification of this exercise, the assessor confirmed that most non-compliance found have been acted upon.</p> <p>There was evidence of compliance to legal requirements which has been evaluated on an annual basis. The mechanism of ensuring implementation was by :</p> <ul style="list-style-type: none"> i. Periodic reporting from operating units ii. On site visits, inspections and discussions with relevant personnel iii. Assessments and audits like Internal & External Audits, PA visits, VA visits and by RSPO Audits iv. Consultation with RSPO team & management. <p>Some of the records were made available and sighted were PA's reports on visits made in June 2014, RSPO & ISCC reports of Audits made in March 2014, Agronomic Reports and Monthly reports by in house Environment, Safety and Health for January to March 2015 for Hibumas 1 Estate.</p>
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	The Corporate Social Responsibility (CSR) Department in PPB is the unit responsible to track changes in the legal and other requirements through various media such as internet, newsletter, etc
C 2.2 The right to use the land is demonstrated, and is not legitimately	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure,	Yes	Evidence of legal ownership of the land including history of land tenure was verified during this audit. Each estate was 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 were CL 085320403 for Sri Kamusan Estate (2832.00ha), CL85340110 for Hibumas 1 Estate (5922ha), CL085333982 for Sekar Imej Estate (3642.00ha) and CL085320672

contested by local people who can demonstrate that they have legal,customary or user rights		recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance		for Jebawang Estate (403.79ha). During this 4 th Surveillance Audit, there was no formal conflict or dispute over the land related to Sri Kamusan CU.
	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	The boundary stones along the perimeter adjacent to state land and other reserves are being located and visibly maintained at Sri Kamusan Estate and Hibumas 1 Estate. The visited estates have maps to indicate the locations of the boundary stones. During the site assessment, the boundary stones at Sri Kamusan Estate and Hibumas 1 Estate were inspected. The boundary marking also has been done with Belian poles painted red and white.
	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	At Sri Kamusan Estate, there was no disputes on land reported since previous 3 rd Surveillance Audit in 2014. Hibumas 1 Estate has conduct a stakeholders meeting with contractors, suppliers, neighbouring estate (IJM Plantation and IDC Jadi Plantation) and surrounding local communities from Kg. Linayukan and Kg. Sabang on 17 January 2015 and 31 March 2015. Minutes of meeting was verified by the auditor. There are no issues regarding the land use at the time of audit. There was no formal conflict or dispute over the land at Hibumas 1 Estate.
	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	Yes	Based on interviews with local communities and verification through Stakeholders Meeting minutes, there was no significant land conflict occurred between Sri Kamusan Estate and Hibumas 1 Estate with neighbouring estates or local communities.

		involved. Major Compliance		
	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	There was no issue on land conflict at Hibumas 1 Estate and Sri Kamusan Estate during this 4 th Surveillance audit. Therefore, this indicator was not applicable.
	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. Linayukan and Kg. Sabang) and other oil palm plantation companies that there was no conflict raised due to violence action taken by Sri Kamusan Estate and Hibumas 1 Estate to maintaining peace and order in their current and planned operations. Sri Kamusan Estate and Hibumas 1 Estate only have 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	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	Yes	Use of the land for oil palm was not diminish the legal, customary or user rights of other users. The plantations area were belongs to Sri Kamusan CU. There was no issue on customary or user rights at Hibumas 1 Estate and Sri Kamusan Estate during this 4 th Surveillance audit. Therefore, this indicator was not applicable.

without their free,prior and informed consent.		communities where applicable, and relevant authorities). Major Compliance		
	2.3.2	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: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their	Yes	Use of the land for oil palm was not diminish the legal, customary or user rights of other users. The plantations area were belongs to Sri Kamusan CU. There was no issue on customary or user rights at Hibumas 1 Estate and Sri Kamusan Estate during this 4 th Surveillance audit. Therefore, this indicator was not applicable.

		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. Minor Compliance		
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	Yes	Use of the land for oil palm was not diminish the legal, customary or user rights of other users. The plantations area was belongs to Sri Kamusan CU. There was no issue on customary or user rights at Hibumas 1 Estate and Sri Kamusan Estate during this 4 th Surveillance audit. Therefore, this indicator was not applicable.
	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	Use of the land for oil palm was not diminish the legal, customary or user rights of other users. The plantations area was belongs to Sri Kamusan CU. There was no issue on customary or user rights at Hibumas 1 Estate and Sri Kamusan Estate during this 4 th Surveillance audit. Therefore, this indicator was not applicable.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1	3.1.1	A business or management plan (minimum three years)	Yes	Both Hibumas 1 and Sri Kamusan Estates have continued to be committed to long-term economic and financial viability. The estates have management plans in their current

There is an implemented management plan that aims to achieve long-term economic and financial viability.		shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance		year's budgets and projections. The annual budgets and projections were prepared on an annual basis before the end of current year. The yearly budget and projections where the cost of production were reviewed annually and compared against expenditure for each year was an on-going process. The parameters monitored remained essentially unchanged and included Capital (CAPEX) and Operating costs. The operating expenditure included expenditure for Replanting, Mature and Immature Oil Palm upkeep, Administration cost, Housing and Machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and health), infra-structure development (roads, etc.), and training,etc.
	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 the planting in both estates visited had palms of the 1 st generation and were planted between the years 1999 and 2007. The palms being still young would not be required to be replanted within the next 5 years. However in Hibumas 1 Estate replanting ha been schedule to be carried out in the year 2022 over 304.22 Ha, in 2023 over 350.00 Ha and in 2024 over 414.50 Ha

PRINCIPLE 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERSs			
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	<p>It was noted that Sri Kamusan POM, Sri Kamusan Estate and Hibumas 1 Estate have established Safe Standard Operating Procedure (SSOP) for their operating procedures. The SSOP was endorsed by Group Manager-Sugut Region on January 2012.</p> <p>The SSOP provided guidance on all activities and operations carried out in the mill and estates, eg: boiler, sterilizer, workshop, oil palm nursery, oil palm replanting, field upkeep, FFB harvesting and collection.</p> <p>The following Procedures were sampled for implementation such as (i) Boiler procedure – rev. 1, dated 1 August 2011, (ii) Oil Room Procedure – rev.1, dated 1 August 2011, and (iii) Lab Procedure – rev.2, dated 12 July 2013. And latest review at Sri Kamusan POM was Water Treatment Procedure – rev. 2, dated 28/1/2015</p> <p>While for both estates visited continued to use:</p> <ul style="list-style-type: none"> i. Wilmar International Limited, Agriculture Manual and Standard Operating Procedure 2011. ii. PPB OIL PALMS BERHAD, Safe and Standard Operating Procedure for Oil Palm Plantation (SSOP). iii. Standard Operating Procedure. <p>The agriculture manual provided guidance on Pre-Development Survey, Assessment and planting, oil palm nursery, oil palm replanting practices, land clearing, establishment and maintenance of legume covers, oil palm planting, upkeep, FFB harvesting and etc. Two procedures, Buffalo Breeding & maintenance and Harvesting & Evacuation of FFB Using Buffalo have been added on to SSOP Manual.</p>
	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	Yes	<p>The mechanisms are by the implementation of internal audit, safety and health meeting and routine inspection (workplace inspection) by assistant manager, staff and hospital assistant.</p> <p>Both Hibumas 1 and Sri Kamusan Estates have in place the mechanism to check consistent implementation of procedures. PA's reports on visits made in June 2014, RSPO & ISCC reports of audits made in March 2014, Agronomic Reports and Monthly reports by in house. Environment, Safety and Health for January to March 2015 for Hibumas 1 Estate were made available to the auditors.</p>
	4.1.3	Records of monitoring and	Yes	Records of monitoring and the actions taken by the estates continued to be maintained

		any actions taken shall be maintained and available, as appropriate. Minor Compliance		and kept for a minimum of 12 months. Monthly Progress, Monthly Costing and Annual Reports on monitoring of all activities were made available during the surveillance as well as official monthly reporting to MPOB. Among those records sighted at the estates included Monthly Chemical consumption, Daily workers activity, rainfall data, pest census, agrochemicals usage and Programme sheets for Fertiliser Application, Field upkeep, etc.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	Sri Kamusan POM has received its third party crops from various sources mainly surrounding oil palm plantation company and smallholders. The third parties have consistently contributed around 50% of the mill input. The mill has a mechanism to records the origin and quantity of all the crop from third parties starting from FFB chits until the production report.
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	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. Annual Fertiliser recommendations are made based on annual foliar sampling. The rate of fertilisers per palm recommended for 2015 varied between 7.75 to 11.50 kg per palm. Fertiliser application program was monitored using 'Control Form For Fertiliser' and Control of Fertiliser Stock & Movement Form' In addition both Hibumas 1 and Sri Kamusan Estates continued to manage soil fertility as per the SOPs in the Agriculture Manual. The planting in these estates were from 1999 to 2003 and soil fertility had been managed by recycling of bio-mass like frond stacking and EFB application (in some areas), POME application, water management in low lying areas, maintenance of soft weeds and of Leguminuos cover crops such <i>Mucuna bracteata</i> legumes, <i>Nephrolepis biserrata</i> and establishment
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	Yes	Records of programs and applications of fertilisers were made available to auditors. Records showed that the main fertilisers applied were NPK, NK3, RP, SOA, MOP, Kieserite and borate. Records sighted showed that actual applied in 2014 was in line with program with a total of 1,737.73 and 1,611.95 tonnes of fertilisers were applied in Hibumas 1 Estate and Sri Kamusan Estate respectively. As at March 2015, 4,72.91 tonnes of NPK and 0.40 tonnes SOA fertilisers have been applied in Hibumas 1 Estate. While at Sri Kamusan Estate, 443.40 tonnes of NPK

				fertiliser has been applied. These showed that 25.96% in Hibumas 1 Estate and 27.02% in Sri Kamusan of fertilisers recommended for 2015 have been completed.
	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 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 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 February 2015 in both estates the results of which would be the basis for the formulation of the fertiliser recommendation for 2016.</p> <p>Soil maps were made available to the auditors which were made based soil analysis conducted in 2009 in Hibumas 1 Estate and in 2010 in Sri Kamusan Estate. The soil analysis and maps were done by 'PARAM Agricultural Soil Survey (M) Sdn. Bhd. Analysis for soil organic carbon was carried out every 5 years as per International Sustainable Carbon Certification (ISCC) body and was last done in 2012.</p>
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Yes	<p>No EFB application was carried in Hibumas 1 Estate as it was not economical to transport EFB to the estate due to its distance from the mill. Records showed that in Sri Kamusan Estate 9,012.27 tonnes as against the program of 8,300.00 tonnes was applied in 2014 and 1,345.94 tonnes was applied as at March 2015. The amount of EFB applied here is low compared to the amount produced in the mill is mainly constraints faced in applying EFB in terraced areas and due to labour shortage. Sample of weigh bridge tickets, like No. SU21500111 for 12.67 tonnes and No. SU21500515 for 3.40 tonnes, checked showed that the records were correct.</p> <p>Palm Oil Mill Effluent (POME) application in Sri Kamusan Estate was considered as Land Irrigation. Ruling by DOE SABAH is that the discharge has to be less than 20ppm BOD and could not be directly discharged to a water source. The discharge has to be in the form of Land Irrigation. In 2014, 292,459.33 litres of effluent discharge was used to irrigate 100 Ha in Block 35.</p>
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	Yes	There were no fragile/marginal soils in both Hibumas 1 and Sri Kamusan Estates.
	4.3.2	A management strategy shall be in place for plantings on	Yes	Both these estates had been planted between 1999 and 2003 and it was observed that areas that were undulating and hilly had been terraced. Slopes especially along some

		slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance		<p>road side had well established <i>Mucuna bracteata</i>. Sri Kamusan Estate had establish a nursery for <i>Mucuna bracteata</i> for continues planting.</p> <p>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>
	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 satisfactory 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>Hibumas 1 Estate had its own Case Digger, a Motor Grader, a Compacter, a Excavator and 2 units of mini excavators while Sri Kamusan Estate had 2 Case Diggers, a Motor Grader, a Compacter, an Excavator and 3 units of mini. Heaps of dry crusher run stones (DRC) placed at strategy points, ready for use, were sighted in both estates during the visit.</p>
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	Yes	There were no peats soils in both estates.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	Yes	There were no peats soils in both estates.
	4.3.6	A management strategy shall be in place for other fragile	Yes	There were no fragile and problem soils in both estates visited.

