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RSPO PRINCIPLES & CRITERIA CERTIFICATION REPORT

Public Summary Information

Project Number:	MY 02410	Certificate No.:	SGS-RSPO/PM-00792
		Validity Period:	12 Sept 2011 – 11 Sept 2016
Report Ref. No.:	MY02410 Boustead Sg Jernih Production Unit SA2014 12	RSPO Membership No.:	1-0012-04-000-00
Client Name:	Boustead Rimba Nilai Sdn Bhd (346457-W)	Website:	www.boustead.com.my
Scope:	Production of FFB within an area of 6,847.00 ha and CPO at Sg. Jernih Palm Oil Mill with capacity of 30MT/hour by using IP module.		
Type of Certificate Holder:	INDIVIDUAL		
Number of Mill:	One	Number of Sites:	Three
Mill Capacity:	30MT/Hour	Annual CPO Produced (MT):	20,394 mt
Address:	Head Office 11h Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia Mill Address Kilang Kelapa Sawit Sungai Jernih Wakil Pos Paloh Inai 26650 Pekan, Pahang Malaysia	Contact Person:	Name: Mohammad Tarmizi Taufek Position: Contact No.: 03-2145-2121 Email: tarmizi.bea@boustead.com.my
Country:	Malaysia		
Plantation Unit Being Evaluated:	Supply Base Name <ul style="list-style-type: none"> • Sungai Jernih Estate • Bebar Estate • Tabung Tentera Terengganu Estate 	Total Certified Area (Ha):	6,847.00
		Total FFB (MT) Projection (2015):	106,300.00
		Total FFB (MT) Actual (2014)	96,217.72
		Total CPO (MT) Projection (2015):	24,449
		Total CPO (MT) Actual (2014)	23,757
		Total PK (MT) Projection (2015):	3,721
Total PK (MT) Actual (2014)	3,093		

End of Public Summary

SGS services are rendered in accordance with the applicable SGS General Conditions of Service accessible at <http://www.sgs.com/en/Terms-and-Conditions.aspx>

BASIC EVALUATION INFORMATION

MAIN EVALUATION			
Evaluation Dates:	21 – 25 March 2011		
Team Leader/Team:	Salahudin Yaacob / Abdul Haye Semail & James S H Ong		
Affiliate Project Manager:		Date:	
Report approved by:	N.A	Date:	
Certification approved by:	N.A	Date:	
Database logged by:	N.A	Date:	
SURVEILLANCE 1			
Evaluation Dates:	07-10 August 2012		
Team Leader/Team:	James S H Ong & Abdullah Din		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Haye Semail	Date:	10 Sep 2012
Certification approved by:	Kenny Looi	Date:	12 Sep 2012
Database logged by:	Othman Shahziela	Date:	11 Sep 2012
SURVEILLANCE 2			
Evaluation Dates:	20-22 August 2013		
Team Leader/Team:	Haye Semail / Faisal Jaafar		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Abdullah Din	Date:	21 Sep 2013
Certification approved by:	Kenny Looi	Date:	22 Sep 2013
Database logged by:	Othman Shahziela	Date:	22 Sep 2013
SURVEILLANCE 3			
Evaluation Dates:	21-23 July 2014		
Team Leader/Team:	Abdul Haye Semail / Faisal Jaafar & James S H Ong		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Abdullah Din	Date:	22 Aug 2014
Certification approved by:	Kenny Looi	Date:	28 Aug 2014
Database logged by:	Othman Shahziela	Date:	28 Aug 2014
SURVEILLANCE 4			
Evaluation Dates:	22 – 24 July 2015		
Team Leader/Team:	James Ong/William Siow & Mahaswaran & Wong Loke Siong		
Affiliate Project Manager:		Date:	
Report reviewed & approved by:	Hoo Boon Han	Date:	21 Aug 2015
Certification approved by:	Kenny Looi	Date:	22 Aug 2015
Database logged by:	Othman Shahziela	Date:	22Aug 2015



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LIST OF ABBREVIATION

Short Form	Meanings
CAR	Corrective Action Request
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DID	Department of Drainage and Irrigation, Malaysia
DOE	Department of Environment, Malaysia
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
EMS	Environmental Management System
EQA	Environmental Quality Act
ERT	Endangered, Rare and Threatened species
ESA	Environmentally Sensitive Area
FFA	Free Fatty Acids
FFB	Fresh Fruit Bunches
FR	Forest Reserve
Ha	Hectare
HCV	High Conservation Value
HDPE	High Density Polyethylene
IPM	Integrated Pest Management
ISO	International Organisation for Standardisation
IUCN	International Union for Conservation of Nature and Natural Resources
JCC	Joint Consultative Committee
JUPEM	Jabatan Ukur dan Pemetaan Malaysia (Department of Survey and Mapping Malaysia)
K	Potassium
kW	Kilowatt
M	Meter
Mg	Magnesium
Mm	Millimeter
Mt	Metric ton
MYNI	Malaysia National Interpretation
N	Nitrogen
NGO	Non Governmental Organisation
OA	Orang Asli (Indigenous People)
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
P	Phosphate
P & C	Principles and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
PT	Pejabat Tanah (Coding for Pahang Land Office)
SOP	Standard Operating Procedures
Sdn Bhd	Sendirian Berhad (Private Limited)
SEIA	Social and Environment Impact Assessment
Sg	Sungai
SGS	Societe Generale de Surveillance
SOP	Standard Operating Procedures
SPC	Senior Plantation Controller
USECHH	Use and Standards of Exposure of Chemicals Hazardous to Health
WHO	World Health Organisation
yr	Year

1. SCOPE OF CERTIFICATION ASSESSMENT

1.1 National Interpretation Used

The operations of the mill and their supply based of FFB were assessed against the Roundtable on Sustainable Palm Oil (RSPO), Malaysian National Interpretation Task Force (MYNI-TF), National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6 March 2015.

1.2 Certification Scope

The scope of certification includes the production of Sg. Jernih Mill and its supply base according to the standard of National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production Endorsed by RSPO Board of Governors on 6 March 2015. and RSPO Supply Chain Certification Standard dated 21 November 2014

1.3 Location and Maps

Sg, Jernih & Bebar Estates is located in Pahang, Peninsular Malaysia (Figure 1). More detailed information on the estates location and layouts is shown in Figures 2, 3 and 4. The GPS locations of the mills are shown in Table 1.

Table 1: Mill and Supply Base GPS Location

Mill/Supply Base	Longitude	Latitude
Sg. Jernih Mill	103°06' 27" E	03°21' 42" N
Sg. Jernih Estate	103°05' 59" E	03°20' 17" N
Bebar Estate	03°20' 17" E	03°08'11.4" N
Ladang Tabung Tentera	103°13'59" E	04°12'10" N

Figure 1: Location Map for Sg Jernih Estate

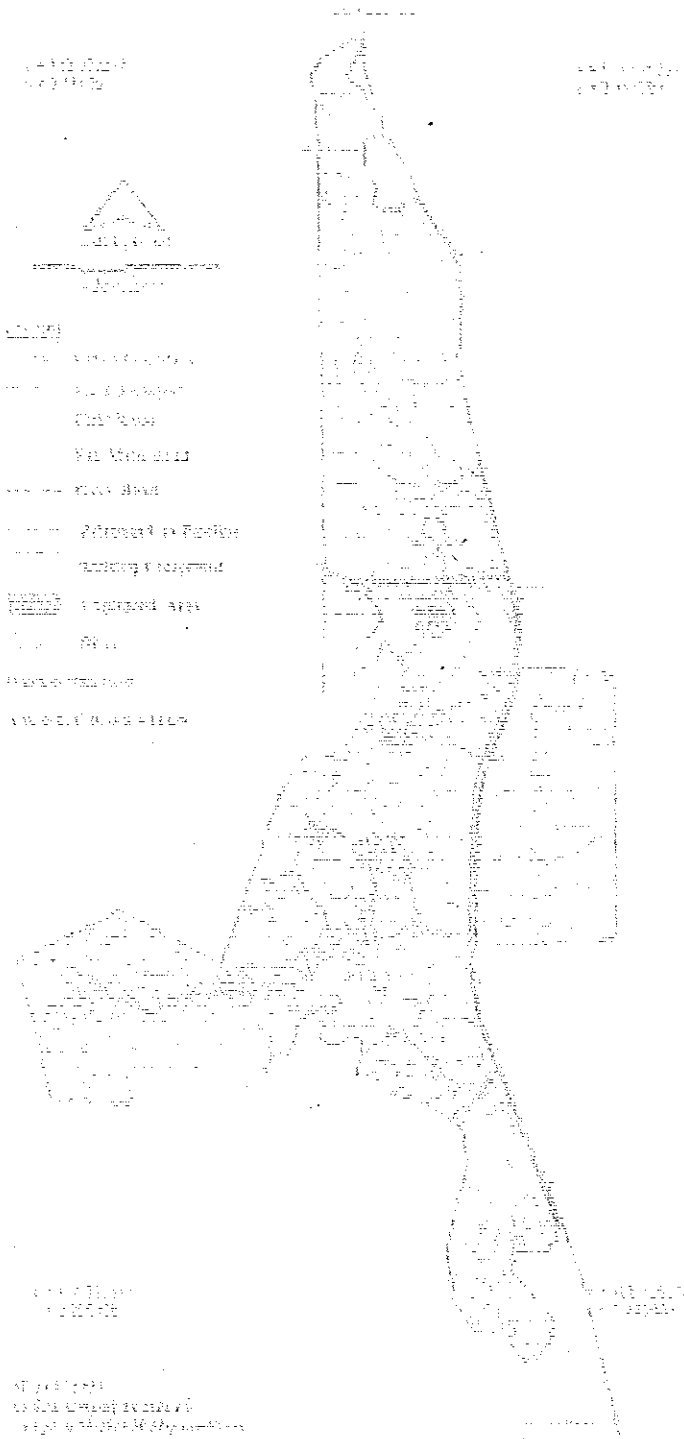


Figure 2: Bebar Estate

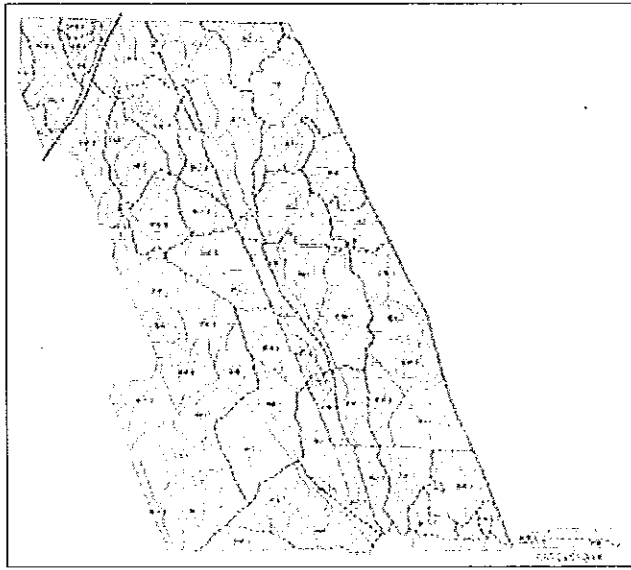
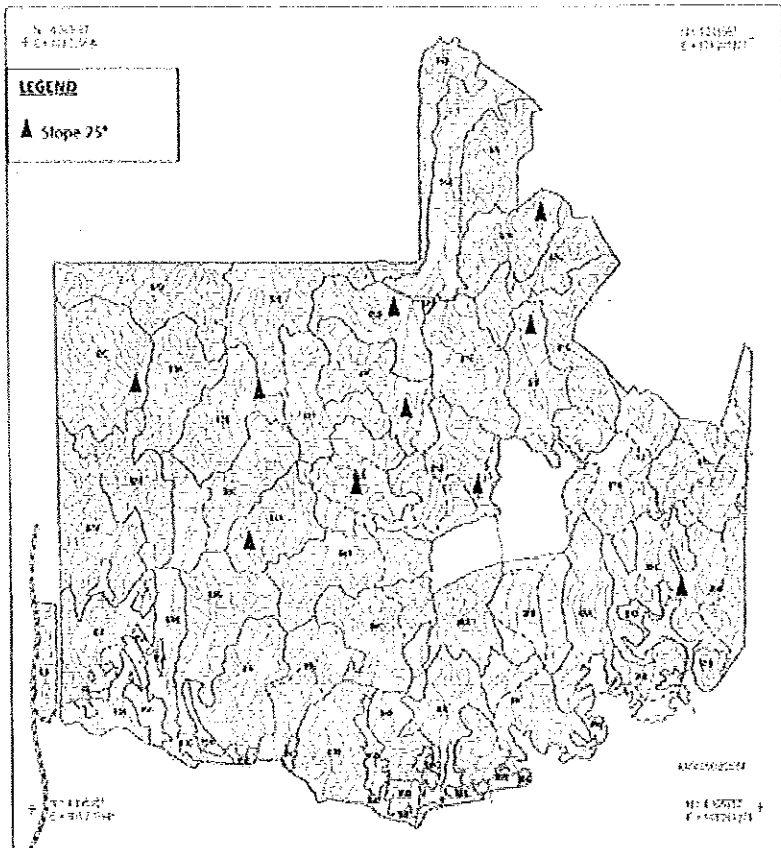


Figure 3: Tabung Tentera Estate

SLOPE 25° MAP

TABUNG TENTERA TERENGGANU ESTATE (2014)



1.4 Description of Supply Base and Mill Processing Capacity

The FFB is sourced from 3 estates which is directly managed by Boustead. The OER rate is 23.0%. The budgeted crop yields from each estate are listed in Table 2 below.

Table 2: Actual and Projected FFB from Supply Base (2015)

Estates	FFBs (Tonnage)	
	Actual (2014)	Projected (2015)
Sg. Jernih Estate	30,714.22	37,300.00
Bebar Estate	40,925.53	41,000.00
Ladang Tabung Tentera	24,577.97	28,000.00
Total Certified production	96,217.72	106,300.00

Table 3: Actual and Projected Mill Processing Data

Mill	Mill Production Figures (MT)			
	Actual (2014)		Projected (2015)	
	CPOs	PKs	CPOs	PKs
RSPO certified production from own supplying estates (Sg Jernih, Bebar, Tabung Tentera Estates)	23,757	3,093	24,449	3,721
Total	23,757	3,093	24,449	3,721
	OER: 24.69 %	KER: 3.21 %	OER: 23.00 %	KER: 3.50 %

1.5 Area of Plantation

The areas of supplying estates for this operating unit are listed in Table 4. Details of planted area (mature/immature), total land area, conservation, HCV and others are also listed.

Table 4: Area Statement of the Supplying Estates

Name of Estates	Mature	Immature	Conservation Area (Ha)	HCV Area (Ha)	Others	Total Titled Area (Ha)
Sungai Jernih Estate	2181.20	391.00	39.32	-	84.18	2695.70
Bebar Estate	2224.10	38.40	-	-	78.10	2340.60
Tabung Tentera Estate	1380.30	303.70	-	51.82	126.70	1810.70
Total	5785.60	733.10	39.32	51.82	288.98	6847.00

Other: Include roads, linesite, bridges and any others facilities and amenities.

1.6 Date of Planting and Cycle

The Boustead own estates were planted between 1980 and 1995. The palms were considered matured when approaching 4 years after planting and productive until the age of 25 years. A replanting program for all estates involved are available and being projected for the next five (5) financial years FY 2015 to FY 2020. The age profiles for all the estates are simplified in Table 3 below.

Table 5: Planting Age Profiles for all Supply Base Estates

Name of supplying estate	Planting Age (Ha)			
	Immature	>4 - 14 years	>14 - 25 years	>25 years
Sungai Jernih Estate	391.00	2181.20	-	-
Bebar Estate	38.40	1659.90	528.20	-
Tabung Tentera Estate	303.70	1215.60	468.40	-
Total	733.1	5056.7	996.6	

1.7 Other Certification Held

The current verification exercise is undertaken only for Sg Jernih Oil Mill and its supply base from the Group's estates and sources in Pahang and Terengganu, Peninsular Malaysia. Boustead Group also owns and manages other palm oil mills and plantations located in Peninsular Malaysia, Sabah, Sarawak.

1.8 Organizational Information and Contact Person

The company contact person details are as follows:

The company contact person details are as follows:

Name: En Mohammad Tarmizi Taufek

Designation: Secretary RSPO, Boustead

Address: -11h Floor, Menara Boustead,
-69 Jalan Raja Chulan,
50200 Kuala Lumpur,
Malaysia

Contact No.: 03-2145-2121

Email address: Tarmizi.bea@boustead.com.my

1.9 Time-bound Plan for Other Management Units

Boustead Rimba Nilai Sdn Bhd is a member of RSPO and has been involved in the certification since 2004; the membership number with RSPO is 1-0012-04-000-00.

Boustead Rimba Nilai Sdn Bhd owns and operates 10 mills and an oil palms estates covering an area of more than 80,000 ha. Boustead Rimba Nilai Sdn Bhd has developed a time-bound plan (Appendix A) for the phased implementation of the RSPO P&C, commencing with mills and estates. Boustead Rimba Nilai Sdn Bhd will use the experience gained from achieving certification of the first few mills and estates to implement the RSPO P&C in parallel with the remainder of its operations. The SGS assessment team considers that Boustead Rimba Nilai Sdn Bhd is on the right track which is reasonable and challenging, given the widespread geographic locations of its properties, the resources required and the numbers of smallholders involved.

2. ASSESSMENT PROCESS

2.1 Certification Body

SGS is the world's leading inspection, verification, testing and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 80,000 employees, SGS operates a network of over 1,650 offices and laboratories around the world.

The RSPO Programme is the SGS Group's RSPO Certification Programme internationally accredited by the RSPO Executive Board to carry out oil palm plantation and supply chain certification/verification and accreditation for global RSPO certification.

2.2 Assessment Methodology, Programme, Site Visits

The assessment was conducted in 22 to 24 July 2015 with 3 audit days and involving 2 estates of Sg Jernih Operating Units. The audit covers documentation review, internal procedures, management system, field inspection as well as identification of any significant issues for both environment or social issues. A sample of stakeholders was consulted during the assessment to get their feedback on the management doing.

The assessment was conducted based on random samples and therefore nonconformities may exist which have not been identified. The methodology for objective evidence collection included physical site inspection, observation of tasks and processes, interview with workers, families and stakeholders, documentation review and monitoring data.

The assessment program is included as shown in Table 5 below.

Table 6: Assessment Program

Date	Location	Activities
22 July 2015	Sg Jernig Mill	Briefing on the estate and mill management given by the managers. Review of mill's operational documents, verification of data, mill's site visit, mill's supply chain documents and operations). Sg Jernih Palm Oil Mill -Document review,
23 July 2015	Bear Estate	Field visit to storage area, field operation (harvesting), spraying, manuring, riparian, boundary and trenching of overplanted area previously identified PPE and First Aid Kit Storage , Landfill Line site Interview with Stakeholders – Internal (sprayers and weeders Estate – Documentation Review
24 July 2015	Sg Jernih Estate	Field visit to storage area, field operation (harvesting), spraying, manuring, riparian, boundary stone PPE and First Aid Kit Housing Storage & Waste Management Sg. Jernih Estate - Documentation Review Preparation of Audit Findings & Closing Meeting

2.3 Qualification of Lead Assessor and Assessment Team

SGS Malaysia Sdn Bhd holds copies of educational qualifications, certificates and audit logs for each of the audit team members. SGS has evaluated the qualifications and experience of each audit team member and has registered the following designations for conducting RSPO Assessment. Summary of auditors' educational background and experience are listed in Table 7 below.

