



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

File Ref. : ES10171015

RSPO PUBLIC SUMMARY REPORT

CLIENT : SIME DARBY PLANTATION BHD – SOU 33 DERAWAN

PARENT COMPANY : SIME DARBY PLANTATION BHD

RSPO MEMBERSHIP No.: 1-0008-04-000-00

LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):
 (In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
SOU 33 Derawan Certification Unit	Derawan Palm Oil Mill	3° 23'24.732"N	113° 20'43.500"E	97008 Bintulu, Sarawak
	Derawan Estate	3° 23'59.230"N	113° 20'33.620"E	97008 Bintulu, Sarawak
	Sahua Estate	3° 29'48.264"N	113° 23'13.200"E	97008 Bintulu, Sarawak
	Takau Estate	3° 23'59.230"N	113° 20'33.620"E	97008 Bintulu, Sarawak
	Damai Estate	3° 28'15.564"N	113° 23'52.800"E	97008 Bintulu, Sarawak

MAP : See Attachment 1

AUDIT DATE : 24 - 27 October 2017

DURATION : 12 auditor days

TYPE OF AUDIT : Annual Surveillance Audit Recertification Audit

STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014

SCOPE OF CERTIFICATION: Production of Crude Palm Oil and Palm Kernel Using Identity Preserved Supply Chain Model

VALIDITY OF RSPO CERTIFICATE : 30/12/2016 – 29/12/2021

The following attachments form part of this report:

Non-conformity Report(s) List of additional site(s)

Report by Audit Team Leader

Name : Hazani Othman
 Signature :
 Date : 1/02/2018

Acknowledgement by Client's Representative

Name : KHAZARUDIN ANWARUDIN
 Signature :
 Date : 1/2/2018



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SUMMARY OF AUDITS

Recertification audit				
On-site audit date	:	8 th – 12 th August 2016	No. of auditor days	13.5 Auditor days
Audit team	:	Mohd Zulfakar Kamaruzaman (LA), Hazani Othman, Selvasingam T. Kandiah, Rozaimée Ab Rahman (Observer)		
No. of major NCR	:	2	Indicator: 2.1.1, 4.7.2	Closing date : 11/10/2016
No. of minor NCR	:	5	Indicator : 4.1.2, 4.7.5, 4.8.2, 6.6.2, 6.9.3	
Indicate the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		x		X
		Contract workers	NGOs	Govt. agency
				Independent growers
		Indigenous people	Contractor	Others (Please specify)
			x	
Supply base sampled	:	Derawan Estate and Takau Estate		

Annual Surveillance Audit 1				
On-site audit date	:	24 - 27 October 2017	No. of auditor days :	12
Audit team	:	Hazani Othman, Rozaimée Ab Rahman, Mohd. Norddin Abd. Jalil		
No. of major NCR	:	4	Indicator: 4.2.4 (f), 6.5.1, D3.2, D5.1	Closing date : 26/12/2017
No. of minor NCR	:	2	Indicator : 4.1.2, 4.4.2	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		x		x
		Contract workers	NGOs	Govt. agency
		x		Independent growers
		Indigenous people	Contractor	Others (Please specify)
			x	
Supply base sampled	:	Damai Estate and Saha Estate		
Changes since the last audit	:	Changed of company name from Sime Darby Plantation Sdn Bhd to Sime Darby Plantation Bhd.		
Report approved by	:	Radziah Mohd. Daud	Approval date :	1/02/2018

Annual Surveillance Audit 2				
On-site audit date	:		No. of auditor days :	
Audit team	:			
No. of major NCR	:		Indicator:	Closing date :
No. of minor NCR	:		Indicator :	
Indicate by ticking the stakeholders interviewed during the on-site audit	:	Employees	Settlers	Villagers
		Contract workers	NGOs	Govt. agency
				Independent growers

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	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			
Report approved by :			Approval date :

Annual Surveillance Audit 3			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :		Closing date :	
No. of minor NCR :			
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractor	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			
Report approved by :			Approval date :

Annual Surveillance Audit 4			
On-site audit date :		No. of auditor days :	
Audit team :			
No. of major NCR :	Indicator:	Closing date :	
No. of minor NCR :	Indicator :		
Indicate by ticking the stakeholders interviewed during the on-site audit	Employees	Settlers	Villagers
	Contract workers	NGOs	Govt. agency
	Indigenous people	Contractors	Others (Please specify)
Supply base sampled :			
Changes since the last audit :			
Report approved by :			Approval date :

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SUMMARY OF INFORMATION

TABLE 1

	STAGE 2/ RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period	August 2016 – July 2017	August 2017 – July 2018			
Certified FFB Processed (MT)	130,569.76	126,784.38			
Production of Certified CPO (MT)	28,725.34	28,207.48			
Production of Certified PK (MT)	6,919.99	5,719.91			
Certified Areas (Ha)	8,009.74	*9,278.67			
Planted Areas (Ha)	7,924.74	8,065.50			
Production Areas (Ha)	6,016.61	5,762.03			
HCV Areas / Conservation Areas (Ha)	-	**333.70			
REMARKS	*There were misunderstanding in reporting the amount of certified area in 2016. It has been confirmed that 9,278.67 Ha was the correct figure. ** The HCV areas were based on assessment carried out in June 2017.				

TABLE 2

	PO	PK
Last years certified volume (MT)	28,725.34	6,919.99
Last years actual certified sold (MT)	0.00	2,050.00
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	22,739.99	0.00
New year certified volume (MT)	28,207.48	5,719.91

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1.0 AUDIT PROCESS

1.1 Certification Body

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

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

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Hazani Othman	Lead Auditor Social, HCV and SC	Holds a Bachelor of Forestry Science and Diploma in Forestry, from the Universiti Putra Malaysia. He is a lead auditor for ISO 14001, FSC & MTCC FMC and CoC and RSPO P&C.
Rozaimée Ab. Rahman	Auditor Environment and occupational health and safety	Holds a B. Sc. Of Agriculture. He had several years of working experience in the oil palm operation. He is a qualified auditor for RSPO P&C.
Mohd. Norddin Abd. Jalil	Auditor Good Agricultural Practices	Holds a B. Sc. (Hons) in Agriculture, he had work as a planter with Boustead Estates Agency Sdn. Bhd. and TDM Plantation Sdn. Bhd. for more than 38 years including as Plantation Adviser in TDM Headquarters.

1.3 Audit methodology

The audit covered the Derawan palm oil mill and 2 of its supply base. The sampling of the number of the supply base was using the formula of $0.8\sqrt{y}$. The 2 supply bases covered during the audit are Damai Estate and Sahu Estate). The audit included an on-site audit to the estates, mill and settlers' houses (can be expanded) to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

1.5 Audit plan: Refer to Attachment 2.

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 8 months from this audit.

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Derawan Certification Unit (CU) is one of the Strategic Operating Unit (SOU) of Sime Darby Plantation Sdn Bhd (SDPSB). The CU is located in Bintulu, Sarawak, East Malaysia and known as SOU 33. The CU consisted of one palm oil mill, the Derawan Palm Oil Mill (DPOM) and four-supply bases, namely, Derawan Estate, Saha Estate, Takau Estate and Damai Estate. All estates are belonging to SDPSB. DPOM commenced operations in 1994 with a processing capacity of 40 metric tonnes of (FFB) per hour. The total combined land area of the four estates is 9,278.67 hectares (Ha) of which 8,065.50 Ha planted with oil palm. All the estates have been fully developed before 2005, hence Principle 7 of the RSPO P&C is therefore not applicable.

2.2 Description of the Supply Base (including the planting profile)

The FFB sourced from company owned estates that are certified. Details of the FFB contribution from each source to the Derawan Palm Oil Mill are shown in the following tables:

**Table 1: Actual FFB production by the supply base for the last reporting period
(August 2016 to July 2017)**

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Damai Estate	19,457.30	17.17
Saha Estate	29,057.70	25.63
Takau Estate	35,893.30	31.66
Derawan Estate	27,988.40	24.69
Samudera Estate (Diversion)	245.30	0.22
Semarak Estate (Diversion)	225.56	0.20
Bayu Estate (Diversion)	405.80	0.36
Rajawali Estate (Diversion)	63.47	0.05
Dulang Estate (Diversion)	16.47	0.01
Total	113,353.30	100%

**Table 2: Projected FFB production by supply base for the next reporting period
(August 2017 to July 2018)**

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Damai Estate	25030.67	19.74
Saha Estate	34983.56	27.59
Takau Estate	34458.15	27.18
Derawan Estate	32312.00	25.49
Total	126784.38	100

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**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
(August 2016 to July 2017)**

	Total (MT)
FFB Received	113,353.30
FFB Processed	113,353.30
CPO Production	22,634.33
PK Production	5,221.23
CPO delivered as Identity Preserved	NIL
CPO delivered as non-RSPO certified	22,739.99
PK delivered as Identity Preserved	2,050.00
PK delivered as non-RSPO certified	NIL

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
(August 2017 to July 2018)**

	Total (MT)
FFB Received	126784.38
FFB Processed	126784.38
CPO Production	28,207.48
PK Production	5,719.91
CPO delivered as Identity Preserved	28,207.48
CPO delivered as non-RSPO certified	NIL
PK delivered as Identity Preserved	5,719.91
PK delivered as non-RSPO certified	NIL

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Sahua	2,041.03	2,274.17
Derawan	2,044.77	2,253.50
Takau	2,033.67	2,107.00
Damai	1,946.03	2,644.00
Total	8,065.50	9,278.67

Table 7 Planting profile for Derawan CU

<u>Estate</u>	<u>Year of planting</u>	<u>Replanting Cycle</u>	<u>Mature >3 years (Ha)</u>	<u>Immature < 3 years(Ha)</u>	<u>Planted area</u>	<u>% of planted area mature</u>	<u>% of planted area immature</u>
Damai Estate	1996	1	204.85	-	204.85	100	-
	1997	1	112.81	-	112.81	100	-
	1998	1	633.81	-	633.81	100	-
	2014	2	150.24	-	150.24	100	-
	2015	2	-	406.02	406.02	-	100
	2016	2	-	258.29	258.29	-	100
	2017	2	-	180.01	180.01	-	100
Sahua Estate	1994	1	241.00	-	241.00	100	-
	1995	1	606.96	-	606.96	100	-
	1998	1	760.69	-	760.69	100	-
	2000	2	31.00	-	31.00	100	-
	2016	2	-	166.02	166.02	-	100

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	2017	2	-	235.36	235.36	-	100
Takau Estate	1995	1	1093.04	-	1093.04	100	-
	2013	2	184.11	-	184.11	100	-
	2014	2	178.32	-	178.32	100	-
	2016	2	-	159.19	159.19	-	100
	2017	2	-	181.57	181.57	-	100
	2018	2	-	237.44	237.44	-	100
Derawan Est	1994	1	471.29	-	471.29	100	-
	1995	1	483.27	-	483.27	100	-
	1996	1	68.23	-	68.23	100	-
	2012	2	179.58	-	179.58	100	-
	2013	2	123.75	-	123.75	100	-
	2014	2	239.08	-	239.08	100	-
	2015	2	-	307.08	307.08	-	100
	2017	2	-	172.49	172.49	-	100
Total			5762.03	2303.47	8065.50		

2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	: Mr. Khaizarudin Awaludin
Position	: Mill Manager
Address	: Sarawak Zone Office Rajawali Complex, KM 52, Jln Bintulu-Miri, P.O. Box 673, 97008, Bintulu, Sarawak Derawan POM, P.O Box 673, 97008 Bintulu, Sarawak, Malaysia
Phone no.	: +6086-477313
Fax no.	: +6086-477313
Email	: khaizarudin.awaludin@simedarby.com

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3.0 AUDIT FINDINGS

3.1 Changes to certified products in accordance to the production of the previous year

There was no change to the certified products since last assessment.

3.2 Progress and changes in time bound plan (Refer to Attachment xx for the time bound plan)

- i. Have all the estates under the parent company been certified? Yes No

Internal Audit dated in 18 Dec 2017 was conducted based on RSPO Partial Certification Requirements. No non-compliance was observed by the organization. It has been noted that SDP was progressively undergoing the RSPO Certification process towards 100% RSPO certification of their estates/mills.

PT MAS (Indonesia) has undergone the RSPO Main assessment and was delayed due to some social disputes. The certification of this CU was subject to the progress of the matter being resolved. With regards to the engagement with the RSPO, it was evident that the RSPO Secretariat was well informed on the progress through regular briefing and progress reports. The latest meeting with RSPO Secretariat was held on 8 Sept 2016. To-date, 9 progress reports were submitted to RSPO and the latest was dated on 30 June 2016. Further information can be obtained from <http://www.rspo.org/members/complaints/status-of-complaints/view/29>

- ii. Are there any changes to the organization's time bound plan? Yes No

If yes, comment in terms of acceptance or non acceptance on the changes in the time-bound plan?