		and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance		
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	A water management plan had been established with improvement being made to include all sources of water. Water Management Plans 2015 for Sri Kamusan Estate and Hibumas 1 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.
	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	Riparian belts along the major rivers were demarcated with appropriate signage. A standard procedure for protecting these buffers and consistent to regulation for all natural waterways has been established. 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. 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. Maps indicating the riparian buffer were presented at Sri Kamusan Estate and Hibumas 1 Estate. The riparian buffer with a width of 20m along Sg. Bonggaya was inspected and was found to be intact with natural vegetation.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance	Yes	Sri Kamusan POM has its Effluent Treatment Plant (ETP) in place. The DOE's approved disposal method is through Land Irrigation. The ETP is regularly maintained through desludging process to ensure efficiency. Final discharge samples were taken on monthly basis and sent to accredited laboratory for analysis. Among the parameters required by the DOE to be monitored are bio-oxygen demand (BOD), suspended solid (SS), oil & grease (OG), ammoniacal nitrogen (AN) total nitrogen (TN), pH and temperature. The results of analysis would then be submitted to the DOE on quarterly basis using a regulated format called quarterly report. Through verification of this reports, the assessor found that the mill consistently complied to the regulated limit.

	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Yes	Sri Kamusan POM has its records for water usage and graphs were plotted thereafter to monitor its trend. Based on records, on average the mill has been using 1.8 m ³ /mt FFB of water for processing.
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	No	Both 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. Records showed no outbreak had been taken place. 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. As the estates had not complied with their 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, a Major NCR STK-1 2015 was issued.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	Yes	All involved in IPM implementation had been trained. The latest training was carried by an officer from EMU R & D department for both estates on 9 April 2015. Attendance records showed that the training was attended by senior manager, managers, senior assistants, Field officers, trainee field assistants, store keepers and field conductors.
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	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

		treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance		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 2014 was 5,440.75 litres over 11,060.87 Ha in Hibumas 1 Estate and 7,580.60 litres over 13,146.67 Ha in Sri Kamusan 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 estate has not carried any prophylactic spraying. The use of Paraquat has been totally banned. 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 has 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. 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 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	Yes	The chemical registers confirmed that the estates have used only class 3 and 4 pesticides. There was no evidence on the use of class 1A or 1B chemical and the company had banned the use of Paraquat.

		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. Sprayer were trained by the ESH officer on spraying methods and in the use of PPE "SSOP for Spraying. The latest was on 27 February 2015 for sprayers at Hibumas 1 Estate and 5 February 2015 at Sri Kamusan Estate. Fertiliser applicators were also trained, the latest was on 3 & 4 March 2015 for 7 workers. 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> <p>From the random interview during site visit with sprayers, noted that they were regularly trained and were found to be aware of safety standards and SOPs. Trainings and Briefings were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered.</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 Sri Kamusan Estate and Hibumas 1 Estate, two chemical stores are in place; chemical and fertilizers stores. The stores were equipped with showers, wash area and a PPE storage area. Adequate 'Safety Signage' has 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'. No Class I and II chemicals were in used there.</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 Sri Kamusan Estate were:</p> <ul style="list-style-type: none"> i) Glyphosate Isopropylamine – Class III Herbicide ii) Triclopyr – Class III Herbicide iii) ICON – Class III Insecticide iv) Alpha-cypermethrin – Class III Insecticide v)

				<p>The chemicals used at Hibumas 1 Estate were:</p> <ul style="list-style-type: none"> i) Glyphosate Isopropylamine – Class III Herbicide ii) Triclopyr – Class III Herbicide iii) OMITE – Class III Insecticide iv) Alpha-cypermethrin – Class III Insecticide v) Fluroxypyr Technical – Class III Herbicide
	4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	Yes	<p>As mentioned under 4.6.5 Pesticides were handled only by trained personnel. Sprayer were trained by the ESH officer on spraying methods and in the use of PPE. The latest was on 27/02/15 for 7 sprayers. Fertiliser applicators were also trained, the latest was on 3 & 4/03/2015 for 7 workers. 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.</p> <p>At Sri Kamusan Estate and Hibumas 1 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.</p>
	4.6.8	<p>Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	Yes	<p>There was no evidence of any aerial spraying has been carried in both estates visited.</p>
	4.6.9	<p>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</p>	Yes	<p>Sri Kamusan Estate and Hibumas 1 Estate has conducted training on 'SSOP for Spraying' dated on 25 February 2015 and 27 February 2015 conducted by ESH Officer for all sprayers. Training records were sighted by auditor.</p>

	4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	Yes	Sri Kamusan CU has the procedure for triple rinsing of all its empty agrochemical containers as a method of disposal. Based on interview with the workers, the procedure is fully understood by them. After triple rinsing is done, the containers will be punctured and kept in a store, which later are sent to recycling vendors. The waste water from the triple rinsing will be reused in chemical mixture.
	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 Sri Kamusan Estate and Hibumas 1 Estate, CHRA were conducted on 12 May 2010 – CHRA Industrial Hygiene Services Sdn. Bhd Report Ref. No: DOSH/CHRA/SDK/MAY 126 and DOSH/CHRA/SDK/MAY125. The management also has decided to conduct CHRA on May 2015 for both estate.</p> <p><u>Sri Kamusan Estate</u> Medical Surveillance carried out by registered,OHD (Reg ref: HQ / 08/DOC/00/194) – Klinik Berkat Sdn. Bhd (DOSH Registration No.: JKPP KES 127 / 669 / 1(194)) dated 21/8/2014. The following ‘Spraying Operators’ medical surveillance report has been reviewed and verified.</p> <p><u>Hibumas 1 Estate</u> Medical Surveillance carried out by registered ,OHD (Reg ref: HQ / 08/DOC/00/194) – Klinik Berkat Sdn. Bhd (DOSH Registration No.: JKPP KES 127 / 669 / 1(194)) dated 14/8/2014. The following ‘Spraying Operators’ medical surveillance report has been reviewed.</p>
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	<p>Sprayers interviewed 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) has conducted monthly medical checks and determine whether female workers were pregnant or not. The following Medical Records were verified:</p> <p>There were 6 female workers involving in pesticides spraying at Sri Kamusan Estate that have been verified.</p>

				While at Hibumas 1 Estate, there were 7 female workers involving in pesticides spraying have been verified.
<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance	Yes	<p>Sri Kamusan CU had established two Safety and Health Policy with both were effective:</p> <ol style="list-style-type: none"> 1. Occupational Health & Safety Policy in place endorsed by Group Plantation Head and Group CSR Head on September 2010 2. Safety and Health Policy endorsed by Chairman and CEO, Wilmar Group of Companies on 7 April 2015 <p>Safety and Health Coordinator has been appointed to monitor 'Health & Safety' programs within the organization. Safety and Health Manual – 2nd Rev, 12/12/2011 endorsed by Group Plantation Head and Group CSR Head</p> <p>Sri Kamusan Estate and Hibumas 1 Estate had conducted CHRA on 12 May 2010. The analysis was conducted by CHRA Industrial Hygiene Services Sdn. Bhd; CHRA Report for Sri Kamusan Estate and Hibumas 1 Estate were reviewed and verified by auditor, Ref. No: DOSH/CHRA/SDK/MAY126 and DOSH/CHRA/SDK/MAY125. CHRA recommendation Report was reviewed on a yearly basis taking into consideration the progress made in implementing the recommendation – last update on 10 March 2015. The next CHRA is being planned on May 2015.</p> <p>Audiometric test also has been carried out for two genset operators at Sri Kamusan Estate and Hibumas 1 Estate on 29 October 2015 and 20 October 2015.</p> <p>While at Sri Kamusan POM, CHRA was conducted on 7 May 2012 by OSHE Global Solutions Sdn. Bhd; Report Ref. No: ctcl/chra/07-05/12. The CHRA recommendation report was reviewed on a yearly basis taking into consideration the progress made in implementing the recommendation – last update on 26 March 2015 version: 4. The next CHRA is being planned for 2016.</p> <p>Chemical Exposure Monitoring Report, dated 13 September 2014 was carried out by DAB OH Sdn. Bhd. Chemical Exposure (JKKP HIE/127/171-1(163)) recommendation report was reviewed on a yearly basis taking into consideration the progress made in implementing the recommendation – last update on 2 February 2015 Rev:1.</p> <p>Medical Surveillance Report (Use and Standard of Exposure of Chemicals Hazardous to Health Regulations 2000) – dated 14 May 2014 carried out by Klinik Mansor Sdn. Bhd (Occupational Safety and Health Clinic) - (OHD Doctor-HQ/08/DOC/00/695). Medical</p>

				<p>Surveillance carried out as per recommendation. Four medical records of workers were sampled by auditor for laboratory, store and workshop sites.</p> <p>Medical Surveillance Report Recommendation report has been reviewed dated 2 February 2015 Rev:1. Noise Exposure Monitoring (under Factories and Machinery (Noise Exposure) Regulation, 1989. Report Ref no.:DOSH/Noise/SDK/(77) dated 13 May 2010 by CHRA Industrial Hygiene Services Sdn Bhd.</p> <p>Audiometry Testing Programme (under Factories and Machinery (Noise Exposure) Regulation, 1989, dated 14 May 2014 was carried out by Klinik Mansor Sdn. Bhd. Recommendation was monitored with respect to their current status of completion: Latest review carried out on 2 February 2015, Rev:1. Follow up test for 4 workers who get STS have been conducted on 16 February 2015 and the result for all workers were taken into consideration.</p> <p>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. This programme was conducted by Medical Assistant at Sri Kamusan Clinic on 14 April 2015.</p>
	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>HIRARC for Sri Kamusan and Hibumas 1 Estate were established in May 2013 with the latest review carried out in May 2014 rev: 5. All activity and operations have been risk assessed and documented. Latest amendment on aspects related to 'Penyemburan Racun Menggunakan Tangki Air semula'.</p> <p>While for Sri Kamusan POM, HIRARC was established dated 26 April 2013 with the latest review carried out in 15 January 2015 rev: 3 for HIRARC at Loading Ramp. Operations have been risk assessed and documented. After the 'Oil room related Accident' on 30 February 2014, the concern HIRARC was revised by management. Auditor has sighted and verified the relevant records.</p>
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8).	Yes	<p>Training and briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Based on the HIRARC carried out, the PPE types for the various station were identified using 'PPE Distribution Records'. Sri Kamusan POM, Sri Kamusan Estate and Hibumas 1 Estate have distributed PPE to their workers with latest distribution dated 10 March 2015 and 3</p>