Table 7: Auditors Profile

Evaluation Team	Notes
Team Leader- Plantation and supply chain	James S H Ong, a Bachelor of Agriculture Science holder and agronomist in SGS (M) Sdn Bhd. He has many years working experience in agriculture sector in Malaysia and has been working in estates as well in the agrochemical and fertilizer industry. He is well versed with agrochemical and fertilizer applications. Has undergone ISO 14001 and RSPO Lead Auditor training for both P&C as well as the Supply Chain and has already been involved in RSPO and ISCC certification audits since 2010.
Auditor 1 – Environment and Social	William Siow, a graduate in Bachelor of Science, is an Auditor for Roundtable on Sustainable Palm Oil (RSPO). He has attended RSPO Lead Auditor training, ISO 14001 Lead Auditor training, RSPO endorsed HCV training and etc. He had more than 6 years of experiences in plantation sustainability certification schemes. Experienced in auditing on environmental, social, GAP and OHSAS implementation in palm oil industries.
Auditor 2 – Environment & Safety	Mr Mahaswaran has more than 15 years of working experience in various industries in Malaysia that covering the full spectrum of Quality and Environmental Management system. As a certified lead auditor, he has vast exposure and experience in Quality, Environmental as well the occupational, health and safety auditing. With more than 500 man hours of audits, Mr Mahaswaran owns proven track records of auditing various multinational companies both locally and internationally.

2.4 Stakeholder Consultation and List of Stakeholders Contacted

A wide range of stakeholders were contacted 4 weeks before the planned evaluation to inform them of the evaluation and ask for their views on relevant palm oil sustainability issues. These included environmental interest groups, local government agencies and forestry authorities, social groups and workers' unions etc.

Stakeholder consultation took place in the form of meetings and interviews. Meetings with government agencies and NGOs were held in their respective premises within and near the estates and Sungai Jernih mill. In all the interviews and meetings the purpose of the audit was clarified at the outset followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded in accordance with relevant RSPO principles, criteria and indicators. See Appendix E for stakeholder's details and comments.

3. ASSESSMENT FINDINGS

3.1 Summary of Findings

3.1.1 Principles & Criteria

As outlined, objective evidence was obtained separately for each of the RSPO Indicators and criterion for the mills and estates. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

There is 6 Major Non-conformities and 3 Minor Non-conformities identified during this assessment. Some areas identified with potential areas for improvement has led into some Observations raised. Details for each Non-conformities and observations are given in **Appendix C**. Major Non-conformities has been closed out within the period of 60 days after the assessment. Minor Non-compliances and Observations will be followed up during the next Annual Surveillance Audit which is scheduled to be conducted within the period of twelve months after the RSPO approval of Main Assessment.

Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.		<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>		
Objective evidence:	<p>During the surveillance visit, it was observed that the estates and mill has maintain the following documents :</p> <ul style="list-style-type: none"> • A complete list of stakeholders updated June 2015, that including local communities, government agencies, suppliers, contractors, NGOs and etc. • Consultation and Communication Procedure that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from international and local stakeholders. • Minutes of meeting records with stakeholders (internal and external) such as JCC Minutes of Meeting, JKKP Minutes of Meeting and Local Communities Minutes of Meeting 		
1.1.2	Records of requests for information and responses shall be maintained.		<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>		
Objective evidence:	<p>Communication procedures for mill and estates were available in the office and displayed at the notice boards.</p> <p>External communication records (<i>Borang Komunikasi Luaran (PKSJ- 001)</i>) available in the file.</p> <p>Meantime, Internal communication through grievances records, & complaint form/<i>Borang auan</i>.</p> <p>All the above mentioned grievances records are documented in the grievances files.</p>		
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	Land titles / user rights (C 2.2)		<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>		
Objective evidence:	<p>Boustead has maintained their website to that includes all management documents relating to the unit environmental, social and legal issues demonstrating commitment towards compliance to RSPO criteria.</p> <p>Observed that the website http://bea.boustead.com.my/index.php?option=com_content&view=article&id=75&Itemid=1 containing all the management documents.</p>		
1.2.2	Occupational health and safety plans (Criterion 4.7);		<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>		
Objective	Refer above.		

evidence:		
1.2.3	Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.4	HCV documentation summary (Criteria 5.2 and 7.3);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.5	Pollution prevention and reduction plans (Criterion 5.6);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.6	Details of complaints and grievances (Criterion 6.3);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.7	Negotiation procedures (Criterion 6.4);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.8	Continual improvement plans (Criterion 8.1);	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer to comment in 8.1.	
1.2.9	Public summary of certification assessment report;	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer above.	
1.2.10	Human Rights Policy (Criterion 6.13)	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Refer to comments in 6.13.	
Criterion 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.		
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Code of conduct declaration for Boustead available in a booklet that published in the website and also distributed to all the employees.	
Principle 2: Compliance with Applicable Laws and Regulation		
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1	Evidence of compliance with relevant legal requirements shall be available.	<i>Major</i>

Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>At the time of surveillance visit, the audit team observed that copies of legal documents are available with the compilation of a list of applicable laws and regulations at both mill and estate levels. Examples of files/legal documents/licenses verified during the Surveillance Audit are as follows:</p> <ul style="list-style-type: none"> • DOE licenses: 004143 expired: 30 June 2016 • Lesen penggunaan sumber air Pahang No lessen: SWUL/LPSA/89/2015 expired and has been sent for renew. • Permit Barang kawalan berjadual for diesel, PHG/PD/K/10/94 expired 2 September 2015 • Lesen bagi pemasangan persendirian (Suruhanjaya Tenaga): expired 11 July 2016 • Sg Jernih Mill MPOB licenses 508113304000 expired 31 May 2015 • Sg. Jernih Estate MPOB licences: no lessen: 5048080020000 expired 31 Aug 2015 <p>Pending for Certificate of fitness for <i>pengandung tekanan tak berapi</i>, inspection conducted on 14 May 2015 by JKKP officer All recorded in the Buku :Lawatan.</p>	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Estates and mill has maintained a documented system that includes information on legal requirements.</p> <p>List of legal compliances updated on February 2015. Included: EQA 1974, Occupational safety and health Act 1994, FMA 1967, workers minimum standard of housing and amenities 1990, Akta kerja 1955</p>	
2.1.3	A mechanism for ensuring compliance shall be implemented.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Procedure not available but the portal address to track the changes: http://bea.boustead.com.my</p> <p>Mechanism of law changes</p>	
2.1.4	A system for tracking any changes in the law shall be implemented.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The Flow Chart entitled "Identification and Update on Legal & Other Requirement Flow Chart" and "Mechanism of Tracking Law Changes". The Estate & Mill Manager is responsible to update any new Legal & Other Requirements into Register.</p> <p>Legal compliances updated annually, for mill updated on Feb 2015. Meanwhile, for Sg Jernih Estate was updated on Jan 2015.</p>	
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		
2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>There are no changes in land ownership observed since last surveillance audit.</p>	
2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.	Minor
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Sg Jernih Business Unit maintain and comply with the terms of the land title</p>	
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title	Minor

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	and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Sg Jernih Business Unit has as much as they can maintain the boundary stones. Field verification in Sg. Jernih and Ladang Tabung Tentera Estates observed that the boundary stones are adequately maintained	
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	There is no land dispute reported since previous surveillance audit. Interviews with the villagers residing within the vicinity of the estates indicate the same.	
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighboring communities and relevant authorities where applicable).	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No any dispute reported.	
2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Not applicable in Estate or mill in Peninsular Malaysia , as no militarily or instigate violence for estate management	
Criterion 2.3: Use of the land for oil palm does not diminish the legal, customary or users rights of other users without their free, prior and informed consent.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	As reported in the main assessment all plantations were established in the 1970s/80s without diminishing the legal rights, or customary rights, of other users in the vicinity at the time of planting.	
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No issues of claims or disputes raised since the last audit.	
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Record of process covering discussion and consultation with the affected parties for example with regard to the earmarking and protection of worshipping places is available.	
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Interview with workers showed that the representatives for workers in JCC meeting or any other	

evidence: meeting were nominated by workers themselves.

Principle 3: Commitment to Long-Term Economic and Financial Viability			
Criterion 3.1: A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.			
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders.	<i>Major</i>	
Findings	In compliance:	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>Annual budget is available and shown in Final Budget – Financial Year 2015 which include the following:</p> <ul style="list-style-type: none"> a) Manager Comments b) Labour Statement c) Allocation of Wages d) Labour Benefit summary e) Labour Reconciliation f) Yield- Statement- Oil Palm g) Summary of Vehicle & Running Schedule h) Job allocation for Vehicle i) Summary of workshop Running Schedule j) Summary of Budget k) Summary of general Charges l) Details of expenditure : Capital Expenditure , Oil Palm mature, ad Young Mature <p>The 5 year business plan with budget projection for year 2015-2020 is available and the budget is allocated under various categories such as :</p> <ul style="list-style-type: none"> a) Crop Yielding Area b) Prime Mature c) Young Mature d) Total mature e) Cost per ha f) Cost per tonne g) Capital expenditure h) In addition, Crop Yielding Areas, General Charges, upkeep, collection and depreciation of prime mature and young mature. <p>Besides, verification on the budget and expenses account coding found that company allocate expenses for RSPO matters. Examples as below:</p> <p>RSPO expenses coding GC 3121 e.g. upkeep signages, water sampling, RSPO & OHSAS meeting charges, RSPO/OHSAS allowances for supervisory staff, courses and training charges and etc.</p>		
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.	<i>Minor</i>	
Findings	In compliance:	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
Objective evidence:	<p>The annual replanting programme is documented in the replanting file and is available for each estate. However, no replanting program for Sg Jernih. Observed that last replanting done on year 2013.</p>		

Principle 4: Use of Appropriate Best Practices by Growers and Millers

Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.

4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented.	Major
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Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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Objective evidence: Similarly, the Mill SOP has maintained and available in Mill Operation Manual (MOM) Serial No: MOM-03 & QAM (Quality Assurance Manual) Serial No: QAM-03 that is approved by the Group Engineer. Observed that the document specifies the following sections:

- Introduction
- Machinery layout
- Schematic Flow diagram
- Quality Plan
- Reception Station
- Fruit Handling
- Sterilisation Station
- Threshing Station
- Pressing Station
- Depericarping Station
- Nut Cracking and Kernel Station
- Clarification Station
- Boiler House
- Engine Room
- Effluent Treatment
- Laboratory and Laboratory Test Methods
- Raw Water Treatment
- Mill Stores
- Security
- Process Checksheet and Work Instructions

The estate will refer to the following documents as the SOP;

a) The Oil Palm Circular (O.P.C) is maintained as the manual used for the operations in the estates . Copies of all updated copies are kept in the file

- Weed management in Oil Plam OPC No. 01.b
- Management of Ganoderma Basal Stem rot OPC 04a
- Rat control in Oil Plam OPC 04b
- Application of fertiliser OPC No. 03b

At SJE, based on the index , there were 36 programmes listed , however it was noted that at Ladang Bebar , the OPC was not properly filed .

OBSERVATION 02

b) As for safety and OSH issue the estate has the Safe Work Procedure (SWP) file on the following:

	<ul style="list-style-type: none"> • <i>Peraturan Umum</i> • <i>Kawalan Keselamatan</i> • <i>Pejabat</i> • <i>Kawasan Perumahan</i> • <i>Stor</i> • <i>Bengkel</i> • <i>Papan Tanda Jalan</i> • <i>Penyemburan Racun</i> • <i>Pembajaan</i> • <i>Pest and disease</i> • <i>Penuaian</i> • <i>Ramp</i> • <i>Pengangkutan</i> <p>c) In Bahasa Malaysia, they have a file on 'Prosedur kerja Selamat' on all the work operation related to estate management . There were 43 procedure listed in the file .</p> <p>Some of the safe procedure identified are</p> <ul style="list-style-type: none"> • Weeding • Rat Baiting • Pruning • Harvesting (<i>Manual BTS- sabit</i>) • Harvesting (<i>Menuai BTS- Pahat</i>) • Collecting Loose fruit (<i>mengutip buah lerai</i>) • Fertiliser (<i>Membaja Manual</i>) • Driver – Farm tractor (<i>Pemandu Tractor dan Mini traktor</i>) 					
4.1.2	<table border="1"> <tr> <td>A mechanism to check consistent implementation of procedures shall be in place.</td> <td style="text-align: right;"><i>Minor</i></td> </tr> </table>	A mechanism to check consistent implementation of procedures shall be in place.	<i>Minor</i>			
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In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>		
Objective evidence:	<p>At the Mill, the management has OSHA work inspection to check on the safety aspects of the following stations:</p> <ul style="list-style-type: none"> a) effluent pond b) Marshalling yard c) Grading d) Press e) Lab f) Office g) Store h) Workshop i) Steriliser j) Loading Ramp k) Nut plant l) Oil Room m) Boiler Plant 					

	<p>n) Engine room</p> <p>o) WTP</p> <p>At each of the station , there will be a staff who is responsible. For example at the effluent Pond, En Mohd Nor Aras is responsible</p> <p>At Ladang Bebar, there is a form known as COCIP – Crop Quality Continuous Improvement Programme that check on the Harvesting operation such as:</p> <ul style="list-style-type: none"> a) Tools and PPE b) Harvesting procedure c) Harvesting organization d) Harvester to land ratio e) Harvesting Task f) Harvester productivity g) Fruit handling & transport h) FFB at estate ramp i) Summary – Total & Value j) Score of the operation 	
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>As above , records of monitoring and any actions taken were available</p> <p>At the POM , a form known as ' Pemeriksaan Keselamatan , Kebershihan dan Kesihatan' is filled by the PIC. This is filled at 3 monthly interval. For example the form for the station : Steiliser was sighted .</p> <p>The PIC, Saffulnizam Sulong did the worksite inspection on 24/6/15.</p> <p>Check was on:</p> <ul style="list-style-type: none"> a) Area or item checked b) The safety , cleanliness or the health issue is graded '<i>Baik, Sederhana, Tidak Baik</i>' c) Comments and action will then be recorded if required <p>Besides the OSHA inspection, daily, the mill will receive a 'checksheet' from the different station such as :</p> <ul style="list-style-type: none"> a) Pressing station b) Clarification checksheet c) Kernel Plant d) Crane logsheet e) Sterilization f) Unstripped Bunch Checksheet g) Steam consumption h) Boiler water TDS Test i) Steam and Sterilliser chart 	
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

Objective evidence:	Not relevant as Kilang Kelapa Sawit Sungai Jernih does not purchase from third-party sourced Fresh Fruit Bunches (FFB).																																																																
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.																																																																	
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.			<i>Minor</i>																																																													
Findings	In compliance:	Yes:	x	No:																																																													
Objective evidence:	<p>Annually an agronomist will be assigned for agronomic visit and in Bebar Estate, Mr Cheah Li Wen from Applied Agricultural Resources (AAR) Sdn. Bhd.</p> <ul style="list-style-type: none"> came for a visit after there was a change in the management when the new manager En Hamdan took over Bebar Estate. The report of the visit , 'Report of the Special visit 2015' was sighted, dated 16/6/15. During the earlier visit in 2014, after his agronomic visit , the agronomist provided : Oil Palm Manuring Recommendation 2015 for Ladang Bebar. . The recommendation for 2015 is available . Fertiliser is applied in 3-5 rounds per year. Today no application was done in Ladang Bebar as crop evacuation was prioritise this week and during the visit to SJE, it was a Friday and it was the worker rest day. <p>Based on recommendation the following was recommended</p> <table border="1"> <thead> <tr> <th>Block</th> <th>Ha</th> <th>Month</th> <th>Fertilizer</th> <th>Kg/palms</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;">Ladang Bebar</td> </tr> <tr> <td>PM2006C1</td> <td>60.20</td> <td>01/15</td> <td>NKA1</td> <td>3</td> </tr> <tr> <td>PM2006C1</td> <td>28.4</td> <td>02/15</td> <td>BRP</td> <td>2.75</td> </tr> <tr> <td>PM2006C1</td> <td>28.4</td> <td>05/15</td> <td>NKA4</td> <td>2.25</td> </tr> <tr> <td>PM2006C1</td> <td>28.4</td> <td>09/15</td> <td>NKA1</td> <td>3</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">PR2007A</td> </tr> <tr> <td>PR2007A</td> <td>41.60</td> <td>01/15</td> <td>NKA1</td> <td>2.75</td> </tr> <tr> <td>PR2007A</td> <td>41.60</td> <td>02/15</td> <td>BRP</td> <td>2</td> </tr> <tr> <td>PR2007A</td> <td>41.60</td> <td>05/15</td> <td>NKA4</td> <td>2.25</td> </tr> <tr> <td>PR2007A</td> <td>41.60</td> <td>09/15</td> <td>NKA1</td> <td>2.75</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Ladang Bebar do not receive EFB from the mill . <p>The Sg Jernih estate receive EFB from the Oil Mill. Records of each trip are kept in the EFB Record file.</p> <p>The record show that in May 2015, Ladang Sg Jernih received : 1,754.49 MT</p> <p>The Palm Oil mill also records the amount of EFB delivered to the estate. The following are the deliveries the fields in Sg Jernih Estate for the past three months.</p> <table border="1"> <thead> <tr> <th>Field PJ09C</th> <th>Total MT (Kualiti EFB/ Excess Fibre dilupuskan)</th> </tr> </thead> <tbody> <tr> <td>March</td> <td>1,725.62</td> </tr> <tr> <td>April</td> <td>1,884.29</td> </tr> </tbody> </table>				Block	Ha	Month	Fertilizer	Kg/palms		Ladang Bebar				PM2006C1	60.20	01/15	NKA1	3	PM2006C1	28.4	02/15	BRP	2.75	PM2006C1	28.4	05/15	NKA4	2.25	PM2006C1	28.4	09/15	NKA1	3		PR2007A				PR2007A	41.60	01/15	NKA1	2.75	PR2007A	41.60	02/15	BRP	2	PR2007A	41.60	05/15	NKA4	2.25	PR2007A	41.60	09/15	NKA1	2.75	Field PJ09C	Total MT (Kualiti EFB/ Excess Fibre dilupuskan)	March	1,725.62	April	1,884.29
Block	Ha	Month	Fertilizer	Kg/palms																																																													
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During audit, EFB in Field PM09A was visited.

The estates are guided by the Standard Operating Procedure/OPC No. 01.b (Nov '80) known as 'Weed Management in Oil Palm' for Weeding as the procedure for weed control to minimize bare soils or blanket spraying .

The OPC for weed management policy states that , '*adequately clean circles and desirable inter-row ground cover should be maintained at all times to promote good palm growth and yield*'.

During the field visit it is found that weeding is confined to circle spraying, selective spraying of woodies or noxious growths in the interlines and along the harvesting paths to ease FFB evacuation.

Blanket spray is avoided in their spraying operations. The agronomist in his report also recommended the change in chemical so that soft grasses are not 'killed' .