- iii. Are there associated smallholders (including scheme smallholders) in the CU Yes No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? Yes No

If no, please state reasons Not applicable. There is no associated smallholders supplying FFB to the CU.

- iv. Any new acquisition which has replaced primary forests or HCV areas Yes No

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

Sime Darby Plantation Sdn Bhd has been changed to Sime Darby Plantation Berhad.

- 3.4 Status of previous non-conformities * Closed Not closed*

* If not closed, minor non conformity will be upgraded to major non conformity

3.5 Complaint received from stakeholder (if any)

No complaints from stakeholders were observed.

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4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s)
(details refer to Attachment 4) List : 2 4.1.2, 4.4.2

Total no. of major NCR(s)
(details refer to Attachment 4) List : 1 6.5.1

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s) (details refer to Attachment 5) List : -

Total no. of major NCR(s)
(details refer to Attachment 5) List : 2 D3.2, D5.1

5.0 AUDIT 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.

6.0 RECOMMENDATION



No NCR recorded. Recommended to continue certification.



Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

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



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out.



Recommended to continue certification.



Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

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

Audit Team Leader :

Hazani Othman

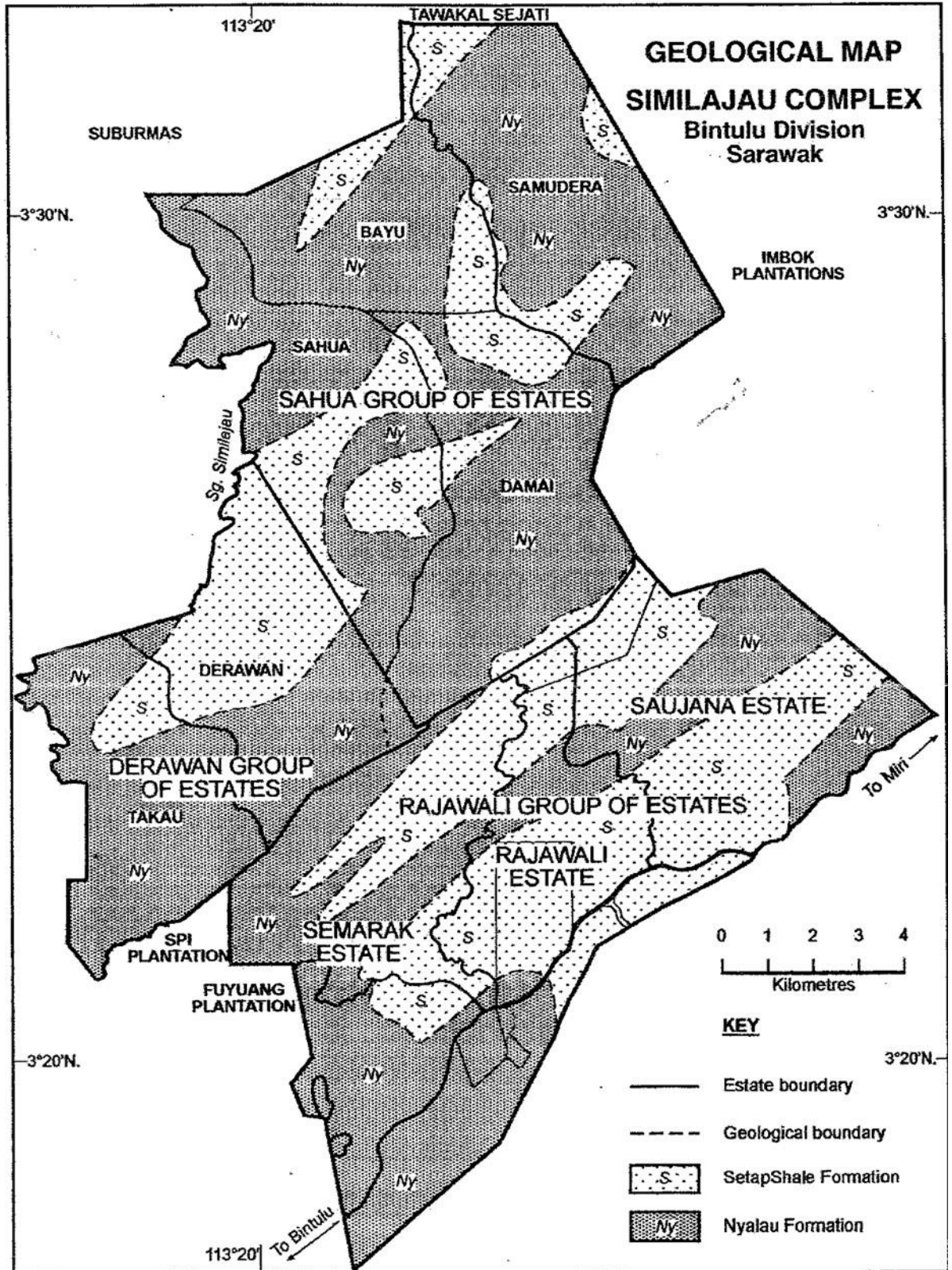
26/12/17

(Name)

(Signature)

(Date)

Map of Derawan CU



RSPO Surveillance Audit Plan

1. Objectives

The objectives of the audit are as follows:

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

2. Date of assessment : 24 – 27 October 2017

3. Site of assessment : SOU Derawan

- Derawan Palm Oil Mill 1
- Damai Estate
- Saha Estate

4. Reference Standard:

- a. RSPO P&C MYNI:2014
- b. RSPO Certifications Systems for P&C, June 2017
- c. RSPO Supply Chain Standard, November 2014
- d. Company's audit criteria including Company's Manual / Procedures

5. Assessment Team

- a) Lead Auditor : Hazani Othman (Social, HCV, SC)
- b) Auditors : Rozaimie Ab Rahman (Environmental, Safety, Health)
: Mohd. Norddin Abd. Jalil (GAP)

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.

7. Audit Method

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

8. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non conformities if the corrective actions are not satisfactory implemented in the next audit.

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

10. Working Language : English and Bahasa Malaysia

11. Reporting

- a) Language : English
- b) Format : Verbal and written
- c) Expected date of issue : 2 weeks after the closure of the Major NC / or if only minor NC, 30 days from the last day of this audit.

12. Facilities Required

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

13. Assessment Programme Details : As below

Day 1: 24/10/17 (Tuesday)

Time	Activities & Areas			Auditee
8.30am - 9.00am.	Opening Meeting at Derawan Mill – Audit team introduction and briefing on assessment objectives, scope, methodology, criteria, programmes, and confirmation of itinerary and logistic by SIRIM QAS Audit Team Leader.			All
9.00am – 9.15am	Update by organization on: <ul style="list-style-type: none"> • actions taken to address previous audit findings. • update on progress of time bound plan and uncertified units (if any). • significant changes that could affect conformities to requirements, new acquisition / disposition, structure, infrastructure, facilities, capacity, new planting / replanting hectarage, sales, etc. • issues, such as legal non-compliance / action, disputes, complaint, claims etc. 			Management Representative
9.15am - 12.00pm	Hazani	Rozaimée	Norddin	Guide(s) for each auditor
	Damai Estate	Derawan Mill	Sahua Estate	
	Audit of relevant Indicators of P1, P2, P5, P6, P7, and P8 of social and HCV management, which may include: <ul style="list-style-type: none"> • review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, land use rights, Social Impact Assessment (SIA), social and HCV management plans & implementation, complaints and grievances, training, continuous improvement plan, etc. • review of plantation boundary and any relevant amenities and facilities for employees (such as house, water and electricity supplies, shops, worship / prayer places, clinic, recreational facilities etc.). • review of land statement, conservation areas (e.g. riparian buffer zone, steep areas, wildlife habitat, etc.) and boundary. • consultation with any relevant personnel (e.g. management, local and foreign employees, unions, suppliers, communities, government agencies etc.). 	Audit of relevant Indicators of P1, P2, P4, P5, P7, and P8 of environmental , safety and health management, which may include: <ul style="list-style-type: none"> • review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, environmental impact assessment, management plans related to wastes, pollution, safety and health & implementation, training, continuous improvement plan, etc. • review of safety, health and environmental mitigation practices at any relevant operation and facilities (e.g. wastes collection / disposal sites, wastewater control facilities, genset, chemicals, oils storage, workshop, etc.). • consultation with any relevant personnel (e.g. management, employees, communities, government agencies etc.). • follow up of previous issue, if any: 	Audit of relevant Indicators of P2, P3, P4, P5, P7 and P8 of GAP , which may include: <ul style="list-style-type: none"> • review of relevant evident of conformities, pertaining compliance to laws and regulations, commitment to long-term economic and financial viability, good agricultural practices (GAP), management plan & implementation training, continuous improvement plan, etc. • review of field operation (e.g. harvesting, upkeep, replanting etc.) and related activities (e.g. nursery, stores of fertiliser and herbicides, etc.). • follow up of previous issue, if any. 	

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	<ul style="list-style-type: none"> follow up of previous issue, if any. 			
12.00nn – 13.00pm	LUNCH BREAK			
13.00pm – 17.00pm	Hazani	Rozaimiee	Norddin	Guide(s) for each auditor
	Continue assessment	Continue assessment	Continue assessment	

Day 2: 25/10/17 (Wednesday)

Time	Activities & Areas			Auditee
8.00am .– 12.00nn	Hazani	Rozaimiee	Norddin	Guide(s) for each auditor
	Sahua Estate	Damai Estate	Sahua Estate	
	<p>Audit of relevant Indicators of P1, P2, P5, P6, P7, and P8 of social and HCV management, which may include:</p> <ul style="list-style-type: none"> review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, land use rights, Social Impact Assessment (SIA), social and HCV management plans & implementation, complaints and grievances, training, continuous improvement plan, etc. review of plantation boundary and any relevant amenities and facilities for employees (such as house, water and electricity supplies, shops, worship / prayer places, clinic, recreational facilities etc.). review of land statement, conservation areas (e.g. riparian buffer zone, steep areas, wildlife habitat, etc.) and boundary. consultation with any relevant personnel (e.g. management, local 	<p>Audit of relevant Indicators of P1, P2, P4, P5, P7, and P8 of environmental, safety and health management, which may include:</p> <ul style="list-style-type: none"> review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, environmental impact assessment, management plans related to wastes, pollution, safety and health & implementation, training, continuous improvement plan, etc. review of safety, health and environmental mitigation practices at any relevant operation and facilities (e.g. wastes collection / disposal sites, wastewater control facilities, genset, chemicals, oils storage, workshop, etc.). consultation with any relevant personnel (e.g. management, employees, communities, government agencies etc.). 	Continue assessment	

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	and foreign employees, unions, suppliers, communities, government agencies etc.). <ul style="list-style-type: none"> follow up of previous issue, if any. 	<ul style="list-style-type: none"> follow up of previous issue, if any: 		
12.00nn – 13.00pm	LUNCH BREAK			
13.00pm – 17.00pm	Hazani	Rozaimée	Norddin	Guide(s) for each auditor
	Sahua Estate	Damai Estate	Sahua Estate	
	Continue assessment	Continue assessment	Continue assessment	

Day 3: 26/10/17 (Thursday)

Time	Activities & Areas			Auditee
8.00am .– 12.00nn	Hazani	Rozaimée	Norddin	Guide(s) for each auditor
	Derawan Mill	Sahua Estate	Damai Estate	
	Audit of relevant Indicators of P1, P2, P6, P7, and P8 of social management, which may include: <ul style="list-style-type: none"> review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, land use rights, Social Impact Assessment (SIA), management plan & implementation, complaints and grievances, training, continuous improvement plan, etc. review of plantation boundary and any relevant amenities and facilities for employees (such as house, water and electricity supplies, shops, worship / prayer places, clinic, recreational facilities etc.). consultation with any relevant 	Audit of relevant Indicators of P1, P2, P4, P5, P7, and P8 of environmental, safety and health management, which may include: <ul style="list-style-type: none"> review of relevant evident of conformities, pertaining commitment to transparency, compliance to laws and regulations, environmental impact assessment, management plans related to wastes, pollution, safety and health & implementation, training, continuous improvement plan, etc. review of safety, health and environmental mitigation practices at any relevant operation and facilities (e.g. wastes collection / disposal sites, wastewater control facilities, genset, chemicals, oils storage, workshop, etc.). 	Audit of relevant Indicators of P2, P3, P4, P5, P7 and P8 of GAP , which may include: <ul style="list-style-type: none"> review of relevant evident of conformities, pertaining compliance to laws and regulations, commitment to long-term economic and financial viability, good agricultural practices (GAP), management plan & implementation training, continuous improvement plan, etc. review of field operation (e.g. harvesting, upkeep, replanting etc.) and related activities (e.g. nursery, stores of fertiliser and herbicides, etc.). follow up of previous issue, if any. 	