		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		February 2015. The following verified: i. Harvester- Safety helmet, sickle cover, hand glove. wellington boots ii. Sprayers- Respirator, nitrile glove (chemical resistant) goggles, wellington boots, Apron. iii. Manuring- Apron, wellington boots, dust mask iv. Boiler- Safety helmet, safety shoes, safety vest, ear plug, leather apron, face shield, leather handglove v. Sterilizer station – Safety helmet, semi leather hand glove, cotton gloves, safety shoes, safety vest and ear muff. vi. Laboratory – Respirator (double cartridge), nitrile glove (chemical penetration), safety boots, ear plug. vii. Workshop - Safety helmet, safety shoes, safety vest, ear plug and leather handglove (welder).
	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	Sri Kamusan Estate has updated their Safety and Health Committee organization chart dated 9 March 2015. The committee was chaired by Estate Manager. Auditor has interviewed Committee Secretary. The Quartely Safety & Health Committee meeting held was chaired by Chairman, discussion in the meeting minute as listed below: i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Estate Inspection Report iv) Estate activity Based on the verification of meeting minutes which were conducted on 2 April 2015, 10 December 2014, 9 October 2014, 10 July 2014 and 17 March 2014, the safety agenda was adequately discussed. Hibumas 1 Estate has updated their Safety and Health Committee organization chart dated 9 March 2015. The committee was chaired by Estate Manager. Auditor has interviewed Committee Secretary. The Quartely Safety & Health Committee meeting held was chaired by Chairman, discussion in the meeting minute as listed below: i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident statistics) iii) Estate Inspection Report Based on the verification of meeting minutes which were conducted on 9 April 2015, 17 December 2014, 9 October 2014, 11 July 2014 and 4 April 2014, the safety agenda was

				<p>adequately discussed.</p> <p>While, Sri Kamusan POM has updated their Safety and Health Committee organization chart, rev.2 dated 2 September 2014. The committee was chaired by Estate Manager. Auditor has interviewed Committee Secretary. The Quartely Safety & Health Committee meeting held was chaired by Chairman, discussion in the meeting minute as listed below:</p> <ul style="list-style-type: none"> i) Passing of previous minutes and arising matters. ii) Medical Assistant Report (Monthly Accident Statistics) iii) Mill inspection <p>Based on the verification of meeting minutes, the safety agenda was adequately discussed. The meetings were conducted on 9 April 2015, 27 January 2015, 26 November 2014, 16 August 2014, 19 Mei 2014 and 6 February 2014.</p>
	4.7.5	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Minor Compliance</p>	Yes	<p>Sri Kamusan Estate has revised their Emergency Response Plan (ERP) on 10 January 2015. The following addressed: Incident reporting, Injury Illness Requiring Medical Attention, Suicide Attempt & prevention, Bush Fire, Chemical and Fertilizer spillage, Flood, Poisoning, Workplace and Violence. Sri Kamusan and Hibumas 1 Clinic managed by Medical Assistant, licensed by Jabatan Kesihatan Negeri Sabah 'Estate Dresser as per Dresser (Licensing) Ordinance 1928 JKN (SB)/1201/93/Jld. dated 30 October 2014. License Validity: 1st Jan – 31st Dec, 2015.</p> <p>22 First Aiders have been trained, their name List reviewed. – the following training records sighted:</p> <ul style="list-style-type: none"> i) Training Basic First Aid dated 13 February 2015 – Conducted by Medical Assistant. ii) Training Basic First Aid dated 16 February 2015 – Conducted by Medical Assistant. <p>The first aider was available during the site visit. Fire drill and safety briefing were carried on 2 April 2015 with supervision by ESH Officer. The evacuation time was monitored within 2 minutes 10 sec. Accident statistics were maintained and periodically reviewed by quarterly basis during Health and Safety Committee meeting. Meeting minutes were reviewed. From 2013 to 2015, there was no accident with loss of man-days occurred at the estate.</p> <ul style="list-style-type: none"> i) No Accident with 'loss Man ii) Last Accident without 'loss mandays' dated 30 March 2015. <p>JKKP 8 form was sent to DOSH accordingly with 4 accidents recorded for 2014. For 2015, to date only 1 accident without loss of man-days recorded. Weekly cleanliness</p>

			<p>inspection was carried out and reported by Medical Assistant. Concerns were identified and appropriate actions initiated. The following records verified: 7 April 15, 5 March 2015, 11 February 2015 and 20 January 2015</p> <p>Visiting Medical Officer (VMO) Monthly Report - verified the following records: 7 April 2015, 5 March 2015, 11 February 2015, 20 January 2015, 18 December 2014, 27 November 2014, 20 October 2014 and 10 September 2014.</p> <p>While at Hibumas 1 Estate, 28 First Aiders have been trained, their name list reviewed. The following training records sighted:</p> <ul style="list-style-type: none"> i) 'Training Basic First Aid' – dated 9 April 2015 – Conducted by Medical Assistant. <p>The first aider was available during the site visit at Hibumas 1 Estate.</p> <p>Fire drill was carried on 9 April 2015. The evacuation time was monitored: 2 minutes. Drill supervised by: ESH Officer. Safety briefing provided by ESH Officer. Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed.</p> <ul style="list-style-type: none"> i. 2013- 2015 to date: No Accident with 'loss Man ii. Last Accident without 'loss Man – Days' 15 August 2014 – Internal Investigation carried out – cause investigation carried out – corrective action initiated. <p>JKKP 8 was sent to DOSH accordingly on 2 January 2015 – 3 Accidents recorded for 2014. Weekly cleanliness inspection carried out and reported by – Clinic Assistant. Concerns are identified and appropriate actions initiated. The following records verified: 10 April 2015, 2 March 2015, 11 February 2015 and 14 January 2015. Visiting Medical Officer (VMO) Monthly Report - verified the following records: 10 April 2015, 2 March 2015, 11 February 2015, 14 January 2015, 10 December 2014, 11 November 2014 and 20 October 2014.</p> <p>Sri Kamusan POM had established Emergency Response Plan (ERP) on 15 November 2014 and the latest revision was related to the organization structured dated on 1 September 2014. The following addressed: Incident reporting, Bund Breakage, Suicide Attempt & prevention, Bush Fire, Fire Breakout in Mill, Chemical spillage, Flood, Injury and Illness, Poisoning, Workplace and Violence, Boiler Shutdown, CPO Pipe Burst & Fire, Exhaust Fire Explosion and Pipe Leak.</p> <p>Electrician – trained first aider. Internally trained First Aiders by Medical Assistant on</p>
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				<p>16/2/15 – 6 staffs from various station have been trained, laboratory, office, workshop and electrical.</p> <p>Fire drill – A drill was carried out dated 18 February 2015 time: 7.30 am till 7.50 am The evacuation time was monitored: 5 minutes. Drill supervised by Mill Engineer. The use of Permit to Work in Confined space (PTW CS) to inform the workers on the Safe practices and precautions to be adhered, the following verified.</p> <table border="1" data-bbox="1081 408 1966 536"> <thead> <tr> <th>Date</th> <th>Issuance to</th> <th>Station</th> </tr> </thead> <tbody> <tr> <td>2 October 2014</td> <td>Internal Workers</td> <td>Sterilizer</td> </tr> <tr> <td>30 September 2014</td> <td>Internal workers</td> <td>Boiler</td> </tr> </tbody> </table> <p>The use of Permit to Work (PTW) to inform external Contractors of the Safe practices and precautions to be adhered, the following verified.</p> <table border="1" data-bbox="1081 628 2107 756"> <thead> <tr> <th>Date</th> <th>Issuance to</th> <th>Work Station</th> </tr> </thead> <tbody> <tr> <td>14 April 2015</td> <td>Sri Jasa</td> <td>Workshop</td> </tr> <tr> <td>9 April 2015</td> <td>Mr Chang</td> <td>Store</td> </tr> <tr> <td>3 April 2015</td> <td>AJ Interprise</td> <td>EFB</td> </tr> </tbody> </table> <p>Weekly cleanliness inspection carried out and reported by – Medical Assistant. Concerns are identified and appropriate actions initiated. The following records verified: 11 March 2014, 14 January 2014, 11 November 2014, 10 September 2014 and 22 July 2014. Visiting Medical Officer (VMO) Monthly Report - verified the following records: 7 April 2015, 5 March 2015, 11 February 2015, 20 January 2015, 18 December 2014, 27 November 2014, 20 October 2014 and 10 September 2014.</p>	Date	Issuance to	Station	2 October 2014	Internal Workers	Sterilizer	30 September 2014	Internal workers	Boiler	Date	Issuance to	Work Station	14 April 2015	Sri Jasa	Workshop	9 April 2015	Mr Chang	Store	3 April 2015	AJ Interprise	EFB
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3 April 2015	AJ Interprise	EFB																							
	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> Local Workers – covered by SOCSO. Verified through “<i>Jadual Caruman Bulanan</i>” March 2015 for 4 local workers.</p> <p>Foreign Workers – covered by Workmen Compensation provided as per Compensation Act 1952 – through ACE Jerneh Insurance Berhad – expiry date: 31 December 2015 - verified for 7 foreign workers.</p> <p><u>Sri Kamusan – Estate</u> Local Workers – covered by SOCSO. Verified through “<i>Jadual Caruman Bulanan</i>” Mar 2015 for 5 local workers.</p>																					

				<p>Foreign Workers – covered by Workmen Compensation provided as per Compensation Act 1952 – through ACE Jerneh Insurance Berhad – expiry date: 31 December 2015 - verified for 7 foreign workers.</p> <p><u>Hibumas 1 – Estate</u> Local Workers – covered by SOCSO. Verified through “<i>Jadual Caruman Bulanan</i>” Mar 2015 4 local workers.</p> <p>Foreign Workers – covered by Workmen Compensation provided as per Compensation Act 1952 – through ACE Jerneh Insurance Berhad - verified for 4 foreign workers.</p>
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	<p><u>Sri Kamusan Estate</u> Accident statistics are being maintained and periodically reviewed (quarterly basis) during ‘Health and Safety’ committee meeting – minutes reviewed. 2013 to 2015 to date - No Accident with loss of Man-days. iii) No Accident with ‘loss Man iv) Last Accident without ‘loss Man – Days’ 30 March 2015 – Internal Investigation carried out – cause investigation carried out – corrective action initiated.</p> <p>JKKP 8 was sent to DOSH accordingly– 4 Accidents recorded for 2014. 2015 Statistics – to date 1 Accidents without loss of Man-days recorded. LTI- 11 Days. Weekly cleanliness inspection carried out and reported by – Medical Assistant. Concerns are identified and appropriate actions initiated. The following records verified: 7 April 2015, 5 March 2015, 11 February 2015 and 20 January 2015. Visiting Medical Officer (VMO) Monthly Report - verified the following records: 7 April 2015, 5 March 2015, 11 February 2015, 20 January 2015, 18 December 2014, 27 November 2014, 20 October 2014 and 10 September 2014.</p> <p><u>Hibumas 1 Estate</u> Accident statistics are being maintained and periodically reviewed (quarterly basis) during ‘Health and Safety’ committee meeting – minutes reviewed. i. 2013- 2015 to date: No Accident with ‘loss Man ii. Last Accident without ‘loss Man – Days’ 15 August 2014 – Internal Investigation carried out – cause investigation carried out – corrective action initiated.</p> <p>JKKP 8 was sent to DOSH accordingly on 2 January 2015 – 3 Accidents recorded for 2014. LTI- 85 Days. Weekly cleanliness inspection were carried out and reported by – Clinic Assistant. Concerns are identified and appropriate actions initiated. The following</p>