4.2.2	Records of fertiliser inputs shall be maintained.	Minor
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Findings:	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
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Objective evidence:	<p>Records of fertilizer inputs are maintained .</p> <p>The estates Ladang Bebar and Sg Jernih will receive the annual fertiliser programme from the agronomist Mr Cheah Li Wen from Applied Agricultural Resources (AAR) Sdn. Bhd.</p> <p>This was sighted in the fertiliser recommendation files at Ladang Bebar and Sg Jernih 's Estate Office.</p> <p>The estate personnel will follow the program and record the field /block applied .</p> <p>Records are also kept in File Costing Manuring' the following was sighted;</p> <ul style="list-style-type: none"> a) Date: 21-24/6/15 b) Block : PM06C c) Ha: 60.20 ha d) Estate : Ladang Bebar e) Fertiliser : NKA4 (8.5:2:36:3B203) f) Quantity : 368 x 50 kg g) Quantity per palm : 2.25 kg h) No. of workers : 10 i) Total Labour costing/ ha: 11.22 / ha (include application and loading cost) j) Application : Frond heap k) Mode : Manual (use bowl to calibrate) <p>In SJE the following record was sighted in the their costing file :</p> <ul style="list-style-type: none"> a) Date: 31/3/15 b) Block : PJ07A c) Estate : SJE d) Fertiliser : NKA1 (17/28) e) Quantity : 327 x 50kg f) Quantity per palm : 2.75 kg g) No. of workers : 15 mandays l) Total costing/ ha: 15.50 / ha (include application and loading cost)
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	<p>m) Application : Frond heap h) Mode : Manual (use bowl to calibrate)</p>																							
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.			Minor																				
Findings	In compliance:	Yes:	x	No:																				
Objective evidence:	<p>The foliar analysis results and report were sighted in the Agronomic report (Appendix 2) . The sampling was done on 17/6/14.</p> <p>The sampling is done annually for the following year fertiliser recommendation .</p> <p>Soil sampling result was sighted in Ladang Bebar agronomic report .</p> <p>Date sampled : 20/6/14. The following is a sample of the organic C result. Other parameters checked were pH, N%, P, CEC : K, Ca, Mg and CEC .</p> <p>Field</p> <table border="1"> <thead> <tr> <th>Block</th> <th>Area</th> <th>depth</th> <th>Org C %</th> </tr> </thead> <tbody> <tr> <td>PJ2008A1</td> <td>IR</td> <td>0-15cm</td> <td>0.64 (xtra low)</td> </tr> <tr> <td>PJ2008A1</td> <td>IR</td> <td>15-45 cm</td> <td>0.53 (xtra low)</td> </tr> <tr> <td></td> <td>PC</td> <td>0-15cm</td> <td>not done</td> </tr> <tr> <td></td> <td>PC</td> <td>15-45 cm</td> <td>not done</td> </tr> </tbody> </table> <p>The result of the periodic tissue and soil sampling to monitor changes in nutrient status is found in the agronomist report: Oil Palm Manuring Recommendation 2015 for Ladang Bebar .</p> <p>The report for the date visited 15/8/14 has:</p> <ul style="list-style-type: none"> • Introduction • Appearance of palms • Groundcover and soil Management • Pest and disease • Nursery and replanting programme • Leaf analysis result • Soil analysis result • Yields • Manuring Recommendation 2015 • Appendices – field assessment, Leaf analysis result, leaf nutireint trends, Yield records, Rainfall, Oil Palm Manuring Schedule 2015 <p>In summary include the following : by the agronomist :</p> <ul style="list-style-type: none"> • Field assessment Notes for Block Visited in terms of size, vigour, 2013 Yield and Notes/comments • Summary of Canopy size assessment 2014/15 • Foliar analysis recult monitoring • Summary of leaf Nutrient Levels • Leaf Nutrient level (% DM) for 2014 for N, P, K , Mg, B and Ca • Details of Estate FFB trend results • Estate soil Moisture Deficits and Surplus (2010-14) <p>The agronomist report will also have information on:</p> <ul style="list-style-type: none"> • Details of Oil Palm Manuring blocks 				Block	Area	depth	Org C %	PJ2008A1	IR	0-15cm	0.64 (xtra low)	PJ2008A1	IR	15-45 cm	0.53 (xtra low)		PC	0-15cm	not done		PC	15-45 cm	not done
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	<ul style="list-style-type: none"> • Annual OP fertilizer programme • Monthly Oil palm Fertiliser application • Monthly requirement of fertilizer • Details of fertilizer recommendation • Total of Nutrient input <p>Similar report was sighted at SJE.</p>																											
4.2.4	<p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues.</p> <p style="text-align: right;"><i>Minor</i></p>																											
Findings	<p>In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/></p>																											
Objective evidence:	<p>In Ladang Bebar, the use of EFB or POME is not part of the nutrient recycling strategy due to the far distance from the oil mill.</p> <p>However pruned fronds are placed back onto the inter-row.</p> <p>In the OPC No. 08b : Mulching , the nutrient strategy includes the use of Empty Fruit Bunches (EFB) that are distributed in the field to improve the soil structure as well as to improve the organic matter .</p> <p>SOP on EFB mulching recommends the following:</p> <table border="1"> <thead> <tr> <th rowspan="2">Palm Age</th> <th colspan="2">Rate per ha</th> <th rowspan="2">Application Method</th> </tr> <tr> <th>Normal</th> <th>Poor soil</th> </tr> </thead> <tbody> <tr> <td>Immature < 1 year</td> <td>15</td> <td>25</td> <td>ring around the palm base</td> </tr> <tr> <td>Mature <8 years</td> <td>0</td> <td>40</td> <td>Palm inter-row</td> </tr> <tr> <td>Mature > 8 years</td> <td>40</td> <td>40</td> <td>Palm inter-row</td> </tr> </tbody> </table> <p>In Ladang Bebar and SJE , records show that EFB has been distributed along the block perimeter and the estate is still in the process of distributing it along the field.</p> <p>POME is applied as land irrigation in the blocks in Sungai Jernih Estate..</p> <p>Pruned fronds are placed back along the inter-rows</p> <p>In 2014, the composting plant to utilise the EFB and POME was closed down due to management decision</p> <ul style="list-style-type: none"> • Due to the closure of the composting plant , the POME is 100% applied as land application using a series of sprinkles in Sungai Jernih Estate in the field. The layout map is available : Proposed Sprinkler application site (2007) Drawing Number : GE/SJOM/ETP/184 • The POME from Algae Pond 2 is pump to the sprinkler • Only Sg. Jernih Estate applies EFB and POME. Records where EFB and POME applied is documented in the EFB and POME utilization table/file as follows: <p>Monthly the oil mill will submit the following to JAS / DOE :</p> <p>The May submission submitted on 3/6/15 was sighted.</p> <ul style="list-style-type: none"> • Delivery of EFB • POME to the field • Weekly Effluent analysis • Inventory of disposal of Scheduled Waste , Schedule 5 (Peraturan 11) • Daily Stack Monitoring (Jadual Pengukuran Asap Hitam dari Cerobong <ul style="list-style-type: none"> • In Block PJ 08C <table border="1"> <thead> <tr> <th colspan="2">POME application / Isipadu Effluen dilupus</th> <th>FFB processed (MT)</th> </tr> <tr> <th>Month</th> <th>Volume(m3)</th> <th></th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Palm Age	Rate per ha		Application Method	Normal	Poor soil	Immature < 1 year	15	25	ring around the palm base	Mature <8 years	0	40	Palm inter-row	Mature > 8 years	40	40	Palm inter-row	POME application / Isipadu Effluen dilupus		FFB processed (MT)	Month	Volume(m3)				
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	Mar	3,182	9,096.31																																													
	April	7,016	9,685.03																																													
	May	7,170	8,674																																													
Criterion 4.3: Practices minimize and control erosion and degradation of soils.																																																
4.3.1	Maps of any fragile/marginal soils shall be available.		<i>Major</i>																																													
Findings	In compliance:	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																														
Objective evidence:	<p>Soil maps available in the estate verified that there is no peat planting in the 3 FFB supplying estates</p> <p>soil type identified</p> <table border="1"> <tbody> <tr> <td>Bebar</td> <td>Sg Jernih</td> <td>LTT-T</td> </tr> <tr> <td>Beserah Beserah /Laterite</td> <td>Durian</td> <td>Batu Anam</td> </tr> <tr> <td>Bungor</td> <td>Bungor</td> <td>Batu Lapan</td> </tr> <tr> <td>Local alluvium</td> <td>Tavy</td> <td>Changkat Lobak</td> </tr> <tr> <td>Malacca</td> <td>Local alluvium</td> <td>Durian</td> </tr> <tr> <td>Malacca Tavy assoc</td> <td>Serdang</td> <td>Kemahang</td> </tr> <tr> <td>Masai</td> <td>Malacca</td> <td>Local alluvium</td> </tr> <tr> <td>Pelepah</td> <td>Kedah</td> <td>Padang Besar</td> </tr> <tr> <td>Pelepah Masai</td> <td>Jempol</td> <td>Pagi</td> </tr> <tr> <td>Rengam</td> <td>Nami</td> <td>Pohoi</td> </tr> <tr> <td>Rengam Beserah transition</td> <td>Pak Bong</td> <td>Serdang Bungor</td> </tr> <tr> <td>Rengam Laterite assoc</td> <td>Rasau</td> <td></td> </tr> <tr> <td>Sogomana</td> <td>Lintang</td> <td></td> </tr> <tr> <td>Tavy</td> <td>Malau</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Bebar	Sg Jernih	LTT-T	Beserah Beserah /Laterite	Durian	Batu Anam	Bungor	Bungor	Batu Lapan	Local alluvium	Tavy	Changkat Lobak	Malacca	Local alluvium	Durian	Malacca Tavy assoc	Serdang	Kemahang	Masai	Malacca	Local alluvium	Pelepah	Kedah	Padang Besar	Pelepah Masai	Jempol	Pagi	Rengam	Nami	Pohoi	Rengam Beserah transition	Pak Bong	Serdang Bungor	Rengam Laterite assoc	Rasau		Sogomana	Lintang		Tavy	Malau				
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4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.		<i>Minor</i>																																													
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>																																														
Objective evidence:	<ul style="list-style-type: none"> The unit has maintain the policy 'Polisi Perlindungan cerun & Zon Penampan sungai ' or slope area and buffer zone policy in place. Observed that the policy dated 11 January 2011 and signed by Senior General Manager of the company is available . For slope area the following will be advocated: <ol style="list-style-type: none"> To avoid replanting on areas beyond 25° Planting of leguminous covercrop to reduce erosion Areas where leguminous covercrop are not established, natural vegetation is maintained Lubang Lanau or silt pit to be in place on the side of the road The O.P.C document contains the SOP for practices to minimise and control erosion. 																																															

	No topography maps were shown to identify where areas of having 25°															
	Minor															
4.3.3	A road maintenance programme shall be in place.			<i>Minor</i>												
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>												
Objective evidence:	<p>The annual road maintenance programme is available in their budget and monthly progress report file.</p> <ul style="list-style-type: none"> • For Estate , road maintenance programme for the year 2015 is available during the Annual Surveillance Audit. Observed that the programme covers the following: <ul style="list-style-type: none"> a) Roads & Bridges b) Grading c) Resurfacing (vehicle & labour) d) Resurfacing – Material e) Roadside & Cross Drain f) Bridges and Culverts g) Spraying – labour & material h) Pruning Overhanging branches i) Landslides j) Upkeep footpath k) Vehicle running hours <p>The following were the budget and actual expenditure for Ladang Bebar</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Age Group</th> <th>Budget (RM)</th> <th>Actual to-date expenditure (till June) (RM)</th> </tr> </thead> <tbody> <tr> <td>PJ</td> <td>330,137</td> <td>64,612.94</td> </tr> <tr> <td>PM</td> <td>142,676</td> <td>20,884.06</td> </tr> <tr> <td>PR</td> <td>48,670</td> <td>-</td> </tr> </tbody> </table> <p>Similar road maintenance programme is available for SJE. As for 2015 , RM505,972 was budgeted and as of June 2014, RM 311,390 was spent for maintenance.</p>				Age Group	Budget (RM)	Actual to-date expenditure (till June) (RM)	PJ	330,137	64,612.94	PM	142,676	20,884.06	PR	48,670	-
Age Group	Budget (RM)	Actual to-date expenditure (till June) (RM)														
PJ	330,137	64,612.94														
PM	142,676	20,884.06														
PR	48,670	-														
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.			<i>Major</i>												
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>												
Objective evidence:	Soil maps available in the estate verified that the peat found in Ladang Bebar is classified under peat /Swamp and it is left in its natural state .															
4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.			<i>Minor</i>												
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>												
Objective evidence:	Soil maps available in the estate verified that the peat found in Ladang Bebar is classified under peat /Swamp and it is left in its natural state .															
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils).			<i>Minor</i>												
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No: <input type="checkbox"/>												
Objective evidence:	<p>No fragile soils identified in all the 3 supplying estates . the peat swamp identified in Ladang Bebar is left as it is and not planted.</p> <p>The Production Unit will refer to the Oil Palm circular (O.P.C) No. 08.a (April 1996) titled : Soil</p>															

Conservation / Water management to manage fragile and problem soils (e.g. sandy, low organic matter and acid sulphate soils)

The objective of the OPC No. 08.a is to :

- a) Minimise loss of soil and nutrients through erosion and run-off
- b) Improve accumulation and utilization of rainfall on the estate
- c) Prevent flooding and excessive high water-table
- d) Conserve moisture or irrigate the land as required
- e) Reduce damage to roads, terraces and drainage systems

Criterion 4.4: Practices maintain the quality and availability of surface and ground water.

4.4.1	An implemented water management plan shall be in place.	<i>Minor</i>
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0/29 Findings In compliance: Yes: No:

Objective evidence:

For Sungai Jernih Estate, the estate has also includes the following section into its Water Management Plan:

- Riparian Buffer zone
- Areas where buffer zone not established
- Water Quality Monitoring
- In the Water Quality Monitoring file, sampling points are identified in the estates maps. In SJE there were 11 inlet and outlet points where water is sampled for BOD, COD, TS,SS, O&G, AN and total -N.

For water usage for processing , the Oil Mill will abstract water from the nearby river, Sungai Air Jernih . The mill has the water licence , *Lesen Penggunaan Sumber Air* , Licence No: SWUL/LPSA/89/2015 . The mill uses a flowmeter to monitor its abstraction and the volume is recorded . The charge is 0.04sen per m3

Results of the monthly river water analysis at both at the inlet and outlet is available . The result of the latest result was dated 30/5/15 , Certificate Number: 1619/2015

The water use is treated (without chlorination) as it is used in the oil mill processing / boiler.

For domestic use, the mill as well as the Sg Jernih estate received piped treated water from the local state authorities .

Water usage in the estate is also monitored monthly for domestic usage.

In Ladang Bebar, domestic water is drawn from water catchment ponds in field 09A. It is then pump to the water treatment pond before distributing to the line-site and staff houses. Monitoring is done daily based on the flowmeter. At present they are monitoring the water usage monthly.

Piping is being laid to connect the water from the local authorities.

Example of water usage monitoring : Ladang Bebar

Month	m3
	Ladang Bebar
Apr	12,111
May	6,615
June	8,441

For domestic use, the mill as well as the Sg Jernih estate received piped treated water from the local state authorities .

- Example of water usage monitoring : Ladang Sg Jernih

	Year	m3	
		Sg. Jernih	
	2010	154,317	
	2011	96,888	
	2012	132,763	
	2013	133,220	
	2014(till June)	54,117	
	2015	Not updated	

The mill effluent is treated in a series of anaerobic and aerobic ponds. Record and result of the submission and monthly analysis of the effluent are available.

Due to the closure of the composting plant in 2014, the POME is 100% applied as land application using a series of sprinkles in Sungai Jernih Estate in the field. The layout map is available : Proposed Sprinkler application site (2007) Drawing Number : GE/SJOM/ETP/184. This is pumped from the Algae pond No.2

The monthly BOD analysis for the month of Apr and May, 2015 are within the 500 mg/l limit set by the Department of Environment as stated in the licence . See 4.4.3

4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Riparian Buffer zone are identified and marked with red paint to inform spray operators and manurers not to apply chemical or fertiliser into the bufferzone.</p> <p>The Unit has documented evidence and policy for the 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.</p> <p>The unit has maintain the policy 'Polisi Perlindungan cerun & Zon Penampunan sungai ' or slope area and buffer zone policy in place. Observed that the policy dated 11 January 2011 and signed by Senior General Manager of the company is available .</p> <p>There were no streams that flow within Ladang Bebar.</p> <p>In Sungai Jernih Estate , buffer zone sights in Field 08E-07C and 09A along river Sungai Temiang was visited . Stakes were place to mark the buffer zone.</p>	
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6).	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The mill effluent is treated in a series of anaerobic and aerobic ponds before pumping to the land application from Algae Pond No.2</p> <p>Record and result of the submission and monthly analysis of the effluent are available.</p> <p>The monthly BOD analysis for the month of Apr and May, 2015 are within the 500 mg/l limit set by the Department of Environment as stated in the licence. (see below)</p> <p>Due to the closure of the composting plant , the POME is 100% applied as land application using a series of sprinkles in Sungai Jernih Estate in the field. The layout map is available : Proposed Sprinkler application site (2007) Drawing Number : GE/SJOM/ETP/184</p> <ul style="list-style-type: none"> • Only Sg. Jernih Estate applies EFB and POME. Records where EFB and POME applied is documented in the EFB and POME utilization table/file as follows: <p>Records of Delivery of EFB and POME to the field and submission to JAS / DOE is available and filed in the Jabatan Alam Sekitar file in the Oil Mill</p>	

• In Block PJ 08C

POME application / Isipadu Effluen dilupus		FFB processed (MT)
Month	Volume(m3)	
Mar	3,182	9,096.31
April	7,016	9,685.03
May	7,170	8,674

Based on the DOE Licence 004143 (1/7/15 – 30/6/16) for land application (Atas Tanah) according to the plan ' : Effluent treatment ponds layout – Sg Jernih POM: Drawing Number GE/SJOM/ETP/173 (12/7/1994) & 'Proposed Sprinkler application site (2007) , Drawing Number GE/SJOM/ETP/185 (28/3/2007)

The following are the weekly BOD

	30 May'15	23 May'15	16 May'15	11 Apr'15	04 Apr'15
BOD < 500 mg/l	57	74	40	67	72
Total solids	4532	4892	4443	4409	4375
Suspended solid < 200 mg/l	197	266	215	215	228
Oil and grease < 50 mg/l	9	16	9	7	14
AN <150 mg/l	43	37	23	42	38
Total N 200mg/l	72	91	40	82	67
>5.0 pH <9.0	8.33	8.44	8.5	8.16	8.25

4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. *Minor*

Findings In compliance: Yes: No:

For water usage for processing , the Oil Mill will abstract water from the nearby river, Sungai Air Jernih . The mill has the water licence , *Lesen Penggunaan Sumber Air* , Licence No: SWUL/LPSA/89/2015 . The mill uses a flowmeter to monitor its abstraction and the volume is recorded . The charge is 0.04sen per m3

Results of the monthly river water analysis at both at the inlet and outlet is available . The result of the latest result was dated 30/5/15 , Certificate Number: 16/19/2015

The water use is treated (without chlorination) as it is used in the oil mill processing / boiler.

Water usage in the palm oil mill is monitored and is captured based on every m3 per MT FFB produced and recorded on a monthly basis. The water is abstracted from the nearby river.

2015 Month	Mill Process (include process & Boiler) M ³	Process(MT / FFB)	M ³ / MT FFB Processed	Domestic M ³
January	4793	5168.69	0.93	-
February	5748	6702.71	0.86	-
March	7870	9096.31	0.87	-
April	7889	9685.03	0.81	-
May	7367	8674.36	0.85	-

	Jun	6430	7534.37	0.85	-
Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.					
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored.				Major
Findings	In compliance:	Yes:	No:	x	
Objective evidence:	<p>The IPM system is documented both in the SOP and circulars (OPC) that contains the procedures, identification and the recommended methods for the control and management of oil palm pests & diseases.</p> <p>The pests & diseases mentioned in the SOP include leaf eating nettle caterpillars/bagworms, rat, rhinoceros beetle, termite, Ganoderma, elephant etc and their respective control measures which involve :</p> <p>Rat control in Oil Palm (OPC No. 04b , Sept 1980)</p> <p>a) Rhinoceros Beetle control in Oil Palms (OPC No. 04.f, August 2004 (revised)</p> <p>b) General Pest and Disease Management (OPC 04.d November 1980)</p> <p>c) Control of leaf Eating caterpillars OPC No. 04g :</p> <p>These OPC would include information like :</p> <p>d) Pesticide application</p> <p>e) Biological control</p> <p>f) Training</p> <p>g) General IPM Strategies</p> <p>h) Pest –Specific strategies : ants, leaf eating insects, rats, rhinoceros beetle, Ganoderma</p> <p>IPM Action plan flow chart</p> <p>Monitoring Programme of the following are kept and monitored:</p> <ul style="list-style-type: none"> Planting & Upkeep of beneficial plant. Areas planted and future planting are mapped out. Barn Owl occupancy census Bagworm damage census <p>For example in Ladang Bebar: Monitoring programme include</p> <ul style="list-style-type: none"> Assessment of bag worm Damage report : Census form for leaf Eating caterpillar Outbreak <p>In Ladang Bebar, there was an application using trunk injection in April - March 2015 using monocrotophos, however there was no census record sighted prior to the application</p> <p>MAJOR</p> <p>According to the staff , application was done without census and post—census.</p> <p>The workers involved were</p> <p>a) Ahmad Rasid</p> <p>b) Rusni</p> <p>c) Aswandi Parmadi</p> <p>In Ladang Bebar, application of rat bait in March 2015 was done after report from the worker and the mill report that the damage was high. Bait application will ceased when the acceptance is < 5% . Baits were applied every 3 days and the baiting was done for 4-5 rounds. Bait was applied in PJ 08A</p>				

Ladang Bebar has their latest barn owl census April 2015

- Barn Owl census (six monthly).