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	<p>personnel (e.g. management, local and foreign employees, unions, suppliers, communities, government agencies etc.).</p> <ul style="list-style-type: none"> follow up of previous issue, if any. 	<ul style="list-style-type: none"> consultation with any relevant personnel (e.g. management, employees, communities, government agencies etc.). follow up of previous issue, if any: 		
12.00nn – 13.00pm	LUNCH BREAK			
13.00pm – 17.00pm	Hazani	Rozaimiee	Norddin	Guide(s) for each auditor
	Derawan Mill	Sahua Estate	Damai Estate	
	Continue assessment	Continue assessment	Continue assessment	

Day 4: 27/10/17 (Friday)

Time	Activities & Areas			Auditee
8.00am - 12.00nn	Hazani	Rozaimiee	Norddin	Guide(s) for each auditor
	Derawan Mill	Continue unfinished assessment at relevant unit	Continue assessment at Damai Estate	
	<p>Audit of relevant supply chain model used, which may include:</p> <ul style="list-style-type: none"> General Chain of Custody System Requirements for the supply chain Documented procedures Purchasing and goods in Outsourcing activity Sales and goods out Processing Records keeping Registration Training Claims 			
12.00nn – 13.00pm	LUNCH BREAK & FRIDAY PRAYER			
13.00pm – 16.00pm	<ul style="list-style-type: none"> Continue assessment 			All Auditors

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	<ul style="list-style-type: none"> • Verification on outstanding issues • Audit Team discussion, preparation on audit findings and issuance of NCR (if any) 	
16.00pm – 17.00pm	Closing meeting at Derawan Mill / End of audit	All

Note: Time and duration shown are approximate. Subject to weather, field visits may change accordingly, if necessary.

RSPO P&C Audit Checklist and Findings

Principle 1: COMMITMENT TO TRANSPARENCY

Clause	Indicators		Comply Yes/No	Findings
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1	There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and / or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.	Yes	Derawan CU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Quality Management System documents. At the point of audit, there was no request for information from the stakeholders received by the CU. The flow chart of the procedure were made available on notice boards in the Estate office and Muster Grounds. In Damai and Saha Estate, management documents, such as those relating to environment, social and legal issues, are made available to the public except for those prevented by commercial confidentiality or where disclosure of such information would result in negative environmental or social outcomes. Both Estates continued to maintain stakeholders list for contractors, vendors/suppliers, government agencies, schools, local communities, etc. In addition to the above, SDPSB continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances were readily made available through SDPSB website at http://plantation.simedarby.com
	1.1.2	Records of requests for information and responses shall be maintained. Major Compliance	Yes	SOU Derawan had identified personnel responsible for handling of complaints. Records of communication were maintained at respective offices. Communication with the authority such as DOSH, DOE and Labour Department were maintained in the communication file. At the point of this assessment, there has been no request for such information by the public.
C 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.	1.2.1	Land titles/user rights (Criterion 2.2);	Yes	Copy of land use titles of all audited units maintained.
		Occupational health and safety plans (Criterion 4.7);	Yes	Occupational Health & Safety Plan titled 'Occupational Safety & Health Plan 2017' has been established. Indicators set in the plan are being monitored. The audit on the progress monitoring of the programs identified is as in C 4.7 below.
		Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8)	Yes	Environmental and social impact assessment, management action plans, and continuous improvement plan for Derawan SOU maintained available by the CU.
		HCV documentation summary (Criteria 5.2 and 7.3);	Yes	Documentation relating to HCV observed maintained available.
		Pollution prevention and reduction plans (Criterion 5.6);	Yes	The list of waste generated from estate and mill activities maintained available. All sources of pollution have been identified by management (Pollution Prevention Plan 2017/2018). Mitigation measure and action taken also made available. Among of activities covered include nursery, growing, drainage, planting, fertilizing, scheduled waste management and mill operation.
		Details of complaints and grievances (Criterion 6.3);	Yes	Management document relating to social observed maintained. However, no complaint and grievances observed.

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		Negotiation procedures (Criterion 6.4);	Yes	Management document relating to social observed maintained. However, no case of negotiation observed.
		Continual improvement plans (Criterion 8.1);	Yes	Continual improvement plans maintained available. The continuous improvement plans was established and updated accordingly by the Executives from the Sustainability Department. Sime Darby Plantation Berhad is committed to utilise the established system to regularly monitor and review their key activities at the mill and estates. Relevant action plans were initiated to continuously improve its key areas of operations, environmental, safety, health and welfare of the workers as well as social contribution to the community. Details of the CU continual improvement plans have been reported in indicator 8.1.
		Continual improvement plans (Criterion 8.1);	Yes	As stated under Principle 6 (6.1) a Social Impact Assessment (SIA) was prepared for the CU. The report highlighted various issues raised by the stakeholders of the respective estates and mill. Stakeholders' feedbacks, requests and comments were incorporated in the report. Action plans based on the findings of the SIA developed by respective estates and mill audited was presented to the auditor.
		Public summary of certification assessment report;	Yes	Public summary is available in website: http://www.sirim-qas.com.my .
		Human Rights Policy (Criterion 6.13).	Yes	Policy relating human right observed maintained.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	Yes	Policy committing to a code of ethical conduct and integrity observed maintained in documented COBC (Kod Etika Kerja). The document maintained available to all employees as displayed at each office.

Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	Yes	Generally, SOU Derawan continued complied with most of the applicable local, national and ratified international laws and regulations. Among compliance observed were related to: Minimum Wage Order 2016, Immigration Act, MPOB , KDNKK permit for storage of diesel Suruhanjaya Tenaga, Fire Certificate and DOE License to “menduduki permis yang ditetapkan “ no. and legals like : Factory and Machinery Act 1967, EQ (Prescribed Premise) Crude Palm Oil Regulations 1977, EQ (Scheduled Wastes) Reg. 2005 and OSH(Use and Standards Of Exposure of Chemicals Hazardous to Health Regulations 2000).
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	Yes	The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring of compliance with the legal requirements that were applicable to them. Each estate and mill had its own Legal and Other Requirements Register (LORR) and were being evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. The PSQM Department is responsible to track changes and the information was disseminated to all its plantations and Mill department.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	Yes	The CU had a documented system for identifying, updating changes to legal requirements and to monitor the status of legal compliance in their EQMS & MQMS (Estate & Mill Quality Management System) included under the Standard Operation Manual. There was evidence of compliance to legal requirements and that it had been evaluated on an annual basis. These compliances were also ensured by PSQM Internal Audits, PA visits and by RSPO Audits.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	Yes	The PSQM Department is responsible to track changes and the information was disseminated to all its plantations and Mill department.
C 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance	Yes	All the land of the estates were leased to Derawan Sdn. Bhd by the Sarawak State Government. Derawan Sdn Bhd is owned by Sime Darby Plantation (Sarawak) Sdn. Bhd, which the latter is owned by Sime Darby Plantation Bhd. The use of land was stated as for agricultural purpose.
	2.2.2	There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance	Yes	All the audited operating units have no boundary adjacent to state land or reserves, except boundary to other companies as indicated in “GPS Surveyed Map” and verified on site. The boundary was observed to be separated by marker (stone and trench).

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	2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). Minor Compliance	Yes	No case of dispute observed.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. Major Compliance	Yes	No case of land conflict was observed.
	2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable). Minor Compliance	Yes	No case of conflict or dispute was observed
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	Yes	No case of conflict or dispute was observed
C 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	2.3.1	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). Major Compliance	Yes	No customary or user rights of other users was observed.

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	2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;	Yes	No customary or user rights of other users was observed.
	2.3.2	c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance	Yes	No customary or user rights of other users was observed.
	2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	Yes	No customary or user rights of other users was observed.
	2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	Yes	No customary or user rights of other users was observed.

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

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Derawan CU continued to achieve long term economic and financial viability through documented management plan projected to year 2022. A Management Plan including crop forecast, capital expenditure, operational expenditure, general charges, profit and loss covering the period of 2017 to 2022 had been prepared for both estates and made available to the audit team. This plan had also included mature area and also for the expected FFB production per hectare for the period 2017 to 2022.
	3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. Minor Compliance	YES	It was observed that the replanting programmes for both Sahua and Damai Estates were available for year 2018 to 2024. These programmes were reviewed once a year and were incorporated in their annual budget.

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

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	Derawan CU continued to use the Agriculture Reference Manual (ARM) dated 01/07/2011, Estate Quality Management System (EQMS) Manual dated 01/11/2008, Safety Standard Operating Procedures (SSOP) dated 25/02/2015, Sustainable Plantation Management System Manual (SPMS), "Guidelines On River Management" Manual, ESH Management System Manual dated 01/07/2012, Occupational Safety and Health Manual dated 03/03/2008, Pictorial Safety Standards, and Security Guidelines (PSS). It includes the operation activities in the estates from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and security. For both estates, on top of the EQMS, contents of the Agriculture Reference Manual were disseminated to the workers through morning roll call and trainings. The Manual is also kept in the administration office where everyone can refer to. Site inspection and interview with workers confirmed that the SOPs had been implemented and they understood the requirements of the SOPs, the bottom-line of which is Good Agricultural / Mill Practice and the care for their safety and health and the environment.

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	4.1.2	A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance	No	The mechanisms to check the implementation of procedures were carried out through internal audit, safety and health meeting and routine inspection (workplace inspection) by assistant manager, staff and hospital assistant. In addition team QA (quality assurance) from HQ has conducted quarterly monitoring regarding on quality of implementation procedure such as loose fruit collection, harvested bunch left and unharvested bunches, Safe working condition, mechanization and etc. However, during site visit, it was found that there was no consistency in monitoring of the implementation of safety and environment issues such as : Sahua Estate - Traces of oil spills at tractor parking area, Oil trap and oil sump not properly maintenance at skid tank and lubricant store area. During site visit, it was full with mud and mosquito larvae and Failed to ensure emergency shower (eye wash) in good condition based on recommendation made by CHRA 2015. Derawan POM - Declaration of health status as per Industry Code of Practice for Safe Working in a Confined Space 2010 for the authorised entrant prior to each entry was not evident e.g. work carried out at front header on end of March 2017. Thus, minor #NCR No. : RR 01 has been raised.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Monitoring of the SOP implementation was closely carried out by person-in-charge in the Derawan CU and their records were verified. Among the records were work programmes for major activities at the estates such as field cost book, chemical usage form, mature oil palm work programme for fertiliser application, herbicide spraying, rat baiting , harvesting and collection of FFB. All the above records were kept for a minimum period of 12 months.
	4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance	Yes	The scope for Derawan POM SC is Identity Preserved. Hence, this indicator is not applicable.
C 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Derawan CU continued to manage and improve soil fertility to a level that ensures optimal and sustained yield by monitoring the fertilizer inputs through annual fertilizer recommendations. Maintaining soil fertility is guided by its SOPs in a few chapters: i) EQMS chapter B8 - Leguminous Cover Crops ii) EQMS chapter B14 - Manuring iii) ARM Section 8 - Manuring
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Derawan CU continued to monitor their fertilizer inputs as recommended by their agronomist , from Sime Darby Research Sdn. Bhd. Fertiliser application program was monitored using records like manuring master plan, program sheets, bin cards, field cost book, manuring audits by Planning and Monitoring Department under Upstream Department from headquarters. Records of programs and applications of fertilisers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	Periodic tissue and soil sampling were carried out in Derawan CU to monitor changes in nutrient status and its results formed the basis for the fertilizers input recommendation. The soil analysis provided the indication of soil health and monitor the changes in the organic carbon and total nitrogen. Soil sampling for soil T-N, Av-P, Ex-K. Ex-Ca and Ex-Mg was carried out on a 5 year cycle basis and foliar sampling were carried out to facilitate the 2017/2018 fertilizer programme.

