PUBLIC SUMMARY
FOURTH SURVEILLANCE ASSESSMENT

AUDIT DATE: 25-28 MARCH 2014

PPB OIL PALMS BERHAD
SAREMAS 2 CERTIFICATION UNIT

Prepared by:

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SUMMARY

This public certification summary provides the general information on the Saremas 2 Certification Unit (Saremas 2 CU) of PPB Oil Palms Berhad, the assessment process, the findings of the surveillance, Non-Conformity Reports (NCRs) raised, verification of corrective actions on the minor NCRs raised during the previous surveillance as well as the decision on the continued certification of the CU against the requirements of the RSPO Principles & Criteria for Sustainable Palm Oil Production, Malaysian National Interpretation Working Group (RSPO MYNI: 2010).

This surveillance was conducted on 25-28 March 2014 by SIRIM QAS International Sdn Bhd (SIRIM QAS International). SIRIM QAS International, an accredited certification body (CB) by the United Kingdom Accreditation Service (UKAS) and STANDARDS MALAYSIA is also the leading testing, inspection and CB in Malaysia having provided its services to all sectors of the industries in management system certification services on quality, environment and health and safety for over 30 years.

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

All previous nonconformities were verified for the corrective actions effectiveness. Corrective action has been taken and verified by the assessor. This surveillance had resulted in the issuance of three (3) Major and six (6) Minor non- conformity reports (NCRs). The Saremas 2 CU had taken appropriate corrective action to address the major and minor NCRs. The corrective action had been reviewed and accepted by the assessor. Verification of the corrective action would be done during the next audit.

Based on the findings of this surveillance, the Saremas 2 CU had continued to comply with the requirements of the RSPO MYNI: 2010. The assessment team had therefore recommended the Saremas 2 CU to maintain its certification against the RSPO MYNI: 2010 for the sustainable production of palm oil.

1.0 Scope of the Certification

1.1 National Interpretation Used

The operations of the mill and its supply bases of oil palm fresh fruit bunches (FFBs) were assessed against the requirements of the RSPO MYNIWG: 2010.

1.2 Certification Scope

Surveillance assessment covers the Saremas 2 Palm Oil Mill (Saremas 2 POM) and and its supply base i.e. Saremas 2 Estate, Segarmas Plantation and Kaminsky Plantation. The scope of certification is the Production of Crude Palm Oil and Palm Kernel Using Mass Balance Model and Segregation Model

1.3 Location Mill and Estates

Seramas 2 Palm Oil Mill and the estates are located in Miri District, Sarawak, Malaysia. Its operation office is located within the Saremas Sdn Bhd office Complex, at Saremas 1 estate. The official address of Saremas 2 is KM 18 off KM 115, Bintulu-Miri Road, Miri, Sarawak, Malaysia. The location map of

Saremas 2 CU (mill and estates) is shown in Attachment 1 while their coordinates are detailed in table below.

Table 1: Location and addresses of mill and estates.

Operating Unit	Latitude	Longitude	Location Address	Hectares
Saremas 2 Palm Oil Mill	3º 26'55.704" N	113 º46'11.821"E	KM 115, Bintulu-Miri Road 97008 Bintulu, Sarawak	-
Saremas 2 Estate	3 º30'22.422"N	113 º47'55.555"E	18 KM off KM 115, Bintulu-Miri Road 97008 Bintulu, Sarawak	4869.93
Segarmas Plantation	3 º28'8.21"N	113 º48'23.864"E	18 KM off KM 115, Bintulu-Miri Road 97008 Bintulu, Sarawak	4727.00
Kaminsky Plantation	3 º24'27.156"N	113 º45'33.8"E	18 KM off KM 115, Bintulu-Miri Road 97008 Bintulu, Sarawak	3988.00

1.4 Description of the Supply Base

The FFB is sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Saremas 2 are shown in the following tables:

Table 2: Actual annual FFB production by the supplying estates sent to Saremas 2 POM since date of last reporting period.

Estate undergoing RSPO certification	Actual FFB production January 2013 –December 2013	
	Tonnes	**%**
Saremas 2 (excluding Div D)	61066.82	28.00
Segarmas	73124.78	33.53
Kaminsky	80404.23	36.86
Suburmas (Associate)	-	-
Saremas 1 (Associate)	116.46	0.05
Suai (Associate)	296.02	0.14
Saremas 2 Div D	3101.46	1.42
Total	**218109.77**	**100.00**

Table 3: Estimated annual FFB production by the certified supplying estates to be sent to Saremas 2 POM for the next reporting period

Estate undergoing RSPO certification	Estimated production January 2014 – December 2014	
	Tonnes	**%**
Saremas 2 (excluding Div D)	62894	28.86
Segarmas	77000	35.34
Kaminsky	78000	35.80
Suburmas (Associate)	-	

Saremas 1 (Associate)	-	
Suai (Associate)	-	
Saremas 2 Div D	-	
3rd party*	-	
Total	**217894.00**	**100.00**

1.5 Date of Planting and Cycle (Total Plantations and Area Planted)

The plantation area and the area planted with palms are shown in **Table 4**.

Table 4: Areas of plantations

Estate	Year of oil palm establishment	Area (ha)				Planted Area (%)	
		Total	Planted	Mature	Immature	Mature	Immature
Saremas 2 (excl. Div. D)	1990	4869.93	3117.70	3117.70	0	100.0	0
Segarmas	1994	4727.00	3338.99	3338.99	0	100.0	0
Kaminsky	1996	3988.00	3193.49	3193.49	0	100.0	0
Total		**113584.93**	**6311.19**	**6311.19**	**0**	**100.0**	**0**

1.7 Organizational Information/Contact Person

The details of the contact persons for Saremas 2 CU are as shown below:

Address:

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

Contact person:

Mr. Kiaw Che Weng
Assistant General Manager
Phone : + 60 85 325 713/+60 86 333 286
Fax : + 60 85 495 010/+60 86 315 220
+ 60 86 315 223/+60 86 315 221

1.8 Actual and Estimate Tonnages Offered for Certification (CPO and PK)

The actual and approximate tonnage of CPO and PK produced and claimed for certification is shown in **Table 5 and 6** respectively follows:

Table 5: Actual annual CPO and PK tonnage of Saremas 2 POM since date of last reporting period

	January – Dec 2013
FFB Processed (mt)	218124.80
Total CPO Production (mt)	46448.25
Total PK Production (mt)	10475.78
% of FFB from company owned estates	100%
% of FFB from 3rd party / smallholder	0%
Certified CPO (mt) sold as Mass Balance	None
Certified PK (mt) sold as Mass Balance	10225.75
ISCC	*

**All certified CPO are claimed via ISCC. Figures cannot be disclosed as it is regarded as trade-sensitive information.*

Table 6: Estimated annual quantity of CPO and PK for Saremas 2 POM

	January to December 2014
FFB Processed (mt)	219360.77
Total CPO Production (mt)	47030.997
Total PK Production (mt)	10773.82

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 (UNFCC). 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. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001 and also conducted assessments against RSPO Principle and Criteria. SIRIM QAS International was approved as a RSPO certification body on 21 March 2008.

2.2 Assessment Team

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

Assessment Team	Role/Area of RSPO Requirement	Qualification and Experience
Khairul Najwan bin Ahmad Jahari	Assessment Team Leader and social issues	• working experience related to forest management, inventory, surveying, remote sensing, HCVF and logging operation. • Successfully completed accredited Lead Assessor training for ISO 14001: 2004, ISO 9001:2008 and OHS 18001:2000 • Successfully completed RSPO Lead Assessor Course – 2011. • B.Sc. of Forestry (Forest Management)
Valence Shem	Good Agricultural Practices (GAP) and environmental issues	• experience in Oil Palm Plantation management • Successfully completed IEMA accredited Lead Assessor training for ISO 14001: 2004 • B.Tech. (Hons) Industrial Technology • Successfully completed and passed the RSPO Lead Assessor Course – 2011.
Mohamed Hidhir Bin Zainal Abidin	Assessor / Milling Operation, Occupational Health and Safety	• experience in palm oil milling • Successfully Completed RSPO Lead Assessor Course - 2013 • Successfully completed ISO 14001 EMS RABQSA/IRCA approved Lead Assessor - 2012 • Successfully completed ISO 9001 QMS RABQSA/IRCA approved Lead Assessor – 2012 • Successfully completed OHSAS 18001 OHSMS RABQSA/IRCA accredited Lead Assessor Course – 2012 • B.Sc. (Hons) Chemical Engineering
Selvasingam T Kandiah	Assessor / Good Agricultural Practices (GAP) and environmental issues	• Attended RSPO Training • B. Sc. (Hons) Agriculture – University of Agricultural Sciences, Hebbal, Banglore, India (1969-1973) • A Planter with Kumpulan Guthrie Berhad (1995-2002 – retired) • Inclusive of One year in Liberia and • 2 years in Estate Department in Guthrie head quarters • Experience in Managing: Nursery : Rubber and Cocoa Immature Area : Cocoa Replant, Rubber Replant, Oil Palm Replant & Oil Palm New Clearing Area: Cocoa, Rubber & Oil Palm
Hazani Othman	Estate environmental issues and legal	• A freelance auditor of management systems (such as ISO 14001, ISO 9001) and sustainability (such as FSC & MTCC FMC and CoC, RSPO).

	compliance / HCV	• Approximate 20 years total working experience. Approximate 16 years' experience in management systems and sustainability auditing / certification. Approximate 10 years as certification auditor and another 6 years as Quality Management Representative as well as internal quality lead auditor. Other working experience includes plantation development financing and forestry economic research. • Hold Bachelor of Forestry Science and Diploma in Forestry.

2.3 Assessment Methodology (Program, Site Visits)

The audit was conducted primarily to evaluate the level of continued compliance of the CU current documentation and field practices against the RSPO (MY-NI 2010).

The planning of this surveillance audit was guided by the RSPO Certification Systems Document.

The audit was conducted by inspecting the mill, planted areas, HCV habitats, labour lines, chemical and waste storage areas and other workplaces. Random interviews were held with the management, employees, contractors and other relevant stakeholders. In addition, records as well as other related documentation were also being evaluated. The details on the surveillance audit programme are presented in **Attachment 2.**

2.4 Issues Raised by Stakeholders

Sirim QAS Int. has received one stakeholder comment from Mr. Bremen Yong, RSPO Secretariat. The issue was on deforestation and degradation taken place after Nov 2005 for the certified units at Saremas 2. The verification audit was conducted on 28 Feb – 1 March 2014 by a Mr. Selvasingam T Kandiah (Auditor) with the full cooperation of the PPB Oil Palms Berhad Saremas 2 Certification Unit. The main objective of the audit was to inspect and verify the comment received from the RSPO Secretariat. Details of the investigation/verified issues are in Attachment 5.

2.5 Date of Next Surveillance Audit

Next surveillance audit should be conducted within nine to twelve months from this audit.

3.0 Assessment Findings

3.1 Summary of Findings

The assessment was conducted as planned using the methodology described in Section 2.3. Findings against each of the RSPO MY-NI indicators are reported below. It was noted that Saremas 2 CU was guided by their Estate/Mill Quality Management System documents for their operations.

A total of three (3) Major and six (6) Minor non-conformity reports against RSPO MYNI: 2010 requirements were raised as shown in Attachment 3. Saremas 2 CU has taken necessary corrective actions in order to close the Major non-conformities raised.

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making	1.1.1	Records of requests and responses must be maintained. *Major*.	Yes	Saremas 2 Certification Unit (CU) continued to maintain records on requests for information and documents that were related to the RSPO Criteria. The CU has continued to implement communication procedure as described in the established procedures for estates. Communications with workers were identified and maintained in request and complaints records. The record stated date of communication received, response and remarks. In both Segarmas and in Kaminsky estates most records were for repairs required for workers quarters while requests were mainly for extension of electricity supply for functions. Kaminsky and Segarmas noted continued to implement communication that their management documents are publicly available. Within this surveillance audit period, no request for information from the stakeholders received by Saremas 2 CU was observed. Some of sample of Saremas 2 CU stakeholders' communicated were: • Sarawak Forestry Department; • Neighbouring estates; • District Office; • Contractors; • Suppliers; • Miri City Council.
C 1.2 Management documents are	1.2.1	Land titles / user rights (C 2.2)	Yes	There was no restriction noted as to the documents made available

publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. This concerns management documents relating to environmental, social and legal issues that are relevant to compliance with RSPO Criteria. Documents that must be publicly available include, but are not necessarily limited to:-				to the public except those prevented by commercial confidentially or where disclosure of information would result in negative environmental or social outcomes. The Estates comply with the terms of the land title which is for Agricultural purpose.
	1.2.2	Safety and health plan (C 4.7)	Yes	Saremas 2 CU continued to adopt the PPB Group's Occupational Health Safety policy dated September 2010, signed by top management. The policies including OSH plan and programs had been communicated and implemented to all levels of the organization
	1.2.3	Plans and impact assessments relating to environmental and social impacts (C 5.1, 6.1, 7.1, 7.3)	Yes	Plans and impact assessments relating to environmental and social impacts has been conducted at Saremas 2 CU accordingly.
	1.2.4	Pollution prevention plans (C 5.6)	Yes	The documented plans to mitigate identified polluting activities noted remain as a reference document for managing the identified significant environmental aspects. Review of relevant records and on-site noted that the plan been implemented accordingly.
	1.2.5	Details of complaints and grievances (C 6.3)	Yes	As under 1.1.1: Communications with workers were identified and maintained. The record stated date of communication received, response and remarks. Most records were for repairs required for workers quarters .However, there were no complaints in Kaminsky Estate since 2012.
	1.2.6	Negotiation procedures (C 6.4)	Yes	In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People

				Entitled for Compensation"
	1.2.7	Continuous improvement plan (C 8.1)	Yes	Kaminsky Estate in order to improve quality of water had provided in the CAPEX budget to construct 1 replacement and 1 new water treatment plants. Also in the CAPEX provisions has been made for 4 units H type worker, 1 unit Creche and an outdoor playground.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations	2.1.1	Evidence of compliance with legal requirements. *Major*	No	The CU continued to comply with most of the applicable local, national and ratified international laws and regulations. As per the requirement in the land titles all land is utilised for Agricultural purposes. Sampling of the Workers Master list indicated Foreign Workers had valid Work Permits and no young person employed. Relevant licences and permits such as MPOB license, Trading Licence, Energy Commission and Domestic Trade Ministry for diesel and fertilizer storage were valid. To cite some, the MPOB licence No. 502703102000 in Saremas and No.503228102000 in Kaminsky were both valid until 31/07/14. The trading licence No. A234148/77 in Segarmas was valid till 23/06/14 and No.A295932 in Kaminsky was valid until 26/01/15. Monitoring was being conducted in accordance with the relevant procedures and requirements.