				<p>records verified: 10 April 2015, 2 March 2015, 11 February 2015 and 14 January 2015. Visiting Medical Officer (VMO) Monthly Report - verified the following records: 10 April 2015, 2 March 2015, 11 February 2015, 14 January 2015, 10 December 2014, 11 November 2014 and 20 October 2014.</p> <p><u>Sri Kamusan POM</u> Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed. Accident free days without loss of Man-days – 426 days.</p> <p>2014 statistics.</p> <ol style="list-style-type: none"> i. No Accident with 'loss Man-Days' for 2014 and 2015 (to-date) ii. Last Accident without 'loss Man – Days' 13 February 2014 – Internal Investigation carried out – cause investigation carried out – corrective action initiated. <p>JKKP 8 was sent to DOSH accordingly on 10 January 2015– 4 Accidents recorded for 2014. Weekly cleanliness inspection were carried out and reported by – Medical Assistant. Concerns were identified and appropriate actions initiated. The following records verified: 11 March 2014, 14 January 2014, 11 November 2014, 10 September 2014 and 22 July 2014. Visiting Medical Officer (VMO) Monthly Report - verified the following records: 7 April 2015, 5 March 2015, 11 February 2015, 20 January 2015, 18 December 2014, 27 November 2014, 20 October 2014 and 10 September 2014.</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	A training program covering all aspects of PSPO P&C was made available to the auditors. It was for Executives, Staff and all workers. 2015 – Training Schedule that related to RSPO Principle and Criteria for staff, workers, security personnel and contractors were established, dated: 25 February 2015 sighted – Approved by Estate Manager.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	Training records with attendance lists were made available to the auditors. Some of them were: <ol style="list-style-type: none"> (i) On IPM & Ganoderma for Executives and staff on 9 April 2015 (ii) Fire Drill and extinguishing of Fires on 9 April 2015 (iii) On harvesting & pruning on 5 February 2015 and 3 March 2015

				<p>(iv) For drivers on 28 February 2015 (v) For sprayers on 5 February 2015 (vi) For Fertiliser applicators on 5 February 2015 (vii) First aid training on 16 February 2015 (viii) Safety for Building Contractor and workers on 2 April 2015</p> <p>Sri Kamusan Estate and Hibumas 1 Estate have maintained training records as mentioned in 4.8.1 in their file such attendance list, training reports, memo and training hand-out. Training programme 'Workers training programme and record for Sri Kamusan Estate and Hibumas 1 Estate Year 2015 have listed numbers of training that covers all aspects of the RSPO Principle and Criteria such as Worker's/Employee's Rights, HCV Awareness & Safety Briefing/Talk dated on 11 & 12 February 2015. Training on RSPO Principles and Criteria for all estates and mill at Sri Kamusan CU were conducted phase by phase in order to cover all aspects as shown in their training calendar for 2015.</p> <p>While for safety and healthy training records were sighted;</p> <ul style="list-style-type: none"> i) "Safety Awareness for Contractor- dated 2 April 2015 Conducted by the ESH officer for contractor's workers (housing)-sighted training records ii) "SSOP for Spraying"-dated on 5 February 2015 Conducted by ESH officer for all sprayers-sighted training records. iii) "SSOP for manuring" – dated 5 February 2015 Conducted by ESH Officer for all manurer-sighted training records. iv) 'SSOP for Harvesting' – dated 5 February 2015 Conducted by ESH Officer for all harvester after muster call – sighted training records. v) 'Safety & Cleanliness of Crèche' – dated 2 April 2015 – Internally conducted by Medical Assistant for 'Crèche Ayyahs & Parents' – sighted training records. vi) 'Defensive Driving Training – Dated 12-13 January 2015 – Conducted by IPAS trainer – attended by drivers (11 participants) – sighted Certificate for the participants.
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PRINCIPLE 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY			
Clause	Indicators	Comply Yes/No	Findings

<p>C 5.1</p> <p>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.</p>	<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented.</p> <p>Major Compliance</p>	<p>Yes</p>	<p><u>Sri Kamusan Estate</u> Identification environmental aspect and impact at Sri Kamusan Estate was done by engaging a consultant (Ekohandal Sdn. Bhd.) to carry out EIA in July 2009. Report is dated 29/7/2009 which entitled "Oil Palm Plantation Development at Sri Kamusan Estate in, Beluran, Sabah". The report was approved by the Sabah's EPD on 26/1/2010 [(ref.: JPAS/PP/02/600-1/11/1/68(60)]. Among the environmental aspect and impact identified are:</p> <ol style="list-style-type: none"> 1) Water pollution from agro-chemical application 2) Land and water contamination 3) Soil erosion and sedimentation 4) Water quality deterioration 5) Ecological disturbance 6) Human settlement disturbance 7) Biomass and waste disposal 8) Abandonment <p>The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the EIA report. The recommendation then translated onto the estate's management action plan and reviewed from time to time. Most of the action plans were adequately implemented. The same consultant was appointed to conduct the evaluation of compliance against the conditions stipulated in the approval letter of the EIA once in four months. Based on the evaluation reports, the operating unit has complied all of the requirements.</p> <p><u>Hibumas 1 Estate</u> Identification environmental aspect and impact at Hibumas 1 Estate was done by engaging a consultant (Ekohandal Sdn. Bhd.) to carry out EIA in August 2009. Report is dated 27/8/2009 which entitled "Oil Palm Plantation Development at Hibumas Estate in, Beluran, Sabah". The report was approved by the Sabah's EPD on 26/1/2010 [(ref.: JPAS/PP/02/600-1/11/1/71)]. Among the environmental aspect and impact identified are:</p> <ol style="list-style-type: none"> 1) Fertilizer and chemical applications 2) Land and water contamination from hazardous materials 3) Soil erosion and sedimentation 4) Water quality deterioration 5) Ecological disturbance 6) Human settlement disturbance 7) Biomass and waste disposal
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			<p>8) Abandonment</p> <p>The mitigation measures for the above environmental aspects were recommended by the consultant and can be seen in the EIA report. The recommendation then translated onto the estate's management action plan and reviewed from time to time. Most of the action plans were adequately implemented. The same consultant was appointed to conduct the evaluation of compliance against the conditions stipulated in the approval letter of the EIA once in four months. Based on the evaluation reports, the operating unit has complied all of the requirements.</p> <p><u>Sri Kamusan POM</u> At Sri Kamusan POM, identification of environmental aspect and impact was done by its own staff. Mitigation measures were established thereafter. Among the environmental aspects identified by the mill are:</p> <p><u>Air pollution:</u></p> <ol style="list-style-type: none"> 1) Dark smoke from boiler. Mitigation: dust collector, monthly boiler preventive maintenance (last done March 2015), monitoring emission parameters, 2) Smoke from generator set. Mitigation: preventive maintenance on engine room <p><u>Water pollution:</u></p> <ol style="list-style-type: none"> 1) Scheduled wastes generation from accidental spillage like machinery 2) Leachate from EFB stockyard. Mitigation: construction of bund (retention wall) 3) Waste water discharge from ETP – tertiary ETP installation, desludging (last done January to March 2014, permit [ASSH(B)31/152/000/158 Jld 7(14)] granted in 22/11/2013, completion report has been submitted on 2/4/2014 [SKPOM/ADM/17/13/016]) 4) Land irrigation – accidental overflow due to heavy rain. Mitigation: Frequent checking by staff of the drainage system. If there is any blockage found, machinery is ready to relieve. <p><u>Soil contamination:</u></p> <ol style="list-style-type: none"> 1) Scheduled wastes generation – Mitigation: to be handled in accordance with EQA regulations.
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				Although GHG emission has yet to be captured in the EAI of ETP activities, PPB Oil Palms Bhd. has commenced the operation of bio-gas plant at two of its palm oil mill i.e. Sapi POM and Saremas 1 POM. This operation will be gradually implemented at other mills later on.
	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	Documented evaluation of environmental aspects and impacts was available and has been reviewed from time to time. The evaluation covered all activities of the mill and estates. As at to-date, there was no identified impact that requires changes in current practice.
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	Yes	Not applicable. No identified impact that requires changes in current practice.

<p>C 5.2</p> <p>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>	<p>5.2.1</p>	<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).</p> <p>Major Compliance</p>	<p>Yes</p>	<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 completed 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, HCV4, and HCV6 had been identified. There are no ERTs 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, Jebawang and Sekar Imej Estates. 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>For HCV3, the various ecosystems had been protected in the estates. The flood plain that had been demarcated as HCV site in the Hibumas 1 and Hibumas 2 Estates 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>Areas with religious sites and rituals as well as cultural events were identified as in the Hibumas 1 Estate where a site with a dead tree that was believed to be a sacred area had been marked as HCV 6.</p> <p>On the landscape level, the Hibumas 1 Estate has the Class V Bonggaya-Labuk Mangrove Forest on its eastern boundary which formed the protective belt for the coast line. The identified HCV site formed by seasonal Perupok Swamp Forest in Hibumas 1 Estate is also part of the surrounding freshwater swamp forest.</p>
	<p>5.2.2</p>	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill</p>	<p>Yes</p>	<p>A summary of management action has been proposed in the HCV Assessment Report. HCV Monitoring & Action Plan 2015-2019 has been written for each estate. Both documents were examined during the assessment. However, no RTE species was identified present at Sri Kamusan Estate and Hibumas 1 Estate during this 4th Surveillance Audit.</p>

		operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance		
	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	Based on previous report for 3 rd Surveillance and this 4 th Surveillance audit, there was no RTE species were identified at Sri Kamusan Estate and Hibumas 1 Estate. However, Sri Kamusan CU still conducting HCV training titled 'HCV Awareness' on 11 March 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 	Yes	Records on monthly monitoring was verified during the audit. The latest monthly records for HCV monitoring (slope area >25°) were conducted on 10 March 2014 at Sri Kamusan Estate and 12 February 2015 at Hibumas 1 Estate. 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>action plan.</p> <p>Minor Compliance</p>		
	5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	Yes	<p>The HCV or land with slope more than 25° set-asides was within the Sri Kamusan Estate & Hibumas 1 Estate. The area did not affected the local communities land or rights.</p>
<p>C 5.3</p> <p>Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>	5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	Yes	<p>Identification of waste products and sources of pollution was done through environmental aspect and impact evaluation exercise.</p> <p><u>Sri Kamusan Estate</u> Identified recyclable wastes are plastic (from household, shop and weeding activities), paper (from office & household) and metal (from workshop & household) sent to recycle centre.</p> <p>Records sighted of waste sent to recycle centre: Empty chemical containers or other plastic containers were last sold to Newgates Industries (Borneo) Sdn. Bhd. on 24/2/2015, quantity 100 kg.</p> <p><u>Hibumas 1 Estate</u> Identified recyclable wastes are plastic (from household, shop ad weeding activities), aluminium (from household) and metal (from workshop & household) sent to recycle centre.</p> <p>Records sighted of waste sent to recycle centre:</p> <ul style="list-style-type: none"> • Empty chemical containers or other plastic containers were last sold to Newgates Industries (Borneo) Sdn. Bhd. on 24/2/2015, quantity 140 kg. • Scrap iron was last sold to recycle centre.