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	4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	YES	Derawan CU had a nutrient recycling strategy where palm fronds were properly stacked in the interrow to decompose and EFB were applied @30mt/ha. EFB will help to supplement the inorganic fertilizer thus improving the nutrient status of the field.
C 4.3 Practices minimize and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	During the field visit and the soil map provided it was observed that no fragile or marginal soils found in Derawan CU. In Saha Estate the soil comprises of Bekenu, Bedup and Semarak series with some Derawan, Marang, Nyalau, Sarstok and Sibuga series. As for Damai Estate it was mainly Bekenu, Bedup, Semarak, Derawan and Nyalau series with some areas of Sibuga, DLD, and Saratok series.
	4.3.2	A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	YES	Derawan CU had a management strategy for planting on slopes to minimise and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by its Slope & River Protection Policy, updated on January 2015, which was posted on the Estates notice board. Among the methods were construction of conservation terraces (Item 8 Section 4 – Land Preparation for Terracing in ARM Manual). It was observed that practices to minimise and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crop was observed planted in the replants and in some mature areas. The cover crop <i>Mucuna bracteata</i> had been planted along some slopes by management. Large areas with <i>Neprolepis biserrata</i> in the inter rows were sighted during the visit.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	During the field visit, it was observed that the main and field roads of Derawan CU were in satisfactory condition and accessibility were made possible by regular maintenance. There was evidence of road maintenance programmes which consist of road resurfacing with grading & compaction and culvert maintenance.
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	YES	No peat soils were found during the field visit in Derawan CU.
	4.3.5	Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	YES	No peat soils were found during the field visit in Derawan CU.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	There were no fragile and problem soils in Derawan CU.

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C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An implemented water management plan shall be in place. Minor Compliance	YES	Derawan CU had its Water Management Plan for year 2017/2018 which was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods such as implementation of rain water harvest, construction of water gate for effective management of collection/main drain, establishment of <i>Mucuna bracteata</i> to prevent erosion, side drain at field road to control water, frond stacking, enhancement of ground vegetation at bare ground area. In the Water Management Plan, the CU has also identified actions to be taken in the event of water supply shortage, though both estates received supply of piped treated water from the local state authorities for the domestic consumption. Workers quarters were provided with separate tanks for rain water harvesting. This water were used for washing. Drinking water were treated prior to usage and were supplied to a separate tank and amount used were monitored. Water from triple rinsing of pesticide containers was reused for spraying. Records of rainfall data to assist in the water management plans were sighted from 2007.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance	No	Although Derawan CU continues to protect the water courses and wetlands including maintaining and restoring appropriate riparian buffer zones at or before replanting along all natural waterways within the estates, it was found that streams in some fields in Saha & Damai Estate did not maintained their buffer zone. Therefore a Major NCR MN 01 2017 was issued.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	Yes	Site visit to the effluent treatment plant and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements. No over flow was observed and flow meter reading was recorded daily. Derawan POM records of quarter water monitoring for DOE submission reviewed. The results from final discharge were compliance within parameter limit.
	4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance	Yes	Processing water obtained from water catchment near to the mill. The mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis. Noted the high consumption of water during this period due to peak crop and mill cleaning.
C 4.5 Pests, diseases, weeds and invasive introduced species are managed using appropriate Integrated Pest Management techniques.	4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance	YES	Derawan CU continued to implement Integrated Pest Management in both estates and continued to manage pests, disease, weeds and invasive introduced species using appropriate IPM techniques guided by the Agricultural Reference Manual (ARM) Section 15 -Plant Protection. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera subulata</i> and for rhinoceros beetles is by using pheromone traps. In order to minimize use of pesticides the estates had planted beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> with maps indicating areas planted. Both estates carried census on rat damage and diseases like Ganoderma. Rat baiting was by calendar baiting at 2 campaigns per year. Baiting was continued until bait acceptance fell below 20%.
	4.5.2	Training of those involved in IPM implementation shall be demonstrated. Minor Compliance	YES	Training related to IPM implementation as per the Agricultural Reference Manual (ARM) Section 15 - Plant Protection entitled Rat baiting was conducted by Assistant Managers of both estates. Records of training were available for verification.

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<p>C 4.6 Pesticides are used in ways that do not endanger health or the environment</p>	4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	YES	<p>Derawan CU continued to use agrochemicals based on its Agricultural Reference Manual (ARM) Section 15 and 16, SOP and in the Pictorial Safety Standard Book where written justifications had been provided for various fields operations. The Manual has included a chemical register list which indicates the use of selective products that are specific to the targeted pest, weed or disease. The procedures also covered the use of PPE when handling the chemicals. The estates continued to use pesticides as per the SOPs.</p>
	4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	YES	<p>Derawan CU had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients (ai) per ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports. Records of pesticides used were available for verification.</p>
	4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	YES	<p>Derawan CU was committed to minimise the usage of agrochemicals by implementing IPM with the increased in the planting of beneficial plants such as <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>. Blanket spraying was not practiced by this CU and soft grasses maintained in the field. It had also been the practice that insecticides are used only after a threshold level has been exceeded as per the Agricultural Reference Manual (ARM) Section 15 -Plant Protection and that no prophylactic use of such pesticides would be permitted.</p>
	4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such</p>	YES	<p>Both estates only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used were of class ii, iii & class iv. The use of paraquat had been banned in all SDP estates. There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used. From records and interviews with workers, staff and estate assistants, found that they were trained, all precautions taken and all legal requirements met.</p>

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	4.6.4	pesticides shall be minimized and/or eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance	YES	
	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. Major Compliance	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the pesticide. The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the SDS training. It was also noted that SDS are available at all sites during the audit. Record of training was available for verification. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. From interviews conducted with workers and staffs in the field and stores clerks it was established that they had been trained and were aware of safe handling procedures
	4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance	Yes	The chemical stores in all estates were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149). Records of purchase, storage and use were maintained. All of the stores were equipped with exhaust fans and the door was secured. Only authorized personnel are allowed to handle the chemicals. All the chemicals were segregated accordingly. Empty pesticides containers were triple rinsed, holes punched in them and stored separately in the scheduled wastes store awaiting proper disposal.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	During the audit, it was noted that Derawan CU had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions .Paraquat had not been used in the CU. The Safety Procedures for pesticides application were well described in Pictorial Safety Standard. Training on pesticide handling – spraying technique was carried out and the training included the safety aspects and usage of PPE when handling with pesticides. Record of training was available for verification.

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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. Major Compliance	YES	Aerial application of agrochemicals were not practiced in Derawan CU.
4.6.9	Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance	Yes	The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Attendance list was available for all the training carried out.
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance	Yes	In Derawan POM, procedure SD/SDP/PSQM (ESH)/203- EN1 – Scheduled Wastes (Hazardous Waste) Management has been established. i. Management and disposal of wastewater 2017 / 2018 has been established compiled by Assistant Engineer dated July 2017. ii. Waste Management Plan 2017 / 2018 has been established prepared by QA and verified by the Assistant Engineer dated July 2017 addressing the source and disposal method of scheduled waste, domestic waste and industrial waste
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	Yes	The medical surveillance was carried out accordingly in Aug 17 by an OHD for relevant workers of the POM and estates. It has been noted that the results were satisfactory and the workers were fit to handle chemical.
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women Major Compliance	Yes	There was no evidence of pregnant and breast-feeding women sprayers performed spraying activity in Derawan CU. Workers interviewed were aware that pregnant and breast-feeding women should not handle chemicals.

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<p>C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p> <p>The occupational health and safety plan shall cover the following:</p>	4.7.1	<p>An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. Major Compliance</p>	Yes	<p>SOU Derawan continued to have in place and adopt SDP Occupational Safety and Health Policy, signed by Dato, Franki Anthony Dass. The policy was also available in Bahasa and had been communicated to all employees through briefings and being displayed on the estates notice boards. It was also communicated to all workers by the workers representative in OSH committee. A safety and health plan for 2017/2018 named Environment, Safety & Health Program was updated accordingly. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, treatment of illness/injury during the job, use of PPE, OSH Committee meetings, etc. Generally, the ESH program noted to be satisfactory.</p>
	4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance</p>	Yes	<p>The CU had identified the significant hazards and risks and determined appropriate risk control measures. The HIRARC records, as well as CHRA reports were verified during the assessment. At the estates, among the HIRARC carried out covered activities like chemical mixing and spraying, chemical storage, harvesting and FFB collection and vehicle maintenance. At the POM and both Damai and Saha Estate the last review was in July 2017.</p> <p>Most significant and routine activities for mill and estate were adequately covered including chemical spraying, harvesting in the estates, boiler operation, FFB sterilisation, kernel extraction and oil extraction and clarification in the mill. Appropriate risk control measures had been determined and implemented for the respective activities and operation in the estates. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative control was sighted with safety signages were displayed at all work stations including mill and estates office and workshop. On overall performance, OSH administrative controls implementation as well as appropriate risk control measures were identified and a PIC was assigned to monitor the implementation of the control measures during field and site assessment.</p>
	4.7.3	<p>All workers involved in the operation shall be adequately trained in safe working practices. Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	Yes	<p>Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. Training for employees are conducted from time to time based on needs through various method such as on the job training, briefings, meetings, etc. The staff and workers such as the storekeepers, Mill workers, harvesters, pruners, field workers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. Proper types of PPE for various activity were identified.</p>

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	4.7.4	The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	Yes	<p><u>Derawan POM</u> Responsible Person for Environment Safety Health – Chairman (Mill Manager) and Committee secretary (Assistant Engineer). Safety and Health Committee organization was established in July 2017, with Workers and Management representative. Quartely Safety & Health Committee meeting held – chaired by Mill Manager, discussion on the following: Passing of previous minutes and arising matters, Hospital Assistant Report (Monthly Accident statistics), Mill Health & Safety Inspection Report, Welfare issues and Training & Safety related activities. Verified the following Health & Safety Committee Meeting Minutes, which were held on a quarterly basis.</p> <p><u>Damai Estate and Sahu Estate</u> Regular safety meetings between the responsible persons and workers about safety and health were conducted. Safety Committee Meeting chaired by Estate Manager has been conducted once in three months by all audited operating units. The meeting minutes were made available at the offices.</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 Compliance	Yes	<p>SOU Derawan had adhered to the documented: SDP policy 'Crisis Management & Emergency Response' plan, ref: chapter 13 of PQMS, OSH manual and "Accident and Reporting and Investigation Procedure' in chapter 14 of the same manual, Local Medical Evacuation Plan, SOP for Medical treatment Appendix 5.5.3.3, Subsection 5.5 of Standard Operation Manual (SOM). Both Estates Derawan and Bayu had the polices for Fire, Flood, Chemical spillage, Strikes and Emergency and Accident Response in both English and Bahasa exhibited and exhibited in office, Muster Ground, Workshop and Dispensary. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and exhibited on notice boards. Telephone numbers of the Police Station, Fire Brigade, Immigration Department and Hospital were also exhibited. The team, consisting of trained First Aiders, were Field Staffs, Mandores, Office Staff, Work shop Operator and Security personnel.</p> <p>At Derawan POM Accident and Emergency procedures have been established, and the following reviewed :</p> <ul style="list-style-type: none"> i. Emergency Preparedness Response Team has been established – with the Mill Manager as the Emergency Commander ii. SOM Appendix 5.5.3.3 Emergency Preparedness & Response Procedure has been established , the following reviewed : <ul style="list-style-type: none"> a) Steps of Responses to an Environmental and OSH emergencies including Accident / Incident b) Emergency Action Plan in the event of Fire, an Explosion & Oil Spillage. <p>Accident has been record and discuss with OSH committee in quarterly meeting. Sighted record of accident (JKKP 8) submit to DOSH department before end of January.</p>
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Yes	<p>SOU Derawan provides Medical care to Group Estate workers with Klinik Ladang established within the premises and more serious cases are referred to Hospital Bintulu which is about 50 Km from the Estates and Mill. SOU Derawan had continued to provide a group insurance for all workers as required under the Workmen Compensation Act 1992. Sighting of records and cross check with workers showed that they were covered with valid insurance policy. Local Workers – covered by SOCSO while Foreign Workers – covered by Workmen Compensation.</p>

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	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Yes	Accident statistics are being maintained and periodically reviewed (quarterly basis) during 'Health and Safety' committee meeting – minutes reviewed. Noted that the JKPP 8 for FY 2016 submitted on 18/01/2017 (POM), 20/01/2017 (Damai estate), and 20/01/2017 (Sahua Estate)
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	Yes	Formal training programmes for 2017/2018 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the Derawan POM and both estates Sahua and Damai. Year 2017/2018 Training Plan was established in July 2017. A training needs identification matrix has been established with target dates for the training to be conducted. The training program includes ESH Legal & Other requirements, Safe handling of Electrical Equipment, Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000, Accident Investigation Techniques, Emergency Respond Plan Training (e.g. Chemical spill, poisoning, Fire, Lightning), First Aid Training etc.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	Yes	SOU Derawan had trained their staff, workers and records of training were kept in the RSPO training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. Training records were verified accordingly.