				Saremas 2 CU had continued to comply with legal requirements as per indicator. Guided by the established procedure, the annual evaluation of compliance has been carried out concurrently with the review of legal register on 13th March 2014. The list of applicable legal and other requirement was made available during the assessment. The list covers legal requirements such as : • **Factories and Machinery Act 1967** (Notification, Certificate of Fitness and Inspection Regulation 1970, Steam Boiler & Unfired Pressure Vessel Regulation 1970, Safety Health and Welfare 1970, Noise Exposure Regulation 1989, Person In Charge Regulation 1970 etc. • **Occupational Safety and Health Act 1994** (NADOOPOD Regulation 2004, Safety Health Committee Regulation 1996, USECHH Regulation 2004) etc. • **Environment Quality Act 1974** (Prescribed Premise (CPO) Regulations 1977, Clean Air Regulation 1978, Scheduled Waste Regulation 2005 etc. • **Labour, EPF and SOCSO** (Employment Act 1955, Employee Provident Fund Act 1991, Employees Social Security Act 1969, National Wages Consultative Act 2011, Minimum Wages Order 2012, Sarawak Labour Ordinance (Cap. 67) 2005 • **Sarawak Natural Resources and Environment (Amendment) Ordinance 2001,** Electricity Ordinance (amendment) 2007 Saremas 2 CU has obtained and renewed license and permits as required by the law. Amongst the licences or permit viewed were: • Certificate of competency for Steam engineer (2nd grade – MM) Engine driver (1st grade engine driver) ICE driver: (2nd Grade ICE), (2nd Grade ICE)

				• MPOB license: 500297704000 (validity period 1/2/14 - 31/01/2015) for 270,000MT • DOE Licence/ *Jadual Pematuhan* : JPKKS 000650A (validity period 1/7/13 - 30/6/2014) for 45 MT/hr and method of POME discharge on waterways • Licenses for Steam Boilers (PMD 11304) unfired pressure vessel (UPV) (sterilizers, back pressure receiver, steam separator, air receiver and found to be valid based on mill annual inspection by DOSH which has been conducted on 18th April 2013. All UPVs CF were still valid until 17/7/14. • Calibration (weighbridge) QBI-ATK 000089 (last calibrated 9/10/13) • Calibration (weighbridge QBI-ATK 000088 (last calibrated 11/6/13) • Ordinan Buruh (Sarawak Bab 76) Section 114 - Permit for salary deduction • The Business, Professions and Trading Licence Ordinace – Validity period (21/8/13-21/9/14) • Permit for Control item for (Diesel, Petrol and Chemical Fertilizer) from KPDNKK It was found that Saremas 2 CU had on most instances fulfilled the legal requirement except for the following lapses and thus one **Major NCR MH2** was raised for: • **Environment Quality Act 1974, Section 49A** – Competent Person for Management of Scheduled Waste and operation of control equipment (ETP and air pollution control equipment) • **NADOOPOD 2004** – Reporting of occupational disease & **USECHH Regulations 2000** – Medical Removal Protection • **Poison Regulations 1952 – Section 24(2)**: Supply of poison for use in hospitals etc –written order signed by registered medical practitioner

	2.1.2	A documented system, which includes written information on legal requirements. *Minor*	Yes	List of applicable legal and other requirements named (Register of Legal and Other Applicable Requirement for PBB Oil Palms Berhad (Sarawak Operation) was made available during the assessment. Refer to latest legal register dated 13th March 2014. Documented procedure has been established and implemented, refer to RH/EMSP 02/ (01)/1206, rev:1, dated 22/12/08.
	2.1.3	A mechanism for ensuring that they are implemented. *Minor*	Yes	Saremas 2 CU has the mechanisms for ensuring all the applicable legal requirements are implemented. The mechanisms are by the implementation of internal audit, management meeting, advisories visits and routine inspection by the authority such as DOE, EPD, etc. Nonetheless, the coverage of the mechanisms can still be improved further as some of the new applicable legal requirements have yet to be registered in the legal list. As in 2.1.2 both Segarmas Estate & Kaminsky Estate have documented systems for identifying and updating the changes of legal requirements and to monitor the status of legal compliance. There is evidence of compliance to legal requirements which has been evaluated on an annual basis. These compliances are ensured by Internal & External Audits, PA visits, VA visits and by RSPO Audits. Legal and other requirements were communicated to relevant person to their respective responsibility. Noted that the applicable requirements were implemented accordingly. Among the applicable implementation noted were: (a) management of scheduled wastes. (b) environmental impact monitoring. (c) use, handling and storage of chemicals. (d) Triple-rinsing of agrochemicals containers / bags.

	2.1.4	A system for tracking any changes in the law. *Minor*	No	Both estates maintained the established documented system for tracking any change of applicable legal and other requirements. Respective operating unit (i.e. individual estate) is responsible for updating, implemented and determine compliance. The latest legal and other requirement register dated 8/3/13 and 13/3/14 for Kaminsky and Segarmas estates respectively. However, some of other applicable legal and other requirements has yet to be identified and updated in the legal register which related to : a) Environment Quality Act 1974, 49A on competence person (amendment 2012) b) Medical Assistant (Registration) Act 1977 c) CLASS regulations 2013 Therefore, minor NCR MH1 was issued.
C 2.2 The right to use the land can be demonstrated, and is not legitimately contested by local communities with demonstrable rights.	2.2.1	Evidence of legal ownership of the land including history of land tenure. *Major*	Yes	In Segarmas & Kaminsky Estates the right to use the land had been demonstrated and was not legitimately contested by local communities. Records of ownership were maintained at the estate office. Saremas Estate 1 and Saremas Estate 2 shared titles while Segarmas Estate and Kaminsky Estate had their own titles. The ownership of all titles except for Kaminsky was Segarmas Plantations Sdn Bhd.
	2.2.2	Growers must show that they comply with the terms of the land title. [This indicator is to be read with Guidance 2] *Major*	Yes	The Estates complied with the terms of the land title which is for Agricultural purposes.
	2.2.3.1	Evidence that boundary stones along the perimeter adjacent to state land and other reserves are being	No	Kaminsky estate is bordering to Gayanis Sdn. Bhd. estate and Hass Enterprise estate. The border with Gayanis Sdn Bhd. estate is naturally bordered by Sungai Serai. Meanwhile, Segarmas estate

		located and visibly maintained. *Minor*		neighbors to Hass Enterprise estate, other than it sister estates within the CU. Marking pegs found remain to identify boundary and reserves. Generally, the visited boundaries and reserves marking noted visibly maintained, except few in Segarmas. Thus, NCR HO-1 raised.
	2.2.3.2	Where there are, or have been, disputes, proof of resolution or progress towards resolution by conflict resolution processes acceptable to all parties are implemented. Cross ref. to 2.3.3, 6.4.1 and 6.4.2. *Minor*	Yes	Indicator 2.2.3.2 is not applicable as there was no disputed land within the estates, either legal or customary rights.
C 2.3 Use of the land for oil palm does not diminish the legal rights, or customary rights, of other users, without their free, prior and informed consent.	2.3.1	Where lands are encumbered by customary rights, participatory mapping should be conducted to construct maps that show the extent of these rights. *Major*	Yes	There was no land within the estates being encumbered by customary rights
	2.3.2	Map of appropriate scale showing extent of claims under dispute. *Major*	Yes	Indicator 2.3.2 is not applicable as there was no disputed land within the estates, either legal or customary rights.
	2.3.3	Copies of negotiated agreements detailing process of consent (C2.2, 7.5 and 7.6). *Minor*	Yes	Indicator 2.3.3 is not applicable as there was no disputed land within the estates, either legal or customary rights.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	Annual budget with a minimum 2 years of projection *Major*	Yes	Both Segarmas Estate & Kaminsky Estate continued to be committed to long-term economic and financial viability had annual budgets for the financial year 2014 and projections up to financial year 2017. The yearly budget and projections where the costs 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 and Operating Expenditures. 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. CAPEX for biogas project has been gazetted for Saremas 2 Mill for the POME treatment, methane recovery and utilization.
	3.1.2	Annual replanting programme projected for a minimum of 5 years with yearly review. *Minor*	Yes	The replanting programmes until 2023 were sighted for both Segarmas Estate & Kaminsky Estate. This programme is reviewed once a year and is incorporated in their annual financial budget. There is no replanting in Kaminsky until 2018, while in Segarmas replanting had been scheduled from 2015. 180 Ha was scheduled to be replanted in 2015.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented and consistently implemented and monitored.	4.1.1	Documented Standard Operating Procedures (SOP) for estates and mills. *Major*	No	Both estates continued to use the established operating procedures as a reference for controlling of its operations. Control of environmental aspects relevant to estates noted documented in operating procedures referred below: • SGM PPP 01/(01)/0108: Pollution Prevention Plan (Waste Identification and Mitigation Plan). • SO/WMP 01/(01)/0311: Sarawak Operations – Waste Management Plan. • SOP/EST/Mill 2/(02)/0311.: Labelling, Handling, Storage, Transfer and Disposal of Scheduled Wastes. • PPBOPB/3RP 01/(00)/0908: 3R Plan – PPB Oil Palms Bhd (Estate and Mill) – Sarawak Operation. Review of relevant areas and interview with relevant employees noted that they aware of the documented procedures, which been implemented accordingly. Among the areas visited were: • Scheduled wastes stores; • workshops; • triple-rinsing stations; • oils and chemicals stores; • 3R centres; • linesites; • landfills. Generally, the operating procedures found appropriately documented, consistently implemented and monitored. Saremas Palm Oil Mill for example is operating based on the Safe

				and Standard Operating Procedure (SSOP). The SSOP explains the details of processes involved in mills daily operation such as: a) Sterilizer b) Thresher c) Press d) Kernel Plant e) Oil Room f) Engine Room g) Boiler h) Storage of CPO and PK i) Laboratory j) Water Treatment Plant k) POME treatment l) Chemical Handling m) Mill Schedule Waste n) Bunch Splitter o) Shovel p) Confined space Changes of SSOP were sighted during this assessment on the control procedure at capstan line dated 13/4/14. It was also noted that relevant SSOP were displayed at various work station for easy reference, for example, at mill office and process area notice boards. Random interview with the mill workers showed that they understand the requirement stated in the SSOPs. Both Segarmas Estate & Kaminsky Estate adopted and used: 1. Agricultural Manual updated 2011. 2. SSOP established by PPB and updated 14/03/2014.

				Both estates had consistently implemented and monitored most good agricultural practices as per SOPs except for SOP on spraying palm circles and harvesting paths as per Tables 6.2.1 and 6.2.4, on radius of palm circle and width of path and on the Planting of Beneficial Plants as per Table 8.10: Cultural Control Method as in the Wilmar International Limited Agricultural Manual & SOP for Oil Palm. During the site review in Block 9411 in Segarmas Estate and Block 9718 in Kaminsky Estate, though the workers understood/were aware of the radius of circle and width of paths to be sprayed, it was observed that the sprayers were swinging the spraying lance more than the required swing width resulting in spraying more than the required radius of palm circles and width of paths. In Kaminsky Estate records indicate that no Beneficial Plants were planted after 2011. Not many Beneficial Plants were also observed during the visit. A NCR STK-1 was thus issued for both issues. Crop recovery, especially in Kaminsky Estate, had been carried well with good and clean recovery of loose fruits. It was also noted that relevant SOP were displayed at various work station for easy reference, for example, at estate office notice board. Random interview with the estate workers showed that they understand the requirement stated in the SOPs. For example, it was observed that ripeness standard had been properly understood by the estate harvesters.
	4.1.2	Records of monitoring and the actions taken are maintained and kept for a	Yes	Records of monitoring and the actions taken by the estates continued to be maintained and kept for a minimum of 12 months.

		minimum of 12 months. *Minor*		Monthly Progress 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 rainfall data, Store Bin Cards, vehicle running logbook, pest census, agrochemicals usage and Programme sheets for Fertiliser Application, Field upkeep, etc. Some of the records observed in the estates were Environmental Monitoring Report (EMR), inventory record of scheduled wastes, water analysis and usage records. Mill related operation records was seen and verified. Monitoring records for mill operation was also made available during the audit. Daily production figure and also MPOB official reports (MF EL4 & PX4 MF) was verified with the production figures given. All report to the authorities was send in timely manner as well as to DOSH and DOE.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	Monitoring of fertilizer inputs through annual fertilizer recommendations. *Minor*	Yes	Segarmas Estate & Kaminsky Estate continued to apply fertilisers as per EMU recommendations. Annual Fertiliser recommendations are made based on annual foliar sampling. The applications are than monitored via programme sheets. The main fertilisers applied were NPK, NK3, RP, SOA, MOP, Kieserite and borate.
	4.2.2	Evidence of periodic tissue and soil sampling to monitor changes in nutrient status. *Minor*	Yes	The estates continued to carry out periodic foliar and soil sampling to monitor changes in nutrient status of its estates'. Annual foliar sampling 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 in carried out in May 2013 in Segarmas Estate.

				Soil maps were made available to the auditors and the last soil analysis was conducted in 2007, while analysis for soil organic carbon was carried out every 5 years as per International Sustainable Carbon Certification (ISCC) body and was last done in 2011.
	4.2.3	Monitor the area on which EFB, POME and zero-burn replanting is applied. *Minor*	Yes	EFB mulching was carried in both estates. Records showed that EFB were applied in Segarmas Estate & Kaminsky Estate respectively in 2013. The mulching was monitored with program sheets and maps. The CU practiced Zero burning and there was no evidence to show otherwise.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Documented evidence of practices minimizing soil erosion and degradation (including maps). *Minor*	Yes	Roadside drains at estates visited were seen strategically located along the roads to collect and divert surface runoff to further minimize soil erosion.
	4.3.2	Avoid or minimize bare or exposed soil within estates. *Minor*	Yes	In addition the estates continued to have soil erosion monitoring plot, that is, a) 0-12º (shaded), 0-12 (open). b) 12º-25º (open), 12º-25º (shaded). c) > 25º (open) and > 25º (shaded); to determine the amount of soil loss from its field. In order to avoid/minimise bare or exposed soil the estates practised slashing of weeds in the inter rows with minimum spraying. However, palm circles and harvester paths are sprayed. No blanket spraying was advocated.

	4.3.3	Presence of road maintenance programme. *Minor*	Yes	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. Each of the two estates had their own Case Diggers, a Motor Grader and a Compacter to maintain roads. The estates purchased dry crusher run stones (DRC) and placed them in strategy points ready for use. The financial support for this operation could be seen in the annual budget. Records of this activity are adequately maintained.
	4.3.4	Subsidence of peat soils should be minimised through an effective and documented water management programme. *Minor*	Yes	There were no peat soils in both the estates audited.
	4.3.5	Best management practices should be in place for other fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils). *Minor*	Yes	There were no fragile soils and problem soils in both the estates visited.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estate. *Major*	Yes	Visit to Kaminsky and Segarmas estates observed that both continued to protect riparian buffer zones. No sign of spraying and manuring were observed. There was no activity related to replanting observed.
	4.4.2	No construction of bunds/weirs/dams across	Yes	Records review showed that the Saremas 2 CU had a total 8 bund

		the main rivers or waterways passing through an estate. *Major*		across all rivers passing through its property. The management had applied the permit to use the existing bund as source of water supply for domestic used from the Sarawak River Board, Kuching. Approval was granted via letter# LSS/HQ/RSH/26/Jld 12(220) dated 3 December 2012. Additionally, the Miri Drainage & Irrigation Department had given its permission in a letter # DIE4D/15/01 (289) dated 29 January 2013. Saremas 2 CU had agreed to the conditions and an undertaking letter dated 1 February 2013 in response to the approval granted had been sighted by the auditor.
	4.4.3	Outgoing water into main natural waterways should be monitored at a frequency that reflects the estates and mills current activities which may have negative impacts (Cross reference to C 5.1 and 8.1). *Major*	Yes	Both estates continued to monitor outgoing water to natural waterways as required under terms and conditions of their respective Environmental Impact Assessment (EIA) report approval by NREB. The monitoring was performed by accredited independent consultant. Quarterly analysis report and Environmental Monitoring Report (EMR) presented showed that the monitoring were conducted as per stipulated frequency. Quarterly results between January – September 2013 was reviewed. Noted there was improvement of Coliform counts in Kaminsky for drinking water analysis. Saremas 2 mill DOE licence is for waterways discharge and the requirement is for the BOD 3 days, 30°C to be less than 20 mg/l. Refer "*Jadual Pematuhan*" JPKKS 000650A period validity 1/7/13 to 30/6/14. As stipulated in *Jadual Pematuhan*, monitoring of final discharge and nearby river Sg Suai (downstream and upstream) has been conducted on monthly basis and the result was found below

				stipulated limit. Refer to mill records of water monitoring for DOE submission in the *'Borang Penyata Suku Tahunan'* for 2013. The latest quarter from January – March 2014 was available for viewing.
	4.4.4	Monitoring rainfall data for proper water management. *Minor*	Yes	Both estates monitored rainfall days and rainfall in mm and records on monthly rainfall data from 1998 to 2013 were available.
	4.4.5	Monitoring of water usage in mills (tonnage water use/tonne FFB processed). *Minor*	Yes	Saremas 2 CU had also monitored the amount of water consumed by mill and its line sites. It was observed that the records of the mill and line sites water consumption (m3 of water per ton of FFB) were being kept.
	4.4.6	Water drainage into protected areas is avoided wherever possible. Appropriate mitigating measures will be implemented following consultation with relevant stakeholders. *Minor*	Yes	Both estates continued to control any possible discharge of contaminated water. Sumps and oil traps were continued maintained to avoid direct discharge of contaminated water, if any. Possible discharge of contaminated water noted had been identified from activity at workshop, storage of liquid chemicals or fuel, triple-rinsing and activity at linesite.
	4.4.7	Evidence of water management plans. *Minor*	Yes	Documented *Water Management Plan (SGM/WMP/01/(02)/0108)* found maintained available, updated on 14/3/14, and continued implemented. Among the key objectives of the plan are to: • promote efficient use of water; and • conserve water in reference to Sarawak Water Resources Enactment, 1998. Among the content and plan are: • re-use of triple-rinsing wastewater for spray; • use of Very Low Volume (VLV) spray nozzle to reduce amount of spray. • promote prudent indoor daily water use saving methods by

				all personnel. Drinking water analysis noted continued conducted every 6 month. The estates noted has plan for upgrading and replacing existing water treatment plants for further improving water quality as well as to increase the treatment and supply capacity. The budget concerning the plan noted had been approved. Action towards implementing the plan had been initiated.
C 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	4.5.1	Documented IPM system. *Minor*	Yes	Both estates continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Agricultural Mannual. In order to minimize use of Insecticides the estates had planted beneficial plants mainly *Tunera subulata, Cassia cobanensis and Antigonon leptopus* with maps indicating areas planted. However, there were no beneficial plants planted in Kaminsky Estate from 2012 for which an NCR was issued under criterion 4.1.1.
	4.5.2	Monitoring extent of IPM implementation for major pests. *Minor*	Yes	Both Segarmas Estate and Kaminsky Estate continued to carry out monthly pest census for leaf eating pests, mammalian pests and diseases like Ganoderma and Stem Rot. Records showed no outbreak had been taken place.
	4.5.3	Recording areas where pesticides have been used. *Minor*	Yes	Both estates continued to record areas where pesticides had been used. Pesticides are used only when justified and areas used are recorded in bin cards and in program sheets.
	4.5.4	Monitoring of pesticide	Yes	

		usage units per hectare or per ton crop e.g. total quantity of active ingredient (a.i.) used/ tonne of oil. *Minor*		Records of pesticides used by area, quantity used, hectares applied and Ai/Ha from 2010 were made available to auditors.
C 4.6 Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives, and this is documented.	4.6.1	Written justification in Standard Operating Procedures (SOP) of all agrochemicals use. *Major*	Yes	The use of all agrochemicals at Saremas 2 CU was guided by its Agricultural Manual and SOP where written justifications had been provided. The Manual had included a chemical register list which indicates the purpose of usage (intended target), hazards signage, trade and generic names. Its application is based on the 'need to do basis' to enhance field operations. No Class I & II chemicals had been used and used of paraquat had been stopped since 2008. Both Estates do not practise prophylactic used of insecticides, fungicides and rodenticides. Rat baiting will be carried out only if damage on FFB bunches exceeds 5% and both estates do not practise calendar baiting.
	4.6.2	Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). *Major*	Yes	All pesticides used are those officially registered under the Pesticide Act 1974, The estates had used only class lll & class lV pesticides. No illegal agrochemicals (stated by local and international laws) in particular paraquat were used or found. Paraquat was totally replaced by a systemic herbicide, glufosinate ammonium.
	4.6.3	Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders	Yes	Pesticides were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations, enhanced with showers and wash areas for PPE.