				<p><u>Sri Kamusan POM:</u></p> <ul style="list-style-type: none"> Scrap irons frequently sent to recycle centre (Tong Lian Metals Sdn. Bhd.). Last was on 26/10/2014 with a quantity of 20.12 mt. Boiler ash 100% used to repair effluent bund Solids from de-sludging activity sent to estate for fertiliser. Decanter cake sent estate for fertiliser and to compost plant and mixed with EFB. 80% of EFB are sent to the estate for mulching. 10% to composting plant. 10% sold to power plants (Seguntur Bio-energy, Kinabayu, True Ocean and Prolific Yield). 50% of shell produced sent to Sandakan Edible Oil and 50% used for burning fuel of boiler. 100% fibre is used for burning fuel of boiler.
	5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	Yes	<p><u>Sri Kamusan and Hibumas 1 Estate</u></p> <ul style="list-style-type: none"> Agrochemicals containers are triple rinsed, punctured and sent to recycle centre. <p><u>Sri Kamusan POM</u></p> <ul style="list-style-type: none"> Spent chemical from lab was disposed to licensed vendors in accordance to EQA SW regulation Containers for boiler's chemicals are triple rinsed, punctured and reused for flower pot
	5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented</p> <p>Minor Compliance</p>	Yes	<p>Identification of waste was done through the environmental aspects and impact evaluation. Mitigation measure and management plan were established thereafter to avoid or reduce pollution. The visited operating units also have guidance for landfill method as a reference to dispose domestic wastes.</p>
C 5.4	5.4.1	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	No	<p><u>Sri Kamusan POM</u></p> <p>Objective and target was set to reduce consumption of fossil fuel. Various program has been implemented such as using more bio-fuel for boiler, minimum utilization of generator set and improve the efficiency of diesel powered machinery. Based on the 2014 achievement records, the mill has reduce more than 30% usage of diesel compare to the previous year.</p> <p><u>Sri Kamusan and Hibumas Estate</u></p>

				There was no evidence that a plan to improve the efficiency of fossil fuel usage. Therefore NCR VS01/2015 was assigned. Renewable energy used at the estate is solar panel at guard house for lighting. It is estimated could replace the consumption of petrol 40 lt/month.
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	The estates adhered to the policy as per the Agricultural Manual and SSOP which advocates zero burning and all previous crop should be felled, chipped/shredded, shredded, windrowed and left to decompose.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	Yes	There was no evidence that fire has been used for land preparation in both estates. The adhered to the policy as per the Agricultural Manual and SSOP which advocates zero burning and all previous crop should be felled, chipped/shredded, shredded, windrowed and left to decompose.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Yes	The assessment of all polluting activities had been conducted through Environmental Impact Assessment and Environmental Aspect & Impact Evaluation (see Indicator 5.1.1). The environmental aspects for air pollution have been identified and mitigation measure/management plan has been established thereafter. Nonetheless, the assessment can be further improved by including the GHG emission from the mill and estates activities.

<p>recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO.</p> <p>Plans to reduce</p>				
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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	Although the GHG emission has yet to be included in the CU's Environmental Aspect and Impact Evaluation, the mill has already started to prepare a site to construct a bio-gas plant. The application to the DOE [ref.: SKPOM/ADM/6/15/024, dated 24/3/2015] for the bio-gas plant construction was also available for verification and pending for approval.
	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	Sri Kamusan CU has been using the RSPO's PalmGHG calculator for calculating its GHG emission. The CU has also submitted its calculation report to RSPO Secretariat for review by the Emission Reduction Working Group (ERWG). Based on the PalmGHG summary report for period from January to December 2014, the total field emissions were 20,527.72 tCO ₂ e and total mill emissions were 8,615 tCO ₂ e. The final emissions value per product was 0.81 tCO ₂ e/tCPO.

PRINCIPLE 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES AFFECTED BY GROWERS AND MILLERS				
Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management that	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.	Yes	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" was prepared in October 2010 by a consultant, Malaysian Environment Consultants Sdn Bhd, assisted by the CU's management is still the basis for managing social issues in the Sri Kamusan CU. The previous audit reported that the

<p>have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		<p>Major Compliance</p>		<p>Report was prepared with the participation of the relevant stakeholders, such as authority department and neighbouring villages communities; Beluran District Office, Beluran Forest Department, Agriculture Department, Kg. Mononod, Kg Kaibuton, 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 and the study area, basic socio-economy of local communities, stakeholder analysis and sampling methodology, findings of the assessment, views and aspirations of stakeholders, gender and marginalised group analysis, swot analysis.</p> <p>Among the raised issues 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 assessment team has 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 have created employment opportunities and economic spin-offs in the local economy.</p> <p>Workers and staff 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>
	<p>6.1.2</p>	<p>There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Yes</p>	<p>Records of meetings conducted by Sri Kamusan Estate (Minit Mesyuarat Stakeholder) with external stakeholders especially with contractors (Chow Enterprise, Mulia Jayamas Sdn Bhd, A.J Enterprise, Ikatan Kayangan Sdn Bhd etc.), MPOB Officer and Head of Kg Tangkangit on 28 Mac 2015 were presented. Management has briefed participants on RSPO, HCV and riparian zone. No issue was raised by stakeholders. While for Management Action Plan for SIA for Sri Kamusan Estate was reviewed on 13 March 2015, Hibumas 1 Estate on 2 April 2015 and Sri Kamusan POM on 5 Feb 2015.</p> <p>Sri Kamusan Estate has identified 16 issues from internal stakeholders (plantation</p>

				<p>workers, staff and dependents), smallholders & 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. Tangkangit that lived surrounding Sri Kamusan Estate. The inputs from the participants were incorporated in the 'SIA Management Action Plan'.</p> <p>Hibumas 1 Estate has invited Kg. Linayukan and Kg. Sabang, Thien Brother (supplier), IJM Plantation and IDC Jadi Plantation during their Stakeholder Meeting (Mesyuarat bersama Pemegang Amanah) dated 31 March 2015.</p> <p>Sri Kamusan POM has invited their independent smallholders (Kg. Tangkangit), neighbouring company who send their FFB to Sri Kamusan POM (Ikatan Kayangan Sdn Bhd, Borneo Samudera Sdn Bhd, Mulia Jayamas Sdn Bhd, and Sykt Pertanian Khoo Siah), suppliers (Chow Enterprise), contractors (Thien Brother) and MPOB Officer to Stakeholders Meeting dated 28 March 2015.</p>
	6.1.3	<p>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.</p> <p>Major Compliance</p>	Yes	<p>Stakeholders meeting were held by the CU to gather inputs in the process of reviewing and updating the Management Action Plan for SIA 2015. The Action Plan has documented i) Impact parameter, ii) Issue, iii) Proposed plan, iv) Location, v) Person in charge, vi) Timeline and vii) Progress.</p> <p>Example of issue been highlighted in the action plan: For Sri Kamusan 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 <p>For Hibumas 1 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 Kongsu 3. Minor road repair for Kg. Keliaga & Kg. Sabang (as per request) 4. Monitoring water quality of Sg. Sugud which daily used for Kg. Kaliaga 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.

				<p>For Sri Kamusan POM:</p> <ol style="list-style-type: none"> 1. Plan to build new housing to replace old housing which were too small, insufficient, risk of landslide and insufficient of water tanks. The budget already been approved by management. 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 Ikatán 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	<p>The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties</p> <p>Minor Compliance</p>	Yes	<p>The Management Action Plan for SIA has been reviewed annually by Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM after obtained input or comments from Stakeholders Meeting as explained in Indicator 6.1.2.</p>
	6.1.5	<p>Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	Yes	<p>For the time being, there was no smallholder schemes for Sri Kamusan CU. Only independent smallholders (Ikatán Kayangan Sdn Bhd, Borneo Samudera Sdn Bhd and Sayongmas Sdn Bhd) and nearby villagers at Sri Kamusan Estate and Hibumas 1 Estate were sending their FFB to Sri Kamusan POM.</p>
C 6.2	6.2.1	<p>Consultation and communication procedures</p>	Yes	<p>Consultation and communication procedures used by the CU in handling internal and external communications is labelled as Document No 'RSPO 6.2- Consultation and</p>

<p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties</p>		<p>shall be documented. Major Compliance</p>		<p>Communication Procedure' which was prepared by the RSPO Unit of PPB Oil Palms Bhd.</p> <p>The CU has continued to use internal communication techniques, such as morning assemblies, notice boards and posters, suggestion boxes and complaint forms. External communication has been effected mainly through mail correspondence. Also, the CU has started to use the 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 abided by its procedures in responding to internal and external communications. Evidence of compliance can be observed in the various files of correspondence, particularly with government agencies.</p>
	6.2.2	<p>A management official responsible for these issues shall be nominated. Minor Compliance</p>	Yes	<p>Senior Assistant Manager has been appointed by Sri Kamusan Estate Senior Manager dated 18 Mac 2015 to handle communication matters for Sri Kamusan Estate. For Hibumas 1 Estate, Estate Manager has been nominated to take incharge of the consultation and communication with internal and external parties in March 2015. While for Sri Kamusan POM, Mill Manager has been appointed by General Manager as persons in charge of communication with stakeholders since 25 April 2013.</p>
	6.2.3	<p>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</p>	Yes	<p>At the Sri Kamusan Estate, the stakeholders list has been updated on 10 February 2015. For example, 78 materials suppliers and contractors, 1 village communities, 31 government agencies, 3 schools. During site review, auditor noticed that there were two new oil palm plantation companies have established their plantation located beside of Sri Kamusan Estate which were Andamy and Ikatan Kayangan. These companies has attended Stakeholders Meeting in 2015.</p> <p>Hibumas 1 Estate has updated their stakeholders list dated 30 January 2015. No changes in number of stakeholders since previous audit in 2014. Record of communications usually based on Stakeholders Meeting which will be conducted annually by management.</p> <p>Sri Kamusan POM: 54 FFB suppliers (including smallholders), 6 villagers communities, 21 government agencies, 2 schools, 2 contractors, 2 insurance companies, 1 scheduled waste companies, and 3 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</p>

				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 has been highlighted in the SIA Management Action Plan.
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	6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance	No	<p>In the event of a dispute, complainants and whistleblowers, the CU will manage it through the "Dispute and Grievances Procedure" (Document PPB/RSPO 6.3(2.2)/(1)). 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 has established a standard operating procedure on 'Grievances and Complaint' (PPB/RSPO 6.3 (2.2)/(1)). However, their SOP has yet to address anonymity of complainants and whistleblowers. Thus, a Major NCR – MRS 02 2015 was raised by auditor.</p> <p>Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM have welcomed any complaints and grievances from their stakeholders 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 also has 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	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	Yes	<p>The CU reported that in the past there has not been any disputes, in any form. The domestic inquiry files were examined to find out whether or not the decisions of the panels of the enquiry has been contested. However, there was none.</p> <p>While for grievances from employees, there was no grievances/complaints recorded for Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM since last audit in May 2014 except for house maintenance. Housing complaints from the workers have been</p>

				<p>handled quite satisfactorily by the estate/mill. Interviews with workers revealed that they were quite happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education and clinic services.</p> <p><u>Case 1:</u> Worker at Sri Kamusan Estate has made a complaint on water storage tank leaking which located at the back of his quarter on 20 March 2015. Action: The water storage tank has been repaired on 09 April 2015.</p> <p><u>Case 2:</u> On the 26 July 2014, a report been made on electric socket and filament lamp were not working at Block G4. Action: Sri Kamusan POM has fixed the electric socket and change the filament lamp on the same date.</p>
<p>C 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	Yes	<p>In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation". Essentially, the procedure described how to check for legal status of the lands in question and laid out the criteria in deciding who should be compensated and the amount of compensation. Based on this audit, there was no issue of land claims involving the estates and mills.</p>
	6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>This procedure shall take into</p>	Yes	<p>Since last audit, there was no claim for compensation made against Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM by the local communities. If there were any cases related to compensation, the procedure for calculating and distributing fair compensation would be carried out at the company level as stated in their standard operating procedure 'Dispute and Resolution Procedure' – RSPO 2.2.</p>