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

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	Yes	SOU Derawan has established its environmental aspects / impacts register associated with their activities. Environmental aspect and impact (EAI) which covers from upstream activities such as FFB reception until downstream processes was sighted during assessment. Established for 2017/ 2018 in Oct 2017. Identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the most significant environmental receptors are the boiler stack emission which associated with air emission, palm oil mill effluent (POME) discharge and land contamination which related to managing the schedule waste and general waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programme until delivery to mill has been identified. For both estates, latest environment aspect impact assessment was reviewed on 8-18/5/2017 to cover all activities in Derawan certification units. The main purposed of for this assessment was to evaluate and analyse impact on soil, water, and lair associated with the organization activities. Among environment aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment areas.

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	5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons. Minor Compliance	Yes	<p><u>Derawan POM</u> Environmental Aspect and Impact Identification Form & Environmental Impact Evaluation Form was used to identify Aspect & Impact and take necessary action. The record was reviewed in Oct 2017 by the Assistant Engineer and approved by the Mill Manager. No changes were made to the record.</p> <p><u>Damai and Saha Estates</u> No changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans latest review for EIA was on July 2017.</p>
	5.1.3	This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	Yes	<p><u>Damai and Saha Estates</u> For FY 2017/2018 both estate have decided to minimize chemical usage in some area such as:</p> <ul style="list-style-type: none"> i. to reduce usage of insecticide and pesticide (cypermethrin) by <ul style="list-style-type: none"> • Establish of pheromone trap • Prevention of pest breeding area by doing good agricultural practices during replanting – ensuring thin chipping of trunks and all trunk debris must stack in close ended trenches ii. to prevent of usage of chemical class 1 (methamidaphos) for control bagworm by <ul style="list-style-type: none"> • to plant more beneficial plants, • change to acephate iii. to reduce usage of rat bait by <ul style="list-style-type: none"> • to establish and maintenance of barn owl boxes. <p><u>Derawan POM</u> Pollution Identification Environmental improvement action plan’ to monitor the effectiveness of the mitigation measures taken, are in place. The following indexes are being monitored :</p> <ul style="list-style-type: none"> i) Black Smoke Monitoring ii) Effluent Discharge Monitoring iii) Monitoring Water course iv) Centralized collecting Schedule Waste
C 5.2 The status of rare, threatened or endangered species other High Conservation Value habitats, if any, that exist in the plantation	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 consideration. Major Compliance	Yes	The CU had re-assessed to collate information relating to HCV. The assessment contained information of both planted area and relevant wider landscape-level, and result HCV identified. The report of assessment contained in “High Conservation Value (HCV) Final Report (Version 2.0), June 2017”. The assessment had identified Sg. Similajau in Saha Estate and riparian reserve and waterfall as conservation areas respectively.

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<p>or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>	5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance</p>	Yes	<p>No RTE species were observed, except HCVs areas of identified riparian Relevant action plans had been established and implemented concerning protection of the riparian, such as identification on map and ground, restriction of no chemicals activities, awareness training to workers and patrolling by Auxiliary Police.</p>
	5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance</p>	Yes	<p>Relevant programme to workers pertaining awareness of HCV areas and RTE observed conducted. Interviewed with employees noted that awareness programme had been conducted. Employees were aware of not to capture, harm, kill any wildlife. disciplinary measures shall be taken if found violating company rules and not to chemicals in riparian buffer zone.</p>
	5.2.4	<p>Where an action plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; <input type="checkbox"/> Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	Yes	<p>The CU observed implemented the established action plans, including monitoring (patrolling) of the conservation areas by Auxiliary Police. Record of monitoring (patrolling) observed maintained. Observed no monitoring outcomes that requires changed of practices or action plan.</p>
	5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. Minor Compliance</p>	Yes	<p>No HCV set-asides with existing rights of local communities were observed.</p>

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<p>C 5.3 Waste is reduced, recycled, re- used and disposed of in an environmentally and socially responsible manner.</p>	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	Yes	<p>SOU Derawan has identified all wastes and sources of pollution. The Waste Management Action Plan FY 2017/2018 were established to mitigate and control the identified wastes and source of pollution. The most significant environmental receptors for the estates and mill operations were:</p> <p>Air – sources from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – biogas emission)- GHG ,</p> <p>Water – cleaning water/run-off/process station waters (hydro-cyclone/sterilizer condensate/clarification waste) & boiler quenching water and blowdown.</p> <p>Land – scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.</p>
	5.3.2	All chemicals and their containers shall be disposed of responsibly. Major Compliance	Yes	<p>Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal. Disposals were carried out in compliance with relevant regulation of scheduled waste. Inventory and consignment documents verified for confirmation of proper management and disposal. At Derawan CU scheduled waste has been disposed through licensed contractor in Oct 2017.</p>
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented Minor Compliance	Yes	<p>Waste management and disposal plan to avoid or reduce pollution had been documented and implemented as discussed in Indicator 5.1.3 above. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Mill wastes had been disposed as follows; EFBs were sent for mulching in the field, while crop residue/biomass i.e. fiber and shell were used as fuel in the boiler. On the monitoring of water and effluent discharge, a monthly and quarterly report for final discharge were submitted to DOE in a timely manner, as required by the written approval.</p>
<p>C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>	5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. Minor Compliance	Yes	<p>A plan for improving the efficiency of the use of fossil fuels is in place incorporated into the Environmental Aspect and Impact activities report for 2017, identified in the following</p> <p>i) Environmental Aspect Identification Summary FY 2017 / 2018 reviewed accordingly.</p> <p>ii) Environmental Impact Evaluation Summary FY 2017 / 2018 reviewed accordingly.</p> <p>Fossil fuel Reduction Plan for Financial Year 2017 / 2018 was established and monitored.</p> <p><u>To Reduce Diesel usage (POM)</u> – by monitoring and maintaining the maintenance of the boiler & machineries to ensure at optimum level, to monitor diesel usage, provide training to workers regarding reduce fuel and diesel usage for boiler.</p> <p><u>Damai and Saha Estates</u></p> <p>High usage of fossil fuel for machineries:</p> <ul style="list-style-type: none"> • to carry out scheduled maintenance for machineries to ensure diesel and lubricant usage is at optimal level and in good condition. • to brief workers during muster briefing on how to reduce diesel usage. Example turn off engine when not in used. • to carry out road maintenance programme as planned to ensure it is always in good condition to ease tractor movement <p>Skid tank management:</p> <ul style="list-style-type: none"> • to ensure all equipment for loading and unloading diesel in good condition. • to ensure no spillage and leakage • to ensure nozzle is always locked when not in used to avoid unauthorized diesel filling.

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C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice	5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Major Compliance	Yes	There was no land preparation in Derawan CU by burning ever since SDB practice zero burning as per the policy in: 1. EQMS-SOP-Section B2 - Under felling/clearing & land preparation 2. Carbon Policy SDP has a policy of no open burning. As advocated, both estates practiced Zero burning. In the 2016 replants visited during the audit in both Estates, it was evident that all palms were felled, shredded, windrowed and left to decompose.
	5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in ' <i>Guidelines for the Implementation of the ASEAN Policy on Zero Burning</i> ' 2003. Minor Compliance	Yes	There was no evidence that fire had been used to prepare land for replanting in both Saha and Damai Estates. No fire was used for waste disposal.
C 5.6 Preamble Growers and millers commit to reporting on operational greenhouse gas emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and methodology. It is also recognized that	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).	Yes	An assessment of identified polluting activities is being conducted and monitored, inclusive of gaseous emissions, particulate / soot emissions and effluent. 'Pollution Identification Environmental improvement action plan' – is used to identify the waste products and sources of pollution – is in place and is being reviewed accordingly. The most significant environmental receptors for the estates and mill operations were: Air – Source from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping – GHG emission) Water – Cleaning water/run-off/process station waters (hydrocyclone / claybath /sterilizer condensate/clarification waste) & boiler quenching water and blowdown. Land – Scheduled waste, domestic waste and industrial/process waste.
	5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	Yes	'Pollution Identification Environmental improvement action plan' – is used to identify the waste products and sources of pollution and actions taken to mitigate and reduce them are in place and are being reviewed accordingly. Green House Gaseous – Potential sources are being identified using 'Carbon Inventory Calculation Methodology'. Emission Sources have been identified from Land Conservation, Fertilizer (mineral), Manufacture & Transport, NO from fertilizer, Fuel Consumption, Peat Oxidation, POME and reported in the PalmGHG Summary Report.

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<p>it is not always feasible or practical to reduce or minimise these emissions.</p> <p>Growers and millers commit to an implementation period until the end of December 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting. Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>	5.6.3	<p>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.</p> <p>Minor Compliance</p>	Yes	<p>RSPO made compulsory for submitting GHG starting from 1/1/2017. Derawan CU had used RSPO PalmGHG Calculator as a tool. Sighted report send to RSPO on 5/5/2017. The final emissions value per product are as below:</p> <p>Milling extraction rate:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">OER</td> <td>21.2%</td> </tr> <tr> <td>KER</td> <td>5.1%</td> </tr> </table> <p>Mill emission</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Own Crop</th> </tr> <tr> <th></th> <th style="text-align: center;">tCO₂e</th> <th style="text-align: center;">tCO₂e/FFB</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td style="text-align: right;">23652.83</td> <td style="text-align: right;">0.2</td> </tr> <tr> <td>Fuel consumption</td> <td style="text-align: right;">2328.88</td> <td style="text-align: right;">0.02</td> </tr> <tr> <td>Grid electricity utilisation</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Credits</td> <td></td> <td></td> </tr> <tr> <td>Export of excess electricity to housing & grid</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Sale of PKS</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Sale of EFB</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">25981.71</td> <td style="text-align: right;">0.22</td> </tr> </tbody> </table> <p>Plantation / field emission</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center;">Own Crop</th> </tr> <tr> <th>Emissions</th> <th style="text-align: center;">tCO₂e</th> <th style="text-align: center;">tCO₂e/ha</th> <th style="text-align: center;">tCO₂e/FFB</th> </tr> </thead> <tbody> <tr> <td>Land Conversion</td> <td style="text-align: right;">75456.78</td> <td style="text-align: right;">9.88</td> <td style="text-align: right;">0.52</td> </tr> <tr> <td>*CO₂ Emissions from Fertiliser</td> <td style="text-align: right;">4455.44</td> <td style="text-align: right;">0.65</td> <td style="text-align: right;">0.03</td> </tr> <tr> <td>**N₂O Emissions</td> <td style="text-align: right;">4389.62</td> <td style="text-align: right;">0.65</td> <td style="text-align: right;">0.03</td> </tr> <tr> <td>Fuel Consumption</td> <td style="text-align: right;">406.53</td> <td style="text-align: right;">0.11</td> <td style="text-align: right;">0.01</td> </tr> <tr> <td>Peat Oxidation</td> <td style="text-align: right;">747.7</td> <td style="text-align: right;">1.96</td> <td style="text-align: right;">0.1</td> </tr> <tr> <td>Sinks</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Crop Sequestration</td> <td style="text-align: right;">-67622.83</td> <td style="text-align: right;">-8.67</td> <td style="text-align: right;">-0.46</td> </tr> <tr> <td>Conservation Sequestration</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">17833.24</td> <td style="text-align: right;">4.78</td> <td style="text-align: right;">0.25</td> </tr> </tbody> </table> <p>The final emissions value per product are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">CPO</td> <td>1.53 tCO₂e/tCPO</td> </tr> <tr> <td>PK</td> <td>1.53 tCO₂e/tPK</td> </tr> </table>	OER	21.2%	KER	5.1%	Own Crop				tCO ₂ e	tCO ₂ e/FFB	POME	23652.83	0.2	Fuel consumption	2328.88	0.02	Grid electricity utilisation	0	0	Credits			Export of excess electricity to housing & grid	0	0	Sale of PKS	0	0	Sale of EFB	0	0	Total	25981.71	0.22	Own Crop				Emissions	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e/FFB	Land Conversion	75456.78	9.88	0.52	*CO ₂ Emissions from Fertiliser	4455.44	0.65	0.03	**N ₂ O Emissions	4389.62	0.65	0.03	Fuel Consumption	406.53	0.11	0.01	Peat Oxidation	747.7	1.96	0.1	Sinks	0	0	0	Crop Sequestration	-67622.83	-8.67	-0.46	Conservation Sequestration	0	0	0	Total	17833.24	4.78	0.25	CPO	1.53 tCO ₂ e/tCPO	PK	1.53 tCO ₂ e/tPK
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Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS

Clause	Indicators		Comply Yes/No	Findings
<p>C 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>	6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance	Yes	The CU maintained documented SIA, including records of meetings. The information of SIA contained in "Social Impact Assessment (SIA) Report, SOU 33 Derawan, 5-9/9/16" report. The assessment covered all units in Derawan. Attendance list identified that the assessment had be participated by various stakeholders, e.g. different type of workers (drivers, loader, checker, cutter, machine operators clerks, etc.), communities, neighbouring plantations and smallholders, suppliers, contractors, etc. Minutes of meetings were available.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	Yes	The assessment had be participated by various affected stakeholders, e.g. different type of workers (drivers, loader, checker, cutter, machine operators clerks, etc.), communities (e.g. schools), neighbouring plantation (e.g. Palm Head), suppliers, contractors, etc.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. Major Compliance	Yes	The CU observed maintained established and implemented SIA action plan. Among of issues and action plans were review for streamlining of employees' fringe and benefit with Peninsular Malaysia, suggestion for revising salary scheme for Sarawak Zone, saving scheme through salary deduction, explanation of calculation of pay for work on rest day, CU provide letter of clarification and liaison directly with Immigration Department for those foreign workers having difficulty for returning to home country due to long renewal process for foreign workers, CU established schedule and number of trips concerning limited seats of provided transport for workers to go to town on payday, clarification on OT limitation, briefing for foreign workers's bonus & establishment and display of Hospital Assistant's duty timetable.
	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 Minor Compliance	Yes	The CU noted reviewed its SIA plan at least annually. The last review for the CU was on July 2017.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	Yes	No smallholders included in the CU.