		and Pesticides Act 1974 (Act 149) and Regulations. *Major*		
	4.6.4	All information regarding the chemicals and its usage, hazards, trade and generic names must be available in language understood by workers or explained carefully to them by a plantation management official at operating unit level. *Major*	Yes	All information regarding the chemicals and its usage, hazards, trade and generic names were both English & Bahasa Malaysia and understood by workers. The MSDS for all pesticides used were available in both English and Bahasa Malaysia. Relevant information of the agrochemical used by estate workers, largely via morning muster, were conveyed and understood by all interviewed during the spraying activities and fertilizer application. It was also verified in the training records that training in chemical handling especially to the sprayers, had been conducted with the aim of disseminating the correct information and ensuring understanding regarding the usage and hazards of the agrochemicals.
	4.6.5	Annual medical surveillance as per CHRA for plantation pesticide operators. *Major*	Yes	Kaminsky Estate had a schedule for health surveillance of its workers. The health surveillance was performed by the Estate Hospital Assistant. The surveillance reports showed that all the sprayers were healthy and suffered no detrimental effects as a result of their job. In Segarmas health surveillance was carried out on a samplings basis by certified Occupational Health Doctor with permit/licence No: HQ/08/DOC/00/489 valid till 2014.
	4.6.6	No work with pesticides for confirmed pregnant and breast-feeding women. *Major*	Yes	For female workers, monthly pregnancy tests continued to be checked in the estate clinics. In the interest of their safety and health, all confirmed pregnant and breast-feeding women were prohibited to work as pesticides sprayers. There was no evidence of pregnant women sprayers being used in both estates.

	4.6.7	Documentary evidence that use of chemicals categorised as World Health Organisation Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions and paraquat, is reduced and/or eliminated. Adoption of suitable economic alternative to paraquat as suggested by the EB pending outcome of the RSPO study on IWM. *Minor*	Yes	During the assessment, it was noted that S2 CU had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. Use of paraquat in the estate had ceased since 2008 and was replaced by a systemic herbicide, glufosinate ammonium.
	4.6.8	Documented justification of any aerial application of agrochemicals. No aerial spraying unless approved by relevant authorities. *Major*	Yes	There was no evidence of any Aerial spraying found in both estates.
	4.6.9	Evidence of chemical residues in CPO testing, as requested and conducted by the buyers. *Minor*	Yes	There are no any requests by the buyer on chemical residues test in CPO.
	4.6.10	Records of pesticide use (including active ingredients used, area treated, amount applied per ha and number of applications) are	Yes	Records of both current and from year 2012 on the usage of pesticides by area, quantity used, hectares applied and Ai/Ha were made available to auditors.

		maintained for either a minimum of 5 years or starting November 2007. *Minor*		
4.7 An occupational health and safety plan is documented, effectively communicated and implemented.	4.7.1	Evidence of documented Occupational Safety Health (OSH) plan which is in compliance with OSH Act 1994 and Factory and Machinery Act 1967 (Act139). *Major* <u>The safety and health (OSH) plan shall cover the following:</u> a. A safety and health policy, which is communicated and implemented b. All operations have been risk assessed and documented. c. An awareness and training programme which includes the following specifics for pesticides : i. to ensure all workers involved have been adequately	Yes	Saremas 2 CU continued to adopt the PPB Group's Occupational Health Safety policy dated September 2010, signed by top management. Inclusive of the subsidiary policy there were 8 policies in total. All the 8 policies were displayed in mill and estate offices and at strategic location in the workstation of the POM. To live up to the spirit of PPB's OSH Policy and demonstrate commitment to the statements contained in the policy, top management of S2 CU had established OSH plan and programs for the mill and individual estate to abide by. All the eight policies including OSH plan and programs had been communicated and implemented to all levels of the organization. Interviews with employees showed that they were aware of the OSH policy, objectives and programmes and generally understood their requirements. The OSH plan sighted had been updated for continual improvement and continued to address among others issues related to hazard identification risk assessment and risk control (HIRARC), medical surveillance programme, safety committee meeting and workplace inspection and OSH training among staff. Among the OSH programme carried out were: <u>Contractors Management / In-house PTW issuance</u> Implementation of Permit To Work (PTW) was verified during the assessment. PTW were used for contractors and in-house maintenance work. Sample of PTW such as confined space entry, hot work and working at height was evident during assessment. All suitable and appropriate PPE for the assigned task was made available during the visit.

		trained in a safe working practices (See also C 4.8) ii. all precautions attached to products should be properly observed and applied to the workers. d. The appropriate personal protective equipment (PPE) are used for each risk assessed operation. i. Companies to provide the appropriate PPE at the place of work to cover all potentially hazardous operations such as pesticide application, land preparation, harvesting and if used, burning. e. The responsible person (s) should be identified. f. There are records of regular meetings		<u>Health Surveillance Programme</u> Annual programme for the chemically exposed workers has to be carried out as per requirement of USECHH 2000 especially for the Schedule 2 chemicals. Based on the CHRA report (July 2010 by competent HT JKKP HIE 127/171-2(71) the assessor has recommend the workers that exposed to N-hexane, benzene & potassium chromate shall undergo health surveillance programme carried out by OHD. Last check by OHD was conducted on 23rd December 2013 and all exposed employees are fit to work. <u>Chemical Expose Monitoring</u> Personal exposure monitoring for manganese, N-hexane, potassium chromate, iron oxide dust and fume was last conducted on 24th April 2013. The result showed that the exposure level was below Permissible Exposure Limit (PEL) for the required expose hours. From the report, the PPE used and engineering control equipment installed were sufficient as to safeguard the workers and reduce the concentration of airborne in the laboratory. <u>Audiometric Testing</u> The latest audiometric testing was conducted on 1st and 5th July 2013 which involved total of 84 workers. From the report, it was evident that 52 workers were found to be affected with hearing impairment. At the point of audit, there was no investigation carried out so far. As a prevention, hearing conservation programme was carried out on July 2013 for the workers that exposed to high decibel noise (>85dB). Saremas 2 CU had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA records were verified during the assessment. At the

		between the responsible person(s) and workers where concerns of workers about health and safety are discussed. g. Accident and emergency procedures should exist and instructions should be clearly understood by all workers. h. Workers trained in First Aid should be present in both field and mill operations. i. First Aid equipment should be available at worksites		estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection, machine maintenance and working in confined space. As for the mill, among the activities identified were FFB sterilization, kernel and oil extraction, oil clarification as well as maintenance activities. HIRARC has been revised (dated 1/10/13) to incorporate the latest changes after accident occurrence at Saremas 2 POM related to the accident at cyclone station on 29/9/13. Chemical hazards communication had been given through awareness and training programme to all workers involved in handling chemicals. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Those trained included sprayers, manure spreaders, laboratory personnel, boilerman and store clerk. Field inspection and observation of spraying tasks confirmed chemicals being applied were in accordance with the product safety precautions. MSDS were made available at point of use – for example, at mill's water each estate treatment plant, boiler chemical dosing area and chemical mixing area and at the chemical store. Suitable PPE has been given to the workers appropriate for their daily routine task. The PPE includes safety boots, safety harness, helmets, goggles, ear plugs, rubber and cotton gloves, aprons and breathing masks (dusk mask and cartridge type respirator). Records of PPE issuance were maintained and were presented to assessor during the assessment. During the site tour, it was observed that signage (to remind workers to wear appropriate PPE) was posted at the appropriate places. Workers interviewed understood the reasons and importance why they were required to wear the PPE. Responsible person (s) has been identified for Saremas CU. These

				are the samples of the appointed person at the visited site: <u>Saremas 2 Mill</u> • New committee for FY2014 – new manager, (Chairman) effective 3/3/14 • Committee Renewal dated 3/3/14 • Secretary • Management Representative • Employee Representative <u>Kaminsky Estate</u> • Renewal committee member (January 2014 – December 2015) • Advisor • Chairman • Management Representative • Employee Representative Regular safety meetings between the responsible persons and workers where concerns of workers about safety and health are conducted. Minutes of Safety and Health Committee (SHC) meetings was made available during assessment. <u>Saremas 2 Mill</u> Safety committee meeting BIl 4 : 6/12/13 Additional meeting (incident investigation) = 29/9/13 (Airlock accident case) Bil 3 : 11/9/13 Bil 2 : 13/6/13 Bil 1 : 2/4/13 <u>Kaminsky Estate</u> Safety committee meeting

				Latest (19/2/14) Bil 4 : 12/12/13 3 Bil 3 : 10/9/13 Bil 2 : 12/6/13 Bil 1 : 16/3/13 Each operating unit of Saremas CU has its own Emergency Response Team. They comprised of First Aiders, Fire Fighters and Search and Rescue Team. It also had basic emergency kit that include stretcher, First Aid box, emergency eye wash and shower station. Accident and emergency procedures exist. Information to response to emergencies had been disseminated. This included emergency contact number, site plan showing evacuation route to assembly point and location of firefighting equipment and action to be taken during emergency by staff and contractors. Instructions to respond to accident and emergency situation were tested and it was found to be clearly understood by all workers interviewed both at the mill and field. The first aid kit was also made available during site visit with the available trained first aid on site. To ensure the availability and readiness of first aid kit and also fire hydrant unit, periodic inspection was carried out. Fire drill training was conducted on 14th March 2014 was meant to train on the usage of fire extinguisher to all the employees working in the mill. Site visit to Segarmas and Kaminsky found the First aid boxes and clean water in 20 litre containers were made available to the sprayers in the field. The first aid boxes were checked and replenished very month and records maintained in the first aid box.
	4.7.2	Records should be kept of all accidents and periodically reviewed at quarterly intervals. *Major*	Yes	Accident reports were maintained. Accident cases were reported during the OSH meeting quarterly. Sighted the JKKP 6 (sent on 30/9/13) – accident report was submitted to DOSH accordingly and in timely manner. Refer to the accident at Saremas 2 POM dated

				29/9/13. On-going monitoring of OSH performance was visible. They were monitored through Lost Time Accident (LTA). Accident scoreboard was prominently displayed in front of the mill and estates office. They were updated regularly to show the current OSH performance status. Records of all accident according to the categories of workers were kept and orderly maintained in the estate clinic and offices of the estate. Accident cases were reviewed at quarterly Safety & Health Committee meeting. Accident/LTI at Saremas 2 POM; • At cyclone station – chokage at dry shell hopper. While cleaning off the chokage, right caught by the rotating airlock. • LTI > 4 days, total LTI (94 days) JKKP 6 sent on 30/9/13 • Control measures (administration control/engineering control/isolation) – fabricating the manhole for cleaning, installation of emergency stop button, SSOP and LOTO training and safety signage at the airlock. Lesson learned from the accident discussed in the Safety committee meeting.
	4.7.3	Workers should be covered by accident insurance. *Major*	Yes	The assessor had noted that Saremas 2 POM had their foreign workers covered by accident insurance, policy number CWF-L0120594-S2 with period of cover until 1st August 2014. On the other hand, Malaysian employees were covered by SOCSO.
C 4.8 All staff, workers, smallholders and contractors are appropriately trained.	4.8.1	A training programme (appropriate to the scale of the organization) that includes regular assessment	Yes	Saremas 2 CU has continued to conduct training needs on RSPO P&C related elements. The training needs had been identified the Mill or Estate Manager with the assistance of CSR @ EMU Department. The training programme for 2013 and 2014 for estates

		of training needs and documentation, including records of training for employees are kept. *Major*		and mill were made available and the focus was mainly on safety and standard operating procedures. Among the training programmes that had been conducted for were : • Scheduled Waste Handling (26/4/13) • SSOP training on Chemical Handling (11/4/13) • First Aider and First Aid Training (20/2/14) • PPE training (12/10/13) Training attendance list was available and well maintained. Contractors had also been briefed on safety, RSPO and OSH requirements upon commencement of work. It was observed that all training records had been properly filed. The records include information on the title of the training, name and signature of the attendees, name of the trainer, time and venue

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

Clause	**Indicators**		**Comply Yes/No**	**Findings**
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and	5.1.1	Documented aspects and impacts risk assessment that is periodically reviewed and updated. *Major*	Yes	Document that identifying environmental aspect and impact that form the basis of environmental management plans found remain. Both estates continued to periodically review their aspect and impact register. The assessment of aspect and impact is individually documented by estate in '*Identification of Environmental Aspects and Impacts and Evaluation of Significance' (KSB/EAI 01/(01)/0108).* Noted the latest review by Kaminsky was to incorporate 'installation of concrete drain' to address wastewater from linesites.

monitored, to demonstrate continuous improvement.				Among the activities / areas reviewed during this surveillance audit were related to monitoring of river and drinking water quality, management of scheduled wastes, triple-rinsing, storage of chemicals, workshops, gensets and linesites. Noted that environmental aspects and impact of the reviewed areas / activities had been identified and assessed appropriately. A document List of Identification of Environmental Aspects and Impacts and Evaluation of Significance for Saremas 2 POM was presented to the assessment team which covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge (water) and land contamination which related to managing the schedule waste and also general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill has been identified. The latest EAI review to include and update the last year Major NCR issues on the EFB management, Scheduled Waste Management and Movement, activities at water catchment area and water treatment plant for surface and treated water have included in the latest 2014 register.
	5.1.2	Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. *Minor*	No	Identified significant risk environmental aspects found remain been mitigated in accordance to the established *Environmental Improvement Plan (KSB/MIT01/(01)/07R)*. Among the mitigation methods reviewed in the Kaminsky and Segarmas estates were: (a) storage of scheduled wastes, fertiliser and agrochemicals,

				oils, and recyclable wastes; (b) sumps and oil traps; (c) collection sumps for wastewater from triple-rinsing; (d) domestic waste disposal sites. The mitigation and methods found implemented accordingly as per the established plan, except mitigation for the wastewater from visited linesites, which evident of pollution were observed. Also noted that both management of Kaminsky and Segarmas estates already recognised the matter, which Kaminsky had already installed concrete drain, meanwhile Segarmas is in the process to install it. Nevertheless, the effectiveness of mitigation method need to be further improved to ensure polluted water properly mitigated and not directly discharge to land / watercourse. Thus, NCR HO2 raised. Positive environmental aspects found continued promoted and implemented in both estates. *3R Plan – Sarawak Operation [PPBOPB/3RP 01/(00)/0908]* maintained as reference to promote and implement for reducing, re-using and recycling program. Positive environmental aspects observed been implemented such as triple-rinsing of agrochemicals containers, re-used of wastewater from triple-rinsing for spraying, collection of recyclable wastes for recycling program, and harvesting of rainwater which reduce dependency of supplied water. The implementation of the improvement plan noted been monitored by respective estates. Among the monitoring records are inventories of scheduled wastes, recyclable wastes, *Triple-rinsing Record Book*, and domestic waste *(Domestic Waste Recycle Record)*. All the records monitored individually by each estate, meanwhile the domestic waste monitored individually by each linesite. The records found updated.