Barn owl occupancy :

No. Of boxes: 151

Occupied /availability : 72

Adults : 72

Chicks : 22

In Sg Jernih Estate there was incidence of bagworm, *Melisa plana* in PJ 10F . The estate personnel will fill and submit to the management the 'Census Form for leaf -- Eating caterpillar outbreaks' .

Based on the Census done on 28/12/14 that it exceeded the threshold and the recommendation to treat was approved with the use of a.i trichlorphon .

Spray was done on 3/1/15

Planting and maintenance of beneficial plants like *Turnera sp.* is also done and recorded to encourage the leaf eating predators.

4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor

Findings In compliance: Yes: X No:

Objective evidence:

Date		Training Title	Trainer	No. of participants
15/3/15	Ladang Bebar	Trunk Injection (bagworms)	Mohd Razali	3
15/1/15	Ladang Bebar	circle spray	Burhan Nurfuod	7
24/1/15	Ladang Bebar	circle spray	Mohd Razali	11
9/2/15	Ladang Bebar	PPE	Jun Chong	25
10/3/15, 10/5/14	Ladang Bebar	RB Spray	adenan Ismail , Shahril	5, 11
19/2/14	Ladang Bebar	Premixing chemical	Mohd Razali	14
14/2/15, 22/6/15	Ladang Sg Jernih	Safety training during Spraying	Mohd Khairi	7,7
20/3/15	Ladang Sg Jernih	Chemical Handling and safety	En Othman (supplier-G Planter)	17
30/6/15	Ladang Sg Jernih	chemical store Handling and issuance	Mohd Khairi	Store clerk , Mas

Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment.

4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Written justification of agrochemicals use is available within the O.P.C document covering:</p> <p>a) Weeds OPC No. 01.b</p> <p>Under appendix 1 , the recommendation for the control of detrimental and undesirable weeds in mature oil palm inter-row by species</p> <p>b) Rats OPC No. 04b</p> <p>c) Rhinoceros Beetle B OPC No. 04f</p> <p>d) Control of leaf Eating caterpillars OPC No. 04g :</p>	
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>a. Does the company have a pesticide application program?</p> <p>b. Is records of pesticides use available?</p> <p>c. Do the records detail the active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications?</p> <p>Records of areas where pesticide are used is available and recorded in the following forms:</p> <p>a) Store Issue from Pesticide Store in the Store issue form</p> <p>b) Mandore will report to Field Supervisor</p> <p>c) Field supervisor will fill up Work program for the operation</p> <p>d) The work programme has been programmed by the assistant.</p> <p>e) The work programme will report: Area sprayed, ha, round No., Price of material, Labour cost, total cost and cost per ha .</p> <p>f) Daily Costing Book for Spraying or weeding</p> <p>In-house computer software 'PIMAC' will record the labour and material cost where the manager and the chief clerk can monitor its costing</p> <p>File Costing Spraying</p> <p>Estate : Ladang Bebar</p> <p>a) Date: 2-4/5/15</p> <p>b) Type of work: Lallang</p> <p>c) Block : PM05A</p> <p>d) Ha: 39.3</p> <p>e) Chemical use : Ecomax (glyphosate)</p> <p>f) Dosage : 120 ml / 16 lit</p> <p>g) Equipment : Knapsack</p> <p>h) Nozzle : 225 , Cone Nozzle.</p> <p>i) Total labour cost / ha : RM3/ha</p> <p>j) No. of workers: 12</p> <p>The records of pesticides use (including active ingredients used and their LD50, area treated amount of active ingredients applied per ha is not available at Ladang Bebar and at SJE the calculation for the a.i used per ha was incorrect.</p>	

	<p>OBSERVATION</p> <p>File Costing Spraying</p> <p>Estate : SJE</p> <p>a) Date: 13-14/4/15</p> <p>b) Type of work: Circle Spray</p> <p>c) Block : PJ11G</p> <p>d) Ha: 34</p> <p>e) Chemical use : Glyphosate + Metsulfuron methyl</p> <p>f) Dosage : 18.5lit + 2.250kg</p> <p>g) Equipment : Knapsack</p> <p>h) Nozzle : 450 , Green Nozzle.</p> <p>i) Total labour cost / ha : RM 52.50 /ha</p> <p>j) No. of workers: 8 mandays</p>	
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The estates has maintain and have revised the the Integrated Pest Management SOP found in Chapter 8 of their Agriculture Manual which contains the procedures, identification and the recommended methods for the control and management of oil palm pests & diseases.</p> <p>The pests & diseases mentioned in the SOP include leaf eating nettle caterpillars/bagworms, rat, rhinoceros beetle, termite, Ganoderma, etc and their respective control measures which involved</p>	
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000).	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Use of chemical categorized as World Health Organization Type 1A or 1B, or listed by the Stockholm or Rotterdam Conventions like monocrotofos , are used in Ladang Bebar due to bagworm infestation .trunk injection .</p> <p>All the products used in the estate are officially registered under the Pesticides Act 1974 (Act 149)</p> <p>Sungai Jernih Production Unit do not advocate the use of Type 1A or 1B in their weeding operation and this is in line with the company policy to phase out the usage of Paraquat has been phased of since 2004</p> <p>From the store inspection and records in SJE , Type 1A and 1B chemicals were not stored or recorded.</p>	
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).	<i>Major</i>

Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	For pesticide handling the estate will refer to the relevant SOP:				
	The estate has conducted the following training for IPM and for personnel handling pesticide				
	Date		Training Title	Trainer	No. of participants
	15/3/15	Ladang Bebar	Trunk Injection (bagworms)	Mohd Razali	3
	15/1/15	Ladang Bebar	circle spray	Burhan Nurfuod	7
	24/1/15	Ladang Bebar	circle spray	Mohd Razali	11
	9/2/15	Ladang Bebar	PPE	Jun Chong	25
	10/3/15, 10/5/14	Ladang Bebar	RB Spray	adenan Ismail , Shahril	5, 11
	19/2/14	Ladang Bebar	Premixing chemical	Mohd Razali	14
	14/2/15,22/6/15	Ladang Sg Jernih	Safety training during Spraying	Mohd Khairi	7,7
	20/3/15	Ladang Sg Jernih	Chemical Handling and safety	en Othman (supplier-G planter)	17
30/6/15	Ladang Sg Jernih	chemical store Handling and issuance	Mohd Khairi	Store clerk , Mas	
	Appropriate PPE were provided to the spray operators during site visit at Ladang Bebar , e.g goggles, face mask, apron, boots , gloves . PPE were used appropriately according to recommendations in the risk assessments done.				
	This will be checked by the staff and mandore during the morning briefing.				
	The operators wore long sleeve and pants overalls during operation.				
	PPEs will be replaced by the management if found to be faulty.				
	MSDS were sighted at the store for all chemical and copies are available at both the office.				
4.6.6	Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations.			<i>Major</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	a. Has the SOP for pesticide storage been documented and implemented?				
	b. Are all pesticides stored according to recognised best practices?				
	c. Is there evidence that empty pesticide containers are properly stored and disposed off and not used for other purposes?				
	d. Is there evidence observed in the field that pesticide containers are indiscriminately disposed (indump site) or used for other purposes, .e.g. as waste containers, flower pots?				
	The pesticides were found to be stored in appropriate conditions and in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations				
	Observed that the following are evidenced during the field visit in the chemical storage in both				

	<p>SJE and Ladang Bebar:</p> <p>a) Emergency and Hazard signs</p> <p>b) Material Safety Data Sheet (MSDS)</p> <p>c) Ventilation</p> <p>d) Lighting</p> <p>e) Solid door and good roofing</p> <p>f) Concrete flooring</p> <p>g) Shelving</p> <p>h) Emergency phone numbers posted on the chemical store wall</p> <p>Pesticides are stored according to recognized best practices.</p> <p>The storage site is robust and concrete and lock and key . It is well ventilated as well as well lit with good roofing .</p> <p>It has its hazard signs and spill kit using sand /fiber/sponge as the absorbing material</p> <p>Emergency response in case of spillage was also posted on the wall.</p> <p>Empty containers are stored in their store prior to disposal.</p> <p>Water source is available in the form of water tank at the pre-mix area</p> <p>The emergency shower, eye wash and tap or water source is within easy reach in case of spillage.</p> <p>However 2 of the chemicals stored at the Ladang Bebar contractor store like Dursban and Malathion do not have their appropriate MSDS</p> <p>OBSERVATION</p>				
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts.			<i>Major</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>At present Ladang Bebar is using manual knapsack with nozzle (green) with a spray volume 450 l/ ha for the circle spray .</p> <p>For control of bagworm, Ladang Bebar , uses the trunk injection to apply the chemical , monocrotophos.</p> <p>There were no spraying done at SJE during the day of audit.</p> <p>For the bagworm spray on the immature palms, SJE uses a motorised knapsack sprayer (B&S Knapsack Spray) with extended lance to spray/reach at the affected fronds. The chemical used is Dipterex (a.i Trichlorfon) at 1.8kg/ha as per the OPC No. 04g : Control of leaf Eating caterpillars</p>				
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application.			<i>Major</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	No aerial spraying conducted				
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8).			<i>Minor</i>	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
Objective evidence:	<p>No associated smallholders.</p> <p>Yearly , the estates and Mill would have training to enhance knowledge and skills of employees on pesticide handling shall be demonstrated.</p>				

4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).	<i>Minor</i>																																
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																																	
Objective evidence:	<p>Domestic waste is segregated between organic and inorganic waste. The organic waste is dumped at the dumpsite/land-fill (in SJE field 09D and Ladang Bebar Field 06) , whereas plastic wrappers and recyclable material is collected by a collector in the nearby town , Pekan .</p> <p>Records of chemical containers that is disposed as Schedule Waste is recorded in the '5th Schedule ' regulation 11 form .</p> <p>From the records , in 2015 the following were disposed</p> <table border="1" data-bbox="379 562 1114 969"> <thead> <tr> <th>Date</th> <th>waste category</th> <th>Name of waste</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>30/4/15</td> <td>SW305</td> <td>used oil</td> <td>0.2 MT</td> </tr> <tr> <td>30/4/15</td> <td>SW409</td> <td>chemical container & fertilizer bags</td> <td>0.4+0.5</td> </tr> <tr> <td>31/3/15</td> <td>SW409</td> <td>chemical container</td> <td>0.04</td> </tr> <tr> <td>28/2/15</td> <td>SW409</td> <td>fertilizer bags</td> <td>0.4</td> </tr> <tr> <td>31/1/15</td> <td>SW409</td> <td>chemical container & fertilizer bags</td> <td>0.4+0.55</td> </tr> <tr> <td>26/1/15</td> <td>SW305</td> <td>used oil</td> <td>0.2 MT</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Disposal is through the licensed collector , Kualiti Kitar Alam</p> <p>At Ladang Bebar, the</p> <ul style="list-style-type: none"> a) empty container store signages was not available b) Scheduled waste ,paint containers were placed in the recycled bin c) Two of the contractor store flooring was contaminated with oil . <p>OBSERVATION 05</p>		Date	waste category	Name of waste	Quantity	30/4/15	SW305	used oil	0.2 MT	30/4/15	SW409	chemical container & fertilizer bags	0.4+0.5	31/3/15	SW409	chemical container	0.04	28/2/15	SW409	fertilizer bags	0.4	31/1/15	SW409	chemical container & fertilizer bags	0.4+0.55	26/1/15	SW305	used oil	0.2 MT				
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26/1/15	SW305	used oil	0.2 MT																															
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	<i>Major</i>																																
Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>																																	
Objective evidence:	<p>a. Is there an updated list of pesticide operators?</p> <p>b. Is there records of annual medical surveillance of pesticide operators?</p> <p>c. Is there medical and treatment records of all pesticide operators?</p> <p>The medical surveillance of spray workers at Sg Jernih were sighted in the " Dokumen peribadi Pemantauan Perubatan untuk peracun Makhluk Perosak Ldg Sg Jernih 2015' namely</p> <ul style="list-style-type: none"> a) Sameni. (A 4406046) b) Sarjani (AS 561858) c) Sahlun (A 3720449) d) Nurdiyanto (V 908100) e) Rendah Hardi (AS 701762) <p>has been sent for their annual medical surveillance on the April 2015 to Klinik Syed Badaruddin , conducted by Dr Yasriza Yahaya .</p> <p>All the workers sampled were reported to : ' Kesuluran anda adalah baik keseluruhan '</p>																																	

	This is done annually. However in Ladang Bebar, the medical surveillance for the Spray Operators Kamir, Hidayat, Samsul Hakim, Norahmad, Norhadi and Mohd Rasid was not available during the audit								
	MAJOR								
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women.								Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>				
Objective evidence:	No evidence that spraying are assigned to female workers in Ladang Bebar and Sg Jernig Estate.								
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented									
4.7.1	An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.								Major
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>				
Objective evidence:	<p>M: The Group OSH Policy approved by the Group Deputy President, Tan Sri Dato' Seri Lodin Wok Kamaruddin dated on 01/06/2012. The content of OHS policy being brief to workers in the mill and estates during OSH meeting and occasionally in toolbox meeting.</p> <p>In the mill, sighted updated OHS plan with 8 programs documented effectively in "Program Keselamatan & Kesihatan FY 2015" was approved by the mill manager. In Sg. Jernih Estate, there are 21 programs updated in 2015 and it was approved by the estate manager. Sighted OSH plan associated in annual training calendar that covers first aid, chemical handling, noise monitoring, emergency evacuation, manuring, recycle material, medical surveillance etc. For year 2015, the main focus is on role of safety officer, JKPP inspection and safe operating procedure.</p> <p>Sighted the recent quarterly OSH meeting in mill was on 26/06/2015 attended by all the committee members. The meeting effectively captured on results of safety audit or safety patrol, contract works within mill, 5S activities and best safety practices. Besides the above, there is also evidence of Emergency Response Procedure [ERP] updated in 2014.</p> <p>Both in the mill and estates, information in regards to OHS highlighted and discussed during toolbox and morning muster respectively in mill and estates. Verified the appointment of safety committee for mill and estates that expiring in Mar 2016. There committees are in accordance to Safety Committee Meeting Regulation 21. There is another committee formed as "Pasukan Keselamatan Kilang – PKK" as part of emergency evacuations.</p> <p>During field and mill visits, interview with workers resulted that they are aware the importance of OHS and able to share with audit team of basic OHS requirements that was briefed during toolbox meeting.</p>								
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.								Major
Findings	In compliance:	Yes:	<input type="checkbox"/>	No:	<input checked="" type="checkbox"/>				
Objective evidence:	<p>M: In Sg. Jernih Estate, sighted the HIRARC reviewed and revised [3rd rev] in Jan 2014. Some of the activities that rated high significant are workers travelling in laterite road exposed to dust [16], harvesters tendency for skin irritation due to excess sweating [16], inhale of chemical and skin disorder at premix area [16] etc.</p> <p>The mill has conducted hazard identification, risk analysis and risk control measure taken for all mill operation activities. Sighted the assessment record [OSH/HIRARC/1] was last updated 25/03/2015. Among the operation activities sighted in the HIRARC are workshop [mechanical & electrical], effluent treatment plant, loading ramp, sterilizer and laboratory. However assessment in engine room / power house not assessed the noise pollution and the risk factors for immediate workers whom exposed to high noise level.</p> <p>Seen the HIRARC is an integral part of an OSH management system. All operating units within the estates and mill have fundamental understanding of hazard identification and how they are managed, such as practical risk evaluation, the use of observations to identify hazards, etc. Since the process of HIRARC is a continuous process, therefore it being audited at least once in quarterly by OSH committee.</p>								
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall								Major

	be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.	
Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	<p>As at 22/07/2015, there are 88 workers in the mill [4 female and 84 male]. Sighted training in relation to OHS plan effectively and executed when appropriate. Sampled training records for Saffulnizam [830827-06-5383] whom attended First Aider training from 22 – 22/02/2013.</p> <p>The mill has done annual noise level monitoring on 03/02/2015 as required by Regulation 20 (3) of FMM – Noise exposure regulation 1989. Based on the assessment result, the mill mitigates high noise level by engineering control; the mill has done preventive maintenance (according to life time set) and vibration monitoring to prevent excessive noise. And for administrative control, there are safety sign to use the PPE in the stations identified with high noise level. There are many training programs established for estate workers on safe working practice as per stated in indicator 4.8 of this report. Seen the PPE list of inventory, common PPE used matrix list and issuance list for field workers.</p> <p>The mill has a list of PPE issuance and monthly monitoring records by department / section level. SOPs on chemical handling established and associate with work instruction, safety precautions and emergency action related to each hazardous.</p> <p>The master list [mill] for fire extinguisher available [updated 30/06/2015] and monthly inspection evidenced in the "Fire Extinguisher Monthly record" for 36 units. During mill visit, sighted all 36 units were send for refill [verified collection shit # 17872] and standby units [14 units] from supplier made available.</p> <p>During visit to chemical store, PPE storage room and schedule waste store, it was observed a good housekeeping, proper ventilation, adequate spillage kits, proper lighting, sump pits and awareness towards OHS and environment among workers interview found satisfactory.</p> <p>During mill visit it was observed by audit team the noise level was higher, however worker [En. Jasni] in engine room was not using and was not sure whereabouts of his ear plug. In maintenance room, seen the wires in electrical panel improperly arranged and unacceptable housekeeping condition [sharp objects everywhere, work pieces not arranged properly, PPE not effectively care] that may endanger any user. Based on the audiometric result dated on 03/02/2015, some of the workers been diagnosed threshold shift and required to be tested within 04/05/2015 by a doctor; however this exercise was not planned.</p>	
4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The mill manager, Azrin Mazhidi as being the head of ERT committee also heads the OHS activities. Verified employer representative [Pn. Julis, En. Suhaili, En. Hafizan] and representative from employees [En. Raman, En. Ruslie, En. Jamal]. The appointment letter of respective committee members effectively documented. Sighted the recent quarterly OSH meeting in mill was on 26/06/2015 attended by all the committee members.</p> <p>In Sg. Jernih Estate, seen the latest OHS organization chart 2015, heads by the estate manager Mr. Faridan whom assist by 10 representing employer, 10 from workers side and the secretary of the committee is Nur Shaiadatul. Their appointment letters are well documented and demonstrated during audit. In total there are 40 staff under company's check-roll and 155 workers on annual contractual basis. The recent OHS meeting was conducted in 30/03/2015 and out of 22 members, 17 attended and minutes effectively documented.</p>	
4.7.5	Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The common use [for mill and estates] ERP procedure seen effectively documented and the content of procedure was communicated to workers through training programs. The ERP procedure seen in local language and no translation need in mill as there is no foreign workers employed. In estates the foreign workers are only Indonesian who also able to understand the spoken language of Bahasa Malaysia, therefore procedure in local language is acceptable. Sighted records with various dates in 2015 that assembled mill workers to highlight content of	

	available SOPs. o During mill and estate site visits, the audit team interviewed the assigned operatives trained in First Aid [Mandor in estate and Supervisor in mill]. In Sg. Jernih Estate sighted the "First Aider Training" record dated on 08-08 – 09/08/2014 [conducted by Occumed Consultancy & Services Sdn. Bhd.] which was attended by 25 staff and workers.										
4.7.6	All workers shall be provided with medical care, and covered by accident insurance.	Minor									
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
Objective evidence:	M: As at 22/07/2015, there are 88 workers in the mill [4 female and 84 male]. All workers are covered under PERKESO [Persatuan Keselamatan Social] schemes and there is no foreign worker employed. Seen, Mohd. Faizal [861007-33-6047] was paid SOCSO [PERKESO] promptly for his medical leave that caused during working hours – cross reference done to JKPP 6. Aside seen a letter from Ministry of Human Resources, giving authorization [in accordance to Seksyen 24(4), Employment Act 1955] for deduction of RM 10.00 from worker's salary on group insurance for critical illness. In Sg. Jernih, as at 30/06/2015, there were 40 staff [locals under check-roll] and 155 workers [annual contractual basis]. The locals are governed by PERKESO and PA coverage which consigned by Worker's Union. The foreign workers insured thru SPPA [Slip Pengesahan Skim Pampasan Pekerja]. Sampled conducted for Indonesian workers Pihrudin, Suep and Junarwan that coverage starts from 03/06/2015.										
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics.	Minor									
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
Objective evidence:	M: In Sg. Jernih Estates seen the JKPP 8 dated on 27/01/15, there were 12 cases of non-lost time [not more than 4 days of medical leave] reported. All the cases reported involving harvesters and the summary of accidents detailed in Hospital Assistant's report. The summary as, Fatality rate – 0, Incident rate – 64, Frequency rate – 27 and Risk – 31. There was no cases on Poisonous / Disease In mill, for the period from Jan – Jun-end 2015, there was no was accident cases reported. However there was fatality [external contractor] reported in JKPP 6 and sighted the correspondence in the annual report to DOSH Form 8 JKPP that includes of Lost Time Accident (LTA dated on 14/01/2015 and content as per in below. The provision of training on SOP and job safety analysis well reflected in area where auditor visited. As summary, Fatality rate – 13.16, Incident rate – 26.32, Frequency rate – 874.13 and Risk 2185.										
Criterion 4.8: All staffs, workers, smallholders and contract workers are appropriately trained.											
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.	Major									
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>										
Objective evidence:	Training programme is established at each estate and Oil Mill based on the management assessment of the various job operation and stations . The Training programme normally all aspects of the RSPO Principles and Criteria. A major part of the training is on safe operation of the operation that the employee is involved in. The KKS Sg Jernih Training Programme 2015 was sighted. It categorise the training under: a) Safety and Health b) Environment c) Social d) SOPs e) Supplier training Monthly they have their monthly safety Briefing . In 2015 they have already conducted the following training										
	<table border="1"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td>19/4/15</td> <td>Steam Plant – Boiler & Turbine</td> <td>15</td> </tr> <tr> <td>15/11/14</td> <td>CHRA, PPE and Chemical</td> <td>26</td> </tr> </tbody> </table>	Date	Training	Participants	19/4/15	Steam Plant – Boiler & Turbine	15	15/11/14	CHRA, PPE and Chemical	26	
Date	Training	Participants									
19/4/15	Steam Plant – Boiler & Turbine	15									
15/11/14	CHRA, PPE and Chemical	26									