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<p>C 6.2 There are open and transparent methods for communication and consultation between growers</p>	6.2.1	<p>Consultation and communication procedures shall be documented. Major Compliance</p>	Yes	<p>The CU noted maintained documented consultation and communication procedures with stakeholders.</p>
	6.2.2	<p>A management official responsible for these issues shall be nominated. Minor Compliance</p>	Yes	<p>The CU noted maintained Assistant Manager at each operating units as management official responsible for social issues. Appointment letter at each operating units noted available.</p>
	6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance</p>	Yes	<p>The CU noted maintained documented list of stakeholders. Among of stakeholders identified were different type of workers (drivers, loader, checker, cutter, machine operators clerks, etc.), communities, neighbouring plantation, suppliers, contractors, etc. The list noted also contain relevant name of person, address and phone number.</p>
<p>C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties</p>	6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. Major Compliance</p>	Yes	<p>The CU maintained complaint, grievance and dispute system opened to affected parties. However, no complaint was observed.</p>
	6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance</p>	Yes	<p>No complaint was observed.</p>
<p>C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through</p>	6.4.1	<p>A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance</p>	Yes	<p>The CU observed maintained for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation.</p>

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<p>a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>	6.4.2	<p>A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>	Yes	The CU maintained procedure for calculating and distributing fair compensation.
	6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance</p>	Yes	No cases of compensation to affected parties were observed.
<p>C 6.5 Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages</p>	6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	No	<p>The CU maintained documentation of pay and conditions in payslip and employment contract. Employee wages and benefits noted met Minimum Wages Order 2016 and employment contract. However, no evidence of documentation of pay for grass-cutters contract workers at Derawan Palm Oil Mill met Minimum Wage Order 2016. Thus, NCR HO-02 is raised.</p>

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	6.5.2	Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. Major Compliance	Yes	Conditions of employment contained employment contract. Among other the employment contract contain wages, benefits, working hours, leaves, accommodation, transportation, period of notice, etc. The employment contract available in English, Bahasa Melayu and Indonesian, which able to understand by local and foreign workers. Observed that the CU had decided to replace announced SEA Games Public Holiday to another date. However, the selected date was cancelled due to raining on that day itself. Thus, the CU has decided to re-assign the public leave to other dates. However, the date yet to be re-announced.
	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. Minor Compliance	Yes	The CU continued to provide adequate house, water and electricity supplies, medical, welfare amenities etc., which met the applicable law. Noted that there were no complaints with regards to this.
	6.5.4	Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance	Yes	The CU continued monitor price of sundry shops in the estate. Each shops submitted their price to management as well as price of goods are displayed. No complaint of exorbitant price was observed.
C 6.6 The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the	6.6.1	A published statement in local languages recognising freedom of association shall be available. Major Compliance	Yes	The CU maintained policy for recognizing freedom of association .The policy displayed at each operating unit office.

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employer facilitates parallel means of independent and free association and bargaining for all such personnel.	6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Yes	There was no union in the CU. However, the CU had conducted meeting that include workers representative. Minute of meetings with workers representative in the mill and estates respectively were available. The agenda observed covered any issued related to workers.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	Yes	The CU maintained to document employee profile in database. The database contained listing of employees. Among information contained were date of birth, date joined, nationality, etc. No employee under minimum age was observed.
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	Yes	The CU maintained policy of equal opportunities. The policy displayed at each operating unit office. No discrimination was observed.
	6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Yes	The CU maintained policy of equal opportunities. No discrimination was observed.
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance	Yes	There were new general foreign workers observed employed. Among the employment requirement is based on medical fitness. Noted that those new foreign workers had examined by independent clinic and determined fit to work. Promotion was observed based on established performance evaluation and justification.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	6.9.1	A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. Major Compliance	Yes	The CU maintained policy concerning sexual harassment and violence. The CU also maintained to have meeting covering matter related to sexual harassment and violence. However, no case was observed.
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	Yes	The CU maintained policy concerning protecting reproductive rights. The CU also maintained to have meeting covering matter related to protecting reproductive rights. However, no case was observed. Interviewed with women sprayer confirmed they aware of their reproductive right and confirmed no issue.

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	6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	Yes	The CU maintained grievance mechanism which respects anonymity and protects complainants. The CU had conducted re-briefing to employees to provide further understanding of grievance mechanism which respects anonymity and protects complainants.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for FFB shall be publicly available. Minor Compliance	Yes	The CU continued to source FFB only from own certified supply bases. Thus, publicly available of current and past price not relevant to the CU.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Yes	The CU continued to source FFB only from own certified supply bases. Thus, mechanism of FFB pricing not relevant to the CU. Nevertheless, for other pricing mechanism, the CU continued to procure through quotation or tender procedure depending on input / service to procure.
	6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Yes	Interviewed with tenants and contractor observed they understand and satisfied with their business relationship with the CU. They also acknowledged were provided with a copy of contract they entered into, and have no issue.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	Yes	Interviewed with suppliers and contractor observed they understand and satisfied with their business relationship with the CU, including their payment. No issue concerning payment was observed.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Yes	The CU continued to contribute to local communities through Corporate Social Responsibility programme. Among contribution observed were continued support in term of financial for school bus transportation, operation and maintenance kindergarten, surau, etc.
	6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. Minor Compliance	Yes	Not applicable. No scheme smallholders included.

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C 6.12 No forms of forced or trafficked labour are used.	6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. Major Compliance	Yes	Observed there were no evidence of forms of forced or trafficked labour been used. Employees observed being employed and treated as per applicable legal requirements and contract of employment. Passport of foreign workers were handed-over to the CU voluntarily for safe keeping. Handed-over records were available. Employees interviewed confirmed no issue of forms of forced or trafficked labour, and pertaining keeping of their passport.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	Yes	No contract substitution was observed. Foreign workers interviewed confirmed they had no other contract and treated as per contract signed with Sime Darby.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	Yes	The CU maintained policy concerning temporary or foreign workers. Foreign workers observed being treated as accordingly as per the policy.
C 6.13 Growers and millers respect human rights	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations. Major Compliance	Yes	The CU maintained policy to respect human right. The relevant policy noted visibly displayed at each office of operating unit.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	Yes	The CU continued support for education for children of foreign workers. Each operating units provide free transport for children of foreign workers for their education to centralised Community Learning Centre in the CU.

Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS

Derawan CU has no plan for any new planting and no new development of area was observed during the visit. Auditor has verified through www.globalforestwatch.com , google map and map provided by visited estate including site visit, there was no new planting at the Derawan SOU. Thus Principle 7 is not applicable.

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

Clause	Indicators		Comply Yes/No	Findings
C 8.1 Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.	8.1.1	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria. As a minimum, these shall include, but are not necessarily be limited to: Major Compliance		
	a)	Reduction in use of pesticides(Criterion 4.6);	YES	The CU adopted several continuous improvement in reducing of pesticides i.e. increasing planting of beneficial plants mainly <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> and continue to monitor pest through Early Warning System. The CU also adopted planting of <i>Leguminious</i> Cover Crop mainly <i>Pueraria Javanica</i> and <i>Calopogonium Mucunoides</i> at replanting area in order to minimizing circle and selective weeding. <i>Neproliphis biserata</i> was maintained and encouraged to be planted in Derawan SOU. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. Woody sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced in order to encourage soft grasses in inter row and frond stacking area.Mills waste such as EFB were used as fertilizer in the field.
	b)	Environmental impacts (Criteria 4.3, 5.1 and 5.2);	Yes	Environmental impact assessment, management action plans and continuous improvement plan for Derawan SOU has been updated and monitored by management. Among the improvement actions: (a) construction of sump at chemical and workshop to prevent ground or water contamination. (b) collect back chemicals bags and allocate store for control of misused. (c) use of tray for tractor parking and workshop stations to prevent ground contamination
	c)	Waste reduction (Criterion 5.3);	Yes	The management of Derawan SOU had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and genset / water treatment plant to prevent any leakage and problem which can impact on smoke emission.
	d)	Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	Yes	The management of both estates and mill had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set / water treatment plant to prevent any leakage and problem which can impact on smoke emission.

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e)	Social impacts (Criterion 6.1);	Yes	The CU continued to improve the social impacts with activities like: <ul style="list-style-type: none"> • implementation of retention incentive for foreign workers. • organized social events for worker and communities, such Workers' Day celebration together with The Best & Beautiful House competition and Family Day in May 2017.
f)	Encourage optimising the yield of the supply base	Yes	As Derawan CU is part of a well-established organisation, Sime Darby Plantations Berhad, the yield performance has always been the top priority in ensuring long-term economic and financial viability. In general, various efforts had been done to optimise the yield of the plantation such as maximizing crop recovery, optimum ripeness standard the soil fertility were maintained and planting only high yielding planting material.

RSPO Certifications Systems for Principles & Criteria June 2017

Clause	Indicators	Comply Yes/No	Findings
4.5.3 Time-bound plan Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a) As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	SDP is progressively undergoing the RSPO Certification process towards 100% RSPO certification of estates/mills. PT MAS in Indonesia has undergone RSPO Main assessment and was delayed due to some social disputes. The target date for certification was by 2017 subject to the progress of the matter being resolved. As at June 2017, 58% of smallholders land from the total land of associated smallholders in Indonesia has been certified. Certification process for the remaining associated smallholder's areas was on-going. SDP expect to achieve 100% RSPO certification of associated smallholders and out growers by end 2020. Liberia Preparation to undergo the RSPO Certification process was also in progress and SDP targets to undergo RSPO Certification by end 2017. RSPO NPP process has been completed in 2011. SDP continues to work on direct engagement with Project Affected Communities (PAC) – working towards a consensus with the PAC to resolve the issues. Further information can be obtained from http://www.rspo.org/members/complaints/status-of-complaints/view/29
	(b) Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	Yes	Time bound plan was verified by CB and it can be confirmed that there were no changes to the current time bound plan as verified during this audit.

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	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the timebound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);	Yes	There were no changes to the current time bound plan as verified during this audit.
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since January 1 st 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	Yes	Based on internal and external audit (ISPO certified) there was no replacement of primary forest or HCV areas in the uncertified management unit.
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;	YES	Regular discussion was ongoing between Sime Darby Plantation and the group of community through bi-monthly meeting since November 2012; TKKP and the Kerunang & Ketapang team. The most recent one was held in Nov 2016. Issues related to the demands made by TKPP were closed except for two items related to land matters where SDP was engaging with the local authority on this matter together with TKPP. Current discussion was to moving forward especially on the replanting activities. SDP visited the second community group, the Kerunang & Entapang team in Aug 2014 to listen and have a better understanding on their requests. The subsequent meeting with the communities was held in Dec 2014.
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	Yes	Based on internal and external audit (ISPO certified) there was no labour disputed recorded at the CU.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	Yes	SDP PT Mitral Austral Sejahtera already ISPO certified by MUTU Certification International in Nov 2017 and there was no issue on legal non-compliance for all uncertified unit.