				Saremas 2 POM had continued using the of *Significant Environmental Aspects and Impacts Mitigation Method and Environmental Management Programme and Action* as mitigation measures and action plan for those identified activities. Refer to SPOM2/MIT 01/(00)/0108 for the latest mitigation method. Mitigation method has been updated to include last year's NCR and was made available during the audit.
C 5.2 The status of rare, threatened or endangered species (ERTs) and high conservation value habitats, if any, that exists in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.	5.2.1	Identification and assessment of HCV habitats and protected areas within landholdings; and attempt assessments of HCV habitats and protected areas surrounding landholdings. *Major*	Yes	The identified HCV areas in Kaminsky (HCV 3 and HCV 4) and Segarmas (HCV 4) found maintained conserved and protected appropriately. Site visit to the identified HCVs areas confirmed that it had been maintained, for example: • Signage of identification of the areas visited noted visibly maintained. • riparian buffer zone marking noted maintained along Sungai Serai and Sungai Kop at Kaminsky estate. • Kaminsky estate also had maintained Salt Lick identified as HCV3. • residual forest (Bukit Durang) and restoration planting in Segarmas.
	5.2.2	Management plan for HCV habitats (including ERTs) and their conservation. *Major*	Yes	The HCV Management and Monitoring Plans for Segarmas and Kaminsky estates 2014 were reviewed by the assessor. The established management plans that derived from HCV assessment noted been retained. Observed both estates continued implement their management plan, including monitoring. Among

				the activities includes: • monitoring and maintenance of areas marking and signage. • awareness training pertaining protection of the areas, especially to sprayer and fertilizer personnel. • periodical reporting of monitoring results. • monitoring and silviculture treatment of restoration planting areas. • identifying of sign and identification of fauna and flora present in the areas. Noted that S2 CU has plan to train their HCV patrol staff as Honorary Ranger, which training shall be provided by Sarawak Forestry Corporation (SFC). Also noted that the restoration planting shown good growth performance.
	5.2.3	Evidence of a commitment to discourage any illegal or inappropriate hunting fishing or collecting activities, and developing responsible measures to resolve human-wildlife conflicts. *Minor*	Yes	Commitment from the management of S2 CU also noted continued as evident via: (1) gate, guard and registration for control of access; (2) signage for prohibiting from illegal hunting, fishing and collecting activities as well as poster of protected wildlife at entrant; (3) awareness of the policy among of person interviewed, including guard and workers; (4) regular monitoring by HCV team. Noted that there was no sign of prohibited activities. Further to its commitment, S2 CU has plan to train their HCV patrol staff as Honorary Ranger, with assistance from SFC.

C 5.3 Waste is reduced, recycled, re-used and disposed off in an environmentally and socially responsible manner.	5.3.1	Documented identification of all waste products and sources of pollution. *Major*	Yes	The documented identified wastes and sources of pollutant noted maintained, which form the basis of environmental management plans. The type of wastes identified in the both estates generally either hazardous wastes (i.e. regulated scheduled wastes) or non-hazardous wastes (i.e. either recyclable wastes or bio-degradable wastes). The scheduled wastes generally empty containers / bags of agrochemicals or petroleum-based products, as well as contaminated items with those substances, which generally derived from operation or cleaning activities. The recyclable wastes and bio-degradable wastes are commonly generated throughout estate operation, including at line-sites. Beside, domestic waste also identified from line-site activities. Another type of waste identified is scrap metal. Scrap metal generally generated from obsolete metal parts and machineries. The most significant environmental receptors for the estates and mill operations were: • Air – Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission) , • Water – Cleaning water/run-off/process station waters (hydrocyclone/claybath/sterilizer condensate/clarification waste) & boiler quenching water and blowdown. • Land – Scheduled waste, domestic waste and industrial/process waste.
	5.3.2	Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. *Minor*	No	Operational plan, which refers to *Sarawak Operational Waste Management Plan [SO/WMP 01/(01)/0311]* observed been maintained implemented to avoid and reduce pollution. Among the operational control includes:

				(1) management of scheduled wastes, in accordance to the applicable regulation; (2) collection and disposal of bio-degradable wastes (from linesites); (3) collection, segregation and sell of recyclable wastes; (4) monitoring and maintenance of sumps and oil traps; (5) collection and sell of scrap metal. Visit to Block 9603, Kaminsky estate noted that bio-degradable waste properly landfilled. Pertinent information noted indicated for each landfill hole. Noted the latest hole indentified as Number 55, which opened on 22/3/14, whereby the wastes properly sandwiched. Observed that bins and collection centres for 3R and scheduled wastes are maintained provided, and used accordingly. Recyclables wastes noted sold to contarctors, which also appointed by Agriculture Department for collecting triple-rinsed agrochemicals containers. Other environmental aspects observed that could contribute to pollution are sewerage, wastewater from domestic and triple-rinsing. Control of the environmental aspects observed been practiced, but missed been identified and evaluated in the environmental aspect register. Thus, NCR HO3 raised. Industrial @ mill process wastes had been disposed as follows; EFB were sent for mulching in the field, while crop residue/biomass i.e. fibre and shell were used as fuel in the boiler. Records of EFB application (refer indicator 4.2.3) for details.

				On the monitoring of water and effluent discharge, monthly and quarterly report for final discharge were submitted in timely manner as stipulated in the written approval. Water quality monitoring for Sungai Suai was also done on the monthly basis. Sample taken at 500 meter before and after final discharge point was sent for analysis together with final discharge sample to accredited laboratory. Result of analysis was found satisfactorily and below the stipulated limit. Result of analysis was kept for reference and reporting purposes internally and externally to the regulatory body. On the monitoring of smoke emission from boiler, online monitoring system or Continuous Emission Monitoring System (CEMS) was used to record and monitor smoke emission and shows real-time event to DOE office. Online CEMS system show the smoke emission is below that Ringellman 2 @ 40% opacity. For the stack particulate monitoring, 3rd party consultant was appointed to conduct the sampling twice a year. The latest stack sampling was carried out on 6/6/13 for boiler stack no.2.
	5.3.3	Evidence that crop residues / biomass are recycled (Cross ref. C 4.2). *Minor*	Yes	Pruned Fronds are stacked in the field to decompose. Palms that were felled during replanting were shredded, windrowed and left to decompose in the field. In addition EFB mulching were carried out in order to recycle crop residues/biomass.
C 5.4 **Efficiency** of energy use and use of renewable energy is maximized.	5.4.1	Monitoring of renewable energy use per tonne of CPO or palm product in the mill. *Minor*	Yes	Monthly monitoring of renewable energy (renewable energy/ ton CPO Processed) is available. Monthly biomass production has been recorded for fiber, shell and EFB. Fiber and shell will be used as the boiler fuel.
	5.4.2	Monitoring of direct fossil fuel use per tonne of CPO or	Yes	Monthly monitoring of direct fossil fuel (diesel / ton CPO Processed) is available. Monthly consumption of diesel used from generators,

		kW per tonne palm product in the mill (or FFB where the grower has no mill). *Minor*		mill prime movers and vehicle has been recorded The diesel consumption per CPO.
C 5.5 Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situations, as identified in the ASEAN Guidance or other regional best practice.	5.5.1	No evidence of open burning. Where controlled burning occurs, it is as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003. *Major*	Yes	Both Estates continued to adhere to the Agricultural Manual and SSOP and was no evidence of open burning in any. No fire was used for waste disposal and for replanting.
	5.5.2	Previous crop should be felled/mowed down, chipped/shredded, windrowed or pulverized/ ploughed and mulched. *Minor*	Yes	The estates adhered to the policy as per the Agricultural Manual and SSOP which advocates zero burning and all previous crops should be felled, chipped/shredded, shredded, windrowed and left to decompose.
	5.5.3	No evidence of burning waste (including domestic waste). *Minor*	Yes	It was evident there was no sign of burning at the landfill/dumping site. There was also no evidence of open burning at line site area during the audit. All domestic waste was buried in the landfill. On-site visit to linesites and domestic waste disposal sites confirmed that there is no evidence of burning waste either at both Kaminsky and Segarmas estates.
C 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.	5.6.1	Documented plans to mitigate all polluting activities (Cross ref to C 5.1). *Major*	Yes	The documented plans to mitigate identified polluting activities noted remain as a reference document for managing the identified significant environmental aspects. The plans (documented operating procedures) specify methods to mitigate each of evaluated significant environmental aspects. Review of relevant records and on-site noted that the plan been implemented accordingly.

	5.6.2	Plans are reviewed annually. *Minor*	Yes	The latest review for noted on January 2014 for Saremas 2 CU.
	5.6.3	Monitor and reduce **peat** subsidence rate through water table management. (Within ranges specified in C 4.3). *Minor*	Yes	There were no peat soils in both the estates audited.

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

Clause	Indicators		Comply Yes/No	Findings
C 6.1 Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.	I 6.1.1	A documented social impact assessment including records of meetings. *Major*	Yes	The SIA report entitled "Scoping SIA Saremas 1& 2, Segarmas and Kaminsky Estates" prepared in 2008 was still the basis for managing social issues in Saremas 2 CU. The Report as had been previously mentioned in last audit reported was prepared with the participation of the relevant stakeholders, such as the estate workers and the neighbouring five long-house communities, Rumah Bunsu, Rumah Gundi, Rumah Taou (Saremas 1), Rumah Sabang (Suai) and Rumah Merudi (Suai). However there is no any long-houses community surrounding Saremas 2 CU. Since the SIA conducted with Saremas 1, the general issues raised by local communities include use of lands within the estates, FFB pricing, transportation for school children, work opportunities and tanks for water storage. The workers, on the other hand, raised concerns on the housing conditions, conditions of the crèche,

				drainage systems and trained and qualified medical officer. The estates and mills are constantly monitoring the housing conditions, and making the necessary upkeep and maintenance works upon requests by the workers. Qualified medical officers have already been employed by the estates.
	I 6.1.2	Evidence that the assessment has been done with the participation of affected parties. *Major*	Yes	The previous audit report highlighted that, in addition to estate workers, representatives from five long-house communities, namely Bunsu, Gundi, Tapu, Sabang and Marudi participated in the assessment. The inputs from the participants were incorporated in the management plan. There is no long-houses community surrounding Saremas 2 CU.
	I 6.1.3	A timetable with responsibilities for mitigation and monitoring is reviewed and updated as necessary. *Minor*	Yes	A number of stakeholders' consultations were held by the Saremas 2 CU to gather inputs in the process of reviewing and updating the SIA report. Joint Consultative committee –Public Stakeholders (JCC-PS) Meetings were held with canteen operators on 27/2/14; with contractors, suppliers and workers on 24/2/14 and 25/2/14 at Bintulu (for parts, agrochemicals, computers, and heavy machineries suppliers) Issues discussed with the canteen operators included pricing of items sold, check cashing charge, price tags, rent, rules of goods sold and cleanliness. The agenda for the meetings with contractors, suppliers and workers representatives were RSPO issues, safety and health and HCVF. The SIA mitigation plan for the Saremas 2 CU was appropriately updated with various action plans to address the various issues highlighted during the stakeholders' meetings The estates and mills have had regular meetings with staffs and

				workers through the Social and Welfare Committee. These meetings have highlighted a few social issues which may not be peculiar to one estate but could be prevalent in the Saremas 2 CU. Such issues include gambling (reported in Suai) and drinking among the workers (reported in Kaminsky). The SIA Action plan for SIA 2014 was updated and verified.
C 6.2 **There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.**	I 6.2.1	Documented consultation and communication procedures. *Major*	Yes	The previous audit has reported in some details the consultation and communication procedures used by the Saremas 2 CU in handling internal and external communications. The document concerned is labelled as Document No RSPO 6.2 (16 Nov 09) which was prepared by the RSPO Unit of PPB Oil Palms Bhd. The Saremas 2 CU has continued to use internal communication techniques, such as daily assemblies, notice boards and posters, suggestion boxes and complaint forms. External communication has been effected mainly through mail correspondence. Also, the Saremas 2 CU has started to use the Joint Consultative Committee to serve as a forum to discuss issues of interest to the estates, local government agencies and local communities. Generally, the Saremas 2 CU has abided by its procedures in responding to internal and external communications.
	I 6.2.2	A nominated plantation management official at the operating unit responsible for these issues. *Minor*	Yes	As spelled out in the communications procedure, the estate manager, for Segarmas Estate is the person appointed to handle communication matters appointment letter dated 17 June 2013, same with POM and Kaminsky Estate.
	I 6.2.3	Maintenance of a list of stakeholders, records of all communication and records	Yes	The estate/mill continues to maintain stakeholder lists which comprise government agencies, contractors/suppliers, neighbouring estates and local communities.

		of actions taken in response to input from stakeholders. *Minor*		In case Segarmas Estate, the list comprises 14 Government Department, 10 contractor/supplies, 2 neighbouring estate and others. Record of all communication and action taken can be seen in Saremas CU. As at 21 March 2014, it was found there is no any comment received from stakeholders. The records on "List and Comments from Stakeholder" have been verified
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.	6.3.1	Documentation of the process by which a dispute was resolved and the outcome. *Major*	Yes	In the event of a dispute, the Saremas 2 CU will manage it through the "Dispute and Resolution Procedure" (Document RSPO 2.2) dated 2/1/09. 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 is rejected, the dispute will be brought for third party arbitration. Grievance or dissatisfaction on the part of the employees can be conveyed through the "Borang Aduan" (Appended to Document RSPO 6.2). The complaint form has since been split into two to differentiate between "complaints" and "request for services." During this audit, it was found there is no any complaint for year 2014 and 2013. No sexual harassment complaint at Segarmas Estate, Kaminsky Estate and POM
	6.3.2	The system resolves disputes in an effective, timely and appropriate manner. *Minor*	Yes	The domestic inquiry files in Segarmas and Saremas 2 POM were examined to find out whether or not the decisions of the panels of the enquiry have been contested. However, there were no any disputes recorded. The workers interviewed also reported that no dispute has taken place in the Saremas 2 CU. Minutes of Meeting Workers Social and Welfare was verified and found no records on

				disputes. Housing complaints from the workers have been handled quite satisfactorily by the estate/mill. Interviews with workers revealed that they are quite happy with the policies of the estates pertaining to wages, jobs, housing, water, electricity, children education and clinic services.
	6.3.3	The system is open to any affected parties. *Minor*	Yes	The public can use the dispute procedure to channel their dissatisfactions. However, the grievance procedures are for internal use.
C 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.	6.4.1	Establishment of a procedure for identifying legal and customary rights and a procedure for identifying people entitled to compensation. *Major*	Yes	In the event of cases involving the loss of customary land rights, the estate will manage them using the procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" which was adopted in November 2008. Essentially, the procedure describes how to check for legal status of the lands in question and lays out the criteria in deciding who should be compensated and the amount of compensation. .
	I 6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented. This takes into account gender differences in the power to claim rights, ownership and access to land; and long-established communities; differences in ethnic groups' proof of legal	Yes	The same procedure entitled "Process for Identification of Legal and Customary Rights and Identifying People Entitled for Compensation" which was adopted in November 2008. Essentially, the procedure describes how to check for legal status of the lands in question and lays out the criteria in deciding who should be compensated and the amount of compensation.

		versus communal ownership of land. *Minor*		
	I 6.4.3	The process and outcome of any compensation claims is documented and made publicly available. *Minor*	Yes	To date, there has been no issue of land claims involving the estates or POM at Segarmas estate since it was surrounded by their own estates and two other, which is BLD Plantation, Hass Plantation
C 6.5 Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.	I 6.5.1	Documentation of pay and conditions. *Major*	Yes	A sample of contracts of employment both for foreign and local workers was examined at every estate/mill and, as highlighted in previous audit report, all contain provisions on pay and conditions of work. It is a legal requirement for such contracts to be in written form. (Rule 2 of Labour Rules (Sarawak) 2005). The contract states the wage rate, work days, overtime, annual leave, public holidays and contributions to SOCSO for local workers. The contract employment was verified as below; • SG/SGE/0905/106 – Harvester • SG/SGE/0410/661 – Sprayer • SG/SGE/0708/6 – Sprayer • SG/SGE/0411/755 – Fertilizer applicator • SG/SGE/0410/656 - Sprayer • SG/SGE/0300/417 – workers • SG/SGE/1212/995– workers • SG/SGE/1098/401– workers 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 conforms to the requirements of the New Wage Order which specify that the basic pay should not be less than RM800.00.