	Handling	
30/6/14	RSPO Briefing on Mill SOP and Supply Chain	9

For the estates, the following training were sighted in their training file:

Date	Estate		Trainer	No. of participants
7/3/15	Ladang Bebar	Pengendalian Traktor	Adenan Ismail	11
4/5/15	Ladang Bebar	Recycle training	Mohd Ehsan	4
6/6/15, 24/6/14	Ladang Bebar	Water treatment	Burhan Nul Foad Rizwan	1
2/7/14	Ladang Bebar	Grabber	safaruddin	4
19/3/14	Ladang Bebar	Manuring	Adenan Ismail	5
14/2/14	Ladang Bebar	fire-extinguisher	Bomba	24
13/1/14	Ladang Bebar	Harvesting	safaruddin	15
27/1/15	Ladang Sg Jernih	Soil Erosion & Buffer zone (PJ09A)	Razali Yusoff	22
27/11/14	Ladang Sg Jernih	MSPO	ahmad Amirul	14
17/10/14	Ladang Sg Jernih	safe working Porcedure	Mohd Khairi	all workers
11/8/14	Ladang Sg Jernih	Soil Erosion & Buffer zone (PJ09A)	Sharille Idzham	18
8/8/14	Ladang Sg Jernih	Penyimpanan Bekas Buangan	Sharille Idzham	18,14,18,17,19,18,3
4/7/14	Ladang Sg Jernih	SWP harvesting	Mohd Khairi	-

4.8.2	Records of training for each employee shall be maintained.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Although , no records of training for each employee are maintained however each training conducted , the management keep a record of their attendance .	

Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

5.1.1	An environmental impact assessment (EIA) shall be documented.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

Objective evidence:	Register of the "Environmental Aspect and Impacts 5.1.1" seen systematically identified the significant environmental aspects and their impacts within their control and physical boundary of estates / mill which may results from replanting, mill renovation / extension and etc. The mill and estate managers are fully responsible in ensuring his appointed personnel conduct EIA process at regular interval with participation from various sections / departments. Sighted the EIA effectively covers the entire scope of operations [mill and estates] that also benchmarked HIRARC as reference. In general the environmental impact been assessed by taking into account of ozone layer depletion, business impact [regulatory & legal exposures, interested parties], community impacts [water, air, land contamination results in illness, nuisance and loss of income], unpleasant working environment, etc.			
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.	Minor		
Findings	In compliance:	Yes:	x	No:
Objective evidence:	The establishment of environmental objectives, target and management plan applies in below course: <ul style="list-style-type: none"> • 100 – 199 points = no action required • 200 – 299 points = CA / PA requires • > 300 points = objectives; target and management plan needed In mill all significant environmental impacts are identified with mitigation measures to reduce its impacts. Among the key objectives developed in regards to EIA are to ensure BOD level for treated effluent at final discharge is not > 500ppm, to ensure compliance to EQ – Clean Air Regulation 2014 and to reuse the waste [by product – EFB and POME] produced by mill. Assessment results in estates, none of the process fall in the range < 300 points, therefore no timetable developed. However corrective actions and plans available for activities in range of 200 – 299 points. The estate assistant manager responsible in driving his team for effective measures.			
5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.	Minor		
Findings	In compliance:	Yes:	x	No:
Objective evidence:	For significant environmental impacts, mill and estates has identified with mitigation measures to reduce its impacts. Monitoring plans are incorporated in the "Environmental Aspect and Impacts 5.1.1" register. Effectiveness of mitigation measures reviewed annually by the mill and estate management during management review meeting as well in company's RSPO internal audit.			
Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.				
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).	Major		
Findings	In compliance:	Yes:	x	No:
Objective evidence:	Sighted an assessment report of "A Rapid High Conservation Value Assessment of Sg. Jernih Business Unit" dated on 04/08/2010 conducted by Wild Asia (M). In Bebar Estate, the most important HCV areas nearby are South East Pahang Peat Swamp Forest (SEPPSF) and Bukit Ibam Forest Reserve. Sungai Jernih Estate borders the same 2 HCV areas as Bebar and illegal poaching activities in adjacent Bukit Ibam Forest Reserve noted as significant threat to biodiversity. In all estates visited, protection of waterways from negative impacts addressed through riparian buffer zones. Hunting activities surrounding natural areas are monitored and controlled.			
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.	Major		
Findings	In compliance:	Yes:	x	No:
Objective evidence:	Based on the summary of HCV values, HCV 1.2 [<i>Panthera Tigris</i> , Otter-Vivet, Asian Elephants etc] have been recorded. Endemic species [HCV 1.3] recorded include several peat swamp fishes and endemic plants include <i>Durio carinatus</i> which is restricted to peat swamps. Also noted probability of migratory wetland birds [HCV 1.4]. SEPPSF is largest remaining peat swamp forest habitat remaining in Peninsular Malaysia [HCV 2]. Within this habitat, there exist highly unique			

	habitats, peat swamp forest, fresh water swamp forest and health forest types [HCV 3]. Peat swamp forest function as sinks which regulates water flow by reducing flood peaks during wet seasons and maintaining water reserves during dry period [HCV 4].		
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.		Minor
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	Based on the HCV assessment, some measures being implemented as part of educating workers at all level, such as increase vegetation along riverine areas and create awareness thru morning briefing among sprayers on risk of agro-chemical run off. Similar trainings been scheduled in the estate's training plan for 2015. There is also a program associated with road maintenance, to enhance culvert design and appropriate use of silt traps to reduce sedimentation in waterways. As at audit date, there was no case reported where the worker of Boustead found to have captured, harmed, collect or killed available species. Notices been circulated companywide that appropriate disciplinary action will be imposed in accordance to company and national law if found anyone violating.		
5.2.4	Where an action plan has been created there shall be ongoing monitoring		Minor
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	Respective estates are doing HCV monitoring assessment based on recommendation from HCV assessment by Wild Asia. Management plan will be establish on yearly basis based on monthly monitoring data. Sighted plan for period Jan – Dec 2015. Aside from monitoring of HCV, management plan also include monitoring activities such signages, training, maintain buffer zone marking, maintaining vegetation at riparian zone, river water analysis and review with management. All these activities were documented in one dates programme for entire year.		
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.		Minor
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	Most of the local communities' are made up of pockets of families from the Jakun tribe whom build houses in clusters forming villages. 10% population of three Jakun Villages depended upon resources from SEPPSF to some degree [HCV 5]. They hunt for animals, fish and pick leaves and vegetables as their main source of food. The Orang Asli / Jakun being nomadic, in course of staying in one area may have passed from one generation to another, leaving behind burial plots and ceremonial locations that mutually regarded as sacred by these communities [HCV 6].		
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented.		Major
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	<p>The schedule waste collection by authorized collector [Kualiti Alam] in accordance to Reg. 2005 of EQA 1974. During site visit to the store, the audit team observed the waste were packed, marked and properly labelled of the waste and provided duly completed Consignment Note and Waste card of each waste.</p> <p>The estate has identified and documented 2 types of waste that generated from its plantation activities and the mill has 5 types in "Borang Pengenalpastian Aspek Dan Impak Alam Sekitar" – EAI/2015/01-01. The waste management plan has identified of the waste product, sources of pollution, mitigation measures, target, and person responsible.</p> <p>Example in the mill - spent lubricant oil → Vehicle and Machinery → Disposed by DOE approved Contractor → PIC is Mr. Rizal. Example in Bebar Estate - (Chemicals Storage) → Waste generated (Empty chemical containers) → Activity (Intake and issue of chemicals) → Impact (Water & Land pollution → Environmental risk score (10) → Management control (To provide spill kits & secondary containment for all transferring utensil) → PIC is Mr. Zul.</p>		
5.3.2	All chemicals and their containers shall be disposed of responsibly.		Major
Findings	In compliance:	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	Spent lubricating oil [SW 305], contaminated items [SW 409] produced by the estate operations are collected and kept in the schedule waste store prior to disposal. Labelling and identification of scheduled wastes are in accordance to EQA 1974, (Schedule Waste) Regulation 2005.		

During visit to estates and mill, the schedule waste stores build / located at least 50M from any waterways. Estate's schedule wastes are disposed through a DOE registered schedule waste disposal contractor as per DOE requirements, Kualiti Kitar Alam Sdn. Bhd. [Contractor code – 50013/904/003].

Example of disposal record sighted for (SW 409) weighing 55gal. x 3 drums was done through consignment note # 100351-001 dated 07/07/2015. The disposal was done by Kualiti Alam who has a valid license for transporting schedule waste as well been licensed by DOE for "Pelupusan Buangan Terjadual". In Bebar estate verified the "Fifth Schedule" with below details:

- SW 305 [spent lubricant oil] = as at June'15 is 0.0616 MT
- SW 409 [disposed containers] = as at June'15 is 1.06814 MT

Empty pesticide containers are triple rinsed prior to dispose as schedule waste to Kualiti Alam. Records of empty pesticide containers and disposal records are maintained by respective mill and estate assistant managers.

5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. *Minor*

Findings In compliance: Yes: No:

Objective evidence: Waste management plan is integrated in the EIA matrix. During the time of visit, no indiscriminate disposal of overburden / top soil directly into any existing natural waterways was observed. Existing worker's quarters are constructed more than 30 meters from any existing natural waterways. Also there was no sediment / silt was observed to be disposed into any existing river / waterways. During line site visit [mill and estates], seen a satisfactory sanitary, such as toilet with septic tanks are provided at workers and staff quarters. Rubbish / solid waste bins are provided at designated area. A scheduled garbage lorry collects domestic waste from each household and offices and being disposed via dump-site. All wastes such as bottle, plastic and aluminium is segregated and recycle where appropriate.

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximized.

5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimize renewable energy shall be in place and monitored. *Minor*

Findings In compliance: Yes: No:

Objective evidence: Electricity generation for mill operation produced from steam turbine / boiler where shell and fiber used as burning source [renewable energy]. There is no construction or neither upgrading of operation nor building reported since from last audit therefore energy efficiency for this task not evaluated. There is no plan established for biogas operation, however another unit in Johor is in trail stage. Randomly sampled monthly power generation as below:

Year	FFB processed [MT]	Power consumed [Kwh/MT]	Kwh/FFB Processed
Jan - Jun 15	46,861	938,760	20.03
Feb'15	6702	134,780	20.26
Apr'15	9685	190,750	19.70
Jun'15	7534	145,990	19.38

Monthly efficiency of energy used as below:

Month	FFB process [MT]	Fibre produced [MT]	Shell produced [MT]	Total Fuel produced [MT]	Total fuel consumption [MT]	% max usage of renewable energy
Jan'15	5168	620	361	982	350	35.66
Mar'15	9096	1091	636	1728	333	19.30
Apr'15	9685	1162	677	1840	471	25.61

Monthly diesel consumption for mill processing as below:

Month	Jan '15	Feb '15	Mar '15	Apr '15	May '15
Diesel used [Lt]	24,540	19,880	20,050	22,410	25,450
Diesel / CPO [L/MT]	4.75	2.97	2.20	2.31	2.93

In Bebar Estate, sighted the monthly diesel consumption for vehicle used for the FFB production as below:

Month	Vehicle [L]	FFB Production [MT]	Diesel / FFB [L]
Jan' 15	573	2275	0.25
Feb' 15	973	3089	0.31
Mar' 15	1,248	3826	0.33
Apr' 15	1,258	3795	0.33

	May' 15	1,590	3441	0.46
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.				
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.			Major
Findings	In compliance:	Yes:	x	No:
Objective evidence:	Group Policy on restricting open burning dated in 2011. There is a circular [O.P.C No. 51c, July 1999] stating when there were incidences of Basal Stem Rot [BSR] on the old stands or high risk of Oryctes infestation, then partial burning and pulverisation are to be carried out. Before commence of burn, a permit should be obtained from DOE and burning strictly not allowed during July – November or whenever a "No Open Burning" circular from local authorities.			
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003.			Minor
Findings	In compliance:	Yes:	x	No:
Objective evidence:	In Bebar Estate the total land area is 2262.5 HA and based on 10 years replanting program, for year 2015, there is none been planned. In 2014 there was replanting program has outsourced land clearing work to contractor "Ideal Link Enterprise" through contract [LB/ALL/08-2014] dated in 01/01/2014. The contract well spelled the felling & chipping should be carried out using excavator and the shredded palm materials should be spread evenly. The hidden log and standing stump should be fully uprooted and completely buried in-situ with sufficient depth. In Sg. Jernih estate, the planted area is 2572.20 HA [planted years 2007-2013] and there is no replanting program until 2025. Sufficient records available to demonstrate during replanting stage, all standing palm trees were felled and the trunks chipped using excavators and spread out to cover the land to allow natural decomposition. There is no on-going replanting in estates visited, however field visit by audit team found no evidence that fire was used in estate operation.			
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.				
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).			Major
Findings	In compliance:	Yes:	x	No:
Objective evidence:	The EIA assessment used as a baseline for identifying polluting activities. The stack emission results are documented in the Stack Emission Monitoring File and comply with the specification. Smoke recorder Chart (Ringelmann Chart) was on line recording (Continues Emission Monitoring System) and send to DOE and records results were kept in the mill. The mill has developed an air pollutant assessment by creating identification waste sources list that includes air pollutant waste. In estate, a matrix table effectively documented on pollutions that categorized into domestic waste, schedule waste, reusable waste and non-reusable waste.			
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimize them implemented.			Major
Findings	In compliance:	Yes:		No: x
Objective evidence:	The treatment methodology for POME is well defined and closely monitored. However there are no plans identify to reduce or minimize GHG emissions. Since there is an absence of plans to reduce or minimize them, therefore the objectives, target and timeline for reduction not established in mill and estates.			
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.			Minor
Findings	In compliance:	Yes:		No: x
Objective evidence:	There is no documented evidence available to ensure a system in place to monitor emission of pollution including greenhouse gases from estates and mill operations. There is no mechanism available to demonstrate if there regular reporting conducting by using appropriate tools. Also the Palm GHG Calculation Report is not available as required by the RSPO ERWG.			

Growers and Mills																														
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.																														
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented.		Major																											
Findings	In compliance:	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																												
Objective evidence:	<p>Documented and updated Social Impact Assessment (SIA) is available in the estates and mill offices as listed below:</p> <ul style="list-style-type: none"> i) SIA for Sungai Jernih Mill updated on May 2015. ii) SIA for Sungai Jernih Estate updated on April 2015 iii) SIA for Bebar Estate updated on April 2015. <p>Examples of stakeholders meeting conducted at Bebar Estate:</p> <ul style="list-style-type: none"> i) External stakeholders meeting with government agencies, neighboring villages and estates, suppliers, contractors and etc. conducted on 14 April 2015 ii) Special stakeholders meeting with aboriginal villages neighboring with Bebar Estate also conducted on 14 April 2015. <p>The document listed a series of sections relating to social aspects and impacts identified during the stakeholder meeting with the participatory of various external and internal stakeholders. The documents also clearly stated the mitigation plan for the impacts identified. Examples of the mitigation plan from the social assessment for both estates and mill are stated as below:</p> <table border="1"> <thead> <tr> <th>Aspects Identified</th> <th>Impacts</th> <th>Management Plan</th> </tr> </thead> <tbody> <tr> <td>Condition of access road</td> <td>Poor road conditions can leads to accident.</td> <td>Repairing roads will be perform continuously and the schedule of repairs managed by estate.</td> </tr> <tr> <td>Speeding vehicle</td> <td>Danger to public/high risk of accident to be occurred.</td> <td>Put up warning signs</td> </tr> <tr> <td>Hygiene of labour lines area</td> <td>Dirty and stagnant water</td> <td>Create awareness to mill employee and promoting the <i>gotong-royong</i> culture</td> </tr> <tr> <td>Street and house lighting</td> <td>Faulty of electrical part</td> <td>Introduce complaint form</td> </tr> <tr> <td>Safety and health</td> <td>Insufficient numbers of first aids boxes</td> <td>To increase the number of first aid box in the mill</td> </tr> <tr> <td>Employment of local workers</td> <td>To provide employment opportunities to local workers.</td> <td>Current practices, recruitments through verbal announcement to local whenever there is vacancy.</td> </tr> <tr> <td>Donation</td> <td>Government school request for donation to the school.</td> <td>Management will further discuss on these matters with higher management.</td> </tr> <tr> <td>Pejabat Kesihatan Daerah</td> <td>Clean water supply to estate communities</td> <td>Management is connecting pipeline for government domestic water supply and expect to be completed by September 2015</td> </tr> </tbody> </table> <p>Besides that, time bound and person in charge for promote the positive and mitigate the negative impacts for each of the impacts identified also clearly stated in the management plan.</p>			Aspects Identified	Impacts	Management Plan	Condition of access road	Poor road conditions can leads to accident.	Repairing roads will be perform continuously and the schedule of repairs managed by estate.	Speeding vehicle	Danger to public/high risk of accident to be occurred.	Put up warning signs	Hygiene of labour lines area	Dirty and stagnant water	Create awareness to mill employee and promoting the <i>gotong-royong</i> culture	Street and house lighting	Faulty of electrical part	Introduce complaint form	Safety and health	Insufficient numbers of first aids boxes	To increase the number of first aid box in the mill	Employment of local workers	To provide employment opportunities to local workers.	Current practices, recruitments through verbal announcement to local whenever there is vacancy.	Donation	Government school request for donation to the school.	Management will further discuss on these matters with higher management.	Pejabat Kesihatan Daerah	Clean water supply to estate communities	Management is connecting pipeline for government domestic water supply and expect to be completed by September 2015
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6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties.		Minor																											
Findings	In compliance:	Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																												
Objective	All records of meeting and stakeholders' consultation during the Social Impact Assessment are																													

evidence: incorporated into the SIA document.