		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. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	Yes	There was no issue raised related to the compensation claims at Sri Kamusan CU since 3 rd Surveillance Audit in 2014 until this 4 th Surveillance Audit. Therefore, this indicator was not applicable.
C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	Yes	Pay slip for sprayer and harvester have been verified by auditor. Their wages have 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 March 2015 and employment agreement have been checked and verified; i) Employee code for sprayer = HM/HME1/0210/538 & HM/HME1/1012/967 ii) Employee code for harvester = HM/HME1/1110/716 & HM/HME1/1114/1029 Ten (10) contracts of employment for foreign workers were examined at the Sri

sufficient to provide decent living wages			<p>Kamusan Estate:</p> <p>Foreign: 1) AR389933 (Indonesia – Harvesting) 2) A8907669 (Indonesia – Harvesting) 3) AS350850 (Indonesia – Sprayer) 4) AR406157 (Indonesia – Sprayer) 5) AR406138 (Indonesia – Sprayer)</p> <p>Local : 1) 870706-12-6431 (Driver) 2) 701102-12-5093 (Driver) 3) 630306-12-6068 (General Worker) 4) 710725-12-5043 (Genset Operator) 5) 870502-12-5591 (Water treatment operator)</p> <p>Eight (8) contracts of employment both for foreign and local workers were examined at the Hibumas Estate:</p> <p>Foreign: 1) AP633352 (Indonesia – Sprayer) 2) AS342891 (Indonesia – Harvesting) 3) AP658971 (Indonesia – Sprayer) 4) A8904457 (Indonesia – Harvesting)</p> <p>Local Workers: 1. 940112-12-6565 (Mandor) 2. 970220-12-5823 (General Worker) 3. 561102-12-5898 (Driver) 4. 830608-12-5403 (Driver)</p> <p>A sample of six contracts of employment both for foreign and local workers were examined at the Sri Kamusan POM:</p> <p>Foreign: 1) EB8523129 Wokshop 2) A6083928 Mandor 3) A6083929 General Workers 4) A6083932 Workshop</p> <p>Local: 1) 820521-12-6228 Store keeper 2) 95015-12-7363 Loading Ramp</p>
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				<p>3) 910201-12-6025 Grading 4) 691117-12-5719 Driver</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.</p> <p>The pay slips of a few workers were also seen at each estate/mill and each one was found to show correctly their monthly earnings. The monthly pay also conformed to the requirements of the Minimum Wages Order 2012 which specify that the basic pay should not be less than RM800.00 per month or RM30.77 per day has been verified by auditor.</p>
	6.5.2	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance</p>	Yes	<p>The employment contract was in Bahasa 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 payslip to the workers and has displayed the translation of payslip in Bahasa at the estates and mill noticeboard. Three samples of employment offer letter for local worker and three employment contract of foreign workers has 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>
	6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national</p>	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 subsidized. 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</p>

		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		<p>three foreign field workers at the Sri Kamusan Estate 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 Sri Kamusan Estate were carried out and reported by Medical Assistant. Concerns have been identified and appropriate actions initiated. The following records verified: 11 March 2014, 14 January 2014, 11 November 2014, 10 September 2014 and 22 July 2014.</p> <p>Weekly cleanliness inspection at Hibumas 1 Estate were carried out and reported by Clinic Assistant. Concerns have been identified and appropriate actions initiated. The following records verified: 10 April 2015, 2 March 2015, 11 February 2015 and 14 January 2015.</p>
	6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	Yes	<p>Sri Kamusan Estate has demonstrated the effort by monitored twice a year on the Syarikat Usakai (sundry shop that operate in the estate) which the latest monitored by the manager on 8 April 2015.</p> <p>Hibumas 1 Estate has demonstrated the effort by monitored once a year on the Kedai Runcit Hibumas 1 (sundry shop that operate in the estate) where the latest monitored on 2 April 2015 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 association and collective bargaining are	6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	Yes	<p>An official published statement in Bahasa Melayu and languages understood by the workers recognizing freedom of association was made available and being exhibited in public places at all estates/mill. The statement reads, among others, that the workers are allowed to join any registered organizations or associations and also foreign workers are not allowed to hold any positions in the organizations or associations. The workers whom were consulted have confirmed that they were aware of their rights to join a union.</p>

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>For example at the Sri Kamusan Estate and Hibumas 1 Estate, there are a representative from Indonesia foreign worker (male) in the Welfare and Social Committee 2015 and Women and Children Committee 2015 (female). Through these committees, the workers' issues both from foreign staffs and workers were brought to the attention of the management.</p> <p>At the Sri Kamusan Estate, Welfare and Social Committee has met on 23/3/2015 and Women and Children Committee met on 5/3/2015. While for Hibumas 2 Estate, Welfare and Social Committee has met on 26 March 2015 and Women and Children Committee met on 19 December 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 emphasise on child under 18 years must not be employed to work in hazardous jobs. This policy is posted on notice boards for the understanding of the public and workers.</p> <p>Verification through employment card and copies of passports of foreign workers as at March 2015 for the Sri Kamusan Estate with total of workers about 180 (125 male and 65 female) and for Hibumas 1 Estate with total of workers about 148 confirmed that there was no record of persons under age of eighteen, the minimum working age under Malaysian Labor Laws (Am. Act A238). For example, the youngest worker at the Sri Kamusan Estate was 20 years old (foreign) and 18 years old (local). While at the Hibumas 1 Estate, 22 years old (foreign) and 18 years old (local) were among the youngest workers.</p>

C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	The equal opportunity policy (September 2010) is publicly available at the visited estates and mill. The policy statements emphasise on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards for the understanding of the public and workers.																													
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	The terms of employment, work assignments, housing policy and other requirements have not been found to be discriminatory. Interviews with workers at the Sri Kamusan POM, Sri Kamusan Estate and Hibumas 1 Estate revealed that the CU has not discriminated its staffs and workers. Migrant workers receive similar pay rate, stay in the same house, and enjoy similar medical benefits as their local counterparts.																													
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	Competency and/awareness training requirement for Internal Parties both for estate and mill was established. <table border="1" data-bbox="1077 751 2123 1098"> <thead> <tr> <th>Estate/Mill</th> <th>Job Resp.</th> <th>Edu. Level</th> <th>Training/Skill</th> <th>Experience</th> <th>Health Status</th> </tr> </thead> <tbody> <tr> <td>Harvester</td> <td>Harvesting</td> <td>NA</td> <td>SSOP Harvesting</td> <td>-</td> <td>Fit</td> </tr> <tr> <td>Manurer</td> <td>Manuring</td> <td>NA</td> <td>SSOP Manuring</td> <td>-</td> <td>Fit</td> </tr> <tr> <td>Sprayer</td> <td>Spraying</td> <td>NA</td> <td>SSOP Spraying</td> <td>-</td> <td>Fit</td> </tr> <tr> <td>Field/Maintenance workers</td> <td>Upkeep</td> <td>NA</td> <td>-</td> <td>-</td> <td>Fit</td> </tr> </tbody> </table>	Estate/Mill	Job Resp.	Edu. Level	Training/Skill	Experience	Health Status	Harvester	Harvesting	NA	SSOP Harvesting	-	Fit	Manurer	Manuring	NA	SSOP Manuring	-	Fit	Sprayer	Spraying	NA	SSOP Spraying	-	Fit	Field/Maintenance workers	Upkeep	NA	-	-
Estate/Mill	Job Resp.	Edu. Level	Training/Skill	Experience	Health Status																												
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Sprayer	Spraying	NA	SSOP Spraying	-	Fit																												
Field/Maintenance workers	Upkeep	NA	-	-	Fit																												
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 does have policies on sexual harassment which guide actions on in the incidence of sexual harassment cases in the estates/mill. The policy has been communicated to all staffs and workers during morning muster. Based on interview with female workers during site visit and at estate office, they were aware of the policy and has been briefed during Gender Committee Meeting. The policy also has been communicated to all staffs and workers during morning muster.																													

	6.9.2	<p>A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	Yes	<p>The CU also does have policies on reproductive rights policy 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. As per interview with female workers during site visit and at estate office, they were aware of the policy and has been briefed during Gender Committee Meeting. The policy also has been communicated to all staffs and workers during morning muster.</p> <p>It was found that Women and Childrens Committee has been organizing appropriate programmes and activities for their members. The CU also has conducted awareness training to prevent sexual harassment occurred at their mill and estates at mentioned below. Sri Kamusan Estate has conducted 'Briefing on Sexual Harassment and Reproductive Rights' in June 2014, Briefing for Crèche Management in April 2014 and Mother's Day on 30 June 2014. Management also provide Crèche for employee's children without any fee. The committee also has conducted monthly inspection at Crèche to monitor its safety and cleanliness the childcare taker.</p> <p>While, Hibumas 1 Estate has been conducted Women and Children Committee Meeting on 21 August 2014 and 19 December 2014. The committee and clinic has conducted monthly inspection at Crèche on the safety, cleanliness and health of the children. Sri Kamusan POM has listed out social training for Women & Children's Committee for 2014 such as 'Briefing on Sexual Harassment at Work Place and Child Abuse' has been conducted on 26 May 2015 and Worker's/Employee's Rights, HCV Awareness & Safety Briefing/Talk on 10 March 2015 at the Sri Kamusan POM.</p>
	6.9.3	<p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>Minor Compliance</p>	Yes	<p>Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM have followed standard operating procedure on handling grievance / social issues which was established by PPB entitled 'Anti Sexual Harassment' with standard report form named 'Grievance/Complaint Form for Sexual Harassment'. Chairman of Women and Childrens Committee as mentioned in 6.9.1 was responsible in managing any raised issue on sexual harassment. The grievance mechanism has been explained to the committee. A flowchart procedure has 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>Women and Childrens Committee at the Sri Kamusan POM, Sri Kamusan Estate and Hibumas 1 Estate have conducted meeting quarterly for 2014. The committee has briefed their members on the objectives of the establishment of the committee,</p>

				mechanism to address particular issues related with women and children and also their annual programme.
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	There was a Stakeholders Committee Meeting being established at Sri Kamusan POM to discuss issues on pricing and contracts which was chaired by the Mill Manager. Members of this Committee were made up of representatives from the mill's management, purchasers and suppliers of FFB. Issues related to FFB transaction were also raised and discussed in this Committee. Pricing mechanisms were discussed during briefing with stakeholders as evidenced in meeting minutes dated 28 March 2015 entitled 'Minit Mesyuarat Stakeholder' (Stakeholders Meeting). Interviews carried out with Chow Enterprise, Mulia Jayamas Sdn Bhd and 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 happy on their FFB trading with the mill and payments were promptly made.
	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	There was no agreement or contract between the mill and the FFB suppliers, who are free to sell their FFB to other mills (e.g. IJM mill, Boustead mill, Fortuna Leong mill) or private collection centres 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 was 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. The outcome of the interview revealed that generally, they were happy on their FFB trading with the mill. Among the comments received were that the prices offered by the CU has followed the MPOB's guidelines and payments were promptly made.
	6.10.4	Agreed payments shall be	Yes	Based on interview with contractors from Sri Kamusan Estate, the assessor was informed that any payments to supplier and contractor were made in a timely manner

		made in a timely manner. Minor Compliance		<p>which is 18th monthly. If the payment cannot be paid as agreed, the estate and mill clerk will inform them first.</p> <p>Smallholder from Kg. Tangkangit has informed auditor that smallholders from the village usually received payment of FFB by cheque at the end of month if they have sent their FFB to Sri Kamusan POM. The cheque payment method was followed Sri Kamusan CU's payment procedure (SOP) as verified by auditor since May 2014 and April 2015.</p>
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	<p>Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Minor Compliance</p>	Yes	<p>Sri Kamusan CU has initiated consultations with the neighbouring external communities related to contribution to local development. Usually the villagers through their head will communicate with management for ad-hoc aid such as maintenance or repair villagers road and bridge. However, during Stakeholders meeting, there was no issue raised by them.</p> <p>Record showed Sri Kamusan Estate employed 34 of local workers, out of which 214 (16%) were from local communities engaged in activities such as management, maintenance, harvesting, transportation, security, gardeners, crèche minders.</p> <p>Regular consultations with the local internal and external communities such as Kg. Sabang has assisted the company in its efforts to contribute to local development. Hibumas 1 Estate has carried out maintenance of access road at the estate and local communities' area from their house (main road) to their farm/palm oil estate, provide free service when they request a medical treatment from estate's clinic and offered jobs for villagers at the Kg. Kaliaga, Kg. Linayukin and Kg. Sabang.</p> <p>For Sri Kamusan POM, the mill also buying FFB from smallholders such as Kg Tangkangit in order to support local communities economies/earn of living.</p>
	6.11.2	<p>Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.</p> <p>Minor Compliance</p>	Yes	<p>There was no scheme smallholders at Sri Kamusan CU. However at Sri Kamusan Estate, one independent smallholders which was Kg. Tangkangit has managed a small scale of oil palm plantation. Although Kg. Tangkangit was not a scheme smallholders, Sri Kamusan Estate was still planned to conduct a training on 'Management of Oil Palm Plantation' for the villagers on 17 April 2015 in order to improve productivity and quality of their FFB.</p>

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	Based on interview with workers such as chemical sprayer and harvesters, and verification through passport, contract agreement and work permit for field workers, there was no trafficked labour found at the Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM. The interviewed workers were employed voluntarily and freely, without the threat of a penalty. Workers also has the freedom/right to terminate the employment contract without penalty given by company within 28 days.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	Through interview with field workers and verification through employment contract, there was no contract substitution has occurred at Sri Kamusan Estate, Hibumas 1 Estate and Sri Kamusan POM.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	No	During audit process, policy for employment of temporary and foreign worker was not available at the CU. The CU has also not established and implemented procedure on employment of temporary and foreign workers. Thus a Major NCR MRS 03 2015 was raised by auditor.
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	Policy to respect human rights was made available at the visited site titles 'Human Rights Policy'. Sri Kamusan POM, Sri Kamusan Estate and Hibumas 1 Estate have briefed their staffs and workers during morning muster. Based on interview with local and foreign workers, they were aware of the policy and its intention.
	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	Yes	Children of foreign workers were provided with basic education, e.g. Humana school, without any fees.

		to secure these children access to education as a moral obligation. Minor Compliance		
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Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Sri Kamusan CU has no plan for any new planting and no new development of area was observed during the visit. Therefore, Principle 7 is not applicable.