				Documentation of Pay and Condition has been audited at Saremas 2 POM found "Salary recap for Month January and February 2014 have been audited. With minimum 26 days working, the worker can have RM800.02 (RM30.77 per day) SOCSO payment dated December 2013 until February 2014 for local workers above was audited.
	I 6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. *Minor*	Yes	The employment contract is both in Bahasa Malaysia and English. However, the pay slip is in English and its computations are quite complicated. The Saremas 2 CU has already translated the pay slip into Bahasa Malaysia as well as explained it to the workers. Interviews with workers revealed that they understand the details in the pay slip.
	I 6.5.3	Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with	No	The Saremas 2 CU still maintains its policies on housing, water and electricity supply as reported in the previous audit. Religious, medical, educational and child care facilities are still offered as before.

		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*		Housing inspections are carried out quite regularly by members of the health and safety committee. Their reports are presented to the main committee for information and actions, if necessary. Visits made to the line sites show that the houses and their environment are in respectable conditions. However, the latest inspection of workers' housing at Segarmas Estate and Kaminsky Estate was conducted on 24 January 2014 and 10 December 2013 respectively. Inspection of workers' housing at both estates was not conducted on weekly basis as required (Section 23(2)). Therefore minor NCR KN-1 was raised The Saremas 2 CU has instituted a common system for dealing with complaints and requests from the workers. Two forms have been developed to be filled by the workers; for complaint and request, respectively. Revised "borang aduan" RSPO/C6.3 (01)/0111 was verified. Additional records "Record of Complaint & Grievances Book" monthly summary report shows the completed date job audited was verified.
C 6.6 The employer respects the right of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and	6.6.1	Documented minutes of meetings with main trade unions or workers representatives. *Major*	Yes	As reported in previous audit, the workers are not unionised. However, workers' representatives have been appointed as members of the Joint Consultative Council and the Social and Welfare Committee in the estates. Both the committees meet quite regularly. For example, the Social and Welfare Committee at Segarmas estate met three times in 2013. Latest meeting conducted 25 Feb 2014 and 7 February 2014 respectively. Latest meeting at Saremas 2 POM conducted on 6 December 2013.
	6.6.2	A published statement in	Yes	A published statement on freedom of workers to join union is

bargaining for all such personnel.		local languages recognizing freedom of association. *Minor*		available publicly in all estates/mill. The statement reads, among others, that the workers are allowed to join any registered organizations or associations and also foreign workers are not allowed to hold any positions in the organizations or associations. The statement is signed by the Estate's Manager.
C 6.7 Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision, and when not interfering with education programmes. Children are not exposed to hazardous working conditions.	6.7.1	Documented evidence that minimum age requirement is met. *Major*	Yes	The Saremas 2 CU adheres to the child labour policy as espoused by the International Labour Convention which states, among others, that those under 18 years must not be employed to work in hazardous jobs. No worker below the age of 18 years was found to be recruited in the Saremas 2 CU. It was verified with Workers Master List March 2014
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. *Major*	Yes	As reported in previous audit, the equal opportunity policy (dated September 2010) is publicly available in the estates/mill. The policy statements emphasise on worker information, recruitment and selection, training, employee development, terms of service and records of service. This policy is posted on notice boards for the understanding of the public and workers.
	6.8.2	Evidence that employees and groups including migrant workers have not been discriminated against. *Minor*	Yes	The terms of employment, work assignments, housing policy and other requirements have not been found to be discriminatory. Interviews with workers and other stakeholders also revealed that the Saremas 2 CU has not discriminated its staffs and workers. Migrant workers receive similar pay, stay in the same house and enjoy similar medical benefits as their local counterparts. It was confirmed during interview with local and foreigner representative at Segarmas Estate and Saremas 2 POM. Pay slip RM/SRP2/0906/46 dated 13 March 2014 and RM/SMP2/0106/6 dated 12 March 14 was verified during the audit.

C 6.9 A policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.	6.9.1	A policy on sexual harassment and violence and records of implementation. *Major*	Yes	The Saremas 2 CU does have policies on sexual harassment (dated September 2010) which guide actions in the event of an incidence of sexual harassment case in the estates/mill. In addition, a manual entitled "Sexual Harassment in the Workplace" has been published and kept in all the estates and mill. The manual contains the grievance procedure to handle sexual harassment in the workplace. Also, "Jawatankuasa Wanita dan Kanak-Kanak (JKWK)" has been formed. In the interest of the members and the company as well, the management should strongly encourage the committee to immediately start planning and subsequently implement appropriate activities focusing on concerns of women. Such activities include awareness on sexual harassment, training on women rights and counselling for women affected by violence. The activities have been documented in the minutes of the meeting.
	6.9.2	A specific grievance mechanism is established. *Major*	Yes	As mentioned above, the grievance procedure is available in the Consultation & Communication Procedure (RSPO 6.2). However it has not been put to test because there has been no incidence on sexual harassment. Records on "Complaint & Grievance Records for Saremas 2 POM and Segarmas Estate has been audited found no any incidences occurred since year 2011 until 2013. "Dispute & Grievances Procedure-PPB/RSPO 6.3 (2.2)/(1))" mainly for external or stakeholders
C 6.10 Growers and mills deal fairly and transparently with smallholders and other local businesses.	6.10.1	Pricing mechanisms for FFB and inputs/services shall be documented. *Major*	Yes	Interviews were held with two canteen operators to learn their experience in dealing with the estate/mill. One of the canteen operators at Segarmas Estate has been in business for more than 10 years while the other is new a few long-term contracts were also examined.

				Pricing mechanisms as well as other terms of business, such as job specifications and payment systems are spelled out in the contract between Segarmas Estate and Transportation contractors and Canteen operators.
	6.10.2	Current and past prices paid for FFB shall be publicly available. *Minor*	Yes	Saremas 2 POM does not buy outside crops or the smallholders. Therefore, this indicator is not applicable. It was confirmed during this SA4 audit, there is no any transaction recorded for outside crops or smallholders as recorded in Mill Performance Year 2013. The previous transaction with Tawakal Megah was on November 2012 as sighted in Mill Performance Year 2012 records.
	6.10.3	Evidence that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. *Minor*	Yes	The contractors and suppliers interviewed understand the major elements of the contract since they have been in business for a long time. A table with a different matrix of price variables would be found in a transportation contractor at Segarmas Estate. Contractors for housing also interviewed found they are satisfied with the contractual agreements with Saremas 2 POM.
	6.10.4	Agreed payments shall be made in a timely manner. *Minor*	Yes	Indicator 6.10.4 is not applicable as the CU does not intend to include smallholders or outside crop in its claim for RSPO products. Interviewed with Transportation Services found the payment was made in timely manner. The manager had made satisfy services from Segarmas Estate management, better before the RSPO certification were made.

C 6.11 Growers and millers contribute to local sustainable development wherever appropriate.	6.11.1	Demonstrable contributions to local development that are based on the results of consultation with local communities. *Minor*	Yes	The Saremas 2 CU has played some roles in the socio-economic development of the local long-house communities. The estates/mill have provided some employment, medical services, school buses, roads, water tanks and oil palm seedlings to the these communities. In addition, the estates have also given advisory services on the plantation and management of oil palm crops. There is no surrounding community at Saremas 2 POM. The stakeholder list dated 1 March 2013 was verified and found there is no communities or long-houses declared in the Saremas 2 CU During the audit at Segarmas Estate, preferences were given to local workers. Interviewed and contract shows the Segarmas Estate have provided employment, medical services, school buses, roads, water tanks as verified at request form, and it confirm during the site visit. Current progress shows the Segarmas Estate had provided extra tank for rain harvest water for domestic uses at workers line site. Site visit to Line Site Phase 1 at Segarmas Estate had confirmed the water tank. Local workers master list March 2014 have been audited at Saremas 2 POM found total 23 local workers have been hired as workers. Most of the ethnic are Iban (17), Malay (3), Penan (1) Kenyah (1) and Punan (1).

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Saremas 2 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 CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations. MY NIWG commits to demonstrate progressive improvement to the following but not limited to:	8.1.1	Minimise use of certain pesticides (C4.6). *Major*	Yes	Kaminsky Estate in order to improve quality of water has provided in the CAPEX budget to construct 1 replacement and 1 new water treatment plants. Also in the CAPEX provisions has been made for 4 units H type worker, 1 unit Creche and an outdoor playground.
	8.1.2	Environmental impacts (C5.1). *Major*	Yes	Both estates continued demonstrates their commitment to reduce environmental impacts from its operation. Among the actions implemented noted were: • periodical environmental impact / performance monitoring (EMR) conducted quarterly by independent consultant, ESI Sampling Sdn. Bhd. Every monitoring report then submitted to authority (NREB) for review / comment. • continued monitor river and drinking water quality. • continued re-use of fertiliser bag and wastewater from triple-rinsing. • continued implement 3R initiative. • continue disposed scheduled wastes and bio-degradable waste according to regulation and proper method respectively. Installation of concrete drain to proper channel wastewater from line-site. The mill and estates reviewed the environmental aspect and impact based on different activity yearly. Each activity will be rated according different impact such as land contamination, water pollution, air emission (gas and particulate).

	8.1.3	Maximizing recycling and minimizing waste or by-products generation. *Major*	Yes	Both estates noted continued to maximise and minimise their wastes. Among the practices observed: 3R initiative of recyclable wastes, i.e., glass, paper, aluminium and plastic; • re-use of fertiliser bag and wastewater from triple-rinsing. • Learnt that the wastewater from triple-rinsing collected and use for spraying. Biomass production such as fibre, shell and empty fruit bunch is available in Saremas 2 Mill. Most of the fibre and shell will be used for the renewable energy generation-steam turbine for the CPO production while the EFB will send to their own estate used for mulching. POME will be constructed with biogas plant
	8.1.4	Pollution prevention plans (C5.6). *Major*	Yes	Both estates continued to implement Pollution Prevention Plan [SGM PPP 01/(01)/0108] and Waste Identification and Mitigation Plan as noted of practices of: • periodical environmental impact / performance monitoring (EMR) conducted quarterly by independent consultant. • continued monitor river and drinking water quality. • continued re-use of fertiliser bag and wastewater from triple-rinsing. • continued implement 3R initiative. • continued disposed scheduled wastes and bio-degradable waste according to regulation and proper method respectively. Another new pollution prevention plan was installation of concrete drain to proper channel wastewater from linesites. Noted that the concrete drain had completed installed in Kongsi 58 (Baru), Kaminsky estate, meanwhile Segarmas estate is in the process to

				install. Gazetted CAPEX on the POME treatment, methane recovery and utilization shows the commitment of greenhouse gas emission reduction towards greener operation.
	8.1.5	Social impacts (C6.1). *Major*	Yes	A continuous improvement was the construction of a new labour line for the workers and their upkeep. Each unit of the labour line had been equipped with electricity and treated water supply. This had reduced the *E. coli* count in the supplied water. Proper sanitation facilities had also been provided. All the workers interviewed expressed happiness over the availability of these new facilities. Other improvements in the fields include greater awareness of workers on 3R's initiatives (i.e. reduce, reuse, recycle) as part of their work culture. Recycle bins had been placed at appropriate sites including at the sorting area at the landfill sites.
	8.1.6	A mechanism to capture the performance and expenditure in social and environmental aspects. *Minor*	No	EMR and periodical expenditure and budget among the key indicators of their environmental performance. Noted that Kaminsky and Segarmas estates had budgeted for replacing and upgrading existing water treatment plants to further improve drinking water quality as well as increase supply capacity. Evident of approved budget noted in the document titled 'Capital Expenditure Budget for the Year 2014'. Other environmental related performance includes monitoring of inventory of scheduled and recyclables wastes Nevertheless, noted that there is no means established to verify

				quantity of generated and re-used of triple-rinsed wastewater. Thus, NCR HO4 raised.

Module D – Segregation

PPB Oil Palms has the intention to extend its Saremas 2 POM scope from a mill which produces only MB certified product, to a mill which can produce both SG and MB. The assessor of SIRIM has incorporated the assessment of Supply Chain at Saremas 2 POM with the assessment of Saremas 1 Certification Unit. The Supply Chain assessment at Saremas 2 POM was conducted on 18/3/2014. The findings of the assessment are as follows:

Item No	Requirement	Findings
D.1 D.1.1	Documented procedures The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	
	Complete and up to date procedures covering the implementation of all the elements in these requirements	Procedure is available: SOP for Supply Chain and Traceability (SOP-MILL-023, Revision 2, 14/3/2014), where Revision 1 is dated 18/10/2011. The procedure covered both handling RSPO certified products under Segregation and Mass Balance models. The assessor however, was of the view that the procedure for producing CPO and PK using the Supply Chain's Segregation Model is not adequate. The procedure, did not adequately address the guaranteed minimum standard of 95 % segregated physical material during receiving, process, storage and dispatch. Therefore an NCR was assigned due to this lapse (NCR # VS 1).
	The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable	Saremas Mill Manager, has been appointed to be the person having overall responsibility for and authority over the implementation of the supply chain

	requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	requirements.
D.1.2	The facility shall have documented procedures for receiving and processing certified and noncertified FFBs.	Mechanism is stated in the procedure Clause 23.5.
D.2 D.2.1	Purchasing and goods in The facility shall verify and document the volumes of certified and non-certified FFBs received.	Saremas 2 POM would classify the FFB supplied from its own associated estates as certified FFB while those supplied from smallholders as non-certified. The volume of its suppliers' contribution is verified and documented on daily basis.
D.2.2	The facility shall inform the CB immediately if there is a projected overproduction.	Saremas 2 POM has yet to make claim for RSPO certified product under Segregation Model.
D.3 D.3.1	Record keeping The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.
D.3.2	Retention times for all records and reports shall be at least five (5) years.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.
D.3.3	The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.
D.3.4	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/SG or Segregated. The supply chain model used should be clearly indicated.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.
D.4 D.4.1	Sales and good out The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: The name and address of the buyer; The date on which the invoice was issued; A description of the product, including the applicable	NA

	supply chain model (Segregated) The quantity of the products delivered; Reference to related transport documentation.	
D.5 D.5.1	Processing The facility shall assure and verify through clear procedures and record keeping that the RSPO certified palm oil is kept segregated from non certified material including during transport and storage and be able to demonstrate that is has taken all reasonable measures to ensure that contamination is avoided. The objective is for 100 % segregated material to be reached. The systems should guarantee the minimum standard of 95 % segregated physical material9; up to 5 % contamination is allowed.	Procedure was found not adequate. Refer to NCR raised under D.1.1 a).
D.5.2	The facility shall provide documented proof that the RSPO certified palm oil can be traced back to only certified segregated material.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.
D.5.3	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that: The crush operator conforms to these requirements for segregation The crush is covered through a signed and enforceable agreement	No outsourced activity.
D.6 D.6.1	Training The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Training has yet to be conducted on producing Segregation product.
D.7 D.7.1	Claims The facility shall only make claims regarding the use of or support of RSPO certified palm oil that are in compliance with the RSPO Rules for Communication and Claims.	No actual record yet since Saremas 2 has yet to have transaction of certified SG product.

Module E – Mass Balance

Item No	Requirement	Findings
E.1 E.1.1	Documented procedures The facility shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:	
	Complete and up to date procedures covering the implementation of all the elements in these requirements	Procedure is available: SOP for Supply Chain and Traceability (SOP-MILL-023, Revision 2, 14/3/2014), where Revision 1 is dated 18/10/2011. The procedure covered both handling RSPO certified products under Segregation and Mass Balance models.
	b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the facilities procedures for the implementation of this standard.	Saremas Mill Manager has been appointed to be the person having overall responsibility for and authority over the implementation of the supply chain requirements. Based on interview, he has an adequate knowledge regarding RSPO certification process.
E.1.2	The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Stated in SOP-MILL-023 (page 6) All Certified FFB come from PPB own estate and non-certified FFB come from big/small holder surrounding area. SPOM 2 had prepared “Quarterly Report of Incoming Sustainable Raw Material 2012” to monitor incoming certified and non-certified FFB. The report was sighted and found adequate.

E.2 E.2.1	Purchasing and goods in The facility shall verify and document the volumes of certified and non-certified FFBs received.	