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(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:	Yes	-
	<input type="checkbox"/> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self assessment against each requirement;	No	During the audit, there was only progress report (dated in Sept 2017) to RSPO on complaint filed against PT Mitra Sejahtera, but no reports to show compliance for another requirement as required by this certification system document. NCR HO 01 was issued for further information on how SDP address this requirement. Records for internal audit was not available during the audit.
	<input type="checkbox"/> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team;	Yes	It was evident that in handling uncertified management unit, SDP engaged with TuK-Indonesia and continued to work on direct engagement with PAC in order to achieve the consensus with the PAC to address all unresolved issues.
	<input type="checkbox"/> Desktop study e.g. web check on relevant complaints.	Yes	Further information can be obtained from http://www.rspo.org/members/complaints/status-of-complaints/view/29
	<input type="checkbox"/> If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements	Yes	There was no non-compliance found for all requirements during this audit

Note:

1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&C.

For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed;

2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.

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Attachment 4

Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
RSPO Certification System Document (2007) HO-01	Major	There was only progress report to RSPO on complaint filed against PT Mitra Sejahtera (PT Mas) dated 8 September 2017, but no reports to show compliance for another requirement. This is not in accordance with the system requirement where the (i) positive assurance statement, which is based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self-assessment against each requirement, were required.	Internal assessment to review the certification system requirement has been carried out on 9-10/11/2017. With regards to the land dispute issue, the RSPO Secretariat has been well informed on the progress through regular briefing and progress reports. The latest meeting with the RSPO Secretariat was held on 8/9/2016. As of to-date, nine progress reports were provided to RSPO, with the most recent report was submitted on 30th June 2016. Further information can be obtained from http://www.rspo.org/members/complaints/status-of-complaints/view/29	Internal assessment has been carried out on 9-10/11/2017 by PT Mas. SDP PT Mitral Austral Sejahtera was already ISPO certified by MUTU Certification International on 30/11/2017. It was concluded that there was no issue on HCV, legal non-compliance and labour disputes, for all uncertified units. With regards to the land disputes, the action to address the issues were on-going. Engagement between SDP and the two relevant communities and stakeholders were evident. Communication between SDP and RSPO EB was also reviewed and it can be confirmed that the process to remediation unresolved issues were in progress. Status : Annual updated report will be verified for next audit
6.5.1 HO-02	Major	No evidence of documentation of pay for grass-cutters contract workers at Derawan Palm Oil Mill meet Minimum Wage Order 2016.	Terminated the contract of the contractor. Future contract to include relevant requirement in contract.	Termination of contract sighted. Status: Closed.
D3.2 HO-03	Major	There are FFB Consignment Notes and Weighbridge Tickets not state "RSPO Certificate Number" as per Clause 6.3 i of "6.3 Delivery of FFB from the Estate".	All supply bases has been informed to state "RSPO Certificate Number". Weighbridge operator to stamp on FFB Ticket the "RSPO Certificate Number".	All supply bases and Weighbridge Operator have been informed to stamp "RSPO Certificate Number". on FFB Ticket. Status: Closed.
D5.1 HO-04	Major	No evidence the mill record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Relevant information related to balance has been obtained from respective mill and sales units. Column of balances included.	Balances of receipts and deliveries has been updated. Status : Closed.

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<p>4.1.2 RR 01</p>	<p>Minor</p>	<p>Sahua Estate</p> <ul style="list-style-type: none"> • Traces of oil spills at tractor parking area. • Oil trap and oil sump not properly maintenance at skid tank and lubricant store area. During site visit, it was full with mud and mosquito larvae. • Failed to ensure emergency shower (eye wash) in good condition based on recommendation made by CHRA 2015. <p>Derawan POM</p> <ul style="list-style-type: none"> • Declaration of health status as per Industry Code of Practice for Safe Working in a Confined Space 2010 for the authorised entrant prior to each entry was not evident e.g. work carried out at front header on end of March 2017. 	<p>Corrective Action:</p> <ol style="list-style-type: none"> 1) To training the workshop attendant 2) cover for oil trap & sump has been replaced and the maintenance scheduled has been arrange from monthly to weekly 3) to replace new emergency shower part & water pumps and allocated at suitable condition 4) Derawan Mill will ensure that health declaration form (as per ICOP Safe Working in a Confined Space 2010) to be filled every time before work started. Requirement of health declaration form will be included in permit to work. 	<p>Corrective action accepted.</p> <p>Status: The effectiveness of the corrective action will be verified during next audit.</p>
<p>4.4.2 MN 01 2017</p>	<p>Major</p>	<p>It was found that the streams in field 98SF in Sahua Estate and field 98DE in Damai Estate did not have the buffer zones.</p>	<p>To mark the stream buffer and to erect signage.</p>	<p>Stream buffer has been marked and signage erected.</p> <p>Status: Closed.</p>

RSPO Supply Chain at the palm oil mill - Identity Preserved model – Module D

Item No	Requirement NOV 2014	Findings Standard Nov 2014
D.1 D.1.1	Definition 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.	The mill only sourced FFB from its own supply bases with little diversion from others supply bases of its own group. No FFB received from outside of own group.
D 2 D.2.1	Explanation The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil products (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced should then be recorded in each subsequent annual surveillance report.	The actual tonnage of CPO and PK produced continued recorded by the mill. The actual tonnage of CPO and PK produced is reported in Table 3 of this report. The mill also continued has documented next annual estimated tonnage of CPO and PK that could potentially be produced. The next annual estimated tonnage of CPO and PK could potentially produced is reported in Table 4 of this report.
D. 2 D 2.2	Explanation 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).	The mill observed met registration and reporting requirements for supply chain through the RSPO supply chain managing organization (RSPO IT platform). Among registration information were: Member ID: RSPO_PO1000000306 Sub License ID: CB45988. Issued on: 20/12/16. Issued by: SIRIM QAS Intl. S/B. Start date: 30/12/16. End date: 29/12/17. Products type: CPO & PK Program: IP.
D 3 D 3.1	Documented procedures The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; 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 standard.	a) The mill maintained up to date procedures covering the implementation of all the elements in supply chain requirements. The documented procedures contained in Sime Darby Plantation, Plantation Quality Management System, Sustainable Plantation, Appendix 15, Standard Operating Procedure (SOP) for Sustainable Supply Chain and Traceability, Issue 1, Version2, March 2016. b) The Mill Manager maintained have the overall responsibility for the implementation of the SOP.

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D 3.2	The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	The mill maintained its documented procedure for receiving and processing certified and non-certified FFBs. However, observed the receiving procedure not consistently implemented. There are FFB Consignment Notes and Weighbridge Tickets not stated "RSPO Certificate Number" as per Clause 6.3 i of "6.3 Delivery of FFB from the Estate". E.g. Dulang Estate – FFB C/N No.: 23916, 11/11/16. Bayu Estate – FFB C/N No.: 030960, 30/8/17. Samudera Estate – FFB C/N No.: 025208, 3/11/16. Thus, Major NCR HO-03 is issued.
D.4 D.4.1	Purchasing and goods in The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	The mill only accepts certified FFB from Sime Darby's own estates. Tonnage and sources of FFB received observed continued recorded. The record of tonnage and sources observed reconciled with FFB Consignment Note received from supply base and Weighbridge Ticket issued upon received.
D 4.2	The site shall inform the CB immediately if there is a projected overproduction.	No projected overproduction observed.
D.5 D.5.1	Record keeping 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.	The mill maintained the three-monthly accounting system (in excel sheet) to record RSPO certified FFB and deliveries of RSPO certified CPO and PK. However, the record not include balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Thus, Major NCR HO-05 is issued.
D 6 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 noncertified material including during transport and storage.	The mill only received certified FFB. Thus, no non-certified FFB or non-certified oil palm products in the mill. The mill use tanker to transport out its CPO. Prior to filing, the mill practice to drain out, blow and visual check every tanker to ensure objective of 100% segregation reached. Record of tanker inspection was evidence.
D.6.2	The objective is for 100% segregated material to be reached.	The mill practice as above to ensure 100% segregation is reached.

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Attachment 6

Status of Non-conformities Previously Identified

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action Taken	Verification by Auditor
2.1.1	Major	<p>#NCR No : MZK 01 2016</p> <ul style="list-style-type: none"> - Environment Quality (Schedule Waste) Regulation 2005. Regulation 4. Disposal of Schedule waste - Clause 27 of the Occupational Safety and Health (Use of Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 on health surveillance, which requires Medical Surveillance to be carried out by an Occupational Health Doctor. <ul style="list-style-type: none"> 1) Noncompliance against the above requirement related to schedule waste at Takau Estate and Derawan Estate. <ul style="list-style-type: none"> - At Takau Estate SW 305, SW 410 and SW 306 date generated from August 2015 was not disposed accordingly. - At Derawan Estate SW 305 date generated from 23/1/2016 was not disposed accordingly. 2) Noncompliance against the above requirement related to Medical Surveillance at Derawan Estate <ul style="list-style-type: none"> - Derawan Estate – The medical surveillance carried out on pesticide operators on 5.08.2015 & in May 2016 was not conducted by a doctor with a valid DOSH certificate 	<p>Corrective Action:</p> <ul style="list-style-type: none"> 1) To dispose SW 305, 306 and 410 using Licensed contractor on 15/8/2016 2) To obtain OHD certificate from Doctor <p>Auditor Verification:</p> <p>The Corrective action accepted as it was verified that Derawan CU disposed the Scheduled wastes via licensed contractor. The Doctor OHD certificate was also provided.</p> <p>Status: Closed</p>	<p>Scheduled wastes generated were stored not more than 180 days. Last disposal was made on 19 & 20/10/2017 for SW 410, SW 409, SW 305, and SW 306 by Environ Waste Management (M) Sdn. Bhd to a DOE licensed contractor.</p> <p>Medical surveillance was carried out on 18/8/17 by an OHD from Bintulu Laboratory & X-ray Centre Sdn Bhd. for 23 workers/staff. Report indicated that only 23 workers who work at Lab and Workshop with exposure to chemical need monitoring, and the result for 23 workers was satisfactory and fit to handle chemical.</p> <p>Status: Closed.</p>
4.1.2	Minor	<p>#NCR No : STK-1.2016</p> <ul style="list-style-type: none"> 1. Operational control procedure on Personal Protective Equipment was not complied with. <ul style="list-style-type: none"> - Derawan Estate – Harvesters In Field 94DC were not using required PPE while harvesting FFB although provide by management. 2. Sub section 8.8.1 & 8.8.2 of SOP Transportation 	<p>Corrective Action:</p> <ul style="list-style-type: none"> 1. To re-train the workers regarding to safety and PPE and warning letter shall be issued to the harvesters that are negligence to wear PPE. 2. To install bolt and nut and ensure regular maintenance as per required. 	<p>Re-training had been conducted. All workers was wearing a proper PPE such as helmet, gloves, mask, apron, sickle cover. Internal management for both estates also implemented daily inspection vehicle (farm tractor) to monitored there was no leakage</p>

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		<p>System & Machinery Safety was not complied with.</p> <ul style="list-style-type: none"> - Takau Estate – Some wheel bolts and nuts from the rear and front wheels of tractor TF005 IDRIS were missing. 	<p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>	<p>and missing bolt from tractor or vehicle tyres.</p> <p>Status: Closed.</p>
4.7.2	Major	<p>#NCR No : STK-2.2016 Not all operations where health and safety was an issue were be risk assessed.</p> <ul style="list-style-type: none"> - Derawan Estate – At time of audit, Oil Palm Nursery operations had not been risk assessed. - Dreawan & Takau Estates- Heat Stress was not assessed for Replanting activities like cover crop planting, planting palms, etc. 	<p>Corrective Action: - HIRARC for nursery already been added a few key important for improvement and review been done by estate management. - Heat Stress already include in HIRARC and been reviewed by Management</p> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>	<p>HIRARC had been updated included nursery and replanting operation.</p> <p>Status: Closed.</p>
4.7.5	Minor	<p>#NCR No : STK-3.2016 First aid boxes were not made available at worksites.</p> <ul style="list-style-type: none"> - Takau Estate – At time of audit, a first aid box was not available at the harvesting worksite 	<p>Corrective Action: - First aid was misplaced during assessment. To retrain the first aider regarding to first aid emergency.</p> <p>Auditor Verification: Corrective action plan accepted.</p> <p>Status: The effectiveness of the corrective action will be verify during next audit</p>	<p>Re-training had been conducted. Field Staff and Mandores were assigned to carry out emergency response included first aid boxes in the field.</p> <p>Status: Closed.</p>
4.8.2	Minor	<p>#NCR No : MZK 02 2016 The process of maintaining Training records found not effective</p> <ul style="list-style-type: none"> - At Derawan POM, Derawan Estate and Takau Estate – Although Health, Safety and Environmental Trainings are stated to be carried out, however the records of the training were not available. - At Derawan POM, Derawan Estate and Takau Estate – Records of Social and HCV related training activities e.g Policy training were not 	<p>Corrective Action: - To arrange the training of Health, Safety and Environmental Training immediately. - The training will be conduct around Septembers 2016</p> <p>Auditor Verification: Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>	<p>Relevant training records were available, including related to safety, health, social and HCV.</p> <p>Status: Closed.</p>