PRINCIPLE 8: COMMITMENT TO CONTINUAL 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: <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); 	Yes	<p>Sri Kamusan Estate, Hibumas 1 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.</p> <p>Both estates were committed to minimise the use of pesticides reducing spraying in 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>.</p> <p>In Sri Kamusan, the management was encouraging more harvesters to adapt mechanised in field collection of FFB instead of the conventional wheel barrow method. This was to improve on quality and productivity.</p> <p>Commitment of Sri Kamusan CU in conserving the environmental quality can be seen through various mechanisms which among others the installation of bio-gas plant, proper disposal of scheduled wastes, maintaining the efficiency of boilers operation, 3R activities and proper disposal of domestic wastes to name a few.</p>

		<ul style="list-style-type: none"> • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. 		
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Major Compliance

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

E.3	Documented procedures	
E.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	
	a) Complete and up to date procedures covering the implementation of all the elements in these requirements;	Sri Kamusan Palm Oil Mill (SKPOM) has replaced its previous documented procedure [Supply Chain and Traceability (Mass Balance), dated 21/4/2013] with 'Traceability SOP [doc No.: SKPOM/TA/03, issued 9/10/2014, rev. 2 dated 31/3/2015], describing the implementation of the elements in the supply chain system. The procedure is linked to SOP Mass Balance [doc. no.: SKPOM/MB/01, issued 18/9/2013, rev. 3 dated 31/3/2015], for MB accounting calculation.
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.	Mill Manager was appointed as a RSPO Management Representative (MR) since 23/4/2013 to be the person having overall responsibility for and authority over the implementation of the SC Standard.
E.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs	Mechanism is stated in the procedure SKPOM/MB/01, Clause 1.5.1 and processing in Clause 1.5.2. For receiving, two documents involved i.e.: 1) FFB Despatch Note from the estate brought by lorry driver – to indicate the name of the estate, date of delivery, Field No. or collection ramp no., vehicle no and name of driver 2) Weighbridge Ticket – to indicate the mill weight, FFB Despatch No. and date of

		<p>receipt</p> <p>Processing of FFB is done in normal way as guided by its SSOP, issued 1/8/2011, Version 1, which covers the entire operation from receiving of FFB until dispatch of CPO & PK.</p>
E.4	Purchasing and goods in	
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBs received	The mill verified through FFB Dispatch Note.
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage	No projected overproduction.
E.5	Record keeping	
E.5.1	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.	Recorded in "Daily CSPO / CSPK Production Record"
	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.	Based on the "Daily CSPO / CSPK Production Record", deductions were correctly made.
	c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short. (I.e. product can be sold before it is in stock.) <i>For further details refer to Module C.</i>	All deliveries in the period under review came from positive stock and no short sale was made.
E.5.2	In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	<p>Outsource only for CPO & PK Transportation, which contracts handled by Contract Department at Wilmar HQ in Sandakan.</p> <p>There is no outsourcing activity with regards of processing the material or product.</p>

3.2 Identified Non-conformities

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

3.3 Status of Non-conformities Previously Identified

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

3.4 Issues Raised by Stakeholders

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

3.5 Noteworthy Positive and Negative Observation

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

4.0 Assessment Recommendation and Date of Closing Non-conformities

No NCR recorded. Recommended to continue certification.

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

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

Major NCR(s) recorded. Proposed corrective action and evidence of implementation within 2 months of the date of this audit to be submitted to SIRIM QAS International

Verification on major NCRs is required:

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

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

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

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

Audit Team Leader:

MOHD RAZMAN SALIM



11/07/2015

(Name)

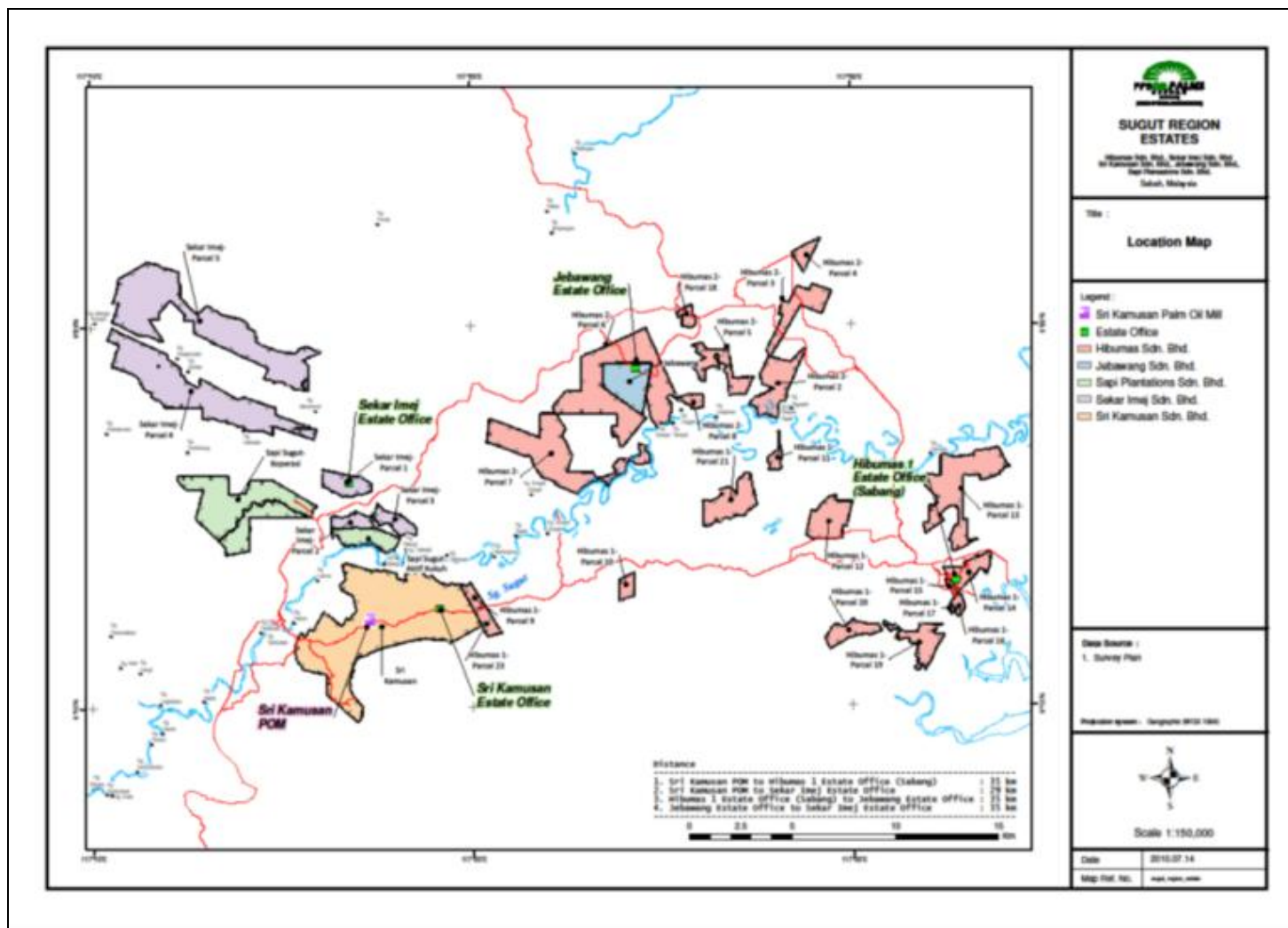
(Signature)

(Date)

5.0 Date of Next Surveillance Visit

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

Location map of Sri Kamusan Certification Unit, Sandakan Sabah, Malaysia



Assessment Programme

Day 1: 13 April 2015 (Monday)						
Time	Activities / areas to be visited					
8.30 – 9.30 am	Opening meeting <ul style="list-style-type: none"> • Introduction and briefing on surveillance assessment objective, scope, methodology, criteria and programmes by audit team leader • Briefing on the organization background and implementation of RSPO (including actions taken to address assessment findings of Surveillance Assessment 2014) and progress of Time Bound Plan by the management representative. 					Top mgmt & Committee Member
	Razman	Hafiz	Valence	Selvasingam		
9:30 – 10.00 am	Travel to supply base					
10:00 – 1:00 pm	Site visit and assessment at Sri Kamusan Estate relating to estates Boundary, HCV, SIA, and Management Plan Coverage of assessment: P1, P2 , P4, P5, P6, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use 	Site visit and assessment at Sri Kamusan Estate relating to Occupational Safety issues Coverage of assessment: P1, P2, P4, P5, P8 <ul style="list-style-type: none"> • Laws and regulations • Occupational Safety & Health practice – witness activities at site • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes 	Site visit and assessment at Sri Kamusan POM on 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 	Site visit and assessment at Hibumas 1 Estate relating to Good Agriculture Practice Coverage of assessment: P1, P2, P3, P4 ,P7 , P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application 	Guide/PIC	

	<ul style="list-style-type: none"> • Riparian zone • River system and Water bodies • Source of water supply • Continuous improvement • Line site 	<ul style="list-style-type: none"> • Continuous improvement 	<ul style="list-style-type: none"> • Registration • Training • Claims 	<ul style="list-style-type: none"> • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide/PIC

Day 2: 14 April 2015 (Tuesday)					
Activities /areas to be visited	Razman	Hafiz	Valence	Selvasingam	
8.00 – 1.00 pm	Site visit and assessment at Sri Kamusan Estate relating to boundary stones, HCV, SIA and Management Plan Coverage of assessment: P1, P2 , P4, P5, P6, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with 	Site visit and assessment at Sri Kamusan Estate relating to Occupational Safety issues Coverage of assessment: P1, P2, P4, P5, P8 <ul style="list-style-type: none"> • Laws and regulations • Occupational Safety & Health practice – witness activities at site • Interview with workers, 	Site visit and assessment at Sri Kamusan POM on Environmental issues Coverage of assessment: P1, P2, P4, P5, P8 <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers , safety committee and contractors 	Site visit and assessment at Hibumas 1 Estate relating to Good Agriculture Practice Coverage of assessment: P1, P2, P3, P4 ,P7 , P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness 	Guide/PIC

	<p>HCV attributes</p> <ul style="list-style-type: none"> • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • Continuous improvement • Line site 	<p>safety committee and contractors</p> <ul style="list-style-type: none"> • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<ul style="list-style-type: none"> • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<p>activities at site (weeding/spraying, etc)</p> <ul style="list-style-type: none"> • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide/PIC