List of the external stakeholders (e.g. Government agencies, schools, neighboring estates, *Ketua Kampung*/Head of neighboring villages, *Tok Batin*/ Head of aboriginal villages and etc) and internal stakeholders (e.g. NUPW representative, different nationality representatives, gender representative and etc.) are all clearly stated in the updated list of stakeholders.

Evidence of invitation letters sent to the relevant stakeholders to attend for the stakeholder meeting available in the files of each operating units.

Evidence of participation of the stakeholders in the meeting was seen in the stakeholder meeting attendant list and stakeholder meeting minute. One of the stakeholder meeting conducted on 14 April 2015 with the participation of aboriginal villages as below:

List of aboriginal villages/participants in the stakeholder meeting on 14 April 2015	
No:	Name of aboriginal villages representatives
1	Chiang Hai
2	Sinngki
3	Llidin
4	Achong
5	Arif
6	Mahain
7	Zidur
8	Sahak
And etc.	

The SIA report available at estates and mill showed that the assessment is carried out through consultation with stakeholders/affected parties to identify potential impacts and plans for mitigation measures to be taken to control negative impacts. For instance, the SIA for the production unit showed involvement of surrounding communities such as villagers from the following:

Estates	Stakeholders
Bebar	Kampung Sawah Batu; Kampung Dungun; Kampung Simpai; Kampung Biniai; Kampung Langkap; and Kota Perdana (local malay villages)
Sg. Jernih	Kampung Wah Wah; Kampung Gong; Kampung Batu Gong; Kampung Peleteh; Kampung Bukit Mekok; and Kampung Belukar Nangka.

6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.	<i>Minor</i>																								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																									
Objective evidence:	As reflected earlier, Social Impact Assessment is established incorporating the mitigation plan /management plan for each of the identified impacts as well as due date and progress(time bound) together with the person in-charge. Refer to Indicator 6.1.1																									
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties.	<i>Major</i>																								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																									
Objective evidence:	Management Plan for Social Impact Assessment is found to be updated and reviewed annually. Latest reviewed conducted on June 2015. Observed that issues and concerns raised on year 2014 as listed as table below has been reviewed by management on June 2015. <table border="1" data-bbox="422 801 1024 1332"> <thead> <tr> <th>No</th> <th>Issues/concerns been raised in year 2014 and has been reviewed by Management on year 2015</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Line site & Living Condition</td> </tr> <tr> <td>2</td> <td>Piece rates and wages paid</td> </tr> <tr> <td>3</td> <td>Workers Contract</td> </tr> <tr> <td>5</td> <td>Contractors</td> </tr> <tr> <td>6</td> <td>Child Labour</td> </tr> <tr> <td>7</td> <td>Workers welfare</td> </tr> <tr> <td>8</td> <td>Medical Access/Facilities</td> </tr> <tr> <td>9</td> <td>Healthy and Safety Issues;</td> </tr> <tr> <td>10</td> <td>Road Access & Transportation</td> </tr> <tr> <td>11</td> <td>Pollution</td> </tr> <tr> <td>12</td> <td>renewal of passports and permits</td> </tr> </tbody> </table>	No	Issues/concerns been raised in year 2014 and has been reviewed by Management on year 2015	1	Line site & Living Condition	2	Piece rates and wages paid	3	Workers Contract	5	Contractors	6	Child Labour	7	Workers welfare	8	Medical Access/Facilities	9	Healthy and Safety Issues;	10	Road Access & Transportation	11	Pollution	12	renewal of passports and permits	
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6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).	<i>Minor</i>																								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																									
Objective evidence:	Not applicable. No schemes smallholders in this assessment.																									
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.																										
6.2.1	Consultation and communication procedures shall be documented.	<i>Major</i>																								
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>																									
Objective evidence:	All estates and mill has maintained Communication Procedure and Complaint Flow Chart to deal with complaints from external and internal stakeholders. The documented procedures specifies the following items: <ul style="list-style-type: none"> o Objective/Scope; o Covered Operations; o Forms to be used; o Definitions; o Procedures; <ul style="list-style-type: none"> ▪ Internal Awareness/Communications; 																									

	<ul style="list-style-type: none"> ▪ External Awareness <ul style="list-style-type: none"> ○ Frequency; and ○ Records <p>The procedures are found to be approved by the estate manager.</p> <p>In addition, within all estates, they have established complaint panel committee to handle all stakeholders' issues and complaints. The committee is chaired by estate's manager.</p> <p>The company also maintains records of complaints made by stakeholders (particularly workers) and there were also evidence of communication with the surrounding villagers. This was viewed at Sg Jernih and Bebar Estates. It was shown that the estate maintains the communication procedure.</p> <p><i>Surat persetujuan cara mengemukakan aduan</i> has been issued by the manager on 2 January 2015 to all the estate communities to remind them on the company communication procedure and grievances procedure was in practiced all the time.</p> <p>Document dated 2 January 2015 showed that the workers also had signed and agreed on their awareness and understanding on the company grievances procedure.</p>	
6.2.2	A management official responsible for these issues shall be nominated.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Assistant in charge of each division will become the management official on the communication and grievances.</p> <p>Job description as a social communication officer is clearly stated in the appointment letter. Responsibilities of the social officer stated in the letter include handling all the grievances and complaint, RSPO related matters and etc.</p> <p>Complaint panel for year 2015 were appointed on 8 January 2015, job description of the complaint panel were clearly stated in the appointment letter.</p> <p>A) Job description of complaint panels as below:</p> <ul style="list-style-type: none"> i) Receive and record grievances, ii) Investigate the grievances raised iii) Resolve the grievances, iv) Inform to immediate superior or higher management <p>B) Members for complaint panels as below:</p> <ul style="list-style-type: none"> i) Bebar Estate: <ul style="list-style-type: none"> • Mohs Shaufi Bin Ahmad • Mohd Safwan B Omar • Muhammad Zul Hilmi • Adnan bin ismail • Nurasyikin Mat Lazin and etc. ii) Sg Jernih Estate: <ul style="list-style-type: none"> • Raffi Bin Abd Halim • Shahrille Idzham Bin Baharin • Muhammad Zul Hilmi • Ahmad Amirul Ariff • Mohd Hardy • Razali Bin Yusof <p>*Appointment letters for all the complaint panels members were issued on 5 January 2015.</p>	
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and	Minor

	records of actions taken in response to input from stakeholders, shall be maintained.	
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>List of stakeholders updated for year 2015 which consisted all the affected parties, such as government agencies, schools, neighboring estates, Head of neighboring villages/<i>Ketua Kampung</i>, Head of neighboring aboriginal villages/<i>Tok Batin</i>, contractors, suppliers, internal workers representatives, gender representatives and etc. are available in each of operating units' offices.</p> <p>Stakeholder meeting had been conducted accordingly by the estates and mill management throughout the months in year 2015. Evidence of stakeholder meetings conducted available in the documented stakeholder meeting minutes. According to the list of participants attended the meeting, showed that the meetings were adequately carried out with the attendance of all affected parties as listed in their updated stakeholder list.</p> <p>Besides, complaints and requests from workers also discussed internally during the JKKP and JCC meeting and documented in the respective meeting minutes.</p> <p>Others than that, <i>Surat persetujuan cara mengemukakan aduan</i> dated 2 January 2015 has been issued by the respective operating units manager to all the estate communities to remind them on the communication procedure and grievances procedures that are in practiced all the time.</p> <p>Hence, record showed that all the workers had signed on 2 January 2015 and agree, understand with the company grievances and communication procedures.</p>	
Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.		
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Communication and grievances procedures are well in practiced for both estates and mill. Evidences of complaints recorded with the response and action taken by management in resolved the issues effectively, timely and appropriately were available in the grievances records book.</p> <p>Others than that, whistle blower policy dated 11 Jan 2011 and signed approved by Senior General Manager also available and displayed in each of the operating units.</p> <p>The documented procedures specifies the following items:</p> <ul style="list-style-type: none"> o Objective/Scope; o Covered Operations; o Forms to be used; o Definitions; o Procedures; <ul style="list-style-type: none"> ▪ Internal Awareness/Communications; ▪ External Awareness o Frequency; and o Records 	
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Verification on the grievances records by the audit team found that all the grievances raised were resolved in appropriate manner by management.</p> <p>Examples of documented grievances as below:</p> <p>1) <i>Mr Rosli</i> requested the PPEs shall be change and replace with a new set in daily basis. Request raised on 9 Jan 2015. Management has attended to it on the day itself and</p>	

	<p>advice him on the correct way handling PPEs. Management did explain to him that, management are always allowing workers to change once PPEs is wear and tear. Explanation done on 9 jan 2015 and well accepted by the complainants.</p> <p>2) <i>Amin Curlati</i> complaint that he was not inform for morning roll call by the subcontractor, the grievance was raised on 1 Feb 2015. Hence, on 1 Feb 2015 itself, management team has informed the subcontractors that they must informed every workers for master roll call.</p>	
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions</p>		
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The company has established the procedure for identifying legal and customary right and procedure for identifying entitled to compensation. The procedure entitled " <i>Prosedur Penentuan Hak Pemilikan Tanah</i> " (Procedure to Determine the Land Tenureship) that is signed by the manager of the estate is available to the audit team.	
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Boustead has maintained its existing procedure for determining the land tenure ship to include specific section pertaining to the calculating and distributing fair compensation to the identified people entitled for compensation. The procedures specifies that the company will employ legal means to calculate the compensation either in the form of monetary or in-kind to be given to the people entitled for compensation.	
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Since last audit until now, there is no reported case of dispute with any parties which have resulted in payment of compensation ever occurred. The individual estates recognised management by customary users and provide material support for the maintenance and places of worship (Muslims, Chinese and Hindu) located within the estate's land.	
<p>Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		
6.5.1	Documentation of pay and conditions shall be available.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>By mill and estates clearly stated the category of payment and deduction as listed below:</p> <p>A) Payment:</p> <ul style="list-style-type: none"> • Basic wages, • NUPW insurance subsidy • EPF & Socso subsidy • Rest day work wages • Rest day Overtime pay • Normal day Overtime pay <p>B) Deduction:</p> <ul style="list-style-type: none"> • EPF & Socso • NUPW member fee 	

- NUPW insurance fee
- Welfare fund

*Other than that, payslip also clearly stated the Overtime hours and wages calculated.

Verification checking by random selection of workers payslip for the months of March, April, May and June 2015 found that workers are getting RM 900 and above.

Copies of the payslips were provided to the respective workers.

Interview with workers showed that workers are getting more than RM 900 per month. Hence, company practices are comply with the Minimum Wages Order, RM 900 for Peninsular Malaysia.

Direct contracts of employment are observed to contain sufficient details on rates of wages and conditions of employment written in the language understood by the workers. Procedurally, a management official will also explain the payment rates, terms and conditions of employment to a newly recruited worker.

Others than that, the verification checking by audit team on the contractors' workers found that:

The contractors' workers pay slips clearly stated payment for the overtime job pay, incentives for attending roll-call, pruning payment, manuring payment, loose fruits collection payment, FFB harvesting payment and etc.

Meantime, deduction on electricity used also stated in the payslip.

Overall, workers are getting more than the minimum wages order of RM 900 per month.

Examples of randomly selected workers' payslip for verification.

Workers name	Date	Wages
Tomi Harja	March 2015	RM 1,413.46
Taharuddin	March 2015	RM 1,018.80
Irham Kernel	April 2015	RM 999.80
Ahmad Razif	June 2015	RM 1,094.00
Ahmad Lutfi	June 2015	RM 1,146.00

6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.	Minor MJ
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Findings	In compliance:	Yes:	x	No:	
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Objective evidence:	<p>Employment letter for workers available and stated in the languages understand by the workers. All terms and condition in MAPA NUPW including the pay, rest day entitlement and etc. being adhere and follow.</p> <p>Estate and mill local workers are strictly following the MAPA/NUPW agreement.</p> <p>Meanwhile, contract agreement between contractors' workers (harvesters) and the respective contractors were verifies during the audit. The respective contract agreements are documented in the <i>Perjanjian Kontrak</i> file.</p> <p>Example: Contact between <i>Selvaraju</i> (contractor) with <i>Hari Padli</i> (Worker) been verified. Verification checking on the respective contract agreement found that the contract available clearly stated the harvesting rate per tone FFB, wages pay for driver and loader, maintenance work, oil palm planting and cover crop planting, manuring and etc.</p> <p>The rates declared in the contract are cross reference with MAPA/NUPW.</p> <p>Interview shows that the workers are understand the statement in contract agreement and agree with the terms and condition.</p> <p>Verification checking on contractor's workers wages paid showed that the workers are getting more than RM 900 per month.</p>
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	Other examples of contract agreements & pay statements from contractors' workers which had been verified by audit team during stated in table below:	
	Name of workers (Employee)	Name of contractor (Employer)
	Hassan Asari	Selvaraju a// Alimalai
	Zanueri	Selvaraju a// Alimalai
	Rudi Irwan	Selvaraju a// Alimalai
	Azhar	Selvaraju a// Alimalai
	Dedi Yusuf	Selvaraju a// Alimalai
	M. Jullidi	Selvaraju a// Alimalai
	Hamdanu	Selvaraju a// Alimalai
Zainal Abidins	Selvaraju a// Alimalai	
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).	<i>Minor</i>
Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	<p>Boustead has provided adequate amenities to all staff and workers. For e.g. the amenities available includes surau, staff housing equipped with piped treated water and electricity, sundry shop, canteen, clinic, transportation to nearby school, and etc.</p> <p>Interviewed with workers also confirmed that housing available are 3 rooms types with maximum occupancy of 2 person in a room. Linesite are well maintained and continuous program to change the house roofing was seen during the inspection by audit team.</p> <p>However some inadequacy found when visiting the workers quarters, such as:</p> <ol style="list-style-type: none"> 1. There is a cages wild bird found at worker linesite. 2. One ally (chemical container), few motor oil containers, few electric light bulbs seen in the recyclable waste centre. All these wastes are categorized under chemical waste, schedule waste & electronic waste and shall not dispose as recyclable wastes. <p>OBSERVATION</p>	
6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food.	<i>Minor</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Food and goods prices are displayed at the respective shops and also documented in the office filing.</p> <p>Reasonable food price are displayed at the canteen are monitored by management.</p> <p>In addition, Interview with workers show that the food prices are reasonable and acceptable.</p>	
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
6.6.1	A published statement in local languages recognising freedom of association shall be available.	<i>Major</i>
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Management statement of freedom of association/ <i>Polisi Kebebasan Berpersatuan</i> is publicly available in local language. In general, the company does not provide restriction for workers to form workers union. Workers are subjected terms and conditions of employment. The policy dated 11 January 2011 signed by the Senior General Manager of the company is found to be posted on the company's notice board.</p> <p>The audit team also observed that some workers are members of the National Union of Plantation</p>	

	Workers (NUPW) or MASEU.		
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented.	Minor	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>NUPW meeting has been conducted on 23 April 2015 with internal representatives from the trade union.</p> <p>NUPW representatives are: <i>En. Azhar Gazali (Chief/Ketua NUPW for mill), Pn. Zul bin Abu Samah, Pn. Rosmadi Jamaludin, En. Shahrulnizam b. Othman, En. Raman Adam b Abdul samah, En. Mohd Nasyarudin Ismail and En. Muhd Lazim bin Yunus.</i></p> <p>Union meeting minutes dated 17 April 2015 is available and list of participants attended the meeting was attached in the document. Meeting is scheduled to be conducted once a year.</p>		
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met.	Major	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>No evidence of child labour or under age workers in mill and estate operations. The company has a clearly defined minimum working age policy of 18 years and above.</p> <p>No child labour statement or memo issued out every year by management to all estates and mill communities that no child labour will be employed.</p> <p>Based on audit verification by audit team on the employment records (e.g. employment cards, passports and working permits) evidence that no any under age children are employed.</p>		
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.	Major	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>There is a publicly available equal opportunities policy in estates and mill which stated that Boustead does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age. The policy dated 11 January 2011 signed by the Senior General Manager of the company is found to be posted on the company's notice board.</p>		
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.	Major	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>Interview with workers (including foreign workers) indicates that there is no such discrimination occurs in the workplace. In addition, the auditing team note that the company is currently implementing the equal opportunities for workers through the following:</p> <ul style="list-style-type: none"> • Training is given to the workers on a yearly basis covering training relating to their working station, personnel training such as communication skills and safety and health training; • All employees are covered with working insurance; and 		
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.	Minor	
Findings	In compliance:	Yes:	<input checked="" type="checkbox"/> No: <input type="checkbox"/>
Objective evidence:	<p>Non discrimination statements declared by company clearly stated in the company equal opportunities policy/ <i>Polisi Kesamarataan Hak.</i></p> <p>Workers allowed to shift to their preferable jobs anytime once applied with management with reasonable justification. Approval for shift job function are very much depend on the result of medical check up conducted to the respective workers to define that they health concern are suitable for the new job task and also depend on the availability of the job vacancy.</p> <p>Wages paid to harvester on productivity basis and very much depends on their skills and capabilities.</p>		
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			

6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The company maintained their policy on sexual harassment/ 'Polisi Gangguan Seksual'. The policy dated 11 January 2011 signed by the Senior General Manager of the company is found to be made available to the audit team during the Surveillance Audit and observed to be posted on the company's notice board.</p> <p>A) Gender committee/ <i>Persatuan Wanita</i> for Sungai Jernih Estate:</p> <ul style="list-style-type: none"> Gender representative: <i>Pn. Rosusalina Bt Talib</i> Member: <i>Pn, Mariamma</i> Appointment letter for gender representative issued on 1 January 2014 by management. Latest Gender committee meeting conducted on 28 February 2015 and meeting minutes available in the file. <p>B) Gender committee/<i>Persatuan Wanita Ladang Bebar PEWITA</i> for Bebar Estate</p> <ul style="list-style-type: none"> Gender representative: <i>Pn. Norashikin Bt Mat Lazin</i> Member: : <i>Pn Salamah Bt Ibrahim, Cik Nor Azizah Bt Mohamad, Siti Paridah Binti Asnawi</i> Appointment letters issued on 1 January 2014. Latest Gender meeting conducted on 12 May 2015 and meeting minutes available. 	
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.	Major
Findings	In compliance: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	
Objective evidence:	<p>Policy to protect the reproductive rights of all is not available and yet to be established by the management.</p> <p>Major</p>	
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>All estates has established Grievance Procedure and Flow Chart to deal with any grievances and also specially for woman's issues and sexual harassment. The documented procedure and the flow chart detailing the process in resolving the grievances including the time frame as well as the responsible person in addressing and resolving the grievance is available to the auditor during the Annual Surveillance Audit. A Women Committee has also been established where the committee is acting as a means to address and deals all matters pertaining to women and sexual harassment.</p>	
Criterion 6.10: Growers and millers deal fairly and transparently with smallholders and other local businesses.		
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The POM only processes FFB sourced from its own plantations, so the company does not deal with smallholders and all operations within the estates are carried out by the company.</p>	
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>The Sg. Jernih POM only processes FFB sourced from their own supplying estates</p>	
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent.	Minor

Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Sg. Jernih POM only processes FFB sourced from their own supplying estates	
6.10.4	Agreed payments shall be made in a timely manner.	Minor
Findings	In compliance: Yes: <input type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	The Sg. Jernih POM only processes FFB sourced from their own supplying estates.	
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Evidences of social contribution to local communities:</p> <p>A) Bebar Estate</p> <ul style="list-style-type: none"> • Donation of RM 200 to school (<i>Sek Keb Muadzam Jaya</i>) on April 2015 • Donation of RM 200 to <i>Balai Polis Paloh Hinai</i> on May 2015 • Free transport estates children to nearby schools <p>B) Sg Jernih estate and mill:</p> <ul style="list-style-type: none"> • Donation to gender committee for their welfare activities, such as: <ol style="list-style-type: none"> 1. RM 300 for refreshment dated 29 January 2015 2. RM 300 for sports activities dated 19 March 2015 3. <i>Bacaan Yassin Perdana (Ramadan)</i> ceremony on 10 June 2015 • Sponsored of RM 200 for kindergarten's students graduation ceremony dated 13 November 2014 	
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No schemes smallholder. Only independent smallholders and outgrowers	
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No force labour practices in the estates. Verification checking by audit team on the workers working permits and employment information showed that all workers are legal workers.	
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Interviewed with different workers representatives workers showed no contract substitution. Workers understand the terms and conditions stated in their contract agreements.</p> <p>Each of the workers is provided with a copy of their contract agreement.</p>	
6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	However, it did stated in the <i>polisi kebebasan berpersatuan & polisi hak sama rata</i> contain the elements of no discriminations, equal working opportunities and etc. to foreign workers.	