Month	FFB Production (MT)	
	Own/Associate	Outsider
Mar 13	13,862.23	-
Apr 13	11,936.04	-
May 13	13,288.78	-
Jun 13	14,743.36	-
Jul 13	19,205.81	-
Aug 13	18,110.19	-
Sep 13	22,602.60	-
Oct 13	24,914.22	-
Nov 13	22,633.27	-
Dec 13	22,946.20	-
Jan 14	18,809.55	-
Feb 14	15,848.96	-
Total	218,901.21	-

The accompanying documents of delivery of FFB from the associate estates are FFB Dispatch and Weighbridge ticket. These documents are stamped “Product:

		CSPO MB" to indicate the FFB originated from certified plantation.
E.2.2	The facility shall inform the CB immediately if there is a projected overproduction.	No overproduction reported.
E.3 E.3.1	Record keeping The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these requirements.	SPOM 2 had maintained an up-to-date records and accessible. Documents sighted during the audit; • Training records • Incoming FFB • Outgoing of CPO and PK records • Production records
E.3.2	Retention times for all records and reports shall be at least five (5) years.	Para 23.10 of company's SOP (Retention table) All record and report regarding RSPO SCCS will be kept for 5 years (Para 10.0 of company's SOP).
E.3.3 a)	The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	SPOM 2 prepared its record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO & PK on monthly basis. Nonetheless, the mill can and has compiled the records every three monthly. The report was sighted and found to be adequate.
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.	There has been no CPO sold as RSPO certified CPO to the refinery. All the certified CPO was sold under other sustainable certification programme. The certified PK however was sold as RSPO certified PK. The kernel production was derived from the actual kernel extraction rate (KER) and updated in the mass balance account on daily basis. The mass balance accounting was verified by the assessor and found to be accurate.

c)	The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	From the verification of the Mass Balance accounting, all sales of certified PK were always done from positive stock.
E.3.4	The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated	The relevant documents such as delivery order (DO) and weighbridge ticket are stamped with the product description and the model used e.g. “PK/MB” for all the certified PK sent to the refinery at Bintulu.
E.3.5	In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourced activity.
E.4 E.4.1	Sales and good out The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information: a) The name and address of the buyer; b) The date on which the invoice was issued; c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance) d) The quantity of the products delivered; e) Reference to related transport documentation.	All sale activities will be conducted by Willmar/PPB Office based at Singapore. All goods (CPO and PK) will be sent to Bintulu Edible Oil Sdn Bhd or Bintulu Crushing Plant (part of Willmar/PPB group) for further processing. A Delivery Order were sighted and found all relevant requirements on E.4.1.

E.5 E.5.1	Training The facility shall provide the training for all staff as required to implement the requirements of the Supply Chain Certification Systems.	Latest training had been conducted regarding RSPO SC on 23/1/2014 by External Trainer [CSR Department (Sandakan)] entitle “ISCC & RSPO SCCS Training” and attended by SPOM 2 staff. Attendance list was sighted and training evaluation conducted to gauge staff knowledge. Training record was sighted. Base on interview the understanding of the staff was found to be adequate.
E.6 E.6.1	Claims The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	SPOM 2 has yet to make any claim.

4.0 Recommendation

Based on the evidences gathered during the audit, the assessment team had raised three (3) major and six (6) minor NCRs on the Saremas 2 CU against the requirements of the RSPO MYNI. The audit findings were presented to the Saremas 2 CU during the on-site closing meeting See **Attachment 3**.

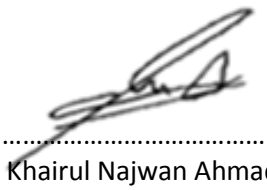
Saremas 2 CU had taken appropriate correction and corrective action to close all the Major NCRs. Therefore the Assessment Team Leader after consultation with team members recommends that certification of PPB Oil Palms Berhad - Saremas 2 Certification Unit against the RSPO MYNI:2010 be maintained.

5.0 Certified organizations Acknowledgment of Internal Responsibility and Formal sign-off of Assessment findings

I, the undersigned, representing Saremas 2 CU acknowledged and confirmed of the contents of this assessment report and findings of the assessment.

…….
Name:

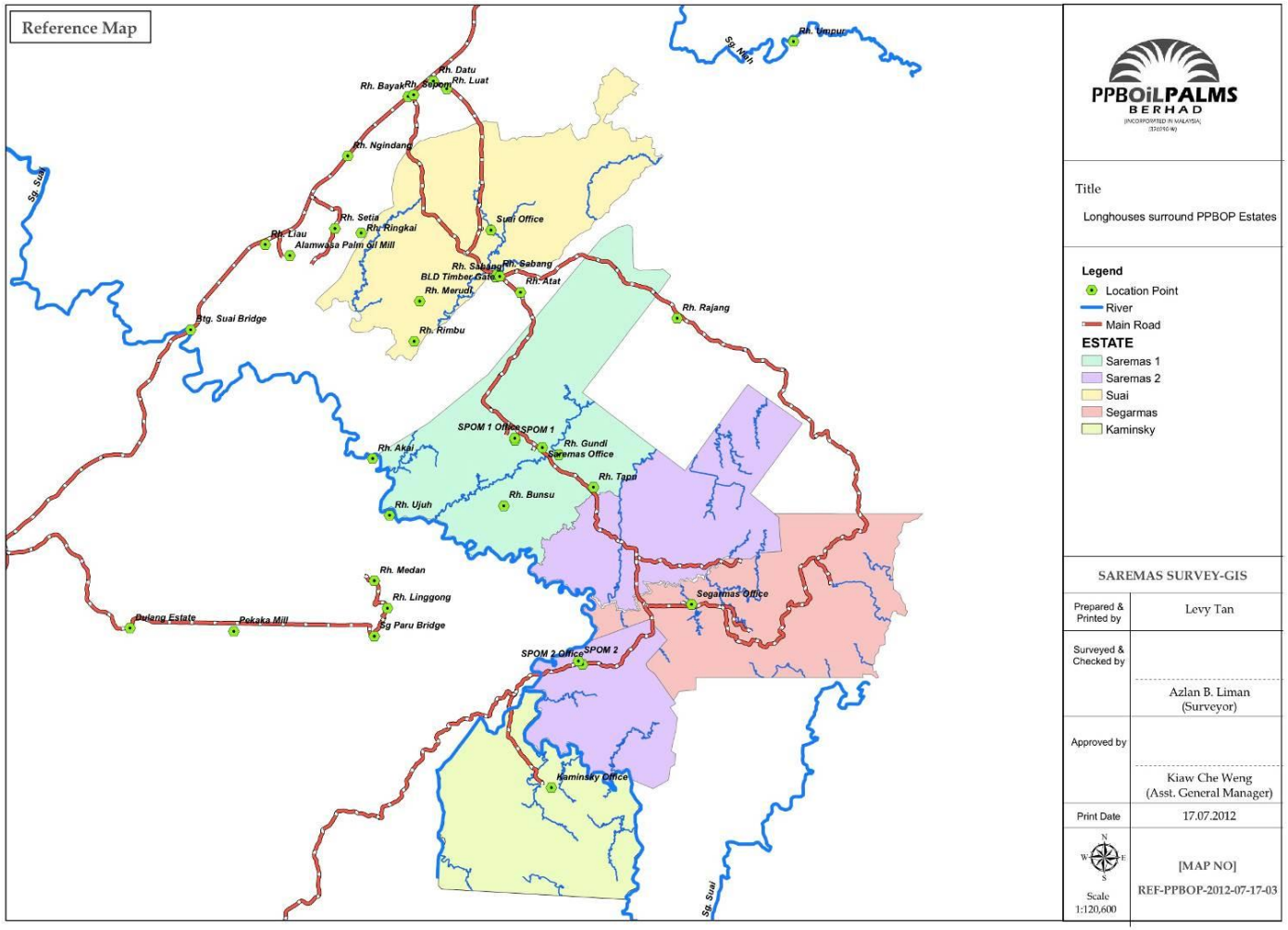
I, the undersigned, on behalf Sirim QAS International Sdn. Bhd. confirm confirmed of the contents of the assessment report and findings of the assessment.



…….
Name: Khairul Najwan Ahmad Jahari
(Lead Auditor)

Attachment 1

Map of Saremas 2 CU



Attachment 2

Audit Plan

Day one: 24 March 2014 (Monday)

Activities /areas to be visited	Hidhir	Najwan	Hazani	Selva	Auditee
	Flight from KL to Miri 8.30am - 10.45am MH2592				Guide/PIC
1400-1430	Opening Meeting at Saremas 2, audit team introduction and briefing on audit objectives, scope, methodology, criteria and programmes* by audit team leader				Top mgmt & Committee Member
1430-1500	Briefing on the organization implementation of RSPO (including action taken to address main assessment findings)				Management Representative
1500-1700	Site visit and assessment at **Saremas 2 POM** relating to Good Milling Practices, occupational safety and environmental issues Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at **Segarmas Estate** relating to local community issues such as EIA, SIA and management plans Assessment on related Indicators of P1, P2, P4, P5, P8	Site visit and assessment at **Kaminsky Estate** relating to estates boundary, HCV, and management plan Assessment on related Indicators of P1, P2, P4, P5, P8	Site visit and assessment at **Segarmas Estate** relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Guide/PIC

Day two: 25th March 2014 (Wednesday)

Activities /areas to be visited	Hidhir	Najwan	Hazani	Selva	Auditee
0900-1300	Site visit and assessment at **Saremas 2 POM** on Environment and Occupational Safety Issues; • Administration department • Facilities at workplace (rest area, etc) • Dispensary	Site visit and assessment at **Segarmas Estate** on responsible social considerations Assessment on related indicators of P1, P2, P3, P6, P8	Site visit and assessment at **Kaminsky Estate** relating to Environmental issues Assessment on related Indicators of P1, P2, P4, P5, P8	Continue assessment at **Segarmas Estate** relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Guide/PIC

	• Chemical store • Workshop Assessment on related Indicators of P1, P2, P3, P4, P5, P8				
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day three: 26th March 2014 (Thursday)

Activities /areas to be visited	Hidhir	Najwan	Hazani	Selva	Auditee
0900-1300	Site visit and assessment at **Kaminsky Estate** on Occupational Safety Issues; • Administration department • Facilities at workplace (rest area, etc) • Dispensary • Chemical store • Workshop Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at **Saremas 2 POM** on responsible social considerations Assessment on related indicators of P1, P2, P3, P6, P8	Site visit and assessment at **Segarmas Estate** relating to estates boundary, HCV, management plan and Environmental issues Assessment on related Indicators of P1, P2, P4, P5, P8	Continue assessment at **Kaminsky Estate** relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Guide/PIC
1300-1400	Lunch Break				
1400-1700	Continue assessment	Continue assessment	Continue assessment	Continue assessment	Guide/PIC

Day four: 27th March 2014 (Thursday)

Activities /areas to be visited	Hidhir & Manogaran	Najwan	Hazani	Selva	Auditee
0830-1200	Site visit and assessment at **Saremas 2 POM** relating to Good Milling Practices, occupational safety and environmental issues Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Site visit and assessment at **Kaminsky Estate** relating to local community issues such as EIA, SIA and management plans Assessment on related Indicators of P1, P2, P4, P5, P8	Site visit and assessment at **Segarmas Estate** relating to estates boundary, HCV, management plan and Environmental issues Assessment on related Indicators of P1, P2, P4, P5, P8	Site visit and assessment at **Kaminsky Estate** relating to Good Agricultural Practice Assessment on related Indicators of P1, P2, P3, P4, P5, P8	Guide/PIC
1200-1300	Lunch Break				
1300-1600	Audit Team Discussion, preparation on audit findings and issuance of NCR (if any)				
1600-1700	Closing Meeting				Top mgmt & Committee Member

Day five: 28 Mar 2014 (Friday)

Activities /areas to be visited	Hidhir	Najwan	Hazani	Selva	Auditee
	Flight back to KL 11.25am - 1.35pm MH2591				Guide/PIC

*Note: The assessor of SIRIM (Mr. Valence Shem) has incorporated the assessment of Supply Chain at Saremas 2 POM with the assessment of Saremas 1 Certification Unit. The Supply Chain assessment at Saremas 2 POM was conducted on 18/3/2014

Attachment 3

Detail of Non conformity and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Indicator **2.1.1** NCR #: MH-2	Major Area/Location : Segarmas and Kaminsky Estates and Saremas 2 POM	Indicator 2.1.1 : Evidence of compliance with legal requirements **i) Environment Quality Act 1974, Section 49A** – Competent Person for Management of Scheduled Waste and operation of control equipment (ETP and air pollution control equipment) ii) **Scheduled Waste Regulations 2005** – Regulation 9(5)(a): Storage of schedule waste < 180 days. iii) **EQA 1974, Clean Air Regulations 1978** – Section 36 : written approval liquid fuel consumption > 15kg/hr, evident of measurement of black smoke emitted from gensets not exceeding legal requirement. iv) **NADOOPOD 2004** – Reporting of occupational disease & **USECHH Regulations 2000** – Medical Removal Protection v) **Poison Regulations 1952 – Section**	Legal register not been updated effectively. Some of the compliances which were updated were ignorant by many staff personal and unaware of these clauses Immediate actions by organizing regular meetings & internal audits and providing checklist to ensure compliance will be made available latest by August 2014	i) Plan for competent person training – CepSWAM and nominated personnel from Saremas Plantation was verified ii) SW Management notes referred; - Agrochemical Container sent to DOE appointed contractors - Schedule Waste sent to License approved DOE contractors iii) Appointed of consultant Enviro Safe Consulting services verified iv) Verified P.O. of Consultant for audiometric dated 26 May 14. Full report to be verified in the next audit v) Noted the JD for Medical Assistant & VMO. Verified poison list verified by VMO Status: Closed

		24(2) : Supply of poison for use in hospitals etc – written order signed by registered medical practitioner i) No competent operator available for air pollution control equipment and schedule waste manager at Saremas POM and Kaminsky and Segarmas Estate ii) Scheduled wastes SW 408, SW 417, SW 102 (Kaminsky) and SW 305, SW 404, SW 409 (Ally used agrochemical container) (Segarmas) found stored more than allowed period as specified in the Regulation 9(5) of scheduled waste regulation. iii) No evident that Kaminsky and Segarmas comply with condition specified in their respective 'Kelulusan Bertulis Alat Pembakaran Bahanapi' concerning emission of black smoke from genset. iv) No further action taken for hearing impairment cases in Saremas 2 POM. Total of 52 workers reported with hearing impairment. Furthermore, there was no evidence of JKKP 7 sent to DOSH for the occupational disease issues. v) Poison list order was not signed and approved by VMO upon written order at Saremas 2 Clinic.		