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		available.		
6.6.2	Minor	<p>#NCR No : HO-01</p> <p>There is no evidence of documented minute of meeting with main trade union or workers representative, whom the affected parties are able to express their views on identify social impacts in a participatory way to mitigate the negative and promote the positive to demonstrate continual improvement.</p> <p>- Review of various meeting minutes and interview with SOU's employees revealed no meeting with management had been conducted that identify social impacts in a participatory way, whom the affected parties are able to express their views to mitigate the negative and promote the positive to demonstrate continual improvement of social aspects of plantation and mill management on factors such as:</p> <ul style="list-style-type: none"> • policies of ethical and integrity, abuse, harassment and violence; • rights of human, women and equal opportunities; • welfare amenities and work equipment; • economic livelihoods and working conditions; • sufficient and affordable food; • subsistence activities; • training and counseling; • facilities and access to health, child care and education; • cultural and religious values; • other values, resulting from changes of above. 	<p>Corrective Action:</p> <p>- To conduct a meeting with the stakeholders and workers representative to discuss regarding social issues for continual improvement.</p> <p>Auditor Verification:</p> <p>Corrective action plan accepted</p> <p>Status: The effectiveness of the corrective action will be verify during next audit.</p>	<p>CU had conducted meeting that include workers representative. Minute of meetings with workers representative i.e. "Mesyuarat Bersama Wakil Pekerja, 10/10/2017" and "Perjumpaan Wakil Pekerja Ladang, 13/9/17" in the mill and estates respectively were available. The agenda observed covered any issued related to workers.</p> <p>Status: Closed.</p>
6.9.3	Minor	<p>#NCR No : HO-02</p> <p>Although the mechanism of anonymity and protect the complainant has established and communicated, there are employees who still do not understand.</p> <p>i) Interviews with the SOU's employees revealed that they still do not understand mechanism how they will be anonymous and protected if they had any grievances or complaints</p>	<p>Corrective Action:</p> <p>i) To retrain the workers regarding to social and communication mechanism procedure.</p> <p>Auditor Verification:</p> <p>Corrective action plan accepted.</p> <p>Status: The effectiveness of the corrective action will be verify during next audit</p>	<p>The CU had conducted re-briefing to employees to provide further understanding of grievance mechanism which respects anonymity and protects complainants.</p> <p>Status: Closed.</p>

Time-bound Plan

SDP - RSPO Certification Status for Malaysia Operations

SOU NO	Name of SOU	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	Sg. Dingin	Karangan, Kedah	12 Aug 10	11 Aug 20	SPO 550179	
2	Chersonese	Kuala Kurau, Perak	5 Oct 11	4 Oct 21	CU-RSPO-815148, RSPO 590800	
3	Elphil	Sg Siput, Perak	18 Jun 11	17 Jun 21	RSPO 550180	
4	Flemington	Teluk Intan, Perak	5 Oct 11	4 Oct 21	CU-RSPO-819144, RSPO 590802	
5	Seri Intan	Teluk Intan, Perak	3 Mar 11	2 Mar 21	CU-RSPO-811218, RSPO 0015	
5	Selaba	Teluk Intan, Perak	3 Mar 11	2 Mar 21	CU-RSPO-819142, RSPO 0016	
5a	Sg Samak	NA	3 Mar 11	NA	NA	
6	Tennamaram	Bestari Jaya, Selangor	3 Mar 11	2 Mar 21	CU-RSPO-819143, RSPO 0014	
7	Bkt Kerayong	Kapar, Selangor	15 Apr 11	14 Apr 21	RSPO 550181	
8	East	Carey Island, Selangor	19 May 10	18 May 20	SPO 543543	
9	West	Carey Island, Selangor	19 May 10	18 May 20	SPO 543594	
9a	Sepang	Sepang, Selangor	19 May 10	NA	NA	
10	Bukit Puteri	Raub, Pahang	7 Jul 11	6 Jul 21	CU-RSPO-815147, 18502206001, 824 502 14020	
11	Kerdau	Temerloh, Pahang	7 Jul 11	6 Jul 21	CU-RSPO-819155, 18502207001,	

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					824 502 14019	
12	Jabor	Kuantan, Pahang	7 Jul 11	6 Jul 21	CU-RSPO-819156, RSPO 928288, 824 502 16049	
13	Labu	Nilai, Negeri Sembilan	30 Dec 11	29 Dec 21	CU-RSPO-819163, SGSRSP/PM/MY13/01284, 824 502 16039, SGS-RSPO/PC1700004	
14	Tanah Merah	Port Dickson, Negeri Sembilan	19 May 10	18 May 20	SPO 541905	
15	Sua Betong	Port Dickson, Negeri Sembilan	18 Feb 14	17 Feb 19	SGS-RSPOPM-MY14/01364, 824 502 16032	Sua Betong Oil Mill has been commissioned to replace Rantau Oil Mill with Certificate No: CU- RSPO-819165, certification date: 30 Dec 2011.
16	Kok Foh	Bahau, Negeri Sembilan	7 Jul 11	6 Jul 21	CU-RSPO-819157, RSPO 928188, 824 502 16051	
17	Kempas	Jasin, Melaka	19 May 10	18 May 20	RSPO 005	
18	Diamond Jubilee	Jasin, Melaka	5 Oct 11	4 Oct 21	CU-RSPO-819146, RSPO 591224	
19	Pagoh	Muar, Johor	28 Jan 14	27 Jan 19	RSPO 600305	Pagoh Oil Mill has been commissioned to replace Nordanal Oil Mill with Certificate No: SPO 549297, certification date: 7 Jan 2011.
19a	Yong Peng	Yong Peng, Johor	20 Oct 10	19 Oct 15	RSPO 550182	
20	Chaah	Chaah, Johor	18 Nov 10	17 Nov 20	RSPO 548299	
21	Gunung Mas	Kluang, Johor	19 May 10	18 May 20	RSPO 901888	
22	Bukit Benut	Kluang, Johor	5 Oct 11	4 Oct 21	CU-RSPO-819147, RSPO 591229	
23	Ulu Remis	Layang-layang, Johor	11 Apr 11	10 Apr 21	SGS-RSPO/PM-00722, 824 502 16042	

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24	Hadapan	Layang-layang, Johor	29 Mar 11	28 Mar 21	SGS-RSPO/PM-00715, 824 502 16040, BVC- RSPO20170623-01	
25	Segaliud	Sandakan, Sabah	20 May 10	19 May 15	RSPO 547123	
26	Sandakan Bay	Sandakan, Sabah	1 Oct 08	30 Sep 18	RSPO 537872	
27	Melalap	Tenom, Sabah	21 Jan 11	20 Jan 21	RSPO 547124	

SDP- RSPO Certification Status for Indonesia Operations

NO	Name of PT	Name of Mill	Location	Date of Certification	End Date of Certification	Certificate Number	Remarks
1	PT LAHAN TANI SAKTI	ALUR DUMAI	Bagan Sinembah/Tanh Putih, Pujud, Rokan Hilir, Riau	16-Jan-12	15-Jan-22	MUTU-RSPO/011, SGS-RSPO/PC17-00005, SGS-RSPO/PC17-00005	
2	PT SAJANG HEULANG	ANGSANA MINI	Sebamban, Indonesia	6-Jul-11	6-Jul-16	MUTU-RSPO/006b	Mill closed down
3	PT SAJANG HEULANG	MUSTIKA	Sebamban, Indonesia	3-Jul-13	3-Jul-18	MUTU-RSPO/027	
4	PT LADANGRUMPUN SUBURUBADI	ANGSANA	Sebamban, Indonesia	9-Nov-16	8-Nov-21	MUTU-RSPO/006a	
5	PT LANGGENG MUARAMAKMUR	BEBUNGA	Pamakan Utara, Tanah Grogot, Kotabaru/Pasir, Kalimantan Selatan/Kalimantan Timur	16-Mar-12	16-Mar-17	MUTU-RSPO/014	Recertification of Bebunga POM is in progress.
6	PT KRIDATAMA LANCAR	SUKAMANDANG	Seruyan Tengah, Sampit, Seruyan, Kalimantan Tengah	2-Sep-16	1-Sep-21	MUTU-RSPO/003	
7	PT BAHARI GEMBIRA RIA	LADANG PANJANG	Kumpeh Ulu, Jambi, Muaro Jambi, Jambi	9-Jul-12	9-Jul-17	MUTU-RSPO/019	
8	PT TUNGGAL MITRA PLANTATIONS	MANGGALA	Riau, Indonesia	25-Nov-10	24-Nov-20	MUTU-RSPO/002	
9	PT PARIPURNA SWAKARSA	PONDOK LABU	Pamakan Selatan, Tanah Grogot, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/016	Recertification of Pondok Labu POM is in progress.
10	PT BERSAMA SEJAHTERA SAKTI	GUNUNG ARU	Sebamban, Indonesia	21-Oct-16	20-Oct-21	MUTU-RSPO/005	

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11	PT GUTHRIE PECCONINA	RANTAU PANJANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/017	Recertification of Rantau Panjang POM is in progress.
12 13	PT LAGUNA MANDIRI	RANTAU BETUNG	Sungai Durian, Kotabaru, Kalimantan Selatan	30-Dec-11 1-April-14	05-Feb-22 1-April-19	MUTU-RSPO/009 MUTU-RSPO/035	
14	PT INDOTRUBA TENGAH	SEKUNYIR	Kalimantan Tengah, Indonesia	23-Nov-10	22-Nov-20	MUTU-RSPO/001	
15	PT SWADAYA ANDIKA	SELABAK	Sungai Durian, Kotabaru, Kalimantan Selatan	16-Mar-12	16-Mar-17	MUTU-RSPO/015	Recertification of Selabak POM is in progress.
16	PT BINA SAINS CEMERLANG	SG PINANG	Muara Lakitan, Lubuk Linggau, Musi Rawas, Sumatera Selatan	11-Sep-12	11-Sep-17	MUTU-RSPO/020	
17	PT TEGUH SEMPURNA	PEMANTANG	Kuala Kuayan, Sampit, Kotawaringin Timur, Kalimantan Tengah	9-Sep-16	8-Sep-21	MUTU-RSPO/004	
18 19	PT BHUMIREKSA NUSA SEJATI	TELUK BAKAU MANDAH	Pelangiran, Sg. Guntung, Indragiri Ilir, Riau	01-Dec-16 1 April 2014	30-Nov-21 1 April 2019	MUTU-RSPO/008 MUTU-RSPO/036	
20	PT ANEKA INTIPERSADA	TELUK SIAK	Tualang, Perawang, Siak, Riau	8-Dec-16	7-Dec-21	MUTU-RSPO/007	
21	PT TAMACO GRAHA KRIDA	UNGKAYA	Witaponda, Kolonodale, Morowali, Sulawesi Tengah	10-Jul-12	10-Jul-17	MUTU-RSPO/018	
22	PT SIME INDO AGRO	BK AJONG	Kalimantan Barat, Indonesia	18-Jul-16	17-Jul-21	MUTU-RSPO/088	

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23	PT PADANG PALMA PERMAI/PT PERKASA SUBUR SAKTI	BLANG SIMPO	Karang Baru, Kuala Simpang, Aceh Tamiang, Nangroe Aceh Darussalam	3-May-13	3-May-18	MUTU-RSPO/026	
24	PT SANDIKA NATAPALMA/PT BUDIDAYA AGRO LESTARI	LEMBIRU	Desa Suka Karya Kec. Marau Kab. Ketapang, Kalimantan Barat	3-Jul-14	2-Jul-19	MUTU-RSPO/044	
25	PT MITRAL AUSTRAL SEJAHTERA	MAS Mill	Desa Rahayu Kec. Parindu Kab.Sanggau, Kalimantan Barat	NA	NA	NA	