6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Elements on respect to human rights are captured in the <i>Polisi kesamarataan hak and polisi kebebasan berpersatuan</i>	
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Minor
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	No foreign children in the estate, however facilities like kintergarden/tabika available in the estate to support the education of young children Not applicable for peninsular Malaysia.	

Principle 7: Responsible Development of New Plantings

This whole Principle is not applicable to this assessment as there are no new plantings. The company is only involved in re-planting programme after felling of old palms and there is no plan for expansion.

Principle 8: Commitment to Continual Improvement in Key Areas of Activity

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continual improvement in key operations.

8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6) • Environmental impacts (Criterion 4.3, 5.1 and 5.2) • Waste reduction (Criterion 5.3) • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8) • Social impacts (Criterion 6.1) Encourage optimizing the yield of the supply base.	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<u>Sg. Jernih Palm Oil Mill</u> <ul style="list-style-type: none"> • Action plan for continual improvement has been established and documented in "A Mechanism To Capture The Performance And Expenditure: FY 2014/2015 which stated <u>Environmental Impact</u> <ol style="list-style-type: none"> 1. Composting project to convert 100% of Empty Fruit Bunch (EFB) and POME into nutrient – rich compost – To get approval from DOE Pahang 2. Boiler smoke monitoring – To connect CEMS to Dept. of Environment (DOE) 3. Scheduled waste – Collect & record all scheduled waste put signage and appropriate label <u>Maximizing recycling and mininimizing waste or by product generation</u> <ol style="list-style-type: none"> 4. Fibre and Shell – monitoring 5. Recycle Program – to provide recycle bins <u>Social Impact</u> <ol style="list-style-type: none"> 6. Dusty Main Road – to seal the dusty road 7. School Bus – to purchase proper transportation for school children 8. Notice Board at line site – to provide notice board at Line Site for better information 	

- The status of action plan been implemented
 1. Preparing document to be submitted to DOE
 2. Installing modem to online to DOE – in progress
 3. Done
 4. On-going
 5. On-going
 6. Tendered
 7. Approved
 8. Done

Bebar Estate

- Reduction in use of pesticides – All the pesticides in used are registered in the "Senarai Bahan-Bahan Dilarang Bebar" List of Registered Pesticides (Federal Insecticide, Fungicide and Rodenticide Act), Senarai Racun Makhlik Perosak Yang Berdaftar Di Malaysia (Bil 5) with the contents of Active Ingredient, Con Ct., LRMP No., Registrant, Trade Name, Formulation, Usage, Gazette Date, Expired Date
- Environmental impacts – Environmental Aspect & Impact Identification Form, FY 2015 (#EAI/2015/01-01), Environmental Impact Evaluation Form #EAI/2015/01-01 ~ 01-05, 02-01 ~ 02-03, 03-01 ~ 03-04, 04-01 ~ 04-05, 05-01 ~ 05-11, 06-01 ~ 06-08, 07-01 ~ 07-04, 08-01 ~ 08-07, 09-01 ~ 09-13, 10-01 ~ 10-03, 11-01 ~ 11-02, 12-01, 13-01 ~ 13-10, 14-01 ~ 14-11, 15-01 ~ 15-04, 16-01 ~ 16-02, 17-01 ~ 17-02, 18-01 ~ 18-02 has been established.
- Waste reduction – Recyclable items has been identified and registered in the List of Recycle Item. Besides, the estate management also established Estate Recycle Program.
- Social impacts – Management Plan on Social Impact Assessment which covered the area of concerns on (i) piece rates and wages paid, health & safety issue, medical access / facilities, living condition, transportation, communications / dialogue with management, other facilities, issue on migrant worker (estate & contract workers)
- Encourage optimizing the yield of the supply base – (James to fill up)

Sungai Jernih Estate

- Recycle Programme Schedule For Year 2015 established for the programme of collecting paper, plastic bottle, aluminium can and glass. Total collected paper in year to date is 89kg, plastic is 51kg, aluminium is 7kg and scrap metal is 98kg. Related training conducted on 06 July 2015 on the topic recycle awareness.
- Pollution Prevention Plan For The Year 2015 established and recorded the action to be taken for the water/land pollution, domestic waste, clinical waste and industrial waste.
- Management Plan On Social Impact Assessment had been carried out on piece rates and wages paid, health & safety issue, medical access/facilities, living condition, transportation, communications/dialogue with management, other facilities, issue on Migrant Worker Estate & Contract Workers.

8.1.2	Environmental impacts (Criterion 4.3, 5.1 and 5.2)	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Environmental Management Plan file for 2013 is available that consist of the Environmental Management Programme that identifies the Objectives, Target, Action plan, proposed and completion date, Proposed budget, person –in-charge as well as the status/verification.</p> <p>Observed that the monitoring of environmental management programme is conducted on a weekly basis. An Environmental Aspect Impact and Evaluation forms are used as a means to monitor the environmental aspects identified and is submitted regularly to the management to monitor the maintenance of the different operations.</p> <p>Some of the upgrade done in the estates to minimise the environment impacts are:</p> <ol style="list-style-type: none"> a) Construction and maintenance of oil traps at workshops b) Concrete floor and wall for diesel tank/skid tank c) Schedule waste store – some enhancement made i.e. installing ventilation fan <p>In the mill the following are some of the improvement they have introduced:</p> <ol style="list-style-type: none"> a) Composting plant to utilise the EFB and POME <p>Boiler smoke monitoring – to connect CEMS to the Dept of Environment and the installation of lightning arrestor.</p>	
8.1.3	Waste reduction (Criterion 5.3)	Major
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	

Objective evidence:	<p>The company regularly monitor and review the recycling and minimizing waste or by-products generation through the implementation of the following:</p> <ul style="list-style-type: none"> • List Of Recycle Item • Estate Recycle Program • Estate Recycle Records • Training <p>Refer C4.2/C4.3/C4.4/C4.5</p> <ul style="list-style-type: none"> • Monitoring of weekly domestic waste started in 2012 and is on-going 				
8.1.4	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8)			<i>Major</i>	
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>Action/Operational plan for identified wastes to manage the waste derived from operations of the company is specifies within the Waste Management Action Plan. The plan is currently implemented through the following:</p> <ul style="list-style-type: none"> • Scheduled waste: <ul style="list-style-type: none"> ○ To monitor the usage to avoid spillages; ○ To put the tray at every tractor during service or repair time to trap any spillages; ○ to collect the used items to be disposed by the appointed contractor; ○ each of the scheduled waste shall be triple-rinsed and perforated before properly store the waste at scheduled waste store. • Domestic waste: <ul style="list-style-type: none"> ○ To establish landfill at 3km away from water course and residential places; ○ To establish the waste collection SOP for disposing purpose; ○ To establish a proper schedule and person in charge; ○ To create an awareness programme for waste management; ○ To monitor cleanliness at workers line-sites. • Recyclable waste: <ul style="list-style-type: none"> ○ To monitor POME/EFB application; ○ To label any re-usage of empty chemical with the "re-use waste water" ○ To monitor collection and application; ○ To establish recycle-bin; ○ To appoint the qualified company for collecting recycled material; and <p>To create awareness among the workers on benefit of recycling the waste.</p>				
8.1.5	Social impacts (Criterion 6.1)			<i>Major</i>	
Findings	In compliance:	Yes:	x	No:	
Objective evidence:	<p>The management is committed and regularly meet with the stakeholders, staff and workers to discuss social matters.</p> <p>Some of the upgrades done for the convenience of the workers are :</p> <ol style="list-style-type: none"> a) Shelter in the field especially in fields that are a distance b) Housing repainting c) Upgrade of clinic 				
8.1.6	Encourage optimizing the yield of the supply base.			<i>Minor</i>	
Findings	In compliance:	Yes:	x	No:	

Objective evidence:

One of the mechanism used to capture the performance and expenditure in social and environmental aspects is through the yearly financial budget meeting and planning. Each estate will prepare their estimates based on the staff and workers' representatives. This will then be presented to the management for approval.

3.1.2 Supply Chain - Module D

For supply chain, the Sg Jernih Palm Oil Mill has decided to use Module D in this assessment. The findings and objective evidence find during the assessment are outlined in the table below. The results for each indicator from each of the operational areas were evaluated to provide an assessment of conformity. A statement is provided for each of the RSPO indicators in order to support the findings of the assessment team.

Module D – CPO Mills: Identify Preserved

Module D - CPO Mills: Identify Preserved																																				
D.1: Definition																																				
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.																																			
D.2: Explanation																																				
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.					MAJOR																														
Findings	In compliance:	Yes:	No:	x																																
Objective evidence:	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill are recorded by the certification body (CB) in the public summary of the P&C certification report.</p> <p>a) Potential total volume of certified palm oil product CPO :</p> <p>b) Potential total volume of certified palm oil product PK :</p> <p>Based on the Sungai Jernih POM Mass Balance Record for Oil Mill table , the record of the monthly actual produced is sighted.</p> <table border="1"> <thead> <tr> <th></th> <th>FFB Recd</th> <th>CSPO produced</th> <th>CPO SG Despatch</th> <th>Non-RSPO CPO Despatch</th> <th>Non-RSPO PK Despatch</th> </tr> </thead> <tbody> <tr> <td>Sept 2014</td> <td>10006.50 MT</td> <td>2490</td> <td>1200.91</td> <td>1443.65</td> <td>314.04</td> </tr> <tr> <td>Quarterly Oct – Dec 2014</td> <td>26,008.16</td> <td>6438</td> <td>5853.42</td> <td>2889.29</td> <td>1020.75</td> </tr> <tr> <td>Quarterly Jan- Mar 2015</td> <td>20,967.71</td> <td>5292</td> <td>4918.80</td> <td>0</td> <td>624.18</td> </tr> <tr> <td>Quarterly Apr - June 2015</td> <td>25,893.76</td> <td>7484</td> <td>3580.06</td> <td>2893.52</td> <td>906.27</td> </tr> </tbody> </table>							FFB Recd	CSPO produced	CPO SG Despatch	Non-RSPO CPO Despatch	Non-RSPO PK Despatch	Sept 2014	10006.50 MT	2490	1200.91	1443.65	314.04	Quarterly Oct – Dec 2014	26,008.16	6438	5853.42	2889.29	1020.75	Quarterly Jan- Mar 2015	20,967.71	5292	4918.80	0	624.18	Quarterly Apr - June 2015	25,893.76	7484	3580.06	2893.52	906.27
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	However the PK produced is not recorded MINOR	
D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim):	MAJOR
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>KKS Sungai Jernih has registered under the RSPO IT, e Trace system.</p> <p>Member ID: RSPO_PO1000000338</p> <p>A sample of a Shipping Announcement was sighted.</p> <p>Seller: Boustead Rimba Nilai Sdn Bhd – Sungai Jernih Business Unit</p> <p>Buyer: ISF Sdn Bhd (RSPO_PO1000000176)</p> <p>Creation Date: 7/3/15</p> <p>Shipping /BL Date : 7/5/15</p> <p>transaction ID: TR-f833ecda-cfd8</p> <p>Product details</p> <ul style="list-style-type: none"> - CPO - Segregation - Volume : 1000 MT 	
D.3: Documented Procedures		
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	MAJOR
Findings	In compliance: <input type="checkbox"/> Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Sg. Jernih POM only received and process FFB from own estates which all are RSPO certified. Procedure for receiving and processing certified FFB has been described in their SOP , or Mill Operation Manual . It has written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements that includes:</p> <ul style="list-style-type: none"> - Introduction - Machinery Layout - Schematic Flow Diagram - Quality Plan - Reception Station - Fruit Handling - Sterilization Station - Threshing Station - Pressing Station - Depricarping Station - Nut Cracking and Kernel Station 	

- Clarification Station
- Boiler room
- Engine room
- Effluent treatment
- Lab and Lab test Method
- Raw water Treatment
- Mill stores
- Security
- Process checklist and work instruction

During the internal audit conducted by Hafizi Boniran, Internal Audit team leader , on 8-9th July 2015, a supply chain training was conducted to discussed elements of RSPO Supply Chain .

The training include:

- Supply chain : Segregation Manual
- Purpose
- Scope
- Definition
- Modular requirements
- Purchasing goods In
- Record keeping
- Sales and Goods Out
- Training
- Procedures on FFB reception, processing and Despatching CSPO/CSPK
- Internal Audit whereby 1 NCR was issued and 3 OFI raised
- Management review

However it was found that although all the elements were covered , the RSPO SC (2014) was not used in the training . A copy of the RSPO SC (2014) Module D and E has already been filed in the RSPO supply Chain file

OBSERVATION

Sungai Jernih POM has issued a letter of appointment dated 28 Sept 2012 that state that whoever is appointed as the mill manager , he is the personnel having overall responsibilities in implementing the SC system . The new Mill Manager , En. Azrin Mazhidi b. Abdul Manab is the present personnel .

En Annuar Semail has been appointed as the new RSPO Chairman

D.3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Sg. Jernih POM only received and process FFB from own estates which all are RSPO certified. Procedure for receiving and processing certified FFB has been described in the indicator D.3.1	
D.4: Purchasing and goods in		
D.4.1	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	Sg. Jernih POM only received and process FFB from supply based estates . In a standard receiving document , the following were sighted:	

	<p>a) Estate Delivery note(that records the source , date despatch, number of bunches and the despatcher) . the mill will use the same note to record the weight at the mill .</p> <p>b) Weighbridge ticket from the Palm Oil Mill .</p> <p>c) Weighbridge ticket from the estate (if the estate has a weighbridge)</p> <p>a) The mill only received certified FFB from its own estates.</p> <p>b) The volumes of certified FFB received are recorded in "Daily Production Figure" record as well as in the Sungai Jernih POM Mass Balance Record for Oil Mill table</p>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	As described in the SOP, the Mill shall inform SGS if there is a projected over production. The updated procedure did not include cover projected overproduction procedure.	
D.5: Record keeping		
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	MAJOR
Findings	In compliance: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	
Objective evidence:	<p>Sg. Jernih POM maintains accurate, complete, up-to-date and accessible records and reports covering all aspects of RSPO SC requirements</p> <p>Observed during the audit that the Mill maintains the followings records:</p> <ul style="list-style-type: none"> - Daily Production Figure - Weighbridge Ticket (FFB , Palm Oil and PK) - Mass balance table for the period 31/7/2014 and 30/6/2015 on <ul style="list-style-type: none"> - FFB received and processed - Total CSPO Produced - CPO PK Despatch as SG - CPO Despatch as MB - Stock CPO balance - PK Despatch as RSPO - PK Despatch as Non-RSPO - Stock PK Balance <p>All certified palm oils received are recorded in "Daily Production Figure" updated on daily basis. "Mass Balance Record for Oil Mills" record and balance all receipts certified FFB and deliveries of certified CPO on three monthly basis. As of to-date no palm kernel sold as RSPO certified.</p> <p>For Goods Out delivery, the following documents are sighted as a set.</p> <p>For SG</p> <p>Documents include:</p> <p>a) Weighbridge ticket Sungai Jernih POM e.g Ticket No: 43393 (date: 17/4/15) that is stamped the</p> <ul style="list-style-type: none"> • certificate number : SGS-RSPO-00792 • CPO SG • etrace No: TR-e57a179e-5ac2 <p>b) Delivery Order (95 C/O No: 62572) from Lorry Transporter to permit to load – Aik Heng Hung Sdn Bhd</p>	

- c) Borang MPOB L3
- d) Receiving Note Weighbridge ticket (No: R0303883) from client e.g ISF
- e) Contract between Boustead EstatesAgency Sdn Bhd (marketing Dept) acting agent for Boustead Rimba Nilai Sdn Bhd e.g
- Contract No: POS100302 (note: this sample contract not related to the information (a) – (e)
 - dated 24/2/15
 - commodity : CPO/ Segregation

For normal or non-RSPO sales :

Documents include:

- a) Weighbridge ticket Sungai Jernih POM e.g Ticket No: 39682 (date: 18/12/14). They are NOT stamped with
- certificate number : SGS-RSPO-00792
 - CPO MB
 - etrace No:
- b) Collection Order (1054) from Lorry Transporter to permit to load – MNAN Resources Sdn Bhd
- c) Borang MPOB L3
- d) GRN Weighbridge ticket (No: R0503267) from client e.g. Mewaholeo Industries Sdn Bhd
- e) Contract between Boustead EstatesAgency Sdn Bhd (marketing Dept) acting agent for Boustead Rimba Nilai Sdn Bhd and Mewaholeo Industries Sdn Bhd e.g
- Contract No: POS100289 13/11/14
 - Dated: 13/11/14
 - Commodity : Malaysian CPO in Bulk

As this is not an RSPO sale, no sustainable claim was required

D.6: Processing	
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from non-certified material including during transport and storage. MAJOR
Findings	In compliance: Yes: <input type="checkbox"/> x No: <input type="checkbox"/>
Objective evidence:	Sg. Jernih POM only received and process FFB from supply based estates. Daily a Production Report is prepared to monitor mill processing efficiency. The Oil Mill will arrange the transport and the tanker are sealed before delivery so the RSPO certified oil palm product is kept segregated from non- certified material including during transport
D.6.2	The objective is for 100 % segregated material to be reached. MAJOR
Findings	In compliance: Yes: <input type="checkbox"/> x No: <input type="checkbox"/>
Objective evidence:	Sg. Jernih POM only received and process FFB from supply base estates.

Module E – CPO Mills: Mass Balance

Not applicable.

3.2 Corrective Action Request

There are total of 6 Major and 3 Minor were raised. Please refer to the **Appendix A** for the details findings and relevant correction actions have been taken.

3.3 Noteworthy Positive & Negative Observation

Commitment form Management, staffs and workers in sustainability witness during the audits.

3.4 Status of Non-Conformities Previously Identified

Previous non compliances were closed. Some observation stated as reminder for the operating units to follow up.

3.5 Issues Raised by Stakeholders and Findings

A list of stakeholders contacted is included as **Appendix C**. Stakeholders did not provide any comments in writing regarding the Boustead- Sg Jernih environmental and social performance. All interviewed stakeholders had positive comments about Boustead-Sg Jernih.

4. ACKNOWLEDGEMENT OF ORGANIZATION INTERNAL RESPONSIBILITY

4.1 Conclusion

The audit team concludes that the organization has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

4.2 Date of Next Surveillance Visit


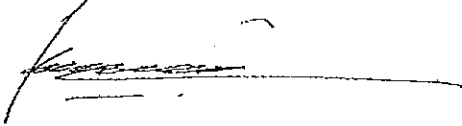
The next Re-certification audit is planned before June 2016

4.3 Date of Closing Non-Conformities

Reference	Class	Issued	Close
M02	Major	23 July 2015	18 August 2015
M03	Major	23 July 2015	18 August 2015
M04	Major	23 July 2015	18 August 2015
M05	Major	23 July 2015	18 August 2015
M06	Major	23 July 2015	18 August 2015
M08	Major	23 July 2015	18 August 2015

4.4 Acknowledgement of Internal Responsibility and Formal Sign-off Assessment Findings

SGS Malaysia acknowledges and confirms acceptance of the Report contents and including the assessment findings. SGS Malaysia accepts the responsibility for addressing the opportunities of improvement detailed in this report.