Indicator **2.1.4** NCR #: MH-1	Minor Area/Location : Saremas 2 POM	Indicator 2.1.4 – A system for tracking any changes in the law No changes and updates incorporated in the (Register of Legal and Other Applicable Requirement) at all operating units. Legal register was not updated with regards to i) Environment Quality Act 1974, 49A on competence person (amendment 2012) ii) CLASS(Classification, Labelling and Safety Data Sheet) Regulation 2013 iii) Medical Assistant Act 1977 iv) 'Kelulusan Bertulis Alat Pembakaran Bahanapi', Environmental (Prescribed Activities) Order, 1994, EIA Approval (27/10/97), EQ (Sewage), 2009. v) Terms and Condition of Approval in Accordance with the Provision of the Natural Resources and Environmental (Prescribed Activities) Order.	To include the relevant laws in the legal register. Law compliance audit will be beef- up to detect any incompliance.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted

Indicator **2.2.3.1** NCR #: HO-1	Minor Area/Location : Segarmas Estate	Indicator 2.2.3.1: Evidence that boundary stones along perimeter adjacent to the state land and other reserves are being located and visibly maintained. Findings: Boundary peg and marking of riparian buffer were not visibly maintained. The boundary peg and marking of riparian buffer were not visibly maintained at Block 0401/0402 and Block 0003 (069) of Segarmas Estate respectively.	To erect the boundary pegs and mark up the riparian zone. Estate / HCV team to monitor and maintain the riparian and boundary marking at all time.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted
Indicator **4.1.1** NCR #: STK-1	Major Area/Location : Segarmas and Kaminsky Estates	Requirement: Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored. Indicator: 4.1.1 Documented Standard Operating Procedures (SOP) for estates and mills 1. SOP on spraying palm circles and harvesting paths as per Tables 6.2.1 and 6.2.4, on radius of palm circle and width of path, in the Wilmar International Limited Agricultural Manual & SOP for Oil Palm was not complied with. 2. Planting of Beneficial Plants as per Table	Lack of supervision by the new employed staff. Training will be provided to all new staff to ensure adherence of Agriculture Manual & SOP.	Training to avoid over spraying was conducted for a total of 12 sprayers on 27 March 2014 and 7 April 2014. The training included on the control spraying lance swing, to spray circles to a radius of not more than 2.5m, path to a width of 2.5m and to avoid spraying in sandy soil areas where vegetative is poor. Evidence provided were attendance sheets of sprayers and photograph. Nurseries have been established for beneficial plants as evident in photograph provided and planting program for 2014 has been provided along with map of areas planted

		8.10: Cultural Control Method in the Wilmar International Limited Agricultural Manual & SOP for Oil Palm was not complied with. 1. During the site review in Block 9411 in Segarmas Estate and Block 9718 in Kaminsky Estate it was observed that the sprayers were swinging the spraying lance more than the required swing width resulting in spraying more than the required radius of palm circles and width of paths. 2. In Kamisky Estate records indicate that no Beneficial Plants were planted after 2011. Not many Beneficial Plants were also observed during the visit.		Status: Closed
Indicator **5.1.2** NCR #: HO-2	Minor Area/Location : Segarmas and Kaminsky Estate	Indicator 5.1.2: Environmental improvement plan to mitigate the negative impacts and promote the positive ones, is developed, implemented and monitored. Ineffective method of mitigation of contaminated water observed, which has resulted land pollution and possible to lead to watercourse pollution. There are evident of not effective method of mitigation of contaminated water at	To construct and maintain a more effective sedimentation pit for the all worker' housing as discussed.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted

		Kaminsky's Kongsi Baru (Sedimentation Pit) and Segarmas's Phase 1 (Backyard).		
Indicator **5.3.2** NCR #: HO-3	Minor Area/Location : Segarmas and Kaminsky Estate	Indicator 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid and reduce pollution. Few environmental aspects and impacts missed been identified and evaluated. There were no environmental aspect and impact identified and evaluated concerning sewerage, wastewater, and triple rinsing at Kaminsky and Segarmas.	To identify and evaluate the concerning sewerage, wastewater, and triple rinsing in EAI.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted
Indicator **6.5.3** NCR #: KN-1	Minor Area/Location : Segarmas and Kaminsky Estate	Requirement: Indicator 6.5.3: Growers and millers provide adequate housing, water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). • Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) – Section 23 (2) - Weekly inspection of workers' housing	Produce housing inspection check-list. Staff in-charge to conduct the weekly inspection with the check-list and submit to the MA for recommendation. Estate/Mill PIC to review and approve the recommendation. Carry out the weekly inspection continuously.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted

		Weekly inspection of workers' housing was not conducted The latest inspection of workers' housing at Segarmas Estate and Kaminsky Estate was conducted on 24 January 2014 and 10 December 2013 respectively. Inspection of workers' housing at both estates was not conducted on weekly basis as required (Section 23(2)).		
Indicator **8.1.6** NCR #: HO-4	Minor Area/Location : Segarmas and Kaminsky Estate	Requirement: Indicator 8.1.6: A mechanism to capture the performance and expenditure in social and environmental aspects. No performance record of verified quantity of triple-rinsed wastewater generated and re-used at Kaminsky and Segarmas	To verify and record the quantity of triple rinsed water being generated and reused. Maintain a record book of the rinsed water.	The action plans was found to be acceptable but the effectiveness of its implementation needs to be verified in the next surveillance audit. Status: accepted
RSPO Supply Chain Standard Clause D.1.1 (a)	Major Area/Location : Saremas 2 POM	**RSPO Supply Chain Standard Clause D.1.1 (a)** Complete and up to date procedures covering the implementation of all the elements in these requirements. Procedure for producing CPO and PK using the Supply Chain's Segregation Model is not adequate.	Immediately action by reviewing the SOP for Supply Chain and Traceability 9SOP-MILL-023, Rev.2, 14/3/14	The supply chain procedure had been revised to include the mechanism to guarantee minimum of 95% segregated physical material during receiving, process, storage and dispatch. The changes can be read in the latest procedure (SOP-MILL-023, Rev.3, dated 10/6/2014), Clause 23.5

NCR #: VS-1		The Supply Chain procedure [**SOP for Supply Chain and Traceability (SOP-MILL-023, Revision 2, 14/3/2014)**] at Saremas 2 POM, was found to be not adequate to address the guaranteed minimum standard of 95 % segregated physical material during receiving, process, storage and dispatch.		Status: Closed

Attachment 4

Verification on Previous Surveillance Audit Findings

P & C, Indicator	Classification Major/Minor	Detail Non-conformances	Corrective Action Taken	Verification by Assessor
Criterion 2 Indicator 2.1.1	Major	: Non-compliance to legal requirement **The Electricity (Amendment) Ordinance, 2003 (Cap A109) – Section 4 (5)** ; License is required for generation of electricity exceeding 5kW There was no license obtained for the generation of electricity for - 50 kVA and 3 unit of 75 kVA genset at Kaminsky Estate - 2 unit of 400 kVA and 187.5 kVA genset at SPOM2 - 100 kVA and 62.5 kVA genset at Saremas 2 Estate **Factory & Machinery (Person In Charge) Regulation 1970 - Regulation 6(3)** (Requirement for >100hp ICE) There was no competent person (1st Grade ICE driver) in-charge for the greatest horsepower 400kVA /320kW /430hp genset at SPOM2 **Factory & Machinery (Noise Exposure) Regulation 1989 - Section 10;** Positive employee exposure monitoring was not conducted within a period of 6 month after additional noise monitoring taking place.	To apply license for the operation of the said genset. To send candidate to sit for 1st grade ICE driver. This can only be done after the candidate who now hold a 2nd grade ICE driver certificate serve as 2nd grade driver for more than 18th month period. To conduct the positive employee exposure monitoring and baseline	Application letter to Ministry of public Utilities (MPU), Sarawak has been submitted on 11/6/13. Total of 25 unit of genset with more than 5 kW of power has been listed for the license application. Correspondence with MPU was verified. **NCR status: closed.** Application letter to DOSH dated 21/4/2013 for 1st grade and 2nd grade ICE driver examination with total of 17 candidates for all the estates and mill. Status of compliance was verified **NCR status : closed** Global Green OSH Service Sdn Bhd has been appointed for the audiometric consultant for this term. Sighted work order (M2 00330) dated 21/6/13 under Saremas Sdn Bhd.

		Additional noise monitoring was last conducted on March 2011. **Section 21**; No valid baseline audiogram for all employees at SPOM2. **Environment Quality(Scheduled Waste) Regulations 2005 - Regulation 6** ; Scheduled waste SW 409 Was stored more than 180 days (or 20 tons) without approval from DOE.	audiogram **The** SW 409 to be disposed by approved Scheduled waste contractor. To conduct schedule waste handling training to all person in charge.	**NCR status : closed** Wasteway (M) Sdn Bhd has been appointed as a disposal contractor for the said SW. Copy no.2 of 6th consignment to DOE has been submitted on 23/4/13. Verified signed copy of consignment and list of SW to be disposed. Scheduled waste training has been carried out on 26/4/13 for SW PIC at the estates and mill. Training module has been sighted from identification, storage and disposal. **NCR status: closed**
Criterion 5 Indicator 5.1.1	Major	The documented aspects and impacts and impacts risk assessment was not adequately reviewed and updated. The EAI did not adequately covered activities at mill and estates such as : i) Biomass waste management for EFB and decanter cake at SPOM2 (for normal, abnormal and emergency situation) ii) Scheduled waste handling and storage. (i.e. Transportation of waste to centralized storage – Saremas 2 estate) iii) Water treatment plant for treated water and water catchment area management for surface water	To review and revise the EAI for : - Biomass waste management (EFB & Decanter Cake). - Schedule waste handling and storage - Water treatment plant & water catchment area management surface water.	EAI for biomass (EFB and Decanter Cake), Schedule waste handling and storage, water treatment plant has been identified and evaluated. Those activities have been included in the EIA register. EMSP (environmental management system procedure)/mitigation method/ SOP has been updated accordingly. Verified EMSP 17 (schedule waste), EMSP 43(water treatment plant) EMSP 1-2 MIT/SOP (waste management) **NCR status : closed**

Criterion 5 Indicator 5.1.2	Minor	Environmental improvement plan to mitigate the negative impacts was not developed for water quality monitoring activities and biomass waste management. i) Several occasion on off limit parameter on NWQS class IIB sighted in the EMR for water monitoring done by ESI The was no improvement plan/ management plan to mitigate the negative impact (quarterly results) for total coliform count, total feacal coliform and COD; ii) Results on treated water results 1st half and 2nd half of 2012 exceeded WHO drinking water standard. iii) Over dumping of EFB and decanter cake at SPOM2 which leads to emission of GHG and leachates to the nearby monsoon drain. There was no improvement plan being developed for the current situation.	A mitigation plan will be drawn –up and implementation of the mitigation plan to be carry out. EFB and decanter cake storage area to be secure by building containment structure. This to prevent leachates. To coordinate with estate for transporting out the EFB to the estate.	Mitigation plan was verified. EFB leachate bund has been constructed. **NCR status : closed**

Attachment 5

Detail of Issues Raised by Stakeholder

In a recent exercise by RSPO in analyzing historical land use change (LUC) for RSPO Certified Units, we have discovered areas where deforestation and degradation took place after 2005 according to the studies. These are the certified units of which the assessments were carried out by SIRIM.

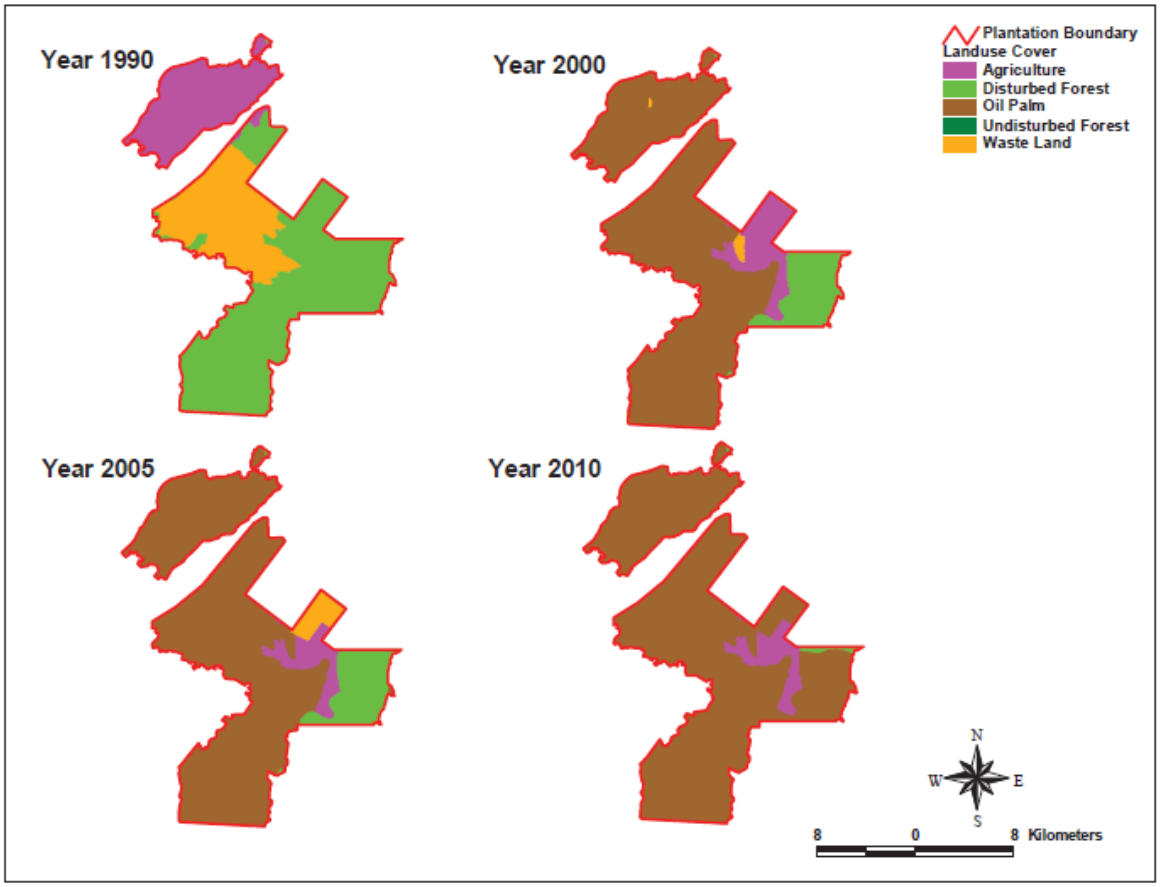
Certification Unit	Deforestation/ Degradation from 2005-2010
PPB Saremas 2 POM	2,591 ha of degradation

According to RSPO P&C Indicator 7.3.1, "*There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005...*", and failure to comply with this indicator will trigger a major non-compliance.

Therefore, I would like to seek your immediate attention in this matter, and investigate further the fact of deforestation identified in this LUC studies. If deforestation has indeed taken place after Nov 2005 for the certified units, please clarify as how can these major non-compliances be addressed while the units remain certified?

Note: Degradation means degradation of disturbed forest to non-forest landscape such as oil palm, agriculture, or waste land.

PPB Saremas 2 POM



Landuse Change	Timeframe		
	1990 to 2000	2000 to 2005	2005 to 2010
	(ha)	(ha)	(ha)
Agriculture to Oil Palm	5,668.54		0.72
Agriculture to Waste Land	81.53		
Disturbed Forest to Agriculture	92.02	2,106.27	
Disturbed Forest to Oil Palm	9,185.85	58.27	2,591.58
Disturbed Forest to Waste Land	207.55		
Waste land to Oil Palm	6,574.37	289.08	
Oil Palm to waste land			13.97
Total (ha):	21,809.85	2,453.62	2,606.26
Landuse Change Index (Ha/year)	2,181.0	490.7	521.25

Landuse Change Index from 1990 to 2010	**1,343.49**	**ha/year**

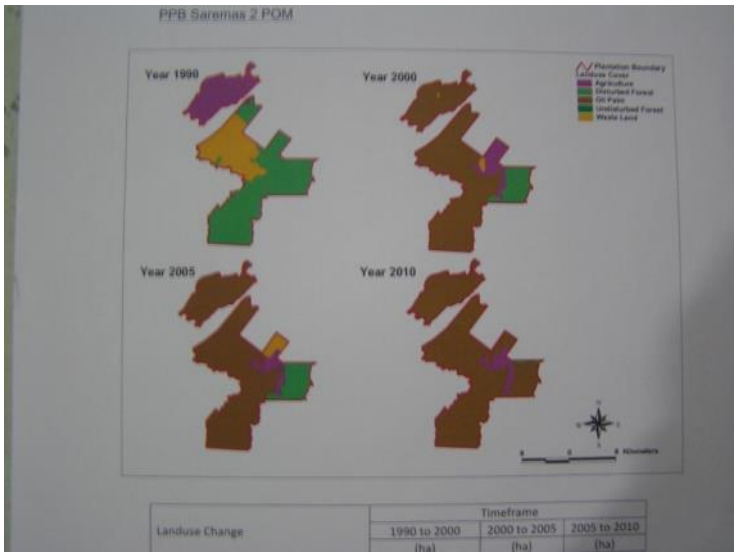
Comments by Auditors'

Verification report of deforestation/degradation from 2005 -2010 on 2591 ha in PPB Oil Palms Berhad, Saremas 2 Certification Unit

The verification audit was conducted on 28 Feb – 1 March 2014 by a Mr. Selvasingam T Kandiah (Auditor) with the full cooperation of the PPB Oil Palms Berhad, Saremas 2 Certification Unit. The main objective of the audit was to inspect and verify the comment received from the RSPO Secretariat

The area in question, marked in green colour in the map Year 2005 (Map 1) , which will be referred to as 'Green area' henceforth, is confirmed to be in Segarmas Plantation Sdn Bhd in PPB Saremas 2 POM (Map 2).