Day 3: 15 April 2015 (Wednesday)					
Activities /areas to be visited	Razman	Hafiz	Valence	Selvasingam	
8.00 – 1.00 pm	<p>Site visit and assessment at Hibumas 1 Estate relating to boundary stones, HCV, SIA and Management Plan</p> <p>Coverage of</p>	<p>Site visit and assessment at Hibumas 1 Estate relating to Occupational Safety issues</p> <p>Coverage of assessment: P1, P2, P4, P5, P8</p>	<p>Site visit and assessment at Sri Kamusan Estate on Environmental issues</p> <p>Coverage of assessment: P1, P2, P4, P5, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness 	<p>Site visit and assessment at Sri Kamusan Estate relating to Good Agriculture Practice</p> <p>Coverage of assessment: P1, P2, P3, P4 ,P7 , P8</p> <ul style="list-style-type: none"> • Commitments to transparency 	Guide/PIC

	assessment: P1, P2 , P4, P5, P6, P8 <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • Continuous improvement • Line site 	<ul style="list-style-type: none"> • Laws and regulations • 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 	activities at site <ul style="list-style-type: none"> • Waste & Chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<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 • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide/PIC

Day 4: 16 April 2015 (Thursday)					
Activities /areas to be visited	Razman	Hafiz	Valence	Selvasingam	

8.00 – 1.00 pm	<p>Site visit and assessment at Sri Kamusan POM relating to SIA and Management Plan</p> <p>Coverage of assessment: P1, P2 , P4, P5, P6, P8</p> <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Inspection of protected sites with HCV attributes • Forested area • Plantation Boundary, adjacent and neighbouring land use • Riparian zone • River system and Water bodies • Source of water supply • Line site • Continuous improvement 	<p>Site visit and assessment at Sri Kamusan POM relating to Occupational Safety issues and Good Milling Practices</p> <p>Coverage of assessment: P1, P2, P4, P5, P8</p> <ul style="list-style-type: none"> • Laws and regulations • 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 	<p>Site visit and assessment at Hibumas 1 Estate on Environmental issues</p> <p>Coverage of assessment: P1, P2, P4, P5, P8</p> <ul style="list-style-type: none"> • Laws and regulations • Environmental Management – witness activities at site • Waste & Chemical management • Interview with workers , safety committee and contractors • Facilities at workplace • Training and skill development programmes • Continuous improvement 	<p>Site visit and assessment at Sri Kamusan Estate relating to Good Agriculture Practice</p> <p>Coverage of assessment: P1, P2, P3, P4 ,P7 , P8</p> <ul style="list-style-type: none"> • Commitments to transparency • Laws and regulations • Commitment to long-term economic and financial viability • Good Agricultural Practice- witness activities at site (weeding/ spraying, etc) • EFB mulching, POME application • Nursery (if any) • Chemical store/fertilizer • Plantation on hilly/swampy area • IPM implementation, training and safe use of agro-chemicals. • New planting • Continuous improvement 	Guide/PIC
1.00 – 2.00 pm	Break				
2.00 – 5.00 pm	Continue assessment				Guide/PIC

Detail of Non-conformities and Corrective Actions Taken

& C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken by the CU and Verification by Assessors
Indicator: 4.5.1	Major	<p>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.</p>	<p>Hibumas 1 Estate have planted 5 plots of Cassia in May and 30 plots of Tunera in April and May for 2015. While, Sri Kamusan have planted 19 plots of Cassia and 15 plots of Tunera in April and May for 2015. Both estates have established a beneficial plant planting programme 2015. A nursery for beneficial plant has been set - up to accomodate the planting.</p> <p>Status: Closed</p>
Indicator: 5.4.1	Minor	<p>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.</p>	<p>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.</p> <p>Status: Implementation will be verified in the next assessment.</p>
Indicator 1.3.1	Minor	<p>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.</p>	<p>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.</p> <p>Status: Implementation will be verified in the next assessment.</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 has 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>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 has established procedure entitled 'Recruitment of workers – PPB/HR/RSPO 6.12.3/220515' dated 22 May 2015.</p> <p>Status: Closed</p>

Verification of Previous Audit Findings

Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Submitted	Verification by Assessor
Indicator 2.1.1 NCR #: VS 01	Major Area/Location : Sekar Imej Estate	<p><u>NCR No.: VS 01</u></p> <p><u>Legal requirement:</u> <i>Laporan Pematuhan Syarat-Syarat Alam Sekitar: "Proposed Oil Palm Plantation Development at Sekar Imej Estate in Paitan, Beluran, Sabah", No. Syarat 5.3.1 (iv)</i> <i>Sempadan kawasan berkecerunan 25 darjah atau lebih hendaklah ditanda di lapangan dengan cat merah dan dipasang dengan papan tanda bagi memudahkan pengenalpastian sempadan.</i></p> <p>There is no evidence that the above requirement has been complied with. At Sekar Imej Estate, the authorized consultant (Ekohandal Sdn. Bhd.) by the EPD has reported the above requirement was not being complied with in their last three evaluation of compliance reports, which were carried out once in every four months.</p>	<p>Sekar Imej Estate has developed an action plan to survey and mark all the identified areas with more than 25° slope by Ekohandal Sdn. Bhd. in the estate. The implementation of the action plan is started in June 2014 and expected to complete in August 2014. Sekar Imej has also submitted a pictorial progress of the implementation which showed the erection of signage and trees painted with red at the concerned area. The evaluation of compliance report by Ekohandal Sdn. Bhd. regarding this issue shall be verified in the next assessment.</p> <p>Status: Closed.</p>	<p>Based on site visits at the other operating units i.e. Sri Kamusan and Hibumas 1 Estate, the management has erected signage and red-marking at the identified areas with more than 25° slope.</p> <p>Status: Closed</p>

<p>Indicator 4.1.1</p> <p>NCR #: STK-1</p>	<p>Major Area/Location : Sekar Imej Estate</p>	<p>1) During the site review in Block 16 – 2008 planting in Sekar Imej Estate fertiliser was applied in a band close to the palm trunk and not broad casted. Furthermore no fertilizer had been applied to 7 palms. In Hibumas 2 Estate in Block 17 part of the 150 grams Borate fertilizer recommended per palm was applied on to the palm trunks instead of all of it being applied in the palm circle.</p> <p>2) During the site review in Block 17 in Hibumas 2 Estate VOPs was observed in the some palm circles.</p> <ul style="list-style-type: none"> • SOP on placement of fertilisers as per clauses 2.2.2 & 2.2.3 in the Wilmar International Limited Agricultural Manual & SOP for Oil Palm was not complied with. • Palm circles were not maintained weed free as per Part 2: Upkeep of mature Oil Palm Standards clause 2 of the Wilmar International Limited Agricultural Manual & SOP for Oil Palm was not complied with. 	<p>1) Copy of Internal Circular on the application of Borate Fertilizer signed by Wilmar R&D Head (Dr. Lim Chin Huat) dated 31/5/2014 stating that Borate Fertilizer is to be applied on the lower frond axil was received. This confirms that it a policy of Wilmar to apply Borate Fertilizer on the palm trunks. Fertilizer application training was conducted on 19th and 20th May 2014 and attendance list and photographs were provided.</p> <p>2) Spraying of VOPs was carried in the block in question, which is Block 17, in May as indicated in the program sheet. It could be noted from the program sheet that VOP spraying was also carried out in Blocks 16, 19 & 21 in May 2014. The estate, in addition to having program for 2 rounds of Circle & Path during which VOPs are also sprayed, have program for 1 addition round (in June - July) of VOP spaying. Photographs provided of before 14 May 2014 and after 28 May 2014 show that the VOPs (brown in colour) had been sprayed effectively.</p> <p>Status: Closed</p>	<p>Though there was no fertiliser application being carried during the visit, traces of NPK that was applied in the last week of March 2015 was still visible in Block 24 in Hibumas 1 Estate. The fertiliser was still visible as there was hardly any rain after the application. It was noted that the fertiliser was well board casted in palm circles and all palms checked has received the fertiliser.</p> <p>The Estates visited continued to be committed to remove VOPs. It was observed that VOPs in Parcel 19 of Hibumas 1 Estate has been sprayed and in Parcel 13 it was observed that VOPs has been removed manually.</p> <p>Furthermore, to be more economical and effective in its eradication EMU R&D department was carrying trials on spraying them with various chemicals.</p> <p>Status: Closed</p>
<p>Indicator 4.7.1</p>	<p>Major</p>	<p><u>NCR No.: STK-2</u> Chapter 15 of 'Pemanduan Kenderaan (Vehicle Driving)' clause 15.0.1 and clause 9 of</p>	<p>Training on Tractor & Trailer using "borang pemeriksaan kenderaan harian & maintenance service" for drivers and mechanics was carried</p>	<p>Corrective action were verified during ASA 4 and found adequate. Tractor No. TRT 016 & TRT 018 with their trailers were inspected and all wheel bolts and nuts were in order. Maintenance service form</p>

NCR #: STK-2	Area/Location : Hibumas 2 Estate & Jebawang Estate	' <i>Borang Semakan Kenderaan</i> (Vehicle Check List Form)' of PPB Oil Palm Bhd, Hibumas 2 & Jebawang Sdn Bhd SSOP for Oil Palm Plantations (2013) was not complied with. A number of wheel bolts & nuts were missing from the wheels of tractor, No. TR11 and from the wheels of it trailer No. HO3, which was sighted loading FFB at Block 19 in Hibumas 2 estate.	out on 15th May 2014. Attendance record, Maintenance Service form, Vehicle Repair Chit, and photographs were also submitted to the assessor for verification. Status: Closed.	for tractors-LD18 and TRR018 (Jan 15, Feb 15, and Mar 15) were verified. Status: Closed
Indicator 5.1.1 NCR #: VS 02	Major Area/Location : Sekar Imej Estate	<u>NCR No.: VS 02</u> There is no documented aspect and impact risk assessment established for a contractor (PKS Sdn. Bhd.) with regards to safety & environment at its workshop located inside Sekar Imej Estate premise. It was noted that scheduled wastes was not handled in accordance to regulations, no mitigation measure in case of diesel spillage from skid tank, Written Approval from the DOE for generator set was not evident, Certificate of Fitness for air compressor was not evident, all of the fire extinguishers (9 units) have expired and lack of safety & environment awareness in the facility e.g. no safety signage, poor housekeeping etc.	Documented aspect and impact risk assessment has been established for a contractor (PKS Sdn. Bhd.) with regards to safety & environment at its workshop located inside Sekar Imej Estate premise. Action plan was established thereafter on 4/6/2014 to mitigate all the negative impacts. Among the action plan that have been developed are: <ul style="list-style-type: none">• to build containment for scheduled wastes store, diesel skid tank and generator set house to contain oil spillage• to enhance safety and environmental awareness among the workers of the contractor through various trainings• to put up safety signage at the workshop and store• to apply appropriate legal permits for the generator set and air compressor• to relocate the diesel storage and generator 50 meters away from	The management has shown pictures that showed containment for scheduled wastes store and diesel skid tank, safety signage at the workshop and store. The application of permits for the generator set and air compressor have also been done. Status: Closed

			<p>the natural water way</p> <ul style="list-style-type: none">• maintenance of fire extinguishers <p>The action plan is expected to be completed on February 2015. Nonetheless, the CU has sent pictorial progress to the assessor which showed training conducted (including attendance record), preparation of materials to construct containment and replacement of fire extinguishers. Apart from that, a copy of an appointment letter to a consultant to obtain generator set's written approval from the DOE was also submitted to the assessor. The completion of the action plan implementation shall be verified in the next surveillance.</p> <p>Status: Closed</p>	
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