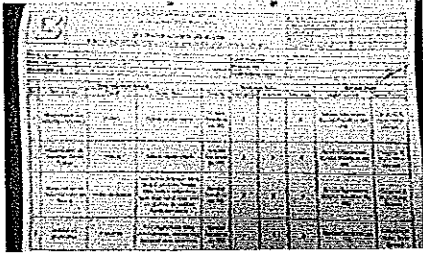
Signed on behalf of Boustead Plantations	Signed on behalf of SGS Malaysia Sdn Bhd
	

APPENDIX A: CORRECTIVE ACTION REQUEST & OBSERVATION

CAR #	Indicator	CAR Detail					
m21 2014	5.3.2	Date Recorded>	23 Jul 2014	Due Date>	4 th surv	Date Closed>	dd mm yy
		Non-Conformance:					
		Operational plan for avoiding or reducing pollution is not properly implemented					
		Objective Evidence:					
		Close-out evidence/Planned Actions:					
m22	6.2.3	Date Recorded>	23 Jul 2014	Due Date>	4 th Surv	Date Closed>	dd mm yy
		Non-Conformance:					
		List of stakeholders are not updated					
		Objective Evidence:					
		<p>However, at LTT-T the audit team observed the list of the stakeholders does not includes several key bodies that has direct interest with the plantation management of the company as follows:</p> <ul style="list-style-type: none"> • DOSH – key regulatory authority governing the occupational safety and health; • NUPW – key workers union representing the workers within the oil palm sector; and <p>PERHILITAN – key regulatory authority for wildlife protection. The audit team is of the view that the PERHILITAN shall be included in the list in view that there is evidence of wildlife sighting in the form of foot prints i.e. Tapir within the estate.</p>					
Close-out evidence/Planned Actions:							
m23	6.5.2	Date Recorded>	23 Jul 2014	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Non-Conformance:					
		Union agreement between harvesting contractors and their workers are not available					
		Objective Evidence:					
		<p>However, in LTT-T Estate the audit team notes that there is no employment contract between the appointed harvesting contractors of the estate with their respective harvesting workers available during the audit.</p>					
Close-out evidence/Planned Actions:							
CAR #	Indicator	CAR Detail					
CAR #	Indicator	CAR Detail					

CAR #	Indicator	CAR Detail					
m 01	4.3.2	Date Recorded>	23/24/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
Non-Conformance:							
A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP.							
Objective Evidence:							
No topography maps were shown to identify where areas of having 25° MINOR							
Close-out evidence/Planned Actions:							
M02	4.5.1	Date Recorded>	23/7/15	Due Date>	22/9/15	Date Closed>	18/08/15
Non-Conformance:							
Implementation of Integrated Pest Management (IPM) plans shall be monitored.							
Objective Evidence:							
In Ladang Bebar, there was an application using trunk injection in April - March 2015 using monocrotophos, however there was no census record sighted prior to the application According to the staff , application was done without census and post—census. The workers involved were d) Ahmad Rasid e) Rusni f) Aswandi Parmadi MAJOR							
Close-out evidence/Planned Actions:							
Management has start implementing the IPM Techniques incorporating methods to minimize the use of chemicals. On top of that, census of Leaf-Eating Insect (LEI) has been carried out coupled with training/ re-training for those who handle chemicals in necessity manner. All requirement and applicable laws incorporating to the chemical handling were strictly adhered. Attachment below was verified by audit team for closing of the NCRs. 1. Census Record & Map prior to the LEI Treatment-Trunk Injection Application 2. Training/ Re-Training for those handling chemicals(Monocrotophos) 3. Permit to purchase Monocrotophos from Authority (Jabatan Pertanian Malaysia)							
M03	4.6.11	Date Recorded>	23/7/15	Due Date>	22/9/15	Date Closed>	18/08/15
Non-Conformance:							
Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.							
Objective Evidence:							
However in Ladang Bebar, the medical surveillance for the Spray Operators Kamir, Hidayat, Samsul Hakim, Norahmad, Norhadi and Mohd Rasid was not available during the audit							
Close-out evidence/Planned Actions:							

CAR #	Indicator	CAR Detail
		<p>The Management has conducted the annual Medical Surveillance on June 2014. The specific annual medical surveillance for pesticide operators has been documented and demonstrated to related health conditions accordingly as per Use & Standards Exposure of Chemicals Hazardous to Health (USECHH) Regulations 2000</p> <p>Attachments:</p> <p>1. Borang Maklum balas USECHH 4 dated 16 September 2014</p> <p>2. Cover report of Occupational Medical Surveillance Programme 2014 by Klinik Syed Badaruddin Sdn Bhd</p> <p>3. Keputusan Pemantauan Perubatan i.e Kamir, Hidayat, Samsul Hakim, Norahmad, Norhadi, and Mohd Rasid</p>

CAR #	Indicator	CAR Detail					
M04	4.7.2	Date Recorded>	22/07/15	Due Date>	21/09/15	Date Closed>	18/08/15
Non-Conformance:							
All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.							
<i>In the mill not all operations where health and safety is an issue was risk assessed.</i>							
Objective Evidence:							
The mill has conducted hazard identification, risk analysis and risk control measure taken for all mill operation activities. Among the operation activities sighted in the HIRARC are workshop [mechanical & electrical], effluent treatment plant, loading ramp, sterilizer and laboratory. However assessment in engine room / power house not assessed the noise pollution and the risk factors for immediate workers whom exposed to high noise level.							
							
Close-out evidence:							
HIRARC assessment for Noise pollution in Engine room/power house conducted and documented evidence provided for closing of non conformance.							
Document name as: SJPOM-Borang Hazard Identification, Risk Assessment, Risk Control (HIRARC) Document No.: OSH/HIRARC/9, OSH/HIRARC/10 Revised Dated: 03 rd August 2015 was verified.							

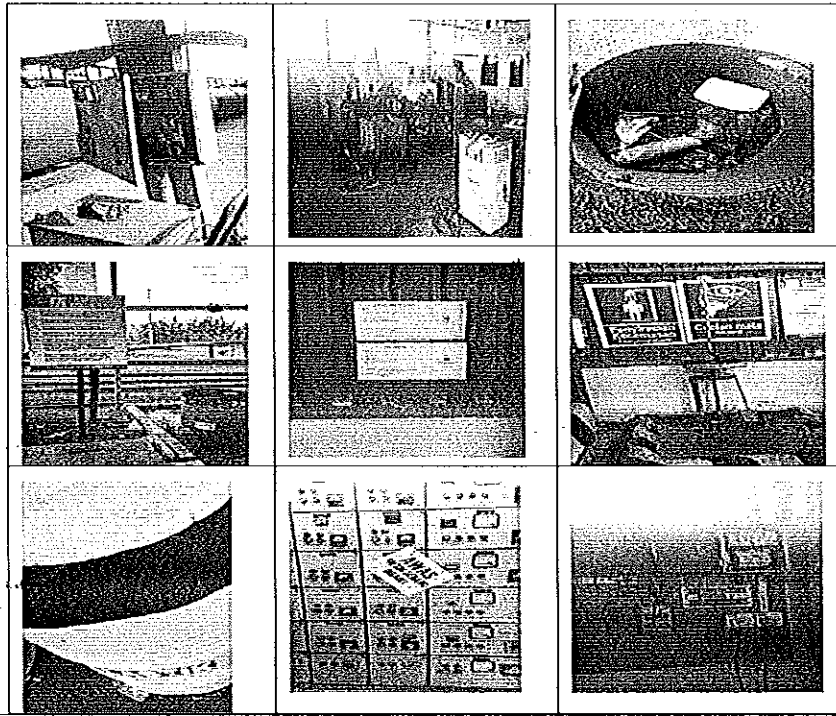
M05	4.7.3 [M]	Date Recorded>	22/07/15	Due Date>	21/09/15	Date Closed>	18/08/15
Non-Conformance:							

All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.

In the mill the audit team not found any adequate and appropriate protective equipment with worker at engine room to avoid potentially hazardous risk.

Objective Evidence:

- a) During mill visit it was observed by audit team the noise level was higher, however worker [En. Jasni] in engine room was not using and was not sure whereabouts of his ear plug. In maintenance room, seen the wires in electrical panel improperly arranged and with unacceptable housekeeping condition [sharp objects everywhere, work pieces not arranged properly, PPE not effectively taken care] endangering maintenance workers. Based on the audiometric result dated on 03/02/2015, some of the workers been diagnosed threshold shift and required to be tested within 04/05/2015 by a doctor; however this exercise was not planned.
- b) Emergency spillage kits at chemical stores and at recycle despatch area are exposed to rain, found with mixtures of food packaging and cigarette butts.



Close-out evidence:

		<p><u>Maintenance Room and Electrical Panel</u></p> <p>-Mill was performed housekeeping at the designated area and ensure to maintain the cleanliness at all times without compromise. Documented evidences verified.</p> <p><u>Ear Plug & relevant PPE's</u></p> <p>Mill had provided ear plug for En Jasni and committed to ensure the workers using appropriate PPE's during perform their job. Records as evidence documents provided.</p> <p><u>Re-send for Audiometric Test-04/05/2015 on August 2015</u></p> <p>Management will re-send the workers for Audiometric Test in August 2015. Audiometric Test & Report quotation from Klinik Syed Badaruddin Sd Bhd in letter dated 10th August 2015, and mill had confirmed to conduct the test for 20 persons via Work Order No. SJ0056. All these documents provided as evidence documents to close non compliances.</p>					
M 06	5.6.2	Date Recorded>	22/7/15	Due Date>	21/9/15	Date Closed>	
Non-Conformance:							
Significant pollutants and greenhouse gas (GHG) emissions were not identified, and plans to reduce or minimize them implemented							
Objective Evidence:							
The treatment methodology for POME is well defined and closely monitored. However there are no plans identify to reduce or minimize GHG emissions.							
Since there is an absence of plans to reduce or minimize them, therefore the objectives, target and timeline for reduction not established in mill and estates.							
Close-out evidence:							
The management including Estate(s) and Mill had established Greenhouse Gas (GHG) emissions & Carbon Stock Management Programme 5.6.2(M) for the year 2015							
Documented evidence showed that there are clearly stated our objective(s), target(s), and timelines to ensure the opportunities of reduction as per RSPO EWRG.The provision for this exercise will be allocated in Budget 2016 onwards.							
Management also provided a plan for GHG Emission reduction to be incorporated into the their best practices.							
CAR #	Indicator	CAR Detail					
m 07	5.6.3	Date Recorded>	22/7/15	Due Date>	next surv	Date Closed>	dd mm yy
Non-Conformance:							
A monitoring system was not in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.							
Objective Evidence:							
There is no documented evidence available to ensure a system in place to monitor emission of pollution including greenhouse gases from estates and mill operations.							
There is no mechanism available to demonstrate if there regular reporting conducting by using appropriate tools.							
Also the Palm GHG Calculation Report is not available as required by the RSPO ERWG.							
Close-out evidence/Planned Actions:							
CAR #	Indicator	CAR Detail					

M 08	6.9.2	Date Recorded>	22-24/7/15	Due Date>	21/9/15	Date Closed>	dd mm yy	
		Non-Conformance:						
		A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.						
		Objective Evidence:						
		Policy to protect the reproductive rights of all is not available.						
		Close-out evidence/Planned Actions:						
The policy of Reproductive Rights has been established and implemented.								
CAR #		Indicator		CAR Detail (RSPO Supply chain 2014)				
Minor 01	D2.1	Date Recorded>	22/7/15	Due Date>	next surveillance	Date Closed>	dd mm yy	
		Non-Conformance:						
		The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.						
Objective Evidence:								

The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill are recorded by the certification body (CB) in the public summary of the P&C certification report.

c) Potential total volume of certified palm oil product CPO :

d) Potential total volume of certified palm oil product PK :

Based on the Sungai Jernih POM Mass Balance Record for Oil Mill table , the record of the monthly actual produced is sighted.

	FFB Recd	CSPO produced	CPO SG Despatch	Non-RSPO CPO Despatch	Non-RSPO PK Despatch
Sept 2014	10006.50 MT	2490	1200.91	1443.65	314.04
Quarterly Oct – Dec 2014	26,008.16	6438	5853.42	2889.29	1020.75
Quarterly Jan- Mar 2015	20,967.71	5292	4918.80	0	624.18
Quarterly Apr - June 2015	25,893.76	7484	3580.06	2893.52	906.27

However the PK produced is not recorded

Close-out evidence/Planned Actions:

OBSERVATIONS

OBS #	Indicator	Detail					
		Date Recorded>	22-24/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
OBS 01	2.1.3	Non-Conformance:					
		Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.					
		A mechanism for ensuring compliance shall be implemented					
		Objective Evidence:					
		Improvise the label, signages and waste card for schedule waste and chemical room in accordance to Schedule Waste reg. 2005 and OHS Classification, Packaging and Data Sheet of Hazardous Chemical Reg. 2013.					
Close-out evidence/Planned Actions:							
OBS	4.4.1	Date Recorded>	23/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy

OBS #	Indicator	Detail					
02		Non-Conformance:					
		Standard Operating Procedures (SOPs) for estates and mills shall be documented					
		Objective Evidence:					
		At SJE, based on the index, there were 36 programmes listed in the OPC, however it was noted that at Ladang Bebar, the OPC was not properly filed and documented for ease of accessibility OBSERVATION					
		Close-out evidence/Planned Actions:					
OBS #	Indicator	Detail					
OBS 03	4.6.2	Date Recorded>	23,24/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Non-Conformance:					
		Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.					
		Objective Evidence:					
		The records of pesticides use (including active ingredients used and their LD50, area treated amount of active ingredients applied per ha is not available at Ladang Bebar and at SJE the calculation for the a.i used per ha was incorrect.					
		Close-out evidence/Planned Actions:					
OBS #	Indicator	Detail					
OBS 04	4.6.6	Date Recorded>	23/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Non-Conformance:					
		Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations					
		Objective Evidence:					
		However two of the chemicals stored at the Ladang Bebar contractor store like Dursban and Malathion do not have their appropriate MSDS OBSERVATION					
		Close-out evidence/Planned Actions:					
OBS #	Indicator	Detail					
OBS 05	4.6.10	Date Recorded>	23-24/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Non-Conformance:					
		Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).					
		Objective Evidence:					

OBS #	Indicator	Detail																																								
		<p>Domestic waste is segregated between organic and inorganic waste. The organic waste is dumped at the dumpsite/land-fill (in SJE field 09D and Ladang Bebar Field 06) , whereas plastic wrappers and recyclable material is collected by a collector in the nearby town , Pekan .</p> <p>Records of chemical containers that is disposed as Schedule Waste is recorded in the '5th Schedule ' regulation 11 form .</p> <p>From the records , in 2015 the following were disposed</p> <table border="1"> <thead> <tr> <th>Date</th> <th>waste category</th> <th>Name of waste</th> <th>Quantity</th> <th></th> </tr> </thead> <tbody> <tr> <td>30/4/15</td> <td>SW305</td> <td>used oil</td> <td>0.2 MT</td> <td></td> </tr> <tr> <td>30/4/15</td> <td>SW409</td> <td>chemical container & fertilizer bags</td> <td>0.4+0.5</td> <td></td> </tr> <tr> <td>31/3/15</td> <td>SW409</td> <td>chemical container</td> <td>0.04</td> <td></td> </tr> <tr> <td>28/2/15</td> <td>SW409</td> <td>fertilizer bags</td> <td>0.4</td> <td></td> </tr> <tr> <td>31/1/15</td> <td>SW409</td> <td>chemical container & fertilizer bags</td> <td>0.4+0.55</td> <td></td> </tr> <tr> <td>26/1/15</td> <td>SW305</td> <td>used oil</td> <td>0.2 MT</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Disposal is through the licensed collector , Kualiti Kitar Alam At Ladang Bebar, the</p> <ul style="list-style-type: none"> a) empty container store signages was not available b) Scheduled waste ,paint containers were placed in the recycled bin c) Two of the contractor store flooring was contaminated with oil . <p>OBSERVATION</p> <p>Close-out evidence/Planned Actions:</p>	Date	waste category	Name of waste	Quantity		30/4/15	SW305	used oil	0.2 MT		30/4/15	SW409	chemical container & fertilizer bags	0.4+0.5		31/3/15	SW409	chemical container	0.04		28/2/15	SW409	fertilizer bags	0.4		31/1/15	SW409	chemical container & fertilizer bags	0.4+0.55		26/1/15	SW305	used oil	0.2 MT						
Date	waste category	Name of waste	Quantity																																							
30/4/15	SW305	used oil	0.2 MT																																							
30/4/15	SW409	chemical container & fertilizer bags	0.4+0.5																																							
31/3/15	SW409	chemical container	0.04																																							
28/2/15	SW409	fertilizer bags	0.4																																							
31/1/15	SW409	chemical container & fertilizer bags	0.4+0.55																																							
26/1/15	SW305	used oil	0.2 MT																																							

Date Recorded>	22-24/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
OBS 06	6.13.1	<p>Non-Conformance:</p> <p>A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1).</p> <p>Objective Evidence:</p> <p>Some elements on respect to human rights are available in equal opportunities policy and freedom of association policy.</p> <p>However, an establish policy to specify on respect of human rights is not available.</p> <p>Close-out evidence/Planned Actions:</p>			

OBSERVATION for the Supply Chain

OBS 07	D 3.1	Date Recorded>	22/7/15	Due Date>	dd mm yy	Date Closed>	dd mm yy
		Non-Conformance:					
		<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>					
		Objective Evidence:					
		<p>During the internal audit conducted by Hafizi Boniran, Internal Audit team leader , on 8-9th July 2015, a supply chain training was conducted to discussed elements of RSPO Supply Chain .</p> <p>Tthe training include:</p> <ul style="list-style-type: none"> - Supply chain : Segregation Manual - Purpose - Scope - Definition . - Modular requirements - Purchasing goods In - Record keeping - Sales and Goods Out - Training - Procedures on FFB reception, processing and Despatching CSPO/CSPK - Internal Audit whereby 1 NCR was issued and 3 OFI raised - Management review <p>However it was found that although all the elements were covered , the RSPO SC (2014) was not used in the training . A copy of the RSPO SC (2014) Module D and E has already been filed in the RSPO supply Chain file</p> <p>Sungai Jernih POM has issued a letter of appointment dated 28 Sept 2012 that state that whoever is appointed as the mill manager , he is the personnel having overall responsibilities in implementing the SC system . The new Mill Manager , En. Azrin Mazhidi b. Abdul Manab is the present personnel .</p> <p>En Annuar Semail has been appointed as the new RSPO Chairman</p>					
Close-out evidence/Planned Actions:							

APPENDIX B: NON-CONFORMITIES PREVIOUSLY IDENTIFIED

All non conformances previously identified were closed and verification has been conducted by audit team during the RSPO 4th Surveillance audit.

APPENDIX C: TIMEBOUND PLAN

Boustead Plantations Berhad Time Line on RSPO Certification.

The Time Line is flexible and the Management has the right to change it to suit the current situation. However, Boustead is committed towards RSPO and its planned time line.

Business Unit	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	1	2	3	4	5	6	7	8	9	10	11
Sg. Jernih Business Unit											
Nak Business Unit ,											
Telok Sengat Business Unit											
Segaria Business Unit											
TRP Business unit,											
Segamaha Business Unit											
Lapan Kabu Business Unit											
Sugut Estates Business,											
Loagan Business Unit											
Kanowit Business Unit											

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Systems and Services Certification Division

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APPENDIX D: LIST OF STAKEHOLDERS CONTACTED

Stakeholder	Type of Stakeholder	Issues raised	Comments/Action Taken
Harvesters	Internal Stakeholders	No issues. Satisfied with management, Pay on time. No issue of wrongly calculated number of bunches	No issues raised
Drivers	Internal Stakeholders	Satisfied with housing . No issue on number of bunches harvested	
Sprayers	Internal Stakeholders	No issues. PPE provided by management . Management provide shower area for wash-off after operation	No issues raised
Manurers	Internal Stakeholders	No issue . PPE provided. First aid kit available . Medical check up provided.	
Hospital	Internal Stakeholders	No issues. Medical check up provided to workers. Medicine sufficient for workers. Transport provided for emergency .	No issues raised
Local Worker Union representative	Internal Stakeholders	No issues . Meetings conducted to raised issues	No issues raised
Foreign worker representative	Internal Stakeholders	No issues . Meetings conducted to raised issues	No issues raised

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