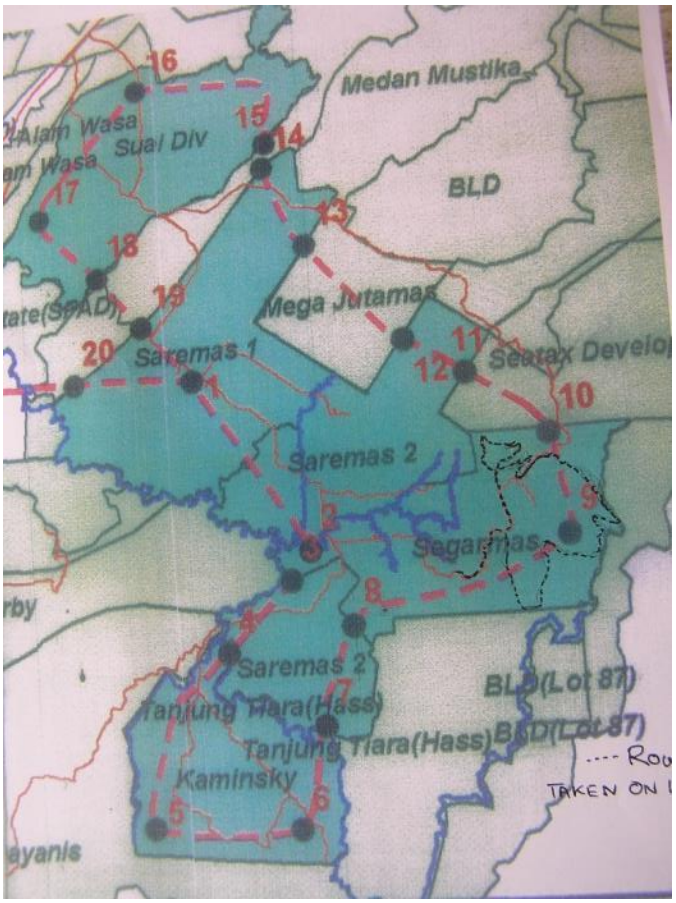
Map 1 – Area coloured in the year 2005 is the area in question.



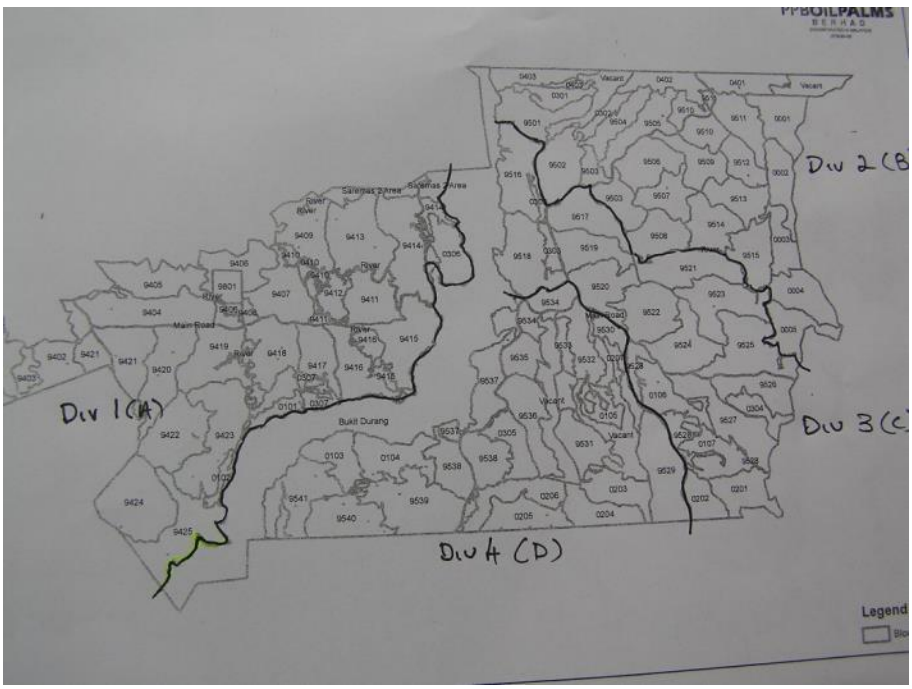
The total land area in Segarmas is 4727 Ha as per grant No.04-LCLS-030-039-00001 dated 6th July 1999. Of this area 3339Ha have been planted with Oil Palm.

The estate is divided into 4 Divisions, Division 1 (A), Division 2 (B), Division 3 (C) and Division 4 (D) (Map 3). The total area of each division though cannot be ascertained here, the planted areas are 1092 Ha, 816 Ha, 728 Ha & 703 Ha respectively. The green area is entirely in Divisions 2, 3 &4 with a total planted area of 2247Ha.

Map 2 – Green area is Segarmas plantation with Field visit route indicated in Black dotted line



Map 3: The 4 Divisions in Segarmas



Though retrospective fields maps were not available, retrospective data on Area Statements and Summary of Crop were made available to the auditor. For this report sampling on data was done for alternate years starting from 2005.

Based on the Area statements, the whole of Segarmas Plantation was planted with Oil Palm between the years 1994 and 2006. As per the area statement for 2013, 994 Ha were planted in 1994, 1600 Ha in 1995, 13 Ha in 1998, 157 Ha in 2000, 169 Ha in 2001, 176 Ha in 2002, 127 Ha in 2003, 79 Ha in 2004 and 24 Ha in 2006 (Table 1).

In 2006, only 24 Ha were planted in Division 1 which is not in the green area. While in the green area, which is Divisions 2, 3 & 4, there was no clearing/plantings carried out after 2005. The last planting was in 2004 (refer table 3).

Table 1: Area Statement for the whole of Segarmas Plantation

	YEARS				
Plantings	2005	2007	2009	2011	2013
1994NP	1,089	1,089	1,089	993.73	993.73
1995NP	1,737	1,737	1,737	1,599.73	1,599.73
1998NP	15	15	15	13.40	13.40
2000NP	174	174	174	157.52	157.52
2001NP	185	185	185	168.83	168.83
2002NP	194	194	194	175.98	175.98
2003NP	140	140	140	126.71	126.71
2004NP	90	88	88	79.28	79.28
2006NP		33	33	23.81	23.81
Total Planted Ha	3,622	3,655	3,655	3,338.99	3,338.99
Housing Site	14	14	14	17.97	17.97
Main Roads & Drains	17	17	17	323.55	17.00
Field Roads					306.55
Bukit Durang (HCV)				474.68	474.68
River	20	20	20	16.44	16.44
Steep/Stone	608	608	608		504.99
Riparian Zone				50.38	50.38
Swamp	57	57	57		
Ravine	124	124	124		
Vacant	265	232	232		
Vacant/Steep Hill etc				504.99	504.99
Total Unplanted	1,105	1,072	1,072	1,388.01	1,388.01
Estate Total Ha	4,727	4,727	4,727	4,727.00	4727.00

The fact that Segarmas Plantation was planted between 1994 & 2006 is further supported by crop summary data as shown in Table 2.

Table 2: Crop Summary: Total Yield &Yield/Ha in Metric Tons for the whole of Segarmas Plantation.

	YEARS									
Plantings	2005*		2007 *		2009		2011		2013	
1994NP	23,048.17	21.16	21,981.03	20.18	26,613.05	24.44	26,795.16	26.96	23,868.08	24.01
1995NP	28,729.39	16.54	27,848.80	16.03	34,521.80	19.87	37,174.83	23.23	35,078.04	21.92
1998NP	454.36	30.29	373.87	24.92	472.96	31.53	496.66	38.20	478.74	36.83
2000NP	2,884.77	16.58	3,150.10	18.10	3,343.11	19.21	3,702.75	23.44	3,605.93	22.82
2001NP	1,775.03	9.59	2601.69	14.09	2,980.57	16.14	3,240.02	19.17	3,604.09	21.33
2002NP	656.50	6.57	2270.12	11.68	2,670.08	13.74	2934.35	16.67	3,152.10	17.91
2003NP			958.33	6.83	2,224.31	15.84	2,737.44	21.55	2,072.81	16.32
2004NP			307.22	3.49	1,029.79	11.70	1,381.03	17.48	1,274.44	16.13
2006NP					267.85	8.12	298.94	12.46	376.21	15.68
Scout Harvesting	99.81	1.06								
	57,648.03	17.47	59,491.16	16.83	74,123.52	20.28	78,761.17	23.59	73,510.44	22.02

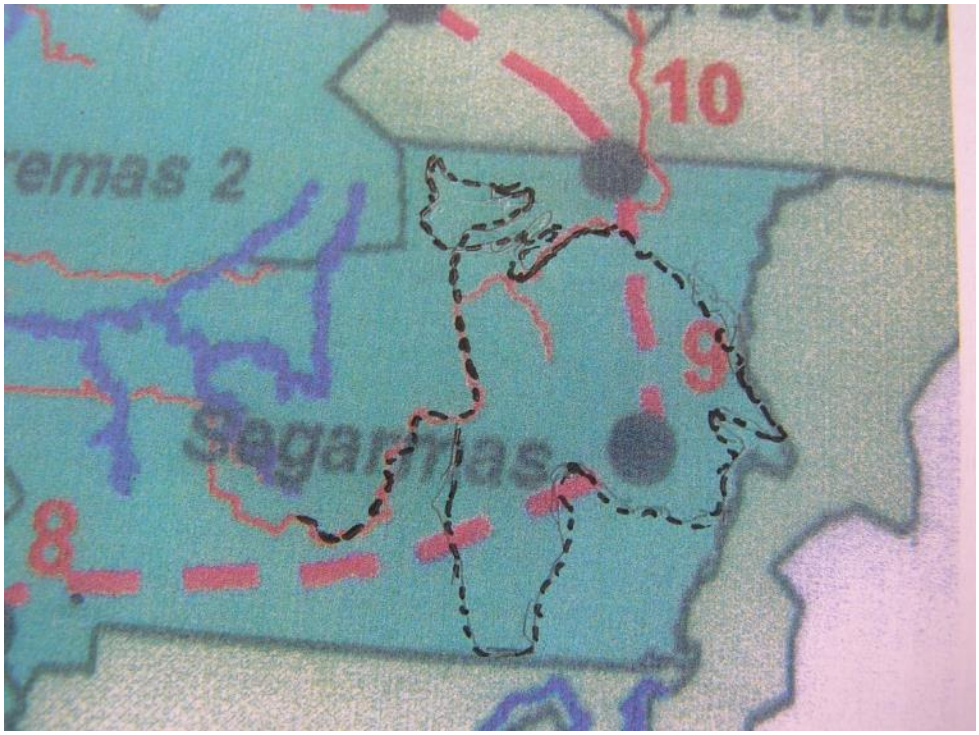
**Till Nov 2005*,

Table 3: Year of Planting, Hectare, FFB Yield & Yield/Ha for the 2013 by Divisions

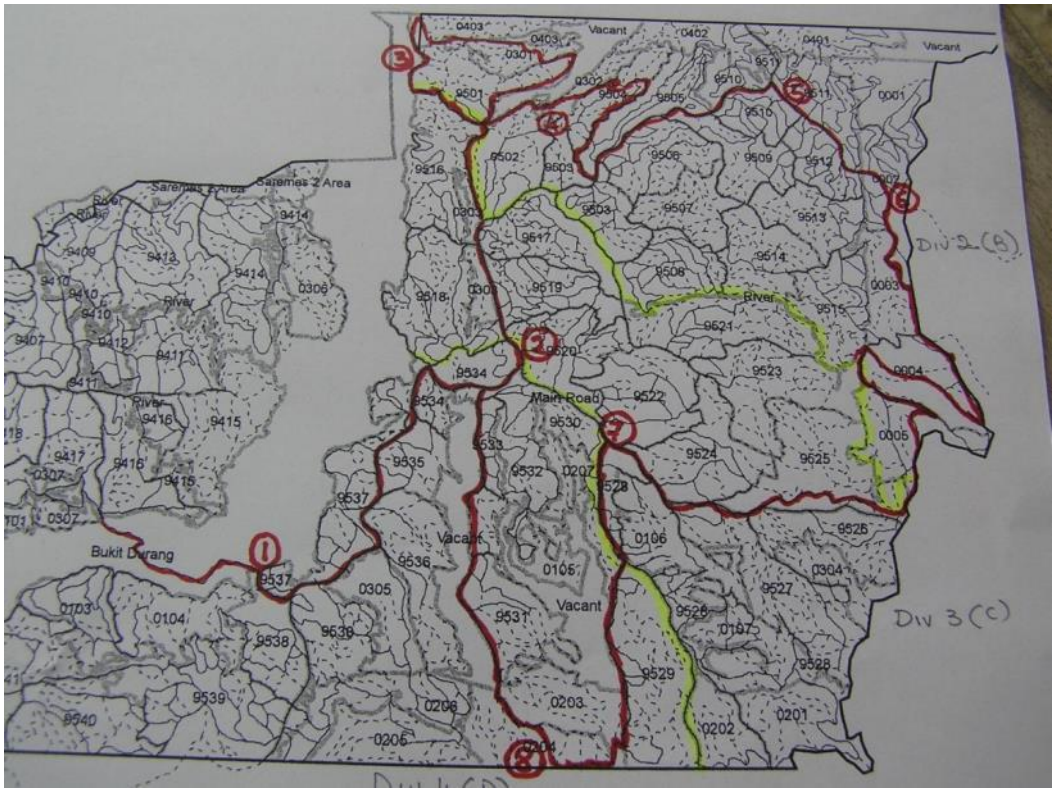
		PLANTINGS								
		1994NP	1995NP	1998NP	2000NP	2001NP	2002NP	2003NP	2004NP	2006NP
D1	Ha	993.73		13.40		16.03		44.95		23.81
	Yld	23868.08		478.74		293.93		565.33		376.21
	Y/ha	24.02		35.73		18.34		12.58		15.80
D2	Ha		545.24		157.52			34.45	79.28	
	Yld		11273.06		3605.93			736.58	1274.44	
	Y/ha		20.68		22.89			21.38	16.08	
D3	Ha		577.09			62.07	57.78	30.57		
	Yld		11690.13			1422.60	1175.85	500.38		
	Y/ha		20.26			22.92	20.35	16.37		
D4	Ha		477.40			90.73	118.20	16.74		
	Yld		12114.85			1887.56	1976.25	270.52		
	Y/ha		25.38			20.80	16.72	16.16		

A field visit to the green area on 1st March 2014 confirmed that the plantings in the field concurs with the field map provided to the auditor. The route taken during the visit covered all 3 Divisions in the green area as shown in the Map 4 & 5). Photographs were taken at eight (8) points and attached. No young palms were sighted.

Map 4: Field map showing route taken during field visit on 1st March 2014



Map 5: Close up of route taken during field visit on 1st March 2014



Photographs taken at the 8 points as indicated on Map 5 are as follows.



Photograph at Point 1 (1995 Planting)



Photograph at Point 3 (2004 Planting)



Photograph at Point 2 (1995 Planting)



Photograph at Point 5 (1995 Planting)



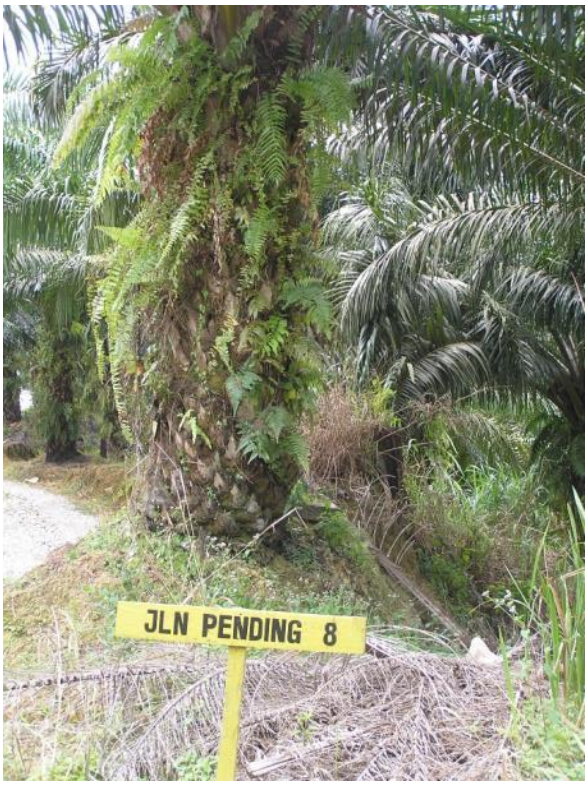
Photograph at Point 4 (2003 Planting)



Photograph at Point 6 (2002 Planting)



Photograph at Point 7 (1995 Planting)



Photograph at Point 8 (1994 Planting)

Conclusion:

Based on the following points:

1. The area statement shows that the whole of green area was planted between the years 1995 and 2004.
2. The FFB crop summary data supports the same.
3. The crop summary data for November 2005 shows that the FFB yield/Ha for even the 2002 plantings had already reached 7.63 metric tons.
4. The field visit to the green area on 1st March 2014 confirmed that the plantings in the field concur with the field map.

The whole of the green area was planted between the years 1995 and 2004 and that there is no evidence to show that deforestation had indeed taken place after Nov 2005 in the green area.

End of Public